



**SHIRE OF LEONORA**

# **ANNUAL REPORT**

**Year ending  
30th June 2022**





## CONTENTS

1.	MESSAGE FROM THE PRESIDENT .....	2
2.	MESSAGE FROM THE CHIEF EXECUTIVE OFFICER .....	3
3.	SHIRE OF LEONORA ORGANISATIONAL CHART.....	4
4.	THE FINANCIAL REPORT .....	5
5.	INDEPENDENT AUDIT REPORT.....	47
6.	DISABILITY ACCESS INCLUSION PLAN.....	51
7.	OFFICIAL CONDUCT-COMPLAINTS REGISTER.....	51
8.	INFORMATION OF PAYMENTS TO EMPLOYEES .....	52
9.	COUNCILLOR DETAILS .....	53
10.	OVERVIEW OF THE PLAN FOR THE FUTURE.....	54
11.	FREEDOM OF INFORMATION STATEMENT.....	59
12.	STATE RECORD ACT 2000 - RECORDKEEPING .....	59
13.	NATIONAL COMPETITION POLICY .....	60
	<u>1. COMPETITIVE NEUTRALITY .....</u>	<u>60</u>
	<u>2. STRUCTURAL REVIEW OF PUBLIC MONOPOLIES.....</u>	<u>61</u>
	<u>3. LEGISLATION REVIEW .....</u>	<u>61</u>
14.	ACCEPTANCE OF THE ANNUAL REPORT .....	61





## 1. MESSAGE FROM THE PRESIDENT

### To the Shire of Leonora Community

Throughout the year 2021/22 the Shire of Leonora has continued its Membership with both the Goldfields Voluntary Regional Organisation of Councils (GVROC) and Northern Goldfields Working Group (NGWG) to advocate improvements for the Goldfields and Northern Goldfields Regions. The GVROC acts as a collective in advocating on behalf of Member Councils and the region, through lobbying on a State and Federal level for key infrastructure projects within the Goldfields Esperance Region to assist and drive the potential for economic and industry growth. The advocacy for key infrastructure projects includes roads and rail, utilities, waste management, availability of land, housing, and labour.



The NGWG is an information group set up by local government in the Northern Goldfields region and consists of the Shires of Laverton, Wiluna, Menzies, Ngaanyatjarraku and Leonora. This Group work together to advocate to the GVROC and State and Federal governments for improvements in key local infrastructure and economic development relevant to the specific region.

A broad range of capital projects and economic planning continue to contribute towards a positive future for the Shire of Leonora. This year we have seen tourism continue its growth in our region with the ongoing maintenance of our historic buildings, completion of new and improved infrastructure at Malcolm Dam, public toilets and Yingkapayi – To Play playground in Tower Street and another successful Golden Gift Weekend.

While navigating around COVID-19, the leadership of Chief Executive Officer Jim Epis and Council have continued to ensure that the health and emergency management directives set by both State and Federal Government agencies have been implemented. This has presented challenges to ensuring its community remains safe and that the economic and social aspects of the community are maintained.

Under the direction and leadership of Chief Executive Officer, Jim Epis, with the support of his Senior Staff the Shire together with the Council have continued to fulfill the outcomes of the Strategic Community Plan 2017-2027. I wish to acknowledge and thank Jim for his hard work and continued dedication to Council, staff and community. Jim's experience in dealing with all levels of government is testament to his knowledge and understanding of his role and the community. I also acknowledge my fellow Councillors for their ongoing support and dedication to the Shire's community.

On behalf of Council and staff, I wish to extend my thanks to the community for their continued support in helping grow our community. To the Shire of Leonora residents and ratepayers, we continue to look forward to working with you and achieving the best outcomes for the Shire's community.



**PJ CRAIG**  
**PRESIDENT**



## 2. MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



In accordance with section 7.9(1) of the *Local Government Act 1995* the Auditor General is required to issue an opinion on the financial statements of the shire for the year ended 30<sup>th</sup> June 2022. The State Government compliance and legislative changes to Regulations that our Local Government must adhere, continues to absorb a large portion of the Shire's resources. While some changes provide our Shire greater clarity on regulatory matters and Council policy, it still takes staff time and Council policy to adjust to the new standards and requirements.

Throughout 2021/22 the pressure of COVID-19 pandemic continued to be placed on local governments through the necessity to comply with public health and emergency directives from State Government to ensure the health and welfare of staff and the community. The ongoing pandemic also continued to throw challenges when looking to roll out the capital works program. The lack of available businesses to undertake the work, additional to this the challenges with supply of materials and securing and retaining staff. This negatively impacts the delivery of capital projects within the required timeframe and adds pressure on delivering future projects.

However, despite the negative impacts experienced, in line with the Strategic Community Plan 2017-2027 projects of 2021/22 focussed on improvements supporting the community and providing essential infrastructure and services to promote growth. The major achievements were completed utilising external grants to fund capital projects for local road and community amenity infrastructure projects. Some of the capital projects completed were, sealing of Agnew Road to camp, upgrade of camping facilities at Malcolm Dam, main street public toilets and 'Yingkapayi – To Play' playground in Tower Street. Other projects that were started and will continue into the 2022/23 year are the aerodrome security fencing, installation of a water standpipe and the tendering and preparation for works on the Aged Care Units and Swimming Pool Retiling projects.

The Shire is pleased to work with community groups and stakeholders in providing support through grant funding. These funds assist various community groups in both Leonora and Leinster to undertake events and activities that help enhance and build community life. During the 2021/22 the Shire has been engaging with community stakeholders to enhance community safety and reduce criminal and anti-social behaviour through a collaboration of key interests and agencies.

I wish to take this opportunity to thank Deputy Chief Executive Officer, Linda Gray who was farewelled in September to take up the position of Chief Executive Officer at the Shire of Cranbrook. The contribution Linda made to the Shire of Leonora within her three-year contract is appreciated and I wish her well in the future.

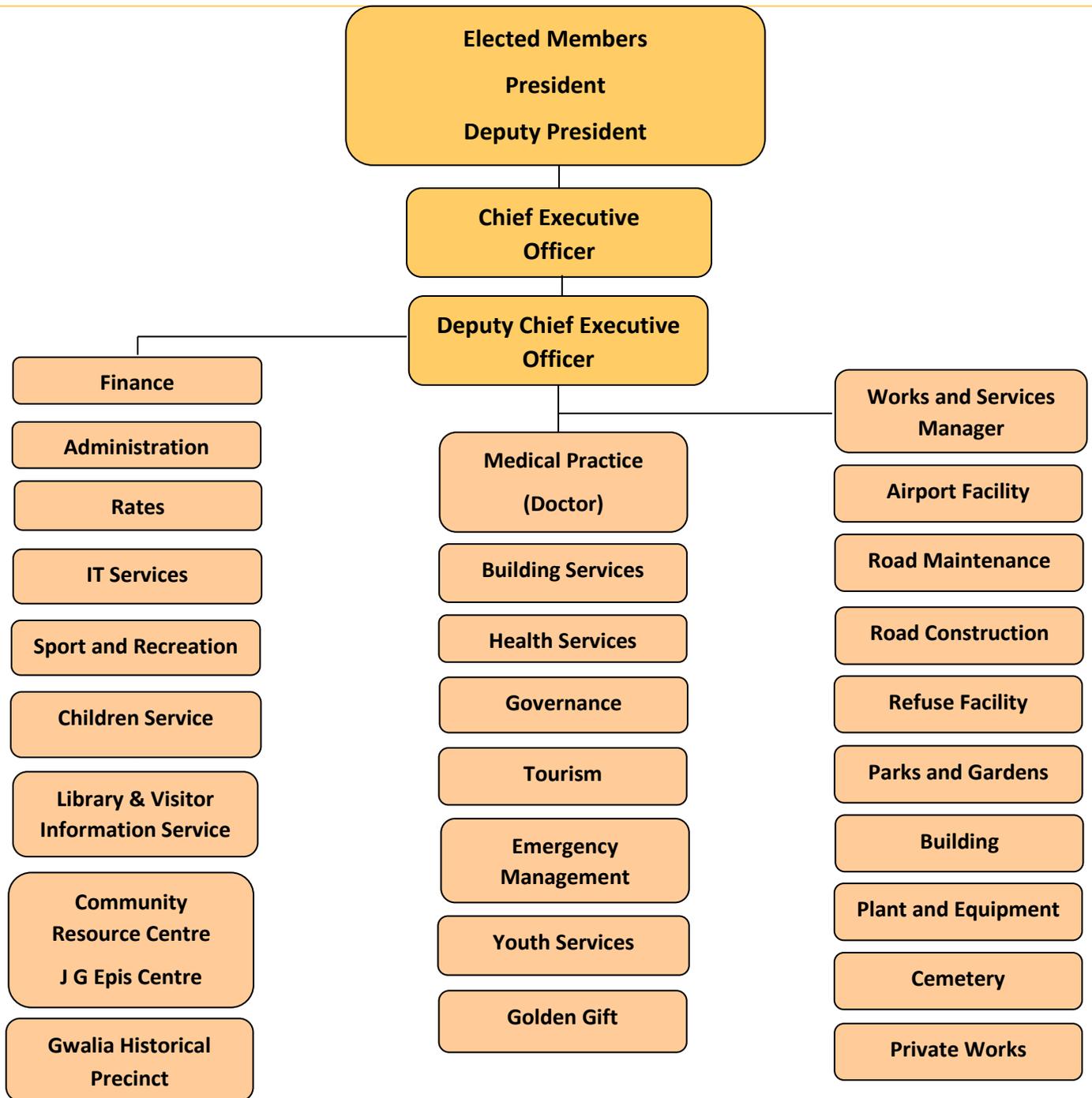
To our Shire President, Peter Craig, and Councillors I would like to take this opportunity to thank you for your commitment throughout the year and the contributions made to our community. I also take this opportunity to thank all staff for their continued efforts throughout 2021/22 and look forward to us all working together in helping to meet the increasing required standards expected of local governments.



**J G EPIS**  
**CHIEF EXECUTIVE OFFICER**



### 3. SHIRE OF LEONORA ORGANISATIONAL CHART





## 4. THE FINANCIAL REPORT



# FINANCIAL REPORT

**SHIRE OF LEONORA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

Certification of Financial Report	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	42

The Shire of Leonora conducts the operations of a local government with the following community vision:

*That the Shire of Leonora is a proactive, sustainable, safe, friendly and prosperous place to be.*

Principal place of business:  
16 Tower Street  
Leonora WA 6438

**SHIRE OF LEONORA  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Leonora for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Leonora at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the *FIFTEENTH* day of *DECEMBER* 2022



Chief Executive Officer

Jim Epis

Name of Chief Executive Officer



SHIRE OF LEONORA  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Revenue</b>				
Rates	21(a),2(a)	7,005,810	7,003,983	6,924,847
Operating grants, subsidies and contributions	2(a)	2,569,789	3,398,242	2,154,070
Fees and charges	20(c),2(a)	2,196,296	2,068,519	2,037,872
Interest earnings	2(a)	2,393	44,000	2,652
Other revenue	2(a)	426,401	487,456	443,435
		<b>12,200,689</b>	<b>13,002,200</b>	<b>11,562,876</b>
<b>Expenses</b>				
Employee costs		(3,939,408)	(2,445,251)	(3,702,038)
Materials and contracts		(4,432,608)	(7,828,494)	(4,155,404)
Utility charges		(395,725)	(258,402)	(454,882)
Depreciation	8(a)	(3,210,755)	(1,775,918)	(3,230,492)
Insurance		(265,791)	(243,704)	(243,590)
Other expenditure	2(b)	(97,072)	(145,928)	(153,713)
		<b>(12,341,359)</b>	<b>(12,697,697)</b>	<b>(11,940,119)</b>
		<b>(140,670)</b>	<b>304,503</b>	<b>(377,243)</b>
Non-operating grants, subsidies and contributions	2(a)	1,854,520	1,043,923	1,228,768
Profit on asset disposals	8(b)	70,821	0	3,209
Loss on asset disposals	8(b)	0	0	(59,688)
		<b>1,925,341</b>	<b>1,043,923</b>	<b>1,172,289</b>
<b>Net result for the period</b>	20(b)	<b>1,784,671</b>	<b>1,348,426</b>	<b>795,046</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	18,773,237	0	0
<b>Total other comprehensive income for the period</b>	13	<b>18,773,237</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>20,557,908</b>	<b>1,348,426</b>	<b>795,046</b>

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



**SHIRE OF LEONORA  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	11,076,288	9,365,146
Trade and other receivables	4	599,259	640,022
Inventories	5	71,829	89,621
<b>TOTAL CURRENT ASSETS</b>		<b>11,747,376</b>	<b>10,094,789</b>
<b>NON-CURRENT ASSETS</b>			
Inventories	5	94,380	358,831
Property, plant and equipment	6	25,884,649	24,850,526
Infrastructure	7	82,769,579	60,786,951
<b>TOTAL NON-CURRENT ASSETS</b>		<b>108,748,608</b>	<b>85,996,308</b>
<b>TOTAL ASSETS</b>		<b>120,495,984</b>	<b>96,091,097</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	560,406	718,137
Other liabilities	10	2,110,015	830,207
Employee related provisions	11	300,689	286,312
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,971,110</b>	<b>1,834,656</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee related provisions	11	98,500	64,258
Other provisions	12	2,676,283	0
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,774,783</b>	<b>64,258</b>
<b>TOTAL LIABILITIES</b>		<b>5,745,893</b>	<b>1,898,914</b>
<b>NET ASSETS</b>		<b>114,750,091</b>	<b>94,192,183</b>
<b>EQUITY</b>			
Retained surplus		44,864,402	44,081,221
Reserve accounts	23	8,797,221	7,795,731
Revaluation surplus	13	61,088,468	42,315,231
<b>TOTAL EQUITY</b>		<b>114,750,091</b>	<b>94,192,183</b>

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



**SHIRE OF LEONORA  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2020</b>		<b>45,766,398</b>	<b>5,315,508</b>	<b>42,315,231</b>	<b>93,397,137</b>
Comprehensive income for the period					
Net result for the period		795,046	0	0	795,046
Total comprehensive income for the period		795,046	0	0	795,046
Transfers to reserves	23	(2,480,223)	2,480,223	0	0
<b>Balance as at 30 June 2021</b>		<b>44,081,221</b>	<b>7,795,731</b>	<b>42,315,231</b>	<b>94,192,183</b>
Comprehensive income for the period					
Net result for the period		1,784,671	0	0	1,784,671
Other comprehensive income for the period	13	0	0	18,773,237	18,773,237
Total comprehensive income for the period		1,784,671	0	18,773,237	20,557,908
Transfers to reserves	23	(1,001,490)	1,001,490	0	0
<b>Balance as at 30 June 2022</b>		<b>44,864,402</b>	<b>8,797,221</b>	<b>61,088,468</b>	<b>114,750,091</b>

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

**SHIRE OF LEONORA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		7,004,120	7,003,983	7,024,863
Operating grants, subsidies and contributions		2,867,430	2,444,635	2,024,333
Fees and charges		2,196,296	2,068,519	2,037,872
Interest received		2,393	44,000	2,652
Goods and services tax received		834,547	782,849	324,108
Other revenue		426,401	487,456	443,435
		13,331,187	12,831,442	11,857,263
<b>Payments</b>				
Employee costs		(3,882,691)	(2,445,251)	(3,643,295)
Materials and contracts		(4,321,500)	(7,828,494)	(3,554,989)
Utility charges		(395,725)	(258,402)	(454,882)
Insurance paid		(265,791)	(243,704)	(243,590)
Goods and services tax paid		(835,683)	(782,849)	(395,920)
Other expenditure		(97,072)	(145,928)	(153,713)
		(9,798,462)	(11,704,628)	(8,446,389)
<b>Net cash provided by (used in) operating activities</b>	14(b)	3,532,725	1,126,814	3,410,874
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(1,409,240)	(4,668,132)	(1,579,823)
Payments for construction of infrastructure		(2,905,339)	(1,872,510)	(2,288,907)
Non-operating grants, subsidies and contributions		2,217,582	1,043,923	1,958,975
Proceeds from sale of property, plant & equipment	8(b)	275,414	703,167	318,636
<b>Net cash provided by (used in) investing activities</b>		(1,821,583)	(4,793,552)	(1,591,119)
<b>Net increase (decrease) in cash held</b>		1,711,142	(3,666,738)	1,819,755
Cash at beginning of year		9,365,146	9,365,146	7,545,391
<b>Cash and cash equivalents at the end of the year</b>	14(a)	11,076,288	5,698,408	9,365,146

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

**SHIRE OF LEONORA  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	22(c)	750,714	1,063,131	2,577,463
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities (excluding general rate)</b>				
Operating grants, subsidies and contributions		2,569,789	3,398,242	2,154,070
Fees and charges		2,196,296	2,068,519	2,037,872
Interest earnings		2,393	44,000	2,652
Other revenue		426,401	487,456	443,435
Profit on asset disposals	8(b)	70,821	0	3,209
		5,265,700	5,998,217	4,641,238
<b>Expenditure from operating activities</b>				
Employee costs		(3,939,408)	(2,445,251)	(3,702,038)
Materials and contracts		(4,432,608)	(7,828,494)	(4,155,404)
Utility charges		(395,725)	(258,402)	(454,882)
Depreciation		(3,210,755)	(1,775,918)	(3,230,492)
Insurance		(265,791)	(243,704)	(243,590)
Other expenditure		(97,072)	(145,928)	(153,713)
Loss on asset disposals	8(b)	0	0	(59,688)
		(12,341,359)	(12,697,697)	(11,999,807)
Non-cash amounts excluded from operating activities	22(a)	6,128,640	1,775,918	3,408,522
<b>Amount attributable to operating activities</b>		(947,019)	(4,923,562)	(3,950,047)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		1,854,520	1,043,923	1,228,768
Proceeds from disposal of assets	8(b)	275,414	703,167	318,636
Purchase of property, plant and equipment	6(a)	(2,077,240)	(4,668,132)	(1,579,823)
Purchase and construction of infrastructure		(2,905,339)	(1,872,510)	(2,288,907)
		(2,852,645)	(4,793,552)	(2,321,326)
Non-cash amounts excluded from investing activities	22(b)	(2,676,283)	0	0
<b>Amount attributable to investing activities</b>		(5,528,928)	(4,793,552)	(2,321,326)
<b>FINANCING ACTIVITIES</b>				
Transfers to reserves (restricted assets)	23	(1,001,490)	0	(2,480,223)
Transfers from reserves (restricted assets)	23	0	1,650,000	0
<b>Amount attributable to financing activities</b>		(1,001,490)	1,650,000	(2,480,223)
<b>Surplus/(deficit) before imposition of general rates</b>		(6,726,723)	(7,003,983)	(6,174,133)
<b>Total amount raised from general rates</b>	21(a)	7,005,810	7,003,983	6,924,847
<b>Surplus/(deficit) after imposition of general rates</b>	22(c)	<b>279,087</b>	<b>0</b>	<b>750,714</b>

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

**SHIRE OF LEONORA  
FOR THE YEAR ENDED 30 JUNE 2022  
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	11
Note 4	Trade and Other Receivables	12
Note 5	Inventories	13
Note 6	Property, Plant and Equipment	14
Note 7	Infrastructure	16
Note 8	Fixed Assets	18
Note 9	Trade and Other Payables	21
Note 10	Other Liabilities	22
Note 11	Employee Related Provisions	23
Note 12	Other Provisions	24
Note 13	Revaluation Surplus	25
Note 14	Notes to the Statement of Cash Flows	26
Note 15	Contingent Liabilities	27
Note 16	Capital Commitments	27
Note 17	Related Party Transactions	28
Note 18	Financial Risk Management	30
Note 19	Other Significant Accounting Policies	33
Note 20	Function and Activity	34
<b>Information required by legislation</b>		
Note 21	Rating Information	37
Note 22	Rate Setting Statement Information	40
Note 23	Reserve accounts	41

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**1. BASIS OF PREPARATION**

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

**Local Government Act 1995 requirements**

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**The local government reporting entity**

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

**Judgements and estimates**

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

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

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

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods

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

**Revenue Recognition**

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

**For the year ended 30 June 2022**

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

**For the year ended 30 June 2021**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	6,924,847	0	6,924,847
Operating grants, subsidies and contributions	837,580	0	0	1,316,490	2,154,070
Fees and charges	2,004,959	0	32,113	800	2,037,872
Interest earnings	0	0	0	2,652	2,652
Other revenue	333,144	0	0	110,291	443,435
Non-operating grants, subsidies and contributions	0	1,228,768	0	0	1,228,768
<b>Total</b>	<b>3,175,683</b>	<b>1,228,768</b>	<b>6,956,960</b>	<b>1,430,233</b>	<b>12,791,644</b>

**Interest earnings**

Note	2022 Actual	2022 Budget	2021 Actual
Interest on reserve funds	1,490	40,000	1,339
Other interest earnings	903	4,000	1,313
	2,393	44,000	2,652

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report	44,000	36,000	44,000
- Other services	6,300	0	0
	50,300	36,000	44,000

**Other expenditure**

Sundry expenses	97,072	145,928	153,713
	97,072	145,928	153,713

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**3. CASH AND CASH EQUIVALENTS**

Cash at bank and on hand  
**Total cash and cash equivalents**

Held as  
 - Unrestricted cash and cash equivalents  
 - Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
	11,076,288	9,365,146
14(a)	11,076,288	9,365,146
	2,279,067	1,569,415
14(a)	8,797,221	7,795,731
	11,076,288	9,365,146

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

**Restricted financial assets**

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 14.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**4. TRADE AND OTHER RECEIVABLES**

Note	2022	2021
	\$	\$
	107,031	100,035
	376,342	425,237
	115,886	114,750
	<b>599,259</b>	<b>640,022</b>

**Current**

Rates receivable  
 Trade and other receivables  
 GST receivable

**SIGNIFICANT ACCOUNTING POLICIES**

**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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 18.

**Classification and subsequent measurement**

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

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

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**5. INVENTORIES**

Note	2022	2021
	\$	\$
<b>Current</b>		
Fuel and materials	71,829	89,621
	71,829	89,621
<b>Non-current</b>		
Land held for resale		
Cost of acquisition	452	1,719
Development costs	93,928	357,112
	94,380	358,831

The following movements in inventories occurred during the year:

<b>Balance at beginning of year</b>	448,452	500,698
Inventories expensed during the year	(383,845)	(213,076)
Land held for resale expensed during the year	(264,452)	0
Additions to inventory	366,054	160,830
<b>Balance at end of year</b>	166,209	448,452

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

**Land held for resale**

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

**Land held for resale (Continued)**

Borrowing costs and holding charges incurred after development is completed are expensed.

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

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**6. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

	Note	Land	Buildings	Total land and buildings	Plant and equipment	Total property, plant and equipment
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		745,000	20,641,620	21,386,620	3,062,613	24,449,233
Additions		48,000	664,839	712,839	866,984	1,579,823
Disposals		(48,000)	0	(48,000)	(327,115)	(375,115)
Depreciation	8(a)	0	(412,832)	(412,832)	(390,583)	(803,415)
<b>Balance at 30 June 2021</b>		745,000	20,893,627	21,638,627	3,211,899	24,850,526
<b>Comprises:</b>						
Gross balance amount at 30 June 2021		745,000	21,306,459	22,051,459	3,884,490	25,935,949
Accumulated depreciation at 30 June 2021		0	(412,832)	(412,832)	(672,591)	(1,085,423)
<b>Balance at 30 June 2021</b>		745,000	20,893,627	21,638,627	3,211,899	24,850,526
Additions*		33,000	1,363,390	1,396,390	680,850	2,077,240
Disposals		0	0	0	(204,593)	(204,593)
Depreciation	8(a)	0	(436,219)	(436,219)	(402,305)	(838,524)
<b>Balance at 30 June 2022</b>		778,000	21,820,798	22,598,798	3,285,851	25,884,649
<b>Comprises:</b>						
Gross balance amount at 30 June 2022		778,000	22,669,850	23,447,850	4,300,340	27,748,190
Accumulated depreciation at 30 June 2022		0	(849,052)	(849,052)	(1,014,489)	(1,863,541)
<b>Balance at 30 June 2022</b>		778,000	21,820,798	22,598,798	3,285,851	25,884,649

\* There is a non cash acquisition of \$668,000 included in the additions for 2022.

During the year ended 30 June 2022	33,000	635,000	668,000	0	668,000
------------------------------------	--------	---------	---------	---	---------

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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

**(b) Carrying 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>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuer	June 2020	Price per hectare/market borrowing rate
Buildings	2	Improvements to land, using cost approach method using depreciated replacement cost	Independent registered valuer	June 2020	Improvements to land using construction costs and current condition, residual values and remaining useful life assessments
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
<b>(ii) Cost</b>					
<b>Plant and equipment</b>		N/A	At cost	June 2019	N/A

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**7. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Note	Infrastructure - roads	Infrastructure - other	Infrastructure - Landfill asset	Total Infrastructure
		\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		52,490,317	8,434,804	0	60,925,121
Additions		1,295,033	993,874	0	2,288,907
Depreciation	8(a)	(1,857,852)	(569,225)	0	(2,427,077)
<b>Balance at 30 June 2021</b>		51,927,498	8,859,453	0	60,786,951
<b>Comprises:</b>					
Gross balance at 30 June 2021		69,619,221	10,490,885	0	80,110,106
Accumulated depreciation at 30 June 2021		(17,691,723)	(1,631,432)	0	(19,323,155)
<b>Balance at 30 June 2021</b>		51,927,498	8,859,453	0	60,786,951
Additions*		1,893,217	1,012,122	2,676,283	5,581,622
Revaluation increments / (decrements) transferred to revaluation surplus		18,773,237	0	0	18,773,237
Depreciation	8(a)	(1,675,141)	(594,871)	(102,219)	(2,372,231)
<b>Balance at 30 June 2022</b>		70,918,811	9,276,704	2,574,064	82,769,579
<b>Comprises:</b>					
Gross balance at 30 June 2022		80,498,746	11,503,007	2,676,283	94,678,036
Accumulated depreciation at 30 June 2022		(9,579,935)	(2,226,303)	(102,219)	(11,908,457)
<b>Balance at 30 June 2022</b>		70,918,811	9,276,704	2,574,064	82,769,579

\* Asset additions included non-cash additions:

During the year ended 30 June 2022	0	0	2,676,283	2,676,283
------------------------------------	---	---	-----------	-----------

Landfill assets were recognised at 30 June 2022 at fair value on recognition of the associated make good provision.

The fair value was determined using the cost model approach for the estimated make good costs for the cleared land.

Refer to note 12.

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**7. INFRASTRUCTURE (Continued)**

**(b) Carrying 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>(i) Fair Value</b>					
<b>Infrastructure - roads</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessments inputs
<b>Infrastructure - other</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2019	Construction costs and current condition, residual values and remaining useful life assessments inputs
<b>Infrastructure - Landfill asset</b>	3	Cost approach using depreciated replacement cost and using discounted cash flow methodology for make good estimates	Management valuation utilising independent estimates of future make good costs	June 2022	Construction costs including discounted future make good cost estimates and remaining useful life estimates

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 30 JUNE 2022**

**8. FIXED ASSETS**

**(a) Depreciation**

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings	6(a)	436,219	400,467	412,832
Plant and equipment	6(a)	402,305	393,748	390,583
Infrastructure - roads	7(a)	1,675,141	442,885	1,857,852
Infrastructure - other	7(a)	594,871	538,818	569,225
Infrastructure - Landfill asset	7(a)	102,219	0	0
		<b>3,210,755</b>	<b>1,775,918</b>	<b>3,230,492</b>

**Depreciation rates**

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

<b>Asset Class</b>	<b>Useful life</b>
Buildings	30 to 50 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
- formation	Not depreciated
- pavement	50 years
Seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel Roads	
- formation	Not depreciated
- pavement	50 years
Other infrastructure	20 years
Landfill	24 years

SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

8. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Land	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 48,000	\$ 50,000	\$ 2,000	\$ 0
Plant and equipment	204,593	275,414	70,821	0	703,167	703,167	0	0	327,115	268,636	1,209	(59,688)
	204,593	275,414	70,821	0	703,167	703,167	0	0	375,115	318,636	3,209	(59,688)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
<b>Plant and Equipment</b>				
<b>Transport</b>				
Bomag BW216PD-4Roller	59,527	71,051	11,524	0
WA430-6 Wheel Loader SN66160	127,306	185,000	57,694	0
2008 Caterpillar 232B2 Skid Steer Loader	17,760	19,363	1,603	0
	204,593	275,414	70,821	0

Land held as inventory with a carrying value of \$264,452 was sold for \$333,700 during the year 30 June 2022, refer Note 5 Inventories.

## 8. FIXED ASSETS (Continued)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

#### Initial recognition and measurement for assets held at cost

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

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

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

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

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 zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

#### Revaluation

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

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

#### Revaluation (continued)

For property, plant and equipment and infrastructure, 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 class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

#### Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

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.

#### Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**9. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
 Prepaid rates  
 Accrued payroll liabilities  
 ATO liabilities  
 Bonds and deposits held

	2022	2021
	\$	\$
	246,848	492,983
	13,537	8,231
	41,114	23,730
	108,907	118,193
	150,000	75,000
	560,406	718,137

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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.

**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 usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**Prepaid rates**

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**10. OTHER LIABILITIES**

**Current**

Contract liabilities  
 Capital grant/contributions liabilities

**Reconciliation of changes in contract liabilities**

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

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

**Reconciliation of changes in capital grant/contribution liabilities**

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

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

	2022	2021
	\$	\$
Contract liabilities	348,746	100,000
Capital grant/contributions liabilities	1,761,269	730,207
	<u>2,110,015</u>	<u>830,207</u>
Opening balance	100,000	80,000
Additions	348,746	20,000
Revenue from contracts with customers included as a contract liability at the start of the period	(100,000)	0
	<u>348,746</u>	<u>100,000</u>
Opening balance	730,207	0
Additions	1,761,269	730,207
Revenue from capital grant/contributions held as a liability at the start of the period	(730,207)	0
	<u>1,761,269</u>	<u>730,207</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 19(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**11. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave

Long Service Leave

**Non-current provisions**

Long Service Leave

	2022	2021
	\$	\$
	172,113	181,992
	128,576	104,320
	300,689	286,312
	98,500	64,258
	98,500	64,258
	399,189	350,570

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

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

**Amounts are expected to be settled on the following basis:**

Less than 12 months after the reporting date

More than 12 months from reporting date

	2022	2021
	\$	\$
	317,238	286,312
	81,951	64,258
	399,189	350,570

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**12. OTHER PROVISIONS**

	<b>Make good provisions</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Opening balance at 1 July 2021</b>	0	0
Additional provision	2,676,283	2,676,283
<b>Balance at 30 June 2022</b>	<b>2,676,283</b>	<b>2,676,283</b>
<b>Comprises</b>		
Non-current	2,676,283	2,676,283
	<b>2,676,283</b>	<b>2,676,283</b>

**Other provisions**

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

**Make good provisions**

Under the licence for the operation of the Leonora Waste Facility, the Shire has a legal obligation to restore the site.

The estimated future obligations include the costs of making good the affected areas. The provision for future make good costs is the best estimate of the present value of the expenditure required to settle the remediation obligation for the landfill at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

The value of the provision was determined during the year and the provision recognised at 30 June 2022. On recognition of the provision a component of the provision was capitalised to landfill assets. Refer to note 7(a).

**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.

SHIRE OF LEONORA  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2022

13. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Buildings	1,766,995	0	0	0	1,766,995	1,766,995	0	1,766,995
Revaluation surplus - Plant and equipment	688,288	0	0	0	688,288	688,288	0	688,288
Revaluation surplus - Infrastructure - roads	34,329,804	18,773,237	0	18,773,237	53,103,041	34,329,804	0	34,329,804
Revaluation surplus - Infrastructure - other	5,530,144	0	0	0	5,530,144	5,530,144	0	5,530,144
	42,315,231	18,773,237	0	18,773,237	61,088,468	42,315,231	0	42,315,231

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**14. 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:

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	11,076,288	5,698,408	9,365,146

**Restrictions**

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

- Cash and cash equivalents	3	8,797,221	6,145,731	7,795,731
		<u>8,797,221</u>	<u>6,145,731</u>	<u>7,795,731</u>

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

Restricted reserve accounts	23	8,797,221	6,145,731	7,795,731
<b>Total restricted financial assets</b>		<u>8,797,221</u>	<u>6,145,731</u>	<u>7,795,731</u>

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

Net result		1,784,671	1,348,426	795,046
Non-cash items:				
Depreciation/amortisation		3,210,755	1,775,918	3,230,492
(Profit)/loss on sale of asset		(70,821)	0	56,479
Assets received for substantially less than fair value		(668,000)	0	0
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		40,763	0	(126,169)
(Increase)/decrease in inventories		282,243	0	52,246
Increase/(decrease) in trade and other payables		(157,731)	0	542,511
Increase/(decrease) in employee related provisions		48,619	0	69,037
Increase/(decrease) in other liabilities		1,279,808	(953,607)	750,207
Non-operating grants, subsidies and contributions		(2,217,582)	(1,043,923)	(1,958,975)
Net cash provided by/(used in) operating activities		<u>3,532,725</u>	<u>1,126,814</u>	<u>3,410,874</u>

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

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		0		<u>19,326</u>
<b>Total amount of credit unused</b>		<u>35,000</u>		<u>54,326</u>

**Loan facilities**

Loan facilities - current		0		0
Loan facilities - non-current		0		0
<b>Total facilities in use at balance date</b>		<u>0</u>		<u>0</u>

**Unused loan facilities at balance date**

31

		0		0
--	--	---	--	---

**SHIRE OF LEONORA  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2022**

**15. CONTINGENT LIABILITIES**

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

Details of those sites are:

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

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

During the period the Shire has estimated the potential cost associated with remediation of these sites and recorded them in Note 12.

**16. CAPITAL COMMITMENTS**

Contracted for:

- capital expenditure projects

	2022	2021
	\$	\$
	6,311,420	0
	6,311,420	0

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**17. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Councillor 1</b>			
President's annual allowance	30,000	20,891	20,891
Meeting attendance fees	9,527	10,300	10,535
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	10,504	9,000	9,545
	53,531	43,691	44,471
<b>Councillor 2</b>			
Deputy President's annual allowance	7,500	5,223	5,223
Meeting attendance fees	5,798	6,300	5,575
Annual allowance for ICT expenses	3,500	3,500	3,500
	16,798	15,023	14,298
<b>Councillor 3</b>			
Meeting attendance fees	5,129	6,300	6,021
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	2,772	3,000	2,974
	11,401	12,800	12,495
<b>Councillor 4</b>			
Meeting attendance fees	5,575	6,300	5,352
Annual allowance for ICT expenses	3,500	3,500	3,500
	9,075	9,800	8,852
<b>Councillor 5</b>			
Meeting attendance fees	5,798	6,300	5,798
Annual allowance for ICT expenses	3,500	3,500	3,500
	9,298	9,800	9,298
<b>Councillor 6</b>			
Meeting attendance fees	5,352	6,300	4,683
Annual allowance for ICT expenses	3,500	3,500	3,500
	8,852	9,800	8,183
<b>Councillor 7</b>			
Meeting attendance fees	4,460	6,300	6,467
Annual allowance for ICT expenses	3,500	3,500	3,500
	7,960	9,800	9,967
	116,915	110,714	107,564
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's annual allowance	30,000	20,891	20,891
Deputy President's annual allowance	7,500	5,223	5,223
Meeting attendance fees	41,639	48,100	44,431
Annual allowance for ICT expenses	24,500	24,500	24,500
Travel and accommodation expenses	13,276	12,000	12,519
	116,915	110,714	107,564

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

The total of compensation paid to KMP of the Shire during the year are as follows:	2022 Actual \$	2021 Actual \$
Short-term employee benefits	908,114	763,490
Post-employment benefits	94,202	76,436
Employee - other long-term benefits	86,811	69,187
Council member costs	116,915	107,564
	1,206,042	1,016,677

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Council member costs*

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**17. RELATED PARTY TRANSACTIONS**

**(c) Transactions with related parties**

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

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

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

Purchase of goods and services

**Amounts payable to related parties:**

Trade and other payables

	<b>2022</b> <b>Actual</b>	<b>2021</b> <b>Actual</b>
	\$	\$
Purchase of goods and services	54,382	49,609
Trade and other payables	150,000	75,000

**(d) Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

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

*ii. Other Related Parties*

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

*iii. 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.

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**18. FINANCIAL RISK MANAGEMENT**

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
<b>Market risk - interest rates</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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 finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

**(a) Interest rate risk**

**Cash and cash equivalents**

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2022</b>					
Cash and cash equivalents	0.006%	11,076,288	0	10,313,555	762,733
<b>2021</b>					
Cash and cash equivalents	0.006%	9,365,146	0	9,348,876	16,270

**Sensitivity**

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	103,136	93,489

\* Holding all other variables constant

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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

**(b) Credit risk**

**Trade and Other Receivables**

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

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Less than 1 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2022</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	172,259	31,500	156,524	16,059	376,342
Loss allowance	0	0	0	0	0
<b>30 June 2021</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	223,066	136,654	54,735	10,783	425,238
Loss allowance	0	0	0	0	0

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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

**(c) Liquidity risk**

**Payables and 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 and disclosed in Note 14(c).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	<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>2022</u></b>					
Trade and other payables	451,499	0	0	451,499	451,499
Contract liabilities	2,110,015	0	0	2,110,015	2,110,015
	<u>2,561,514</u>	<u>0</u>	<u>0</u>	<u>2,561,514</u>	<u>2,561,514</u>
<b><u>2021</u></b>					
Trade and other payables	599,944	0	0	599,944	599,944
Contract liabilities	830,207	0	0	830,207	830,207
	<u>1,430,151</u>	<u>0</u>	<u>0</u>	<u>1,430,151</u>	<u>1,430,151</u>

## 19. OTHER SIGNIFICANT ACCOUNTING POLICIES

### a) Goods and services tax (GST)

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

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

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

### b) Current and non-current classification

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

### c) Rounding off figures

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

### d) Comparative figures

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

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

### e) Budget comparative figures

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

### f) Superannuation

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

### g) Fair value of assets and liabilities

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

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

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

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

### h) Interest earnings

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

### i) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

#### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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

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

### j) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised 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 specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

### k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

#### New accounting standards for application in future years

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**20. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

<b>Objective</b>	<b>Description</b>
<p><b>Governance</b> To provide a decision making process for the efficient allocation of scarce resources.</p>	Members expenses and other costs of the Shire that relate to the tasks of assisting Councillors and the public on matters which do not concern specific Council services.
<p><b>General purpose funding</b> To collect revenue to allow for the provision of services.</p>	Collection of Rates revenue, financial assistance grants for general purpose and interest revenue.
<p><b>Law, order, public safety</b> To provide services to help ensure a safer and environmentally conscious community.</p>	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<p><b>Health</b> To provide services for community and environmental health.</p>	Health inspection and advisory services, analytical services, pest and weed control, and assistance to provide health initiatives.
<p><b>Education and welfare</b> To provide services to disadvantaged persons, the elderly, children and youth.</p>	Provision of support services for education through the Leonora Childcare Centre, and for the elderly, youth and disabled within the district for the betterment of the residents.
<p><b>Housing</b> Provision of shire housing and privately rented accommodation.</p>	Provision of staff and residential housing.
<p><b>Community amenities</b> To provide amenities required by the community.</p>	Rubbish collection services and operation of waste services. Maintenance of cemeteries and public conveniences. Administration of town planning activities.
<p><b>Recreation and culture</b> To establish and maintain infrastructure and resources to meet the recreational and cultural needs of the community.</p>	Maintenance of playgrounds, recreation centre and grounds and reserves. Operation of library and maintenance of heritage and history inventory.
<p><b>Transport</b> To provide safe and effective transport services to the community.</p>	Construction and maintenance of streets, roads, bridges, signage and footpaths. Cleaning and lighting of town streets. Depot maintenance. Airport operations.
<p><b>Economic services</b> To help promote Wandering and its economic wellbeing.</p>	The regulation and provision of tourism, area promotion and building control.
<p><b>Other property and services</b> To monitor and control operating accounts.</p>	Provisions of private work operations, plant repairs, operation costs and all administration costs.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**20. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Income excluding grants, subsidies and contributions</b>			
Governance	1,128	1,530	187
General purpose funding	7,017,145	7,058,483	6,984,917
Law, order, public safety	7,007	6,790	6,100
Health	30,734	36,095	34,264
Education and welfare	189,107	175,000	202,473
Housing	38,382	47,895	39,818
Community amenities	451,243	439,406	436,895
Recreation and culture	49,390	220,466	113,814
Transport	935,601	756,750	753,725
Economic services	757,313	717,543	681,239
Other property and services	224,671	144,000	158,583
	<b>9,701,721</b>	<b>9,603,958</b>	<b>9,412,015</b>
<b>Grants, subsidies and contributions</b>			
General purpose funding	1,958,573	1,360,182	1,260,065
Law, order, public safety	2,950	2,682	13,377
Education and welfare	210,711	150,800	156,801
Housing	341,246	0	0
Recreation and culture	1,223,918	152,887	396,612
Transport	618,089	1,560,644	1,258,118
Economic services	68,822	1,214,970	297,865
	<b>4,424,309</b>	<b>4,442,165</b>	<b>3,382,838</b>
<b>Total Income</b>	<b>14,126,030</b>	<b>14,046,123</b>	<b>12,794,853</b>
<b>Expenses</b>			
Governance	(646,692)	(762,937)	(670,694)
General purpose funding	(452,954)	(449,243)	(451,954)
Law, order, public safety	(201,543)	(248,544)	(192,010)
Health	(692,757)	(758,136)	(701,599)
Education and welfare	(943,555)	(909,570)	(877,205)
Community amenities	(491,133)	(344,654)	(355,974)
Recreation and culture	(1,663,584)	(1,923,764)	(1,567,364)
Transport	(4,874,166)	(3,387,306)	(4,710,570)
Economic services	(2,345,529)	(3,908,543)	(2,423,226)
Other property and services	(29,446)	(5,000)	(49,211)
<b>Total expenses</b>	<b>(12,341,359)</b>	<b>(12,697,697)</b>	<b>(11,999,807)</b>
<b>Net result for the period</b>	<b>1,784,671</b>	<b>1,348,426</b>	<b>795,046</b>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**20. FUNCTION AND ACTIVITY (Continued)**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>(c) Fees and Charges</b>			
Governance	320	30	0
General purpose funding	8,942	10,500	9,418
Law, order, public safety	7,007	6,790	6,100
Health	30,734	36,095	34,264
Education and welfare	189,107	175,000	198,610
Housing	25,905	37,895	32,528
Community amenities	444,162	432,325	436,895
Recreation and culture	36,348	40,829	45,471
Transport	863,884	756,000	749,344
Economic services	549,444	503,055	485,457
Other property and services	40,443	70,000	39,785
	<b>2,196,296</b>	<b>2,068,519</b>	<b>2,037,872</b>

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>(d) Total Assets</b>		
General purpose funding	2,386,097	100,035
Law, order, public safety	121,585	125,103
Health	204,004	223,194
Education and welfare	57,479	68,420
Housing	2,006,312	1,615,432
Community amenities	8,029,642	5,586,782
Recreation and culture	9,215,315	8,156,275
Transport	81,591,782	61,773,061
Economic services	14,417,786	12,059,047
Other property and services	2,465,982	4,866,845
Unallocated	0	1,516,903
	<b>120,495,984</b>	<b>96,091,097</b>

SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

21. RATING INFORMATION

(a) General Rates

RATE TYPE		Rate in	Number of	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2020/21
Rate Description	Basis of valuation	\$	Properties	Actual Rateable Value *	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue
		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General	Gross rental valuation	0.0706	587	17,030,114	1,202,326	(8,127)	0	1,194,199	1,202,326	0	(7,000)	1,195,326	1,201,786
General	Unimproved valuation	0.1550	1,445	35,729,256	5,538,035	42,179	0	5,580,214	5,538,035	90,000	(50,000)	5,578,035	5,488,240
<b>Sub-Total</b>			2,032	52,759,370	6,740,361	34,052	0	6,774,413	6,740,361	90,000	(57,000)	6,773,361	6,690,026
<b>Minimum payment</b>		<b>\$</b>											
General	Gross rental valuation	323	90	120,479	29,070	0	0	29,070	29,070	0	0	29,070	29,393
General	Unimproved valuation	323	624	711,810	201,552	775	0	202,327	201,552	0	0	201,552	205,428
<b>Sub-Total</b>			714	832,289	230,622	775	0	231,397	230,622	0	0	230,622	234,821
			2,746	53,591,659	6,970,983	34,827	0	7,005,810	6,970,983	90,000	(57,000)	7,003,983	6,924,847
<b>Total amount raised from general rates</b>								7,005,810				7,003,983	6,924,847
								<b>7,005,810</b>				<b>7,003,983</b>	<b>6,924,847</b>

\* Rateable value is based on the value of properties at the time the rate is raised.

(b) Total Rates

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**21. RATING INFORMATION (Continued)**

**Waivers or Concessions**

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

Type	Waiver/Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
Landing fees	Fee and charge	Waiver		6,223	3,000	8,799
Rate write off	Rate	Waiver		1,027	15,000	1,550
Housing rental	Fee and charge	Waiver		5,200	5,200	5,200
Landing fee write off	Fee and charge	Waiver		0	0	7,590
Total discounts/concessions (Note 21)				12,450	23,200	23,139

**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 the Leonora airport.	To assist the operation and work of the RFDS.	Recognition of valuable community service the RFDS provides to the district.
Rate write off	Write off bad debts where debts cannot be recovered or the cost of recovery is more than the debt.		The Local Government Act provides for the Council to be able to write off any amount of money which is owed to the local
Housing rental	Doctor servicing Leonora has a house provided by Council at no 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.

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**21. RATING INFORMATION (Continued)**

**(c) Interest Charges & Instalments**

<b>Instalment Options</b>	<b>Date Due</b>	<b>Instalment Plan Admin Charge</b>	<b>Instalment Plan Interest Rate</b>	<b>Unpaid Rates Interest Rate</b>
		<b>\$</b>	<b>%</b>	<b>%</b>
<b>Option One</b>				
Single full payment	6/09/2021	0	0.00%	0.00%
<b>Option Two</b>				
First instalment	6/09/2021	0	0.00%	0.00%
Second instalment	5/11/2021	8	0.00%	0.00%
Third instalment	4/01/2022	8	0.00%	0.00%
Fourth instalment	7/03/2022	8	0.00%	0.00%

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Charges on instalment plan	7,992	10,000	8,568
	7,992	10,000	8,568

SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

22. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
	Less: Profit on asset disposals	0	(3,209)
8(b)	(70,821)	0	57,679
	Less: Movement in liabilities associated with restricted cash	0	59,688
8(b)	13,730	0	3,230,492
	Add: Loss on disposal of assets	0	
8(a)	0	1,775,918	
	Add: Depreciation		
8(a)	3,210,755		
Non-cash movements in non-current assets and liabilities:			
	Employee benefit provisions	0	11,358
	Other provisions	0	0
12	34,242	0	52,514
	Inventory	0	
	264,451	0	
	<b>Non-cash amounts excluded from operating activities</b>	<b>1,775,918</b>	<b>3,408,522</b>
	6,128,640		
<b>(b) Non-cash amounts excluded from investing activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to investing activities</b>			
	Property, plant and equipment received for substantially less than fair value	0	0
6(a)	668,000	0	0
	Non-cash additions to infrastructure	0	0
7(a)	(2,676,283)	0	0
	Non cash non-operating grants, subsidies and contributions	0	0
	(668,000)	0	0
	<b>Non-cash amounts excluded from investing activities</b>	<b>0</b>	<b>0</b>
	(2,676,283)		
<b>(c) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
	Less: Reserve accounts	(6,145,731)	(7,795,731)
23	(8,797,221)		
	Add: Current liabilities not expected to be cleared at end of year		
	- Employee benefit provisions	228,633	286,312
	300,042		
	<b>Total adjustments to net current assets</b>	<b>(5,917,098)</b>	<b>(7,509,419)</b>
	(8,497,179)		
<b>Net current assets used in the Rate Setting Statement</b>			
	Total current assets	6,390,567	10,094,789
	Less: Total current liabilities	(473,469)	(1,834,656)
	Less: Total adjustments to net current assets	(5,917,098)	(7,509,419)
	(8,497,179)		
	<b>Net current assets used in the Rate Setting Statement</b>	<b>0</b>	<b>750,714</b>
	279,087		

SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

23. RESERVE ACCOUNTS

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Annual Leave reserve	165,386	34	0	165,420	165,386	0	0	165,386	165,344	42	0	165,386
(b) Long Service Leave reserve	134,595	27	0	134,622	134,595	0	0	134,595	134,561	34	0	134,595
(c) Building reserve	2,639,065	200,539	0	2,839,604	2,639,065	0	(700,000)	1,939,065	988,771	1,650,294	0	2,639,065
(d) Fire Disaster reserve	39,932	8	0	39,940	39,932	0	0	39,932	39,922	10	0	39,932
(e) Plant Purchase reserve	915,428	200,188	0	1,115,616	915,428	0	0	915,428	915,193	235	0	915,428
(f) Gwalia Precinct reserve	488,775	99	0	488,874	488,775	0	0	488,775	488,650	125	0	488,775
(g) Waste Management reserve	316,072	140,065	0	456,137	316,072	0	0	316,072	315,991	81	0	316,072
(h) Aerodrome reserve	486,453	260,000	0	746,453	486,453	0	(250,000)	236,453	286,443	200,010	0	486,453
(i) IT reserve	15,000	0	0	15,000	15,000	0	0	15,000	15,000	0	0	15,000
(j) Pool reserve	473,940	96	0	474,036	473,940	0	0	473,940	45,041	428,899	0	473,940
(k) Aged Care reserve	1,921,085	200,393	0	2,121,478	1,921,085	0	(500,000)	1,421,085	1,920,592	493	0	1,921,085
(l) Heritage Buildings reserve	200,000	41	0	200,041	200,000	0	(200,000)	0	0	200,000	0	200,000
	7,795,731	1,001,490	0	8,797,221	7,795,731	0	(1,650,000)	6,145,731	5,315,508	2,480,223	0	7,795,731

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

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

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



## 5. INDEPENDENT AUDIT REPORT



# INDEPENDENT AUDIT REPORT



# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2022 Shire of Leonora

To the Councillors of the Shire of Leonora

### Opinion

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

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### Basis for opinion

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

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

### Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

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

## **Auditor's responsibilities for the audit of the financial report**

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

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

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

## **My independence and quality control relating to the report on the financial report**

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

## **Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Shire of Leonora for the year ended 30 June 2022 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Mark Ambrose  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
16 December 2022



## 6. DISABILITY ACCESS AND INCLUSION PLAN

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

NIL

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

## 7. OFFICIAL CONDUCT-COMPLAINTS REGISTER

Pursuant to S.5.121 of the *Local Government Act 1995*, a complaints register has been maintained. As at the 30th June 2022, no complaints were recorded, therefore no action was required to deal with complaints.



## 8. INFORMATION OF PAYMENTS TO EMPLOYEES

Pursuant to Section 5.53 (2)(g) of the *Local Government Act 1995*, and Administration Regulation 19B (2), set out below, the number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$130,000;

Salary Range (\$)	Number of Employees
140,000 – 150,000	2
310,000 – 320,000	1

The remuneration paid to the CEO during the financial year was \$310,376





## 9. COUNCILLOR DETAILS

POSITION	RETIREMENT YEAR	CONTACT	NUMBER
<b>PRESIDENT</b> Mr P CRAIG 9B North Road (PO Box 118) LEINSTER WA 6437	2023	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	2023	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	2025	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 A E TAYLOR 1 Pinnacle Place LEINSTER WA 6437	2025	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 R M COTTERILL PO Box 8 LEONORA WA 6438	2025	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>
Ms A M MOORE Lot 27 Tower Street (PO Box 197) LEONORA WA 6438	2025	WK HM FAX MOB EMAIL	08 9037 7546  0437 366 649 <a href="mailto:alexis_stein@hotmail.com">alexis_stein@hotmail.com</a>
Ms F HARRIS Lot 42 Braemore Road (PO Box 129) LEONORA WA 6438	2023	WK HM FAX MOB EMAIL	0437 968 493 <a href="mailto:neilandfifi@bigpond.com">neilandfifi@bigpond.com</a>



Councillor	Council Meetings		Audit Committee Meetings		% Attendance
	Convened	Attended	Convened	Attended	
P J Craig	12	11	4	4	94%
R A Norrie	12	11	4	4	94%
L R Petersen	12	9	4	2	69%
R M Cotterill	12	11	4	4	94%
A E Taylor	12	10	4	3	81%
A M Moore	12	11	4	3	88%
F Harris	12	10	4	4	88%

## 10. OVERVIEW OF THE PLAN FOR THE FUTURE

The Plan for the Future: Strategic Community Plan and Corporate Business Plan 2021-2031 was prepared through engagement and consultation with the local community, and sets out the vision, aspirations, and objectives of the community in the district. This Plan is part of the Shire of Leonora’s continued commitment in maintaining a focus to ensure we strive to work with our community to meet their needs, support their aspirations, demonstrate leadership, and act with fairness.

Further detail relating to the Shire of Leonora Plan for the Future 2021-2031 can be viewed on the Shire of Leonora’s website. <https://www.leonora.wa.gov.au/documents/472/sol-plan-for-the-future-2021-2031>

Plan for the Future 2021-2031 Key Performance Indicators are:

- Key Objective 1 **Social:** An empowered and spirited community
- Key Objective 2 **Economic:** Economic hub of the northern goldfields
- Key Objective 3 **Environment:** Forward thinking management of the built and natural environment
- Key Objective 4 **Leadership:** Innovative and proactive Shire and Councillors

The table below sets out to provide an overview of achievements to date made during the 2021/2022 reporting period, as well as initiatives that are proposed to commence and/or continue into the next financial year.



PLAN FOR THE FUTURE STRATEGIC PERFORMANCE INDICATORS	2021/22 ACHIEVED / CONTINUING 2022/23	PLANNED / COMMENCING 2022/23
<p>Social media activity <i>(increase posts and engagement rates)</i></p>	<p>A review of Local Government engagement by <i>SHUNT</i> pilot program identified the Shire of Leonora with an audience of 3,447 receiving a ranking of 6<sup>th</sup> in terms of Facebook engagement in the State for all Local Governments.</p> <ul style="list-style-type: none"> <li>- 6<sup>th</sup> <i>Highly Reactive</i></li> <li>- 4<sup>th</sup> highest <i>Most Engaging</i> and</li> <li>- 7<sup>th</sup> <i>Lovin It</i></li> </ul> <p>in WA's regional charge.</p> <p><b>Instagram Insights Overview:</b></p> <p>Story interactions +37.5% Accounts Reached- 1480 Interaction- 549 Total Followers +1.7% Facebook Page Reach – 197,206 (up 12.9%)</p>	<p>Working within social media platforms through better connectivity eg; Facebook, Instagram. The Shire continues to improve engagement across all social media activity.</p>
<p>Community participation levels in recreation activities and events <i>(increase number of participants / attendees)</i></p>	<p>New initiatives introduced continued during 2021/22 and have been well received. The participation figures are;</p> <ul style="list-style-type: none"> <li>✓ Pool – <b>6,964</b> (5,911-20/21) This was greatly increased through the pool passes that were handed out for the COVID-19 vaccine incentives with an increase of 2,846 Season Pass visits compared to last year.</li> <li>✓ Gym – <b>1,147</b> (1613-20/21)</li> <li>✓ Adult Sports – <b>278</b> (208-20/21)</li> <li>✓ Kids Sport – <b>147</b> (484-20/210)</li> <li>✓ Aust Day Event – 286</li> <li>✓ PCYC Activities - 232 young people from Jan-June 2022</li> </ul>	<p>Increased resourcing through staffing to encourage and work at enhancing community engagement through recreation activities and events.</p>



<b>PLAN FOR THE FUTURE STRATEGIC PERFORMANCE INDICATORS</b>	<b>2021/22 ACHIEVED / CONTINUING 2022/23</b>	<b>PLANNED / COMMENCING 2022/23</b>
Population statistics <i>(stable / increasing population base)</i>	Australian Bureau of Statistics (ABS) 2011 Census shows the population of Leonora as 1,216, whilst this has dropped to 781 in the 2016 Census. Population of mining camps still excluded despite impact on service delivery, this also includes the town of Leinster. ABS 2016 shows an estimated resident population of 1,411	Lack of suitable housing has been linked to difficulties in the attraction of professional services and the correlation between lack of services and decreased population. Work on the Aged Care Village has continued in the first half of the 2022/23 financial year. Strategies will continue to be developed during 2022/23 to address the housing crisis.
No. of development approvals <i>(increase)</i>	One development approval was processed in the 2021/22 period	N/A
Assessed vacancy rates (business and residential) <i>(decrease)</i>	No official mechanisms in place to capture data, however anecdotal evidence suggests that vacancy rates (particularly residential) are low.	Consideration to how these rates can be measured and reported/Meetings with relevant agencies re improved housing/Increased Shire housing.
No. of building approvals <i>(increase)</i>	Eleven building approvals were processed in the 2021/22 period which equated to collection of \$23,536.53 in building permit fees with a total value of construction work being \$16,966,501	N/A



PLAN FOR THE FUTURE STRATEGIC PERFORMANCE INDICATORS	2021/22 ACHIEVED / CONTINUING 2022/23	PLANNED / COMMENCING 2022/23
<p>Visitor statistics (<i>increase</i>)</p> <p><b>2019-20 financial year</b>  Visitor Centre Numbers: 3,282  Gwalia Precinct Numbers: 7,995  Hoover House Accommodation Numbers: 543</p> <p><b>2020-21 financial year</b>  Visitor Centre Numbers: 4,911  Gwalia Precinct Numbers: 12,479  Hoover House Accommodation Numbers: 1,256</p> <p><b>2021-22 financial year</b>  Visitor Centre Numbers: 4,688  Gwalia Precinct Numbers: 12,619  Hoover House Accommodation Numbers: 1,221  RV Vehicles: 577  Visitors in RV Vehicles: 1,138</p>	<p><b>Increased of visitor numbers by;</b>  Visitor Centre Numbers: 1,629  Gwalia Precinct Numbers: 4,484  Hoover House Accommodation Numbers: 713</p> <p><b>Increased of visitor numbers by;</b>  Visitor Centre Numbers: 223 decrease  Gwalia Precinct Numbers: 140 increase  Hoover House Accommodation Numbers: 35 decrease  No accommodation available for preferred dates: 138</p>	<p>Visitor statistics are captured by the Information Centre, and Gwalia Historic Precinct. These figures have positively impacted the local tourism by COVID-19 hard borders, resulting in an <b>increase</b> of visitor and guest numbers to the facilities.</p> <p>The State Government border restrictions has seen a boost to the local tourism, increasing visitors to Leonora. With restrictions easing, there has been some waning, however numbers remain stable.</p> <p>It is expected that while visitors from within WA may stay lower in the 2022/23 financial year, the opening of the boarders should increase once again the number of interstate and overseas visitors.</p>
<p>Statutory asset management ratios (<i>maintain healthy ratios</i>)</p>	<p>The Asset Sustainability Ratio no longer applicable</p>	<p>N/A</p>
<p>Compliance with statutory reviews required by the Local Planning Framework (<i>maintain compliance</i>)</p>	<p>No instances of non-compliance noted</p>	<p>N/A</p>
<p>Statutory financial ratios (<i>maintain healthy ratios</i>)</p>	<p>Operating Surplus Ratios no longer applicable</p>	<p>N/A</p>
<p>Employee retention rates (<i>maintain / increase</i>)</p>	<p>During 2021/22 adoption of revised Workforce Plan was undertaken to assist with initiatives and strategies to maintain good retention rates.</p>	<p>Continuation of implementation of initiatives within revised Workforce Plan</p>



PLAN FOR THE FUTURE STRATEGIC PERFORMANCE INDICATORS	2021/22 ACHIEVED / CONTINUING 2022/23	PLANNED / COMMENCING 2022/23
Volunteer levels <i>(increase)</i>	Re-activation of Sporting Clubs, e.g. Leonora Bowling Club has been successful in response to community needs.	Consideration to how these rates can be measured and reported





## 11. FREEDOM OF INFORMATION STATEMENT

### *FREEDOM OF INFORMATION ACT 1992*

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

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

During the 2021-2022 financial year there were no Freedom of Information applications received or processed by the Shire.

## 12. STATE RECORD ACT 2000 - RECORDKEEPING

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

In order to progress the Shire of Leonora's document control practices, in 2019/20 an Electronic Information Management System was implemented.



### 13. NATIONAL COMPETITION POLICY

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

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

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

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

In accordance with the requirements of the National Competition Policy the Shire of Leonora makes the following disclosure for 2021/2022.

#### 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 noncompliance with the competitive neutrality principles made by a private entity against the Shire.



## 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.

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.

## 3. LEGISLATION REVIEW

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

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

The Shire of Leonora is currently reviewing their local laws.

## 14. ACCEPTANCE OF THE ANNUAL REPORT

Annual Report – Financial Year Ending 30 <sup>th</sup> June 2022	
Adopted	Date: 20th December, 2022