



# ANNUAL REPORT

For the Year ended 30<sup>th</sup> June 2017

# ANNUAL REPORT 2016-2017



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# ANNUAL REPORT 2016-2017



## **MESSAGE FROM THE SHIRE PRESIDENT**

Under the leadership of CEO Jim Epis, and his senior officers (Deputy CEO Tanya Browning and Manager Works Dan Yates), the Shire of Leonora has continued working hard to achieve the goals of the community identified within the Strategic Community Plan. During the reporting period, an extensive review of this plan was commenced, which included extensive community engagement and outreach through a variety of mediums, including social media, radio, online / paper surveys, face to face workshops and community forums. The community participation was noted to have increased significantly from previous instances where similar plans have been reviewed or constructed which is a positive progression.

There have been some disappointments to the community following the recent change of government in 2016/17, with funding commitments for projects that were due to commence such as the sewerage infill extension program and aged care accommodation being withdrawn. This news was certainly a disappointment, given that funding commitments had already been made, however efforts are already underway to ensure that these projects are still pursued and other funding sources are being sought to support these initiatives which have been identified by the community for a number of years.

Despite these setbacks, a strong capital works program was achieved during the reporting period, including the preservation of the Gwalia Headframe, as well as significant buildings in the Gwalia precinct through continuation of projects approved under the National Stronger Regions Fund (NSRF). Good financial management and planning continue to be a key consideration across the organisation and it is pleasing to note that the Shire of Leonora has again succeeded in maintaining a sound financial position.

In March 2017, Deputy President for the Shire of Leonora, Cr Matt Taylor, resigned from the Council after six years of service (including one and a half years as Deputy President). I would like to take this opportunity to thank Cr Taylor for his contribution during his time representing the community as an elected member, and particularly for his support in the capacity of Deputy President on the Council.

On behalf of the Council and staff, I would like to thank the community for its participation in various events and activities, as we look forward to the coming year of projects and events that will see continued improvement and progress for the Shire of Leonora.

**Cr Peter Craig**  
**President**



# ANNUAL REPORT 2016-2017



## **MESSAGE FROM THE CHIEF EXECUTIVE OFFICER**

Once again, the Shire has achieved a 'clean' audit report with no points of statutory non-compliance noted during the 2016/17 reporting period.

With the introduction of new regulations in recent years relating to risk, the Audit and Risk Committee have been considering opportunities to not only reduce risk, but also ways to mitigate risks. This activity has resulted in improvements to a variety of operating systems, which has contributed to a satisfactory audit report in what has become a much more onerous compliance environment. Further work is planned in this area as an ongoing project, and will assist to ensure that the organisation is operating with appropriate control measures in place to ensure transparency in operations for the community and the Shire of Leonora.

With the change of government late in the 2016/17 reporting period, many changes to operating funding agreements have resulted in impacts to future continuity of many services, including services that have been long standing and ingrained within the community. The long term future of these services are somewhat uncertain, including funding for youth services, aged care facility development, road / transport, community resource centre, child care centre and recreation (pool). Shire staff are working very hard to establish communications with relevant agencies to maintain strong advocacy on behalf of the community for these services. The Council, and the administration, are committed to services and facilities identified within the Strategic Community Plan, and ensuring that all endeavours to preserve them are explored.

Dedication of the membership ensures the Shire of Leonora operates as one complete team. Council's support has remained steadfast and progressive throughout the year and is demonstrated by meeting attendances as highlighted below:

<b>COUNCILLOR</b>	<b>MEETING CONVENED</b>	<b>ATTENDED</b>	<b>% ATTENDANCE</b>
P J Craig	11	11	100%
M W V Taylor	7	4	57%
R A Norrie	11	10	91%
G W Baker	11	11	100%
L R Petersen	11	10	91%
R M Cotterill	11	11	100%
A E Taylor	11	10	91%

I would like to thank all the staff and Councillors for their perseverance and loyalty over the year in review. I look forward to the challenges and rewards that 2017/18 will present to us.

**Jim Epis**  
**Chief Executive Officer**

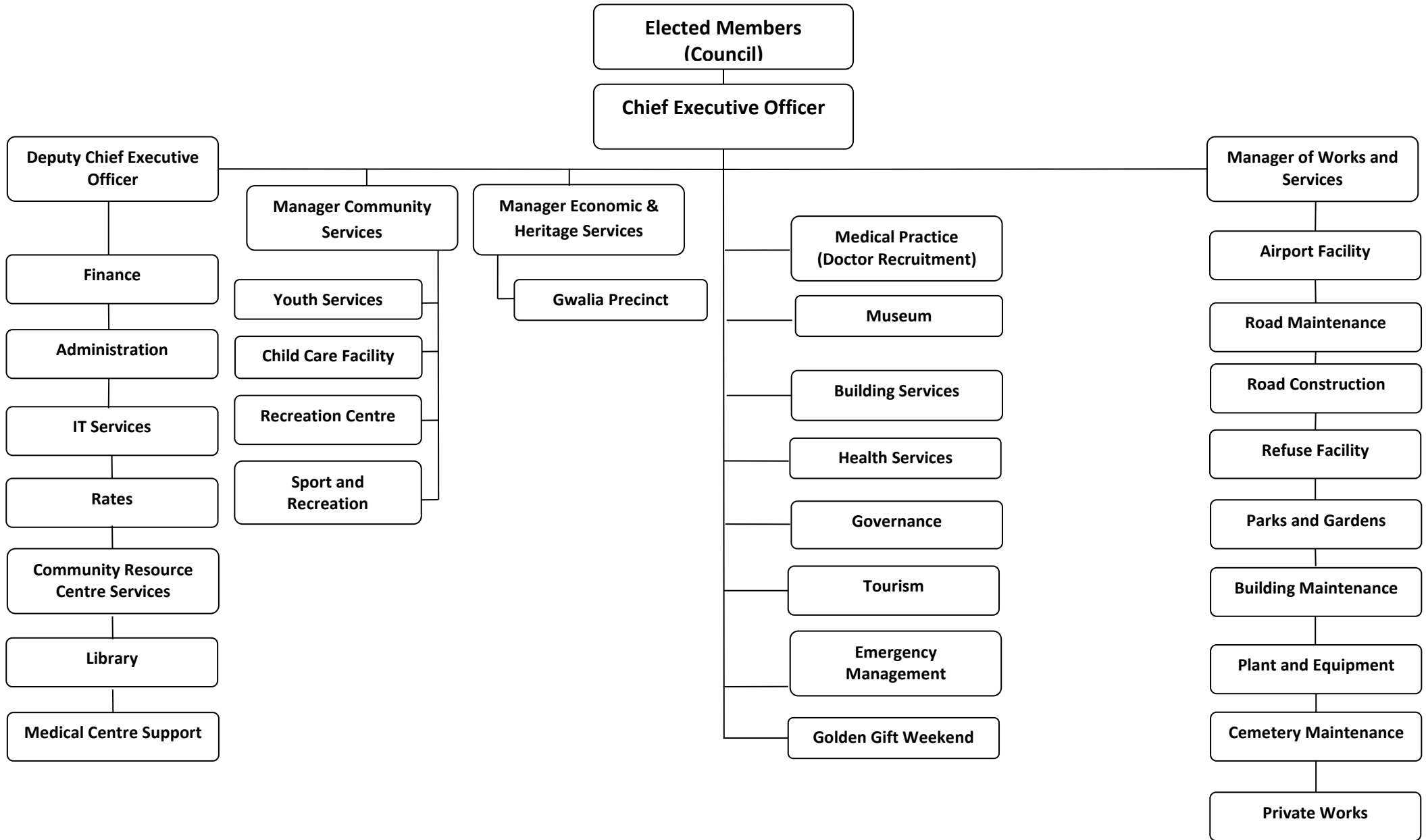
# ANNUAL REPORT 2016-2017



## COUNCILLOR DETAILS

POSITION	RETIREMENT YEAR	CONTACT	NUMBER
<b>PRESIDENT</b> Mr P CRAIG 9B North Road (PO Box 118) LEINSTER WA 6437	2019	WK HM FAX MOB EMAIL	08 9037 9191 08 9037 9054 08 9037 9192 0418 950 572 <a href="mailto:peter.craig@bagden.com.au">peter.craig@bagden.com.au</a>
<b>DEPUTY PRESIDENT</b> Mr R A NORRIE Lot 260 Queen Victoria (PO Box 397) LEONORA WA 6438	2019	WK HM FAX MOB EMAIL	08 9037 6777 08 9037 7389 08 9037 6788 0409 377 386 <a href="mailto:rossn@cbslaccountants.com">rossn@cbslaccountants.com</a>
Ms L R PETERSEN Lot 1114 Gwalia Street (PO Box 69) LEONORA WA 6438	2017	WK HM FAX MOB EMAIL	08 9037 6400 08 9037 6404 0419 177 232 <a href="mailto:Butsonsbs@westnet.com.au">Butsonsbs@westnet.com.au</a>
Mr GW BAKER "Waarnba" LOC 51 Laverton Road (PO Box 90) LEONORA WA 6438	2017	WK HM FAX MOB EMAIL	08 9037 6090 08 9037 6090 08 9037 6090 <a href="mailto:sixmile6@bigpond.com">sixmile6@bigpond.com</a>
Mr AE Taylor 1 Pinnacle Place LEINSTER WA 6437	2017	WK HM FAX MOB EMAIL	08 9037 4050 08 9037 3125 08 9238 1387 0417 174 374 <a href="mailto:alex@northfields.com.au">alex@northfields.com.au</a>
Mr RM Cotterill PO Box 8 LEONORA WA 6438	2017	WK HM FAX MOB EMAIL	08 9037 6167 08 9037 6167 0409 127 506 <a href="mailto:richardcotterill@live.com.au">richardcotterill@live.com.au</a>
<b>DEPUTY PRESIDENT                      (resigned March 2017)</b> Mr M W V Taylor 10 Forrest Street (PO Box 226) LEONORA WA 6438		WK HM FAX MOB EMAIL	08 6314 4712 0417 976 169 <a href="mailto:matt@pmcc.com.au">matt@pmcc.com.au</a>

# SHIRE OF LEONORA – ORGANISATIONAL CHART



**SHIRE OF LEONORA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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Principal place of business:  
16 Tower Street  
Leonora WA 6438

SHIRE OF LEONORA  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017

LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2017 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the *11<sup>TH</sup>* day of *OCTOBER* 2017

  
\_\_\_\_\_  
Jim Epis  
Chief Executive Officer



**SHIRE OF LEONORA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
Rates	21	5,319,401	5,303,874	5,239,642
Operating grants, subsidies and contributions	28	2,478,997	1,918,106	1,832,904
Fees and charges	27	1,335,517	1,210,623	1,372,872
Interest earnings	2(a)	32,373	64,798	100,022
Other revenue	2(a)	239,044	123,256	284,009
		<u>9,405,332</u>	<u>8,620,657</u>	<u>8,829,449</u>
<b>Expenses</b>				
Employee costs		(2,800,859)	(2,565,294)	(2,593,998)
Materials and contracts		(3,099,413)	(4,400,330)	(2,944,325)
Utility charges		(314,449)	(193,150)	(346,114)
Depreciation on non-current assets	2(a)	(2,724,508)	(1,180,621)	(2,183,745)
Insurance expenses		(262,734)	(255,999)	(251,404)
Other expenditure		(187,290)	(104,080)	(105,433)
		<u>(9,389,253)</u>	<u>(8,699,474)</u>	<u>(8,425,019)</u>
		16,079	(78,817)	404,430
Non-operating grants, subsidies and contributions	28	4,068,555	4,814,113	1,109,087
Profit on asset disposals	19	0	0	13,720
(Loss) on asset disposals	19	(56,755)	(115,352)	(72,561)
(Loss) on impairment of land and buildings	6(b)	(158,171)	0	0
<b>Net result</b>		<u><b>3,869,708</b></u>	<u><b>4,619,944</b></u>	<u><b>1,454,676</b></u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	11	(2,875,000)	0	1,164,381
<b>Total other comprehensive income</b>		<u><b>(2,875,000)</b></u>	<u><b>0</b></u>	<u><b>1,164,381</b></u>
<b>Total comprehensive income</b>		<u><u><b>994,708</b></u></u>	<u><u><b>4,619,944</b></u></u>	<u><u><b>2,619,057</b></u></u>

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

**SHIRE OF LEONORA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
Governance		987	4,500	3,961
General purpose funding		7,209,620	6,582,269	5,936,322
Law, order, public safety		7,637	10,200	14,934
Health		53,094	51,368	24,674
Education and welfare		231,340	222,568	254,549
Housing		30,478	38,650	34,879
Community amenities		427,443	271,029	282,860
Recreation and culture		233,798	202,420	279,266
Transport		600,035	566,614	1,114,831
Economic services		446,197	472,156	615,962
Other property and services		164,703	198,883	267,211
		<u>9,405,332</u>	<u>8,620,657</u>	<u>8,829,449</u>
<b>Expenses</b>				
Governance		(492,244)	(569,538)	(322,919)
General purpose funding		(334,426)	(382,336)	(506,008)
Law, order, public safety		(151,461)	(151,476)	(131,301)
Health		(566,209)	(579,147)	(563,355)
Education and welfare		(528,774)	(633,878)	(498,819)
Community amenities		(210,318)	(238,100)	(149,139)
Recreation and culture		(1,038,375)	(1,129,347)	(969,289)
Transport		(4,647,118)	(3,156,275)	(3,950,331)
Economic services		(1,432,437)	(1,829,377)	(1,296,227)
Other property and services		12,109	(30,000)	(37,631)
		<u>(9,389,253)</u>	<u>(8,699,474)</u>	<u>(8,425,019)</u>
		16,079	(78,817)	404,430
Non-operating grants, subsidies and contributions	28	4,068,555	4,814,113	1,109,087
Profit on disposal of assets	19	0	0	13,720
(Loss) on disposal of assets	19	(56,755)	(115,352)	(72,561)
(Loss) on impairment of land and buildings	6(b)	(158,171)	0	0
<b>Net result</b>		<u><b>3,869,708</b></u>	<u><b>4,619,944</b></u>	<u><b>1,454,676</b></u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	11	(2,875,000)	0	1,164,381
<b>Total other comprehensive income</b>		<u><b>(2,875,000)</b></u>	<u><b>0</b></u>	<u><b>1,164,381</b></u>
<b>Total comprehensive income</b>		<u><u><b>994,708</b></u></u>	<u><u><b>4,619,944</b></u></u>	<u><u><b>2,619,057</b></u></u>

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

**SHIRE OF LEONORA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2017**

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	5,171,547	7,259,324
Trade and other receivables	4	1,111,164	430,954
Inventories	5	40,848	47,200
<b>TOTAL CURRENT ASSETS</b>		<u>6,323,559</u>	<u>7,737,478</u>
<b>NON-CURRENT ASSETS</b>			
Inventories	5	576,096	576,096
Property, plant and equipment	6	21,622,411	17,455,835
Infrastructure	7	56,544,083	57,997,277
<b>TOTAL NON-CURRENT ASSETS</b>		<u>78,742,590</u>	<u>76,029,208</u>
<b>TOTAL ASSETS</b>		<u>85,066,149</u>	<u>83,766,686</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	806,158	482,239
Provisions	9	167,699	172,015
<b>TOTAL CURRENT LIABILITIES</b>		<u>973,857</u>	<u>654,254</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	9	66,884	81,732
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>66,884</u>	<u>81,732</u>
<b>TOTAL LIABILITIES</b>		<u>1,040,741</u>	<u>735,986</u>
<b>NET ASSETS</b>		<u>84,025,408</u>	<u>83,030,700</u>
<b>EQUITY</b>			
Retained surplus		44,887,770	41,402,301
Reserves - cash backed	10	2,411,600	2,027,361
Revaluation surplus	11	36,726,038	39,601,038
<b>TOTAL EQUITY</b>		<u>84,025,408</u>	<u>83,030,700</u>

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

**SHIRE OF LEONORA  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2015</b>		<b>40,945,690</b>	<b>1,029,296</b>	<b>38,436,657</b>	<b>80,411,643</b>
Comprehensive income					
Net result		1,454,676	0	0	1,454,676
Changes on revaluation of assets	11	<u>0</u>	<u>0</u>	<u>1,164,381</u>	<u>1,164,381</u>
Total comprehensive income		1,454,676	0	1,164,381	2,619,057
Transfers from/(to) reserves		(998,065)	998,065	0	0
<b>Balance as at 30 June 2016</b>		<b>41,402,301</b>	<b>2,027,361</b>	<b>39,601,038</b>	<b>83,030,700</b>
Comprehensive income					
Net result		3,869,708	0		3,869,708
Changes on revaluation of assets	11	<u>0</u>	<u>0</u>	<u>(2,875,000)</u>	<u>(2,875,000)</u>
Total comprehensive income		3,869,708	0	(2,875,000)	994,708
Transfers from/(to) reserves		(384,239)	384,239	0	0
<b>Balance as at 30 June 2017</b>		<b><u>44,887,770</u></b>	<b><u>2,411,600</u></b>	<b><u>36,726,038</u></b>	<b><u>84,025,408</u></b>

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

**SHIRE OF LEONORA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		5,319,875	5,303,874	5,205,873
Operating grants, subsidies and contributions		1,687,963	2,033,663	2,994,172
Fees and charges		1,335,517	1,210,623	1,372,872
Interest earnings		32,373	64,798	100,022
Goods and services tax		835,358	506,822	191,095
Other revenue		239,044	123,256	284,009
		<u>9,450,130</u>	<u>9,243,036</u>	<u>10,148,043</u>
<b>Payments</b>				
Employee costs		(2,831,495)	(2,565,294)	(2,550,367)
Materials and contracts		(2,757,670)	(4,400,330)	(2,819,273)
Utility charges		(314,449)	(193,150)	(346,114)
Insurance expenses		(262,734)	(255,999)	(251,404)
Goods and services tax		(725,008)	(506,822)	(294,433)
Other expenditure		(187,290)	(104,080)	(105,433)
		<u>(7,078,646)</u>	<u>(8,025,675)</u>	<u>(6,367,024)</u>
<b>Net cash provided by (used in) operating activities</b>	12(b)	<u>2,371,484</u>	<u>1,217,361</u>	<u>3,781,019</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(5,158,202)	(6,453,114)	(3,231,707)
Payments for construction of infrastructure		(3,480,525)	(4,760,625)	(1,479,144)
Non-operating grants, subsidies and contributions		4,068,555	4,814,113	1,109,087
Proceeds from sale of land held for resale		0	0	54,545
Proceeds from sale of fixed assets		110,911	166,000	203,136
<b>Net cash provided by (used in) investment activities</b>		<u>(4,459,261)</u>	<u>(6,233,626)</u>	<u>(3,344,083)</u>
<b>Net increase (decrease) in cash held</b>		(2,087,777)	(5,016,265)	436,936
Cash at beginning of year		7,259,324	7,259,324	6,822,388
<b>Cash and cash equivalents at the end of the year</b>	12(a)	<u>5,171,547</u>	<u>2,243,059</u>	<u>7,259,324</u>

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



**SHIRE OF LEONORA**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>Net current assets at start of financial year - surplus/(deficit)</b>	5,279,629	5,347,520	6,991,574
	<u>5,279,629</u>	<u>5,347,520</u>	<u>6,991,574</u>
<b>Revenue from operating activities (excluding rates)</b>			
Governance	987	4,500	3,961
General purpose funding	1,890,219	1,278,395	696,680
Law, order, public safety	7,637	10,200	14,934
Health	53,094	51,368	36,576
Education and welfare	231,340	222,568	254,549
Housing	30,478	38,650	34,879
Community amenities	427,443	271,029	282,860
Recreation and culture	233,798	202,420	279,266
Transport	600,035	566,614	1,116,649
Economic services	446,197	472,156	615,962
Other property and services	164,703	198,883	267,211
	<u>4,085,931</u>	<u>3,316,783</u>	<u>3,603,527</u>
<b>Expenditure from operating activities</b>			
Governance	(492,244)	(569,538)	(322,919)
General purpose funding	(334,426)	(382,336)	(506,008)
Law, order, public safety	(151,461)	(151,476)	(131,301)
Health	(573,889)	(590,341)	(563,355)
Education and welfare	(528,774)	(633,878)	(498,819)
Community amenities	(210,318)	(238,100)	(150,033)
Recreation and culture	(1,038,375)	(1,129,347)	(992,289)
Transport	(4,669,718)	(3,197,869)	(3,998,998)
Economic services	(1,432,437)	(1,829,377)	(1,296,227)
Other property and services	(172,537)	(92,564)	(37,631)
	<u>(9,604,179)</u>	<u>(8,814,826)</u>	<u>(8,497,580)</u>
<b>Operating activities excluded from budget</b>			
(Profit) on disposal of assets	19	0	(13,720)
Loss on disposal of assets	19	56,755	72,561
Loss on revaluation of land and buildings		158,171	0
Movement in accrued salaries and wages		43,083	17,410
Movement in employee benefit provisions		(19,164)	24,618
Depreciation and amortisation on assets	2(a)	2,724,508	2,183,745
<b>Amount attributable to operating activities</b>		<u>2,724,734</u>	<u>4,382,135</u>
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions		4,068,555	4,814,113
Proceeds from disposal of land held for resale		0	54,545
Proceeds from disposal of assets	19	110,911	203,136
Purchase of property, plant and equipment	6(b)	(5,158,202)	(3,231,707)
Purchase and construction of infrastructure	7(b)	(3,480,525)	(1,479,144)
<b>Amount attributable to investing activities</b>		<u>(4,459,261)</u>	<u>(3,344,083)</u>
<b>FINANCING ACTIVITIES</b>			
Transfers to reserves (restricted assets)	10	(484,239)	(998,065)
Transfers from reserves (restricted assets)	10	100,000	0
<b>Amount attributable to financing activities</b>		<u>(384,239)</u>	<u>(998,065)</u>
<b>Surplus(deficiency) before general rates</b>		<u>(2,118,766)</u>	<u>39,987</u>
<b>Total amount raised from general rates</b>	21	<u>5,319,401</u>	<u>5,239,642</u>
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	22	<u><u>3,200,635</u></u>	<u><u>0</u></u>
		<u><u>5,303,874</u></u>	<u><u>5,279,629</u></u>

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PREPARATION**

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

Except for cash flow and rate setting information, the 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.

**CRITICAL ACCOUNTING ESTIMATES**

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

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

**THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 18 to these financial statements.

**(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) Cash and Cash Equivalents**

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

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(c) Trade and Other Receivables**

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

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

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

**(d) Inventories**

***General***

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

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

***Land held for sale***

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

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

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

**(e) 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, where applicable, any accumulated depreciation and impairment losses.

***Mandatory requirement to revalue non-current assets***

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

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

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

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

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Fixed Assets (Continued)**

***Land under control***

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

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

***Initial recognition and measurement between mandatory revaluation dates***

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the 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 acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

***Revaluation***

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

***Land under roads***

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

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

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

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

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Fixed Assets (Continued)**

***Depreciation***

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

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

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Buildings	30 to 50 years
Furniture and equipment	2 to 15 years
Plant and equipment	5 to 15 years
Infrastructure	10 to 60 years

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

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

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

***Capitalisation threshold***

The Shire of Leonora does not have a capitalisation threshold. Capitalisation of assets will be at the discretion of the Chief Executive Officer in accordance with good asset management practices and considerations.



**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Fair Value of Assets and Liabilities**

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

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.

***Fair value hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

***Valuation techniques***

The 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.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Income approach**

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

**Cost approach**

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the 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.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

**(g) Financial Instruments**

***Initial recognition and measurement***

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

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

***Classification and subsequent measurement***

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

Amortised cost is calculated as:

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

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Financial Instruments (Continued)**

***Classification and subsequent measurement (continued)***

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

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

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

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

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

*(v) Financial liabilities*

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Financial Instruments (Continued)**

***Impairment***

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

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

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

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

***Derecognition***

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

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

**(h) 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) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

**(i) 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 goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Employee Benefits**

**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. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**Other long-term employee benefits**

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

**(k) Borrowing Costs**

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

**(l) 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.

**(m) Leases**

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

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

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

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

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



**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(n) Investment in Associates**

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

**(o) Interests in Joint Arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the proportionate consolidation method. Refer below for a description of the proportionate consolidation method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 15.

**(p) Rates, Grants, Donations and Other Contributions**

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

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

**(q) 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.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(r) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Shire's intentions to release for sale.

**(s) Rounding Off Figures**

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

**(t) 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 statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**(u) Budget Comparative Figures**

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

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

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2018	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.  The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.  Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> <li>- Assets received below fair value;</li> <li>- Transfers received to acquire or construct non-financial assets;</li> <li>- Grants received;</li> <li>- Prepaid rates;</li> <li>- Leases entered into at below market rates; and</li> <li>- Volunteer services.</li> </ul> <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

**(w) Adoption of New and Revised Accounting Standards**

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

<p>(i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</p> <p>[AASB 10, 124 &amp; 1049]</p>	<p>The objective of this Standard was to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.</p>
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**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

<b>2. REVENUE AND EXPENSES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net result includes:		
(i) Charging as an expense:		
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	11,000	8,500
- Other services	3,800	1,500
- Disbursements	8,855	3,579
<b>Depreciation</b>		
Buildings - non-specialised	286,281	233,192
Furniture and equipment	3,700	8,729
Plant and equipment	402,983	398,927
Playground	825	0
Roads	1,781,047	1,536,088
Improvements and infrastructure	249,672	6,809
	<u>2,724,508</u>	<u>2,183,745</u>
<b>Rental charges</b>		
- Operating leases	14,339	14,484
	<u>14,339</u>	<u>14,484</u>
(ii) Crediting as revenue:		
<b>Significant revenue</b>		
General Purpose funding	<u>645,993</u>	<u>0</u>
<b>Other revenue</b>		
Reimbursements and recoveries	128,451	211,980
Other	110,593	72,029
	<u>239,044</u>	<u>284,009</u>
	<u>2,724,508</u>	<u>2,183,745</u>
	<b>2017</b>	<b>2017</b>
	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>
<b>Interest earnings</b>		<b>2016</b>
- Reserve funds	17,300	<b>Actual</b>
- Other funds	15,073	<b>\$</b>
	<u>32,373</u>	<u>44,944</u>
	<u>64,798</u>	<u>55,078</u>
	<u>32,373</u>	<u>100,022</u>



**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**2. REVENUE AND EXPENSES (Continued)**

**(b) Statement of Objective**

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

**COMMUNITY VISION**

The Shire of Leonora will be a progressive Shire supporting its residents in an environment of development while maintaining quality of life, values and retaining ownership of its future. Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

**GOVERNANCE**

**Objective:**

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

**Activities:**

Includes costs and revenues associated with the President and Councillors in the exercise of their obligations as a governing body. Items of expenditure include conference, travel meeting attendance fees, presidential allowance, receptions, donations, subscriptions and phone rentals. Costs of advertising and conducting elections are also included. Revenues include election nomination fees and reimbursements by members for private expenses.

An administration cost is also allocated which enables staff to process Council Meetings procedures, implement all government decisions and conduct Council meetings. Cost of conducting audit of Council books of accounts and procedures is also included under this heading.

**GENERAL PURPOSE FUNDING**

**Objective:**

To collect revenue to allow for the provision of services.

**Activities:**

**1. Rates**

- (a) GRV (gross rental value) refers to property rates for Leonora, Gwalia, Leinster and Agnew town sites and operational mines and associated infrastructure.
- (b) UV (unimproved value) refers to mining properties and tenements ( other than mines and other associated infrastructure) and includes prospecting licences, exploration licences and mining leases. It also refers to broad acre rural pastoral properties.
- (c) Additional rates and rates written back refer mainly to mining rates where tenements are granted or surrendered following the adoption of the budget.
- (d) Administration charge refers to the charge levied on ratepayers electing to make payment of rates on the offered instalment plan and is based on the actual cost involved in administering this process.
- (e) Administration costs allocated are the costs of maintaining records, levying and collecting all rates.

**2. Grants**

- (a) Grants Commission - a general purpose grant allocated annually by the Federal Government to all local governments. The amount is determined by various formulae devised by the Grants Commission, with a significant component being based on population.
- (b) Roads Grant - An untied road grant allocated by the Federal Government and again distributed by the Grants Commission utilising a pre-determined formula.
- (c) Administration costs allocated to grants refers to the costs associated in collection of Federal Government grants including provision and updating of data used in grants commission formula.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**2. REVENUE AND EXPENSES (Continued)**

**(b) Statement of Objective (Continued)**

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

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

**Activities:**

Costs and revenues associated with animal control within the Shire and also included fire insurance, dog control and registration.

**HEALTH**

**Objective:**

To provide an operational framework for environmental and community health.

**Activities:**

Costs and revenues associated with compliance with the Health Act including inspections and approvals, food quality control, mosquito control, septic tank inspection/control, food hygiene inspection/control, contribution to doctors expenses, Royal Flying Doctor donation and notification of disease.

**EDUCATION AND WELFARE**

**Objective:**

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

**Activities:**

Provision of support for education and aged and disabled facilities within the district for the betterment of the residents.

**HOUSING**

**Objective:**

To provide and maintain staff housing

**Activities:**

Costs of maintaining Council owned accommodation units and collection of rentals paid by staff for the use of those buildings. Costs that can be accurately attributed to other programs are allocated. Accommodation included 9 houses, 2 duplexes and a single persons quarters.

**COMMUNITY AMENITIES**

**Objective:**

To provide services required by the community.

**Activities:**

Costs of collection and disposal of domestic and commercial refuse for the town site of Leonora and Gwalia and maintenance of the landfill refuse site. Revenue collection by way of an annual fee for this service which is included on rate assessment notices.

Costs associated with review and administration of Council's Town Planning Scheme.

Provision of Christmas decorations in Leonora Town site.

Operation of the Leonora Cemetery.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**2. REVENUE AND EXPENSES (Continued)**

**(b) Statement of Objective (Continued)**

**RECREATION AND CULTURE**

**Objective:**

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

**Activities:**

Provision and maintenance of Council owned parks, gardens and grassed oval/recreation ground at Leonora and a contribution to similar facilities within Leinster townsite.

Costs of operation and maintenance of a purpose built recreation centre which includes indoor basketball court, two squash courts, kitchen, gymnasium and associated facilities and revenues collected from the public for the use of these facilities.

Costs of maintenance of Council owned and provided television and radio re-transmission service which includes GWN, WIN and SBS television and WAFM and ABC fine music radio.

Costs and revenues associated with the operation and maintenance of library facilities at Leonora in conjunction with the Library Board of Western Australia.

**TRANSPORT**

**Objective:**

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

**Activities:**

Maintenance and improvements of 1,300 kilometres of Council controlled unsealed roads, town site footpaths and streets, drainage control, street cleaning and provision and maintenance of street trees. Costs of providing electricity for steel lights in the Leonora/Gwalia town sites and maintenance of Council's works depot and associated infrastructure.

Operation, maintenance and management of Leonora Aerodrome including runways, runway lighting, tarmac and terminal building and gardens. Purchase of aviation fuel for resale to aircraft operators.

Revenues by way of landing fees and Head Tax charges charged to all aircraft with the exception of the Royal Flying Doctors Service, lease/renting of building to all users of facilities and charges for fuel supplied to aircraft.

**ECONOMIC SERVICES**

**Objective:**

To help promote the shire and its economic wellbeing.

**Activities:**

Costs associated with tourism promotion throughout the Shire including employment of a Curator/Promotion Officer at the Gwalia Museum and historic precinct.

**OTHER PROPERTY AND SERVICES**

**Objective:**

To monitor and control Shire's overheads operating accounts.

**Activities:**

Costs and revenues for private hire of Council machinery and operators for completion of private works for ratepayers and others.

Costing allocation pools including administration, overheads, plant operation costs and salaries and wages which are all individually detailed and then allocated throughout all previously mentioned operating activities, works and services.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**2. REVENUE AND EXPENSES (Continued)**

**(c) Conditions Over Grants/Contributions**

<b>Grant/Contribution</b>	<b>Opening Balance <sup>(1)</sup> 1/07/15 \$</b>	<b>Received <sup>(2)</sup> 2015/16 \$</b>	<b>Expended <sup>(3)</sup> 2015/16 \$</b>	<b>Closing Balance <sup>(1)</sup> \$</b>	<b>Received <sup>(2)</sup> 2016/17 \$</b>	<b>Expended <sup>(3)</sup> 2016/17 \$</b>	<b>Closing Balance 30/06/17 \$</b>
<b>General purpose funding</b>							
Government Grant	5,213	0	0	5,213	0	0	5,213
CLGF	997	0	0	997	0	(997)	0
Workforce Planning Grant	16,210	0	0	16,210	0	(16,210)	0
<b>Education and welfare</b>							
SIHI Aged Care Grant	0	0	0	0	195,000	0	195,000
<b>Recreation and culture</b>							
Suicide Prevention Program	0	26,051	(25,786)	265	0	0	265
Shade sails Town Park	0	0	0	0	25,000	0	25,000
<b>Economic services</b>							
Northern Goldfields Regional Office and Administration	4,550,799	85,415	(2,159,089)	2,477,125		(2,477,125)	0
<b>Total</b>	<b><u>4,573,219</u></b>	<b><u>111,466</u></b>	<b><u>(2,184,875)</u></b>	<b><u>2,499,810</u></b>	<b><u>220,000</u></b>	<b><u>(2,494,332)</u></b>	<b><u>225,478</u></b>

**Notes:**

**(1)** - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

**(2)** - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

**(3)** - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	Note	2017 \$	2016 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		2,534,469	2,732,153
Restricted		<u>2,637,078</u>	<u>4,527,171</u>
		<u><u>5,171,547</u></u>	<u><u>7,259,324</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Annual leave reserve	10	161,138	160,064
Long service leave reserve	10	131,683	130,805
Building reserve	10	600,339	347,991
Fire disaster reserve	10	30,833	26,654
Plant purchase reserve	10	511,360	391,726
Gwalia precinct reserve	10	373,271	470,121
Waste management reserve	10	502,976	500,000
Airport runway construction reserve	10	100,000	0
Unspent grants	2(c)	<u>225,478</u>	<u>2,499,810</u>
		<u><u>2,637,078</u></u>	<u><u>4,527,171</u></u>
<b>4. TRADE AND OTHER RECEIVABLES</b>			
<b>Current</b>			
Rates outstanding		116,441	116,915
Sundry debtors		988,104	194,690
GST receivable		5,074	115,424
Interest accrued		0	3,925
Deposits and prepayments		<u>1,545</u>	<u>0</u>
		<u><u>1,111,164</u></u>	<u><u>430,954</u></u>
<b>5. INVENTORIES</b>			
<b>Current</b>			
Fuel and materials		<u>40,848</u>	<u>47,200</u>
		<u><u>40,848</u></u>	<u><u>47,200</u></u>
<b>Non-current</b>			
Land held for resale			
Cost of acquisition		1,719	1,719
Development costs		<u>574,377</u>	<u>574,377</u>
		<u><u>576,096</u></u>	<u><u>576,096</u></u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>6 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings		
- Independent valuation 2014 - level 2 & 3	0	957,000
- Independent valuation 2017 - level 2 & 3	<u>854,000</u>	<u>0</u>
	854,000	957,000
 Buildings - non-specialised at:		
- Independent valuation 2014 - level 2 & 3	0	10,971,302
- Independent valuation 2017 - level 2 & 3	18,450,300	0
- Additions after valuation - cost	0	3,342,726
Less: accumulated depreciation	<u>0</u>	<u>(454,795)</u>
	18,450,300	13,859,233
 Total land and buildings	<u>19,304,300</u>	<u>14,816,233</u>
 Furniture and equipment at:		
- Management valuation 2016 - level 3	18,502	18,502
Less: accumulated depreciation	<u>(3,700)</u>	<u>0</u>
	14,802	18,502
 Plant and equipment at:		
- Independent valuation 2016 - level 3	2,069,434	2,237,100
- Management valuation 2016 - level 2 & 3	351,000	351,000
- Additions after valuation - cost	253,683	0
Less: accumulated depreciation	<u>(402,983)</u>	<u>0</u>
	2,271,134	2,588,100
 Playground at:		
- Management valuation 2015 - level 3	33,000	33,000
Less: accumulated depreciation	<u>(825)</u>	<u>0</u>
	32,175	33,000
	<u>21,622,411</u>	<u>17,455,835</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**6. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Movements in Carrying Amounts**

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold land	957,000	0	0	0	0	(103,000)	0	0	854,000
<b>Total land</b>	<b>957,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(103,000)</b>	<b>0</b>	<b>0</b>	<b>854,000</b>
Buildings - non-specialised	13,859,233	4,904,519	0	0	0	(55,171)	(286,281)	28,000	18,450,300
<b>Total buildings</b>	<b>13,859,233</b>	<b>4,904,519</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(55,171)</b>	<b>(286,281)</b>	<b>28,000</b>	<b>18,450,300</b>
<b>Total land and buildings</b>	<b>14,816,233</b>	<b>4,904,519</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(158,171)</b>	<b>(286,281)</b>	<b>28,000</b>	<b>19,304,300</b>
Furniture and equipment	18,502						(3,700)		14,802
Plant and equipment	2,588,100	253,683	(167,666)				(402,983)		2,271,134
Playground	33,000	0					(825)		32,175
<b>Total property, plant and equipment</b>	<b>17,455,835</b>	<b>5,158,202</b>	<b>(167,666)</b>	<b>0</b>	<b>0</b>	<b>(158,171)</b>	<b>(693,789)</b>	<b>28,000</b>	<b>21,622,411</b>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**6. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Land and buildings</b>					
Land - freehold land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2017	Price per hectare / market borrowing rate
Land - vested in and under the control of Council	3	Improvements to land, valued using cost approach using depreciated replacement cost	Management valuation	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	2 & 3	Improvements to land, valued using cost approach method using depreciated replacement cost	Independent registered valuer	June 2017	Price per square metre / market borrowing rate
<b>Furniture and equipment</b>					
	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Plant and equipment</b>					
- Independent valuation 2016	3	Market approach using recent observable market data for similar assets	Independent valuer	June 2016	Market price per item
- Management valuation 2016	2 & 3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Playground</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) 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 by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.



**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>7 (a). INFRASTRUCTURE</b>		
Roads		
- Management valuation 2016 - level 3	48,268,197	51,143,197
- Additions after valuation - cost	1,535,027	0
Less: accumulated depreciation	<u>(1,781,047)</u>	<u>0</u>
	48,022,177	51,143,197
Improvements and infrastructure		
- Management valuation 2015 - level 3	6,686,000	6,686,000
- Additions after valuation - cost	2,110,837	165,338
- Transfers cost	(18,450)	9,551
Less: accumulated depreciation	<u>(256,481)</u>	<u>(6,809)</u>
	8,521,906	6,854,080
	<u>56,544,083</u>	<u>57,997,277</u>

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A(2) which requires infrastructure to be shown at fair value.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**7. INFRASTRUCTURE (Continued)**

**(b) Movements in Carrying Amounts**

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

	<b>Balance as at the Beginning of the Year</b>	<b>Additions</b>	<b>(Disposals)</b>	<b>Revaluation Increments/ (Decrements) Transferred to Revaluation</b>	<b>Depreciation (Expense)</b>	<b>Transfers</b>	<b>Carrying Amount at the End of the Year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Roads	51,143,197	1,535,027	0	(2,875,000)	(1,781,047)	0	48,022,177
Improvements and infrastructure	6,854,080	1,945,498	0	0	(249,672)	(28,000)	8,521,906
<b>Total infrastructure</b>	<b><u>57,997,277</u></b>	<b><u>3,480,525</u></b>	<b><u>0</u></b>	<b><u>(2,875,000)</u></b>	<b><u>(2,030,719)</u></b>	<b><u>(28,000)</u></b>	<b><u>56,544,083</u></b>

\* NOTE: WANDRRA flood damage January 2017 has been disclosed as a devaluation through the Revaluation Reserve.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**7. INFRASTRUCTURE (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Roads</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Improvements and infrastructure</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) 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.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	696,670	363,244
Accrued salaries and wages	94,834	51,751
ATO liabilities	0	54,555
Credit cards	14,654	12,689
	<u>806,158</u>	<u>482,239</u>

**9. PROVISIONS**

	<b>Provision for Annual Leave</b>	<b>Provision for Long Service Leave</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Opening balance at 1 July 2016</b>			
Current provisions	124,135	47,880	172,015
Non-current provisions	0	81,732	81,732
	<u>124,135</u>	<u>129,612</u>	<u>253,747</u>
Additional provision	142,495	13,371	155,866
Amounts used	(152,285)	(22,745)	(175,030)
<b>Balance at 30 June 2017</b>	<u>114,345</u>	<u>120,238</u>	<u>234,583</u>
<b>Comprises</b>			
Current	114,345	53,354	167,699
Non-current	0	66,884	66,884
	<u>114,345</u>	<u>120,238</u>	<u>234,583</u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**10. RESERVES - CASH BACKED**

	Actual 2017 Opening Balance \$	Actual 2017 Transfer to \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer to \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
Annual leave reserve	160,064	1,074	0	161,138	160,064	1,201		161,265	157,964	2,100	0	160,064
Long service leave reserve	130,805	878	0	131,683	130,805	981	0	131,786	129,089	1,716	0	130,805
Building reserve	347,991	252,348	0	600,339	347,991	254,485	0	602,476	244,660	103,331	0	347,991
Fire disaster reserve	26,654	4,179	0	30,833	26,654	4,230	0	30,884	22,354	4,300	0	26,654
Plant purchase reserve	391,726	119,634	0	511,360	391,726	98,650	0	490,376	307,574	84,152	0	391,726
Gwalia precinct reserve	470,121	3,150	(100,000)	373,271	470,121	2,776	(100,000)	372,897	167,655	302,466	0	470,121
Waste management reserve	500,000	2,976	0	502,976	500,000	2,625	(150,000)	352,625	0	500,000	0	500,000
Airport runway construction reserve	0	100,000	0	100,000	0	100,750		100,750	0	0	0	0
	<u>2,027,361</u>	<u>484,239</u>	<u>(100,000)</u>	<u>2,411,600</u>	<u>2,027,361</u>	<u>465,698</u>	<u>(250,000)</u>	<u>2,243,059</u>	<u>1,029,296</u>	<u>998,065</u>	<u>0</u>	<u>2,027,361</u>

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

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

<b>Name of Reserve</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
Annual leave reserve	2017-2027	- to be used to offset Council's leave liability to its employees.
Long service leave reserve	2017-2027	- to be used to offset Council's long service leave liability to its employees.
Building reserve	2017-2027	- to be used for the construction and preservation of Council buildings and urgent repairs and maintenance.
Fire disaster reserve	2017-2027	- to be used to in the provision of emergency contingencies in the case of a fire disaster.
Plant purchase reserve	2017-2027	- to be used for the purchase of major plant.
Gwalia precinct reserve	2017-2027	- to be used for the restoration and historical projects in the Gwalia precinct.
Waste management reserve	2017-2018	- to be used for management and compliance works associated with the rubbish tip and liquid waste disposal sites.
Airport runway construction reserve	2018-2027	- to be used for the maintenance, renewal and upgrade works at the Leonora Airport.

The leave and plant reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**11. REVALUATION SURPLUS**

	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>
	<b>Opening</b>	<b>Revaluation</b>	<b>Revaluation</b>	<b>Total</b>	<b>Closing</b>	<b>Opening</b>	<b>Revaluation</b>	<b>Revaluation</b>	<b>Total</b>	<b>Closing</b>
	<b>Balance</b>	<b>Increment</b>	<b>(Decrement)</b>	<b>Movement on</b>	<b>Balance</b>	<b>Balance</b>	<b>Increment</b>	<b>(Decrement)</b>	<b>Movement on</b>	<b>Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revaluation surplus - Plant and equipment	341,434	0	0	0	341,434	44,891	296,543	0	296,543	341,434
Revaluation surplus - Playground	33,000	0	0	0	33,000	33,000	0	0	0	33,000
Revaluation surplus - Roads	32,952,254	0	(2,875,000)	(2,875,000)	30,077,254	32,084,416	867,838	0	867,838	32,952,254
Revaluation surplus - Improvements and Infrastructure	6,274,350	0	0	0	6,274,350	6,274,350	0	0	0	6,274,350
	<u>39,601,038</u>	<u>0</u>	<u>(2,875,000)</u>	<u>(2,875,000)</u>	<u>36,726,038</u>	<u>38,436,657</u>	<u>1,164,381</u>	<u>0</u>	<u>1,164,381</u>	<u>39,601,038</u>

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**12. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Cash and cash equivalents	<u>5,171,547</u>	<u>2,243,059</u>	<u>7,259,324</u>

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

Net result	3,869,708	4,619,944	1,454,676
Non-cash flows in Net result:			
Depreciation	2,724,508	1,180,621	2,183,745
(Profit)/Loss on sale of asset	56,755	115,352	58,841
Loss on impairment of fixed assets	158,171	0	0
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(680,210)	115,557	1,024,161
(Increase)/Decrease in inventories	6,352	0	(17,055)
Increase/(Decrease) in payables	323,919	0	161,120
Increase/(Decrease) in provisions	(19,164)	0	24,618
Grants contributions for the development of assets	<u>(4,068,555)</u>	<u>(4,814,113)</u>	<u>(1,109,087)</u>
Net cash from operating activities	<u>2,371,484</u>	<u>1,217,361</u>	<u>3,781,019</u>

**(c) Undrawn Borrowing Facilities**  
**Credit Standby Arrangements**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	35,000	35,000
Credit card balance at balance date	<u>(14,654)</u>	<u>(546)</u>
<b>Total amount of credit unused</b>	<u>20,346</u>	<u>34,454</u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**13. CONTINGENT LIABILITIES**

There were no known contingent liabilities at the reporting date.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>14. CAPITAL AND LEASING COMMITMENTS</b>		
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	17,066	10,713
- later than one year but not later than five years	24,163	18,747
	<u>41,229</u>	<u>29,460</u>

**(b) Capital Expenditure Commitments**

Contracted for:		
- capital expenditure projects	742,182	4,528,200
Payable:		
- not later than one year	742,182	4,528,200

The capital expenditure project outstanding at the end of the current reporting period represents deconstruction and reconstruction of the Gwalia Headframe.

The prior year commitment was for the construction of the Northern Goldfields Office and Administration Centre (NGROAC)



**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**15. JOINT VENTURE ARRANGEMENTS**

The Shire together with the Shire of Coolgardie, Dundas, Esperance, Laverton, Menzies, Ngaanyatjaraku, Ravensthorpe and Wiluna have a joint venture arrangement with regards to the provision of a Regional Records Service. The assets included in the joint venture recorded in the Shire's one-tenth share are as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current assets</b>		
Land and buildings	75,500	75,500
Less: accumulated depreciation	<u>(5,662)</u>	<u>(3,775)</u>
	<u><u>69,838</u></u>	<u><u>71,725</u></u>
Furniture and Equipment	8,204	8,204
Less: accumulated depreciation	<u>(902)</u>	<u>0</u>
	<u><u>7,302</u></u>	<u><u>8,204</u></u>
Plant and equipment	4,182	4,182
Less: accumulated depreciation	<u>(504)</u>	<u>0</u>
	<u><u>3,678</u></u>	<u><u>4,182</u></u>
Light vehicles	3,200	3,200
Less: accumulated depreciation	<u>(480)</u>	<u>0</u>
	<u><u>2,720</u></u>	<u><u>3,200</u></u>

**16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
General purpose funding	116,411	116,914
Law, order, public safety	57,833	54,654
Health	208,468	242,800
Education and welfare	21,692	7,438
Housing	1,452,000	1,742,040
Community amenities	2,295,444	2,230,364
Recreation and culture	8,435,256	8,174,222
Transport	57,418,169	61,400,131
Economic services	8,986,748	4,143,107
Other property and services	2,720,037	2,507,992
Unallocated	<u>3,354,091</u>	<u>3,147,024</u>
	<u><u>85,066,149</u></u>	<u><u>83,766,686</u></u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	2017	2016	2015
<b>17. FINANCIAL RATIOS</b>			
Current ratio	4.57	6.50	7.80
Asset sustainability ratio	1.33	0.82	0.34
Debt service cover ratio	0.00	0.00	0.00
Operating surplus ratio	(0.03)	0.05	(0.30)
Own source revenue coverage ratio	0.71	0.82	0.68

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

**Notes:**

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 55 of this document.

Two of the 2017 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grant in June 2017.

The early payment of the grant increased operating revenue in 2017 by \$645,993.

Two of the 2016 and 2015 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015.

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$620,436.

If recognised in the year to which the allocation related, the calculations in the 2017, 2016 and 2015 columns above would be as follows:

	2017	2016	2015
Current ratio	3.77	5.86	6.01
Operating surplus ratio	(0.12)	0.14	(0.39)

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**18. TRUST FUNDS**

There are no funds held at 30 June 2017 over which the Shire has no control.

**19. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR**

The following assets were disposed of during the year.

	<b>Actual Net Book Value \$</b>	<b>Actual Sale Proceeds \$</b>	<b>Actual Profit \$</b>	<b>Actual Loss \$</b>	<b>Budget Net Book Value \$</b>	<b>Budget Sale Proceeds \$</b>	<b>Budget Profit \$</b>	<b>Budget Loss \$</b>
<b>Plant and Equipment</b>								
Health								
Nissan Pathfinder	28,135	20,455	0	(7,680)	31,194	20,000	0	(11,194)
Transport								
Triton 4x4 Dual Cab	25,940	15,455	0	(10,485)	33,858	16,000	0	(17,858)
Ford Ranger	32,115	20,001	0	(12,114)	43,736	20,000	0	(23,736)
Other property and services								
Territory Titanium	41,637	30,000	0	(11,637)	46,458	30,000	0	(16,458)
Nissan Navara	39,839	25,000	0	(14,839)	56,099	25,000	0	(31,099)
2014 Ford FPV	0	0	0	0	70,007	55,000	0	(15,007)
	<u>167,666</u>	<u>110,911</u>	<u>0</u>	<u>(56,755)</u>	<u>281,352</u>	<u>166,000</u>	<u>0</u>	<u>(115,352)</u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**20. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

The Shire had no borrowings as at 30 June 2017.

(b) New Debentures - 2016/17

The Shire did not take up any new debentures during the year ended 30 June 2017.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2017.

(d) Overdraft

The Shire does not have an overdraft facility.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**21. RATING INFORMATION - 2016/17 FINANCIAL YEAR**

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>General rate</b>											
<b>Gross rental value valuations</b>											
GRV	0.0667	676	15,313,822	4,052,476	(568)	0	4,051,908	1,021,432	1,500	0	1,022,932
<b>Unimproved value valuations</b>											
UV	0.1463	1,805	27,701,736	1,021,205	12,512	0	1,033,717	4,052,764	(13,502)	0	4,039,262
<b>Sub-Total</b>		2,481	43,015,558	5,073,681	11,944	0	5,085,625	5,074,196	(12,002)	0	5,062,194
<b>Minimum payment</b>	<b>Minimum \$</b>										
<b>Gross rental value valuations</b>											
GRV	304	83	114,261	25,232	0	0	25,232	25,232	0	0	25,232
<b>Unimproved value valuations</b>											
UV	304	712	786,832	208,544	0	0	208,544	216,448	0	0	216,448
<b>Sub-Total</b>		795	901,093	233,776	0	0	233,776	241,680	0	0	241,680
		<b>3,276</b>	<b>43,916,651</b>	<b>5,307,457</b>	<b>11,944</b>	<b>0</b>	<b>5,319,401</b>	<b>5,315,876</b>	<b>(12,002)</b>	<b>0</b>	<b>5,303,874</b>
<b>Total amount raised from general rate</b>							<b>5,319,401</b>				<b>5,303,874</b>
<b>Totals</b>							<u>5,319,401</u>				<u>5,303,874</u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**22. NET CURRENT ASSETS**

Composition of net current assets

	2017	2017	2016
	(30 June 2017 Carried Forward) \$	(1 July 2016 Brought Forward) \$	(30 June 2016 Carried Forward) \$
<b>Surplus/(Deficit) 1 July 16 brought forward</b>	<u>3,200,635</u>	<u>5,279,629</u>	<u>5,279,629</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	2,534,469	2,732,153	2,732,153
Restricted	2,637,078	4,527,171	4,527,171
Receivables			
Rates outstanding	116,441	116,915	116,915
Sundry debtors	988,104	194,690	194,690
GST receivable	5,074	115,424	115,424
Interest accrued	0	3,925	3,925
Deposits and prepayments	1,545	0	0
Inventories			
Fuel and materials	40,848	47,200	47,200
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(696,670)	(363,244)	(363,244)
Accrued salaries and wages	(94,834)	(51,751)	(51,751)
ATO liabilities	0	(54,555)	(54,555)
Credit cards	(14,654)	(12,689)	(12,689)
Provisions			
Provision for annual leave	(114,345)	(124,135)	(124,135)
Provision for long service leave	(53,354)	(47,880)	(47,880)
<b>Unadjusted net current assets</b>	<u><b>5,349,702</b></u>	<u><b>7,083,224</b></u>	<u><b>7,083,224</b></u>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(2,411,600)	(2,027,361)	(2,027,361)
Add: Accrued salaries and wages	94,834	51,751	51,751
Add: Provision for annual leave	114,345	124,135	124,135
Add: Provision for long service leave	53,354	47,880	47,880
<b>Adjusted net current assets - surplus/(deficit)</b>	<u><u><b>3,200,635</b></u></u>	<u><u><b>5,279,629</b></u></u>	<u><u><b>5,279,629</b></u></u>

**Difference**

There was no difference between the surplus/(deficit) 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2016 audited financial report.

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

**23. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR**

No specified area rates were imposed by the Shire during the year ended 30 June 2017.

**24. SERVICE CHARGES - 2016/17 FINANCIAL YEAR**

No service charges were imposed by the Shire during the year ended 30 June 2017.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2016/17 FINANCIAL YEAR**

**Rates Discounts**

No service discount on rates was available during the year ended 30 June 2017.

**Waivers or Concessions**

**Rate or Fee and  
Charge to which  
the Waiver or  
Concession is Granted**

	<b>Type</b>	<b>Discount %</b>	<b>Actual \$</b>	<b>Budget \$</b>
Landing fees	Waiver	100.00%	1,675	3,000
Housing rental	Waiver	100.00%	5,200	5,200
Gwalia gift shop sales	Waiver	10.00%	0	200
			<u>6,875</u>	<u>8,400</u>

**Rate or Fee and  
Charge to which  
the Waiver or  
Concession is Granted**

**Circumstances in which  
the Waiver or Concession is  
Granted and to whom it was  
available**

**Objects of the Waiver  
or Concession**

**Reasons for the Waiver  
or Concession**

Landing fees	Royal Flying Doctor Service (RFDS) has been granted a continuous waiver on landing fees at Leonora airport.	To assist the operations and work of the RFDS.	Recognition of valuable community service the RFDS provides to the district.
Housing rental	Doctor servicing Leonora has a house provided at no extra charge.	To support the retention of a doctor to provide medical services to the Shire of Leonora.	Rent is waived as per agreement with Council.
Gwalia gift shop sales	Discount offered to "Friends of Gwalia" subscribers	To assist and encourage community members and visitors to subscribe to "Friends of Gwalia"	"Friends of Gwalia" plays an important role in maintaining the Gwalia Historical Precinct and supports the efforts to conserve, explore and share the cultural heritage of Gwalia.

**SHIRE OF LEONORA  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2017**

**26. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR**

	<b>Date Due</b>	<b>Instalment Plan Admin Charge</b>	<b>Instalment Plan Interest Rate</b>	<b>Unpaid Rates Interest Rate</b>
<b>Instalment Options</b>		<b>\$</b>	<b>%</b>	<b>%</b>
<b>Four Instalment Options</b>		24	0.00%	0.00%
First Instalment	2/09/2016			
Second Instalment	2/11/2016			
Third Instalment	9/01/2017			
Fourth Instalment	9/03/2017			
			<b>Revenue</b>	<b>Budgeted Revenue</b>
			<b>\$</b>	<b>\$</b>
Charges on instalment plan			11,736	12,000
			<u>11,736</u>	<u>12,000</u>



**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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<b>27. FEES &amp; CHARGES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Governance	204	3,870
General purpose funding	12,237	88,483
Law, order, public safety	3,636	13,926
Health	53,095	21,486
Education and welfare	108,689	113,625
Housing	26,714	34,747
Community amenities	427,443	282,859
Recreation and culture	40,345	111,371
Transport	455,906	427,910
Economic services	161,513	220,493
Other property and services	45,735	54,102
	<u>1,335,517</u>	<u>1,372,872</u>

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

**28. GRANT REVENUE**

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

<b>By Nature or Type:</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Operating grants, subsidies and contributions</b>		
General purpose funding	1,846,230	508,175
Law, order, public safety	2,817	1,008
Education and welfare	122,650	149,343
Recreation and culture	182,700	160,441
Transport	144,129	679,595
Economic services	180,471	334,342
	<u>2,478,997</u>	<u>1,832,904</u>
<b>Non-operating grants, subsidies and contributions</b>		
Law, order, public safety	100,000	0
Education and welfare	195,000	0
Transport	1,844,101	1,109,087
Economic services	1,929,454	0
	<u>4,068,555</u>	<u>1,109,087</u>
	<u>6,547,552</u>	<u>2,941,991</u>

**29. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

28	28
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**30. ELECTED MEMBERS REMUNERATION**

The following fees, expenses and allowances were paid to council members and/or the president.

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Meeting Fees	33,531	45,516	37,616
President's allowance	16,713	16,713	16,466
Deputy President's allowance	7,678	4,178	4,116
Travelling expenses	10,089	12,455	11,017
Telecommunications allowance	19,993	24,500	24,500
	<u>88,004</u>	<u>103,362</u>	<u>93,715</u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**31. RELATED PARTY TRANSACTIONS**

**Key Management Personnel (KMP) Compensation Disclosure**

	<b>2017</b>
	<b>\$</b>
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	1,488,610
Post-employment benefits	151,026
Other long-term benefits	18,950
	1,658,586

**Short-term employee benefits**

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 30.

**Post-employment benefits**

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

**Other long-term benefits**

These amounts represent long service benefits accruing during the year.

**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 elected member, are considered key management personnel.

*ii. Entities subject to significant influence by the Shire*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

*iii. Joint venture entities accounted for under the proportionate consolidation method*

The Shire has a one-tenth interest in a joint venture arrangement with regards to the provision of a Regional Records Service. The interest in the joint venture entity is accounted for in these financial statements using the proportionate consolidation method of accounting.

For details of interests held in joint venture entities, refer to Note 15.

**Transactions with related parties**

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

The following transactions occurred with related parties:

	<b>2017</b>
	<b>\$</b>
<b>Associated companies/individuals:</b>	
Purchase of goods and services	380,237
<b>Amounts outstanding from related parties:</b>	
Trade and other receivables	3,611
<b>Amounts payable to related parties:</b>	
Trade and other payables	1,725

Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**32. MAJOR LAND TRANSACTIONS**

The Shire did not participate in any major land transactions during the 2015/16 financial year.

(a) Expected Future Cash Flows

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cash outflows</b>					
- Development costs	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash inflows</b>					
- Sale proceeds	63,909	0	0	0	<b>63,909</b>
	<b>63,909</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63,909</b>
<b>Net cash flows</b>	<b>63,909</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63,909</b>

Contract of sale signed in July 2017 for Lot 8 Kurrajong Street.

**33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

If the Shire did participate in any trading undertakings or major trading undertakings during the 2016/17 financial year.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**34. FINANCIAL RISK MANAGEMENT**

The Shire's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Shire's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Shire.

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

*The Shire held the following financial instruments at balance date:*

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	5,171,547	7,259,324	5,171,547	7,259,324
Receivables	1,111,164	430,954	1,111,164	430,954
	<u>6,282,711</u>	<u>7,690,278</u>	<u>6,282,711</u>	<u>7,690,278</u>
<b>Financial liabilities</b>				
Payables	806,158	482,239	806,158	482,239
	<u>806,158</u>	<u>482,239</u>	<u>806,158</u>	<u>482,239</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial assets at fair value through profit and loss, available for sale financial assets - based on quoted market prices at the reporting date or independent valuation.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**34. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

**Financial assets at fair value through profit and loss**

**Available-for-sale financial assets**

**Held-to-maturity investments**

The Shire's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the Shire.

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Impact of a 10% <sup>(1)</sup> movement in price of investments		
- Equity	779,476	973,648
- Statement of Comprehensive Income	779,476	973,648
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	77,956	97,365
- Statement of Comprehensive Income	77,956	97,365

**Notes:**

<sup>(1)</sup> Sensitivity percentages based on management's expectation of future possible market movements.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**34. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Receivables**

The Shire's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Shire's credit risk at balance date was:

	<b>2017</b>	<b>2016</b>
Percentage of rates and annual charges		
- Current	0%	1%
- Overdue	100%	99%
Percentage of other receivables		
- Current	18%	48%
- Overdue	82%	51%

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**34. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables**

**Borrowings**

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2017</u></b>					
Payables	806,158	0	0	806,158	806,158
	<u>806,158</u>	<u>0</u>	<u>0</u>	<u>806,158</u>	<u>806,158</u>
<b><u>2016</u></b>					
Payables	482,239	0	0	482,239	482,239
Borrowings	0	0	0	0	0
	<u>482,239</u>	<u>0</u>	<u>0</u>	<u>482,239</u>	<u>482,239</u>

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHIRE OF LEONORA

### Report on the Financial Report

#### Opinion

We have audited the financial report of the Shire of Leonora, which comprises the statement of financial position as at 30 June 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Chief Executive Officer.

In our opinion, the financial report of the Shire of Leonora is in accordance with the underlying records of the Shire, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

#### Basis for Opinion

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Shire in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

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

#### Other Information

Management is responsible for the other information. The other information comprises the information in the Shire's annual report for the year ended 30 June 2017 but does not include the financial report and the auditor's report thereon.

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

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



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Council's Responsibility for the Financial Report**

Council is responsible for the preparation of the financial report which gives a true and fair view in accordance with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as the Shire determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives 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 our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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.

As part of an audit in accordance with the Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Shire to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Emphasis of Matter**

Without modifying our opinion, we draw attention to page 57 of the financial report “Supplementary Ratio Information”, which describes certain ratio information relating to the financial report. Management’s calculation of these ratios includes assumptions about future capital expenditure and hence falls outside our audit scope. We do not therefore express an opinion on these ratios.

However, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and appear reasonable.

### **Reporting on Other Legal and Regulatory Requirements**

We did not, during the course of our audit, become aware of any instances where the Shire did not comply with the statutory requirements of the Local Government Act (1995) (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

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

- a) Apart from the operating surplus ratio that does not meet the minimum benchmark, there are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).
- c) All information and explanations required were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE  
Director  
Perth  
Date: 11 October 2017

**SHIRE OF LEONORA  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2017**

**RATIO INFORMATION**

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report.

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Asset consumption ratio	0.97	0.99	0.83
Asset renewal funding ratio	0.84	1.07	0.39

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

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## **7.0 NATIONAL COMPETITION POLICY STATEMENT**

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 2016/2017.

### **7.1 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 non compliance with the competitive neutrality principles made by a private entity against the Shire.

### **7.2 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.

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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.

## **8.0 OVERVIEW OF THE PLAN FOR THE FUTURE**

The Strategic Community Plan 2012-2022 was prepared through engagement and consultation with the local community, and sets out the vision, aspirations and objectives of the community in the district.

The table below sets out to provide an overview of achievements to date made during the 2016/17 reporting period, as well as initiatives that are proposed to commence and/or continue into the next financial year.

Further detail relating to the Strategic Community Plan can be inspected by viewing the document on the Shire of Leonora's website.

<b>PLAN FOR THE FUTURE STRATEGY / INITIATIVE</b>	<b>2016/17 ACHIEVED / CONTINUING 2017/18</b>	<b>PLANNED / COMMENCING 2017/18</b>
Exhibit the community spirit and showcase sights of the Shire by facilitating events attracting community members and other visitors	Enhance, develop and promote Golden Gift	N/A
Promote less tolerance for lawlessness by facilitating the coordination of relevant Government agencies to tackle crime	Utilise the Leonora Interagency committee to communicate with the relevant Government authorities	N/A
Support community run sporting, recreational and volunteering initiatives through direct financial assistance; the utilisation of Shire facilities	Maintain Community grant scheme annually	N/A
Ensure that there is appropriate infrastructure and facilities to service the health and social needs of the Shire's senior residents	Investigate the feasibility of accommodation for the elderly	N/A
Become the further education and vocational hub for the Northern Goldfields region	Open communications with Universities and TAFE organisations	
Develop Leonora as a transportation hub for the Northern Goldfields and alternate route to the Pilbara	N/A	Attract industrial training business to town
Reduction in the adverse effects of mining activity around and near the town	Sealing works roads just outside the town site to minimise dust	N/A

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PLAN FOR THE FUTURE STRATEGY / INITIATIVE	2016/17 ACHIEVED / CONTINUING 2017/18	PLANNED / COMMENCING 2017/18
Facilitate more effective delivery of services by Federal and State Government agencies by providing a shared work space for visiting agencies and broking informal coordination of services	Support and promote the Leonora Inter-Agency ("LIA") initiative  Provide facilities for Federal and State government agencies to work from a shared office space	N/A
Expand the asset management plan and document the asset management policies and procedures that are currently undertaken	Develop and implement asset management planning  Document current asset management policies and procedures	N/A
Ensure the Shire's historic Gwalia buildings remain viable for future generations of the community by developing specific asset management plans	Seek heritage funding for the maintenance of historic assets  Organise valuations of the buildings in the Gwalia area  Engage architects specialising in heritage buildings to identify the future needs of the buildings	N/A
Create an environment that promotes the finest work from staff by adopting and implementing best management practices, with an emphasis on safety	Develop a workforce plan to ensure the efficient allocation of staff and to identify the future staff requirements of the Shire  Develop occupational safety and health manuals	Adhere to DLG guidelines and other good management practices, by developing for staff handbooks identifying legislative requirements
Ensure the Shire receives the maximum grant assistance available to ensure the greatest benefit to the community	Attract grant funding through lobbying the government for assistance when Shire undertakes non-traditional services  Investigate grants available that the Shire is eligible to receive	N/A
Plan for adequate supply of residential and commercial land to meet the requirements of the community	Identify and release residential and commercial land blocks	N/A



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PLAN FOR THE FUTURE STRATEGY / INITIATIVE	2016/17 ACHIEVED / CONTINUING 2017/18	PLANNED / COMMENCING 2017/18
Identify the future leadership requirements of the Shire and develop and equip staff to fulfil these positions	Develop and implement trainee scheme  Provide opportunities and budget for professional development, career development and training for staff  Prioritise and support internal promotion  Identify and backfill key roles	N/A
Support and develop Councillors to represent their community effectively	Ensure Councillors receive appropriate training to continuously improve their skills and knowledge	N/A

## **9.0 DISABILITY ACCESS INCLUSION PLAN (DAIP)**

- (A) The Shire of Leonora is required to comply with the State Government imposed Disability Services Act (1993).
- (B) A Disability Access Inclusion Plan 2013-2018 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

## **10.0 RECORD KEEPING PLAN**

### STATE RECORDS ACT 2000

- (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 Commission for a period of 5 years to the 30<sup>th</sup> June, 2017. This plan resulted from a review of Council's previous plan prior to 8<sup>th</sup> October, 2012. The next review is due 8<sup>th</sup> October 2017 and had already commenced at the close of the reporting period.

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(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.

## **11.0 EMPLOYEES'S REMUNERATION**

Pursuant to Section 5.53 (2)(g) of the Local Government Act 1995, and Administration Regulation 19B, set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

<b>Salary Range (\$)</b>	<b>No. of Employees</b>
100,000 – 109,999	2
130,000 – 139,999	3
250,000 – 259,999	1

## **12.0 OFFICIAL CONDUCT – COMPLAINTS REGISTER**

Pursuant to S.5.121 of the Local Government Act 1995, a complaints register has been maintained. As at the 30<sup>th</sup> June 2017, no complaints were recorded, therefore no action was required to deal with complaints.