

# **SHIRE OF LEONORA**

## **NOTICE OF AN ORDINARY COUNCIL MEETING**



**MINUTES OF ORDINARY MEETING HELD  
IN SHIRE CHAMBERS, LEONORA  
ON TUESDAY 18<sup>TH</sup> NOVEMBER, 2014  
COMMENCING AT 9:30 AM**

**1.0 DECLARATION OF OPENING / ANNOUNCEMENTS OF VISITORS / FINANCIAL INTEREST DISCLOSURE**

**1.1 President Cr Peter Craig declared the meeting open at 9:30 am**

**1.2 Visitors or members of the public in attendance**

**At 10:30am:** Mr Shane McLaughlin and Mr Geoff Hobley representing Energy Developments Remote Energy to reflect upon the history of power supply to Leonora and to discuss future power requirements.

**At 11:30am:** Goldfields Esperance Development Commission Officer Ms Pip McCahon to give presentation regarding progress of Leonora Administration Building Project.

**1.3 Financial Interests Disclosure**

Nil

**2.0 DISCLAIMER NOTICE**

**3.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE**

**3.1 Present**

**President**

**PJ Craig**

**Deputy President**

**RA Norrie**

**Councillors**

**MWV Taylor**

**GW Baker**

**AE Taylor**

**LR Petersen**

**Chief Executive Officer**

**JG Epis**

**Deputy Chief Executive Officer**

**TM Browning**

**Manager Community Services**

**SG Butson**

**Visitors**

**P McCahon from 11:35am to 12:12pm**

**D Harris from 9.34am to 9.50am**

**S McLaughlin from 10.38am to 11.09am**

**G Hobley from 10.38am to 11.09am**

**3.2 Apologies**

Nil

**3.3 Leave Of Absence (Previously Approved)**

**Councillor**

**RM Cotterill**

**4.0 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil

*Mr Darcy Harris entered the meeting at 9.34am*

**5.0 PUBLIC QUESTION TIME**

Mr Darcy Harris enquired as to whether any response had been received by the Council with regard to the recent decision to support the Minister for Industry's notice of proposed declaration under Section 6 of the National Radioactive Waste Management Act 2012 to open a nationwide volunteer process for nominating land as a potential site for a radioactive waste management facility, as he was concerned about the consultation process relating to the matter. CEO, Mr JG Epis, advised that no response had been received to date, and that consultation would not be likely to be undertaken until an indication was received whether the matter would progress any further. At that time, consultation would be open to the whole community/public, including pastoralists, tenement holders, the Wati Association, and any other interested community groups.

Mr Darcy Harris also enquired if the Wati Association were noted as a group to be included in consultation by mining companies, government agencies etc. CEO, Mr JG Epis, advised that the Wati Association should write to mining companies, government agencies etc to explain their position as it relates to customary tenure, native title and the Aboriginal Heritage Act, as well as the different levels of authorisation of different groups. This will assist the engagement and consultation process. Mr Darcy Harris advised that correspondence will be received from the Department of Premier & Cabinet in the near future articulating the Wati Association's authority etc.

Cr PJ Craig thanked Mr Darcy Harris for his questions and attendance.

*Mr Darcy Harris left the meeting at 9:50am.*

#### **6.0 APPLICATIONS FOR LEAVE OF ABSENCE**

**Moved Cr GW Baker, Seconded Cr RA Norrie** that Cr RM Cotterill be granted a leave of absence from the Ordinary meeting of Council to be held 18<sup>th</sup> November, 2014

**CARRIED (6 VOTES TO 0)**

#### **7.0 PETITIONS / DEPUTATIONS / PRESENTATIONS**

Nil

#### **8.0 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETINGS**

**Moved Cr RA Norrie, Seconded Cr AE Taylor** that the Minutes of the Ordinary Meeting held on 21st October, 2014 be confirmed as a true and accurate record.

**CARRIED (6 VOTES TO 0)**

#### **9.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION**

Presiding member, Cr PJ Craig, made the following announcements:

- Attended a workshop in Geraldton where the Metals X project at Wingellina was discussed, in particular corridors to service this project. Options included Geraldton port, Esperance port (utilising the Leonora railhead). A regionally based FIFO workforce would service the project, and further workshops will be held to discuss and work through various matters.
- On the 3<sup>rd</sup> November 2014, met with Wendy Duncan MLC, Pip McCahon, CEO Jim Epis, and Deputy President Cr Ross Norrie for presentation of Lotterywest cheques for projects in the Gwalia precinct (headframe, cottages etc) as well as cheque for \$1.6m for the Northern Goldfields Regional Office and Administration Centre.
- Attended GVROC meeting in Kalgoorlie on 6<sup>th</sup> November 2014
- Met with Wendy Duncan MLC on 7<sup>th</sup> November 2014, along with Mia Davies (Minister for Water), and CEO Jim Epis. Wendy Duncan's introduction of the Shire of Leonora to Minister Davies was one of praise for the professionalism within the Shire in the way it conducts its business and the way the Shire has progressed over the last ten years. Minister Davies advised during the meeting that it was here intention to visit the Shire of Leonora early during 2015. Discussions included waste water treatment plant (a regional facility based in Leonora as suggested by Cr M Taylor previously), town deep sewerage, and a new system known as STEM that Hyden has just implemented.

## 10.0 REPORTS OF OFFICERS

### 10.1 CHIEF EXECUTIVE OFFICER

#### 10.1(A) GOLDFIELDS – ESPERANCE REGIONAL ENERGY PROJECT

**SUBMISSION TO:** Meeting of Council  
Meeting Date: 18th November, 2014

**AGENDA REFERENCE:** 10.1 (A) NOV 14

**SUBJECT:** Goldfields – Esperance Regional Energy Project

**LOCATION / ADDRESS:** Not Applicable

**NAME OF APPLICANT:** Shire of Leonora

**FILE REFERENCE:** Roads and Street Lighting 7.9

#### AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

**NAME:** Jim Epis

**OFFICER:** Chief Executive Officer

**INTEREST DISCLOSURE:** Nil

**DATE:** 10<sup>th</sup> November, 2014

#### BACKGROUND

As Member Councils will be aware, it was resolved at the GVROC Council Meeting held on Wednesday 1st August, 2012 to submit an application for CLGF funding in 2012/2013 for renewable energy and energy efficient projects, with Member Councils resolving as follows:

*RESOLUTION:*                      *Moved: Cr Cullen*                      *Seconded: Cr Petz*

*That for the 2012/2013 round of regional CLGF funding, the Goldfields Voluntary Regional Organisation of Councils:*

1. *Submit an alternate energy project for the region with the pool of funding for the project to be determined by Member Councils, with Member Councils notifying the Executive Officer of their intention to participate in the project no later than Friday 31 August 2012;*
2. *That the City of Kalgoorlie-Boulder be given delegate authority to commence preparation of a business case for the alternate energy project, with the business case to look at participating Member Councils using funds from both the 2012/2013 and 2013/2014 allocations of regional CLGF funds;*
3. *Request the Goldfields Esperance Development Commission provide funding for the preparation of a business cases for GVROC Member Councils for the following projects in the 2012/2013 regional CLGF round of funding:*
  - a) *Retro-fitting of lighting and renewable energy power generation;*
  - b) *Regional waste management;*
  - c) *Norseman gateway project; and*
  - d) *A project for the Shires of Laverton and Ngaanyatjarraku (still to be determined); and*
1. *Give delegated authority to the GVROC Technical Officers Working Group to prepare and submit business cases for projects, other than the alternate energy project, agreed to for the 2012/2013 round of regional CLGF funds.*

**CARRIED**

Since that time and following approval for the projects, the City of Kalgoorlie-Boulder as the Lead Council for the project has provided regular project updates.

Mr Greg Benvenuti, Senior Engineer - Manager Goldfields Region EMC has also met with Member Councils to brief Member Councils on the street lighting project.

The GVROC's consultant for the street lighting project, EMC, has also submitted a final technical analysis for the project.

When the City of Kalgoorlie-Boulder provided a project update to the GVROC Council at a meeting held on Wednesday 6<sup>th</sup> August, 2014 it was resolved as follows:

*That the GVROC Technical Officers Working Group undertake further work on the GVROC alternate energy project, with a report to be prepared for consideration at the GVROC Council Meeting to be held on Friday 24 October 2014.*

*CARRIED*

At the Technical Officers Working Group Meeting held on Friday 5<sup>th</sup> September 2014 Don Burnett, CEO City of Kalgoorlie-Boulder, and Ryan Wilson, the City's Sustainability Officer, provided a detailed report on the projects to that time. Notes from that meeting's agenda are provided below.

### **LED Streetlight Project**

This project is at a crucial point in its development, as the project plans for both the Esperance Leonora and the Laverton, Menzies and Dundas components have been approved by CEEP and GVROC through the City (as project lead) is now working to concrete milestone deadlines. The City/GVROC are bound to these milestones and the next one falls on 17<sup>th</sup> October, 2014, for which streetlights for all participating shires must be ordered. A detailed communications plan must also be completed. Lisa Cunningham from Mango Leadership will be presenting on the formulation and implementation of this communications plan.

#### ▪ **Horizon Power Tax Liability/Ownership of Lights**

There has also been a significant development in recent weeks that needs to be addressed by GVROC CEOs immediately.

Horizon Power has indicated that for them to take ownership of the LED lights will result in a 27.6% tax liability associated with receiving 'gifted assets' that would be passed on to GVROC shires. This amounts to a \$1.1M dollar impost that would need to be paid out of project funds. The federal department providing half of the project funds (CEEP) has indicated they are unable to allow their funds to pay for tax liabilities. As such, the only option is for participating shires (Esperance, Leonora, Laverton, Menzies and Dundas) to take ownership of the lights.

In discussion with the Esperance Regional Manager from Horizon Power, it was agreed that the best approach to this issue is for GVROC CEOs to outline a scenario that involves taking ownership of the LED lights that is acceptable to participating shires and submit this to Horizon Power for them to accept. One such scenario for GVROC CEOs to discuss is outlined below:

- Shires of Esperance, Leonora, Laverton, Menzies and Dundas take ownership of all new LED lights scheduled for installation in their respective shires;
- Horizon Power maintains responsibility for operation, maintenance and future replacement of all new LED lights installed;
- Current streetlight tariffs are retained until new LED tariffs are gazetted;
- New LED tariffs are submitted for gazettal in January 2015; and
- When new LED tariffs are gazetted, (July 2015) installed streetlights are switched over to these tariffs.

If these conditions are agreed upon by both parties, there will be no additional burden placed on participating shires, but it will allow for the elimination of the tax liability associated with Horizon Power receiving 'gifted assets'. The City will submit these conditions to Horizon Power for approval and ensure Horizon Power is made aware that to comply with CEEP milestone deadlines they must respond by the end of September to facilitate the ordering of all streetlights.

The tendering process for acquisition of lights will be run by Horizon Power, with installation completed by Horizon Power and their subcontractors. There will be no burden placed on GVROC shires for these processes, as project management is being coordinated by consultants from Enigin and held accountable by the City of Kalgoorlie-Boulder. Participation of shires that are having lights installed will be required for the communications aspect of this project. Lisa Cunningham will be outlining this requirement for participation in her presentation.

#### ▪ **Projected Benefits**

The projected financial benefit to GVROC shires resulting from this project is outlined in **Table 1** below. Financial benefit was calculated using the estimated new tariffs for LED lights to be gazetted by July 2015.

Town	Number of Streetlights	Projected Expenditure (\$)	Projected Savings (\$/yr)
Esperance	1,691	2,296,300	65,424
Leonora	265	663,691	7,761
Laverton	166	415,153	11,115
Norseman	268	398,566	11,631
Menzies	48	125,491	1,721
<b>Total</b>	<b>2,438</b>	<b>3,899,201</b>	<b>97,652</b>

**Table 1**

A spreadsheet detailing the projected benefits forms an attachment to the meeting agenda. The spreadsheet also details projected benefits for the solar PV energy project and a distribution of savings/revenue for participating Member Councils.

The financial benefit to GVROC shires for this project is relatively small compared to the outlay required, but there are significant benefits to the community that will result from this project. These include:

- Greater uniformity and levels of lighting across and along the streets;
- Improved colour rendering and visibility;
- Less depreciation of the light output over time with an asset life up to 10 times longer;
- Lower glare;
- Demonstration and encouragement of the deployment of energy efficient street lights (and other energy efficient technology) further afield by the energy utility Horizon Power, who are the owners of the street lights assets across most of regional WA;
- Demonstration and encouragement of the adoption of improved energy management practices in the broader community as the street lights are used by all local community members and visitors; and
- Improved safety and security of the local community through improved lighting, fewer occurrences of broken lights and reduction in instances of vandalism and anti-social behaviour.

▪ **Project Schedule**

The installation phase of this project is scheduled to commence in January 2015 in Esperance and finish in October 2015. **Table 2** outlines the project schedule for the installation of lights across all participating shires.

Shire	Installation Commences	Installation Completed
Esperance	January 2015	August 2015
Menzies	March 2015	April 2015
Laverton	May 2015	July 2015
Norseman	July 2015	October 2015
Leonora	August 2015	September 2015

**Table 2**

## Solar PV Project Update

The detailed technical analysis of potential sites for solar PV systems and their ideal sizes has been completed and submitted by EMC engineering. This report outlines a rough estimate of system costs as well as technical requirements imposed by Horizon Power and Western Power. Key issues that were considered:

- Systems installed on Horizon Power network require energy smoothing units to mitigate the sudden increase and decrease in power production associated with solar PV units.
- GVROC shires on the Horizon Power network have maximum hosting capacity limits, which dictates the maximum total output of solar PV systems allowed in each town.
- Potential solar PV system sizes are limited by available roof and ground space at each site.
- Systems are eligible for export revenue for any excess electricity generation above each site's consumption.

The information within the report written by EMC will form the basis for proceeding with the project. Information provided on various solar smoother manufacturers will inform the tender selection process, as all tenders will be required to include smoother units approved for use on Horizon Power networks.

If GVROC CEOs agree to proceed with this project, the City of Kalgoorlie-Boulder can immediately look to award the contract for project management and aim to begin construction of solar PV systems in early 2015. The tender has not been released for this project yet, so there is no formal project schedule, but the last system should be completed by the end of 2016.

### ▪ Projected Benefits

This project will deliver significant financial savings from reduced electricity consumption that will continue to increase over time as electricity prices rise. Each system scheduled for installation is designed to produce excess electricity for exporting back into the grid. This excess electricity will generate income for the shires, as Horizon Power will purchase it at pre-determined rates varying from shire to shire. The financial implications are outlined in **Table 3** below.

Solar PV System	System Size (kW)	Projected System Cost (\$)	Projected Electricity Savings (\$/year)	Projected Income from Export (\$/yr)	Simple PBP (years)
Esperance Admin Building	50	172,000	18,869	3,399	8.5
Menzies Admin Building & Depot	50	158,000	9,498	28,777	3.8
Menzies Caravan Park	20	65,000	5,357	36,385	5.2
Laverton Visitor's Centre	50	156,000	10,308	33,067	4.3
Laverton TV Retransmission Hut	50	181,000	11,150	2,847	4.5
Kambalda Recreation Centre	150	383,000	57,020	8,055	5.6
<b>Total</b>	<b>370</b>	<b>1,115,000</b>	<b>112,202</b>	<b>112,530</b>	<b>5.1</b>

**Table 3**

The EMC technical report contains specific details of each system scheduled for installation including system orientation and proposed roof and ground areas for installation.

▪ **Financial conclusions**

The attached spreadsheet shows two (2) and the amounts may change accordingly. It is pointed out that electricity cost savings are based on present day values and no projections with annual increases have been done. The scenarios developed are:

- 1) **PV Energy Project** – this project assumes that there are 6 sites located 4 in Local Governments that provide an opportunity to install PV units. The EMC report provides more detail on this proposal. All up the estimated capital for the PV units is \$1,412,182 and generates savings to the host sites of around \$112,202 pa and export revenue, i.e. a cheque from Horizon of around \$112,530 pa. Project management costs of \$296,925 are distributed proportionately across the projects based on the capital expenditure. The total savings and revenue for this project is estimated at \$224,732.
- 2) **CEEP Street lighting project** – this project has LED street lights installed across 5 local governments, with this sites being determined based on the best return from Horizon Power. With this project there are only savings generated by Horizon, no revenue is returned from the project. The original intent of this project was to get cost savings passed back but this isn't the case. The is also the issue of "ownership" of the lights and this needs to be clarified so that there is absolutely not chance costs that future replacement, maintenance, upgrades etc. are passed back to the Local Governments. The total cost of this project is \$4,214,199. Project management costs are estimated at \$315,000 and the projected annual savings are \$97,652.

**3) Summary**

The total value of these two projects is \$5,626,381, off which \$2,106,135 is CEEP money (Federal grant) and \$3,340,024 being the 12/13 Country Local Government Fund (CLGF) for the Shires of Esperance, Leonora, Menzies, Coolgardie, Dundas and the City of Kalgoorlie-Boulder. The Shires of Laverton, Ravensthorpe, Wiluna and Ngaanyatjarraku didn't have any CLGF in this project as there funds were directed to other projects. The original intent of this project was that the CEEP funds would be applied to any of the Local Governments that gave the best return but that savings or revenue would be shared with the Local Governments that put in CLGF monies, as \$1,793,064 will be used to match the CEEP grant. For the PV project, there was always going to be a return to the Local Governments based on the proportion of the 12/13 CLGF grant. The summary on the attached spreadsheet gives the breakdown of the allocation and return by Local Government.

As can be seen from the summary, the Shire of Esperance receives the greatest capital investment for both projects, totalling \$2,653,180 with savings/revenue of \$87,692. The Shire of Laverton, although not having any CLGF allocated, has capital of \$901,424 and savings/revenue of \$91,132. The City of Kalgoorlie-Boulder doesn't have any capital or savings/revenue. The challenge is for the Local Governments achieve equity in distribution of the savings/returns.

The following is proposed:

1. Shire of Esperance – electricity savings for PV and street lights are retained by the Shire, estimated at \$84,293 pa. Projected revenue of \$3,399 pa is remitted to the GVROC pool for distributed.
2. Shire of Menzies – PV and Streetlight savings of \$23,179 pa are retained by the Shire. Projected revenue of \$35,914 pa is remitted to the GVROC pool for distribution.
3. Shire of Coolgardie – PV and street lighting savings of \$57,020 pa are retained by the Shire. Projected revenue of \$8,055 pa is remitted by the Shire to the GVROC pool for distribution.
4. Shire of Dundas – Savings of \$11,631 pa are retained by the Shire.
5. Shire of Leonora – Electricity savings from street lighting of \$7761 are retained by the Shire.
6. Shire of Laverton – electricity savings from the PV and streetlight projects of \$25,970 be retained by the Shire. Projected revenue of \$65,162 is remitted to the GVROC pool for distribution.
7. If we use the proportion of the CLGF each Local government has in the project and compare their savings, the ROI is Esperance 9%, Menzies 5.3%, Coolgardie 11.9%, Dundas 3.1% and Leonora



2.3%. Kalgoorlie-Boulder doesn't receive a ROI and Laverton gets a return without any CLGF contribution. The proposed GVROC pool can be used to equalise the situation and it is proposed that a minimum return of 7% is set and funds distributed accordingly. For those Local Governments already with a ROI over this amount, then there is no distribution from the pool.

8. The GVROC pool could have approximately \$112,530 pa from the revenue stream from the PV project. To equalise to a minimum of 7% ROI, the following distributions would be made, Menzies \$7,533, Dundas \$14,505, Leonora \$15871 and Kalgoorlie-Boulder \$54,221.
9. It is proposed that these arrangements be maintained for 7 years and then all savings and revenues be retained by the host Local Government.
10. Based on the above \$92,129 would be distributed from the pool, leaving approximately \$20,400 to be retained annually by GVROC for future project etc.

If the distribution was carried out as per above, the final savings/revenue for each participating Local Government would be:

Esperance (9%)	\$84,293
Menzies (7%)	\$30,712
Coolgardie (11.9%)	\$57,020
Dundas (7%)	\$26,135
Leonora (7%)	\$23,632
Kalgoorlie-Boulder (7%)	<u>\$54,221</u>
	\$276,013
Laverton – no capital	\$25,970
GVROC retained	<u>\$20,401</u>
	\$322,384

The projects have provision for tenders, contract management, assessment and reporting totalling \$611,925, of which approximately \$327,805 has been committed or is anticipated to be committed. To date the City of Kalgoorlie-Boulder has been the project manager and has not claimed any staff costs. It is proposed that the balance of the project management budget be split into 2 portions one being project contingencies of \$140,000 and the balance of \$144,120 towards the City's costs to date and for future project management.

Following consideration of the above the Technical Officers Working Group resolved as follows:

*RESOLUTION: Moved: Jim Epis Seconded: Peter Crawford*

*That GVROC Technical Officers Working Group:*

1. *Seek an urgent meeting with the Chairman of the Board and CEO of Horizon Power to discuss the impediments of the GVROC LED streetlight project in particular the implications of the "gift tax".*
2. *Agree in principle to proceed with the GVROC LED project subject to resolving the issues surrounding ownership of the lights being under the care and control of Horizon Power.*
3. *Agree to the PV alternate energy project and request the City of Kalgoorlie-Boulder to coordinate the calling of tenders and awarding of contracts for this project, noting that individual Local Governments will still be responsible for the calling and awarding of tenders in accordance with the Local Government Act for works in their areas; and*
4. *Endorse in principle the financial arrangements outlined in this report, with the details to be formalised in a Memorandum of Understanding between the parties.*

**CARRIED**

In addition to the above work, GVROC resolved when it met on Friday 28 March 2014 to write to the Minister for Energy regarding the new LED Tariffs. The resolution is shown below.

That:

1. GVROC write to the Minister for Energy seeking assurance that the Gazettal of the new LED Tariffs will be completed in time for use in the 2014/2015 financial year;
2. Horizon Power be requested to pass on any additional savings to the GVROC through the use of new LED light technology over and above the new tariffs;
3. GVROC commit to the Community Energy Efficiency Program (CEEP) subject to the finalisation of the Horizon Power tender for LED lights and associated tariffs for this lighting; and
4. the GVROC Chair and/or GVROC CEO be given authority to sign off on the Community Energy Efficiency Program (CEEP) Project for the Goldfields Esperance Region.

CARRIED

A response from the Minister has now been received. It forms an attachment to the meeting agenda.

**Executive Officer Comment:**

On Tuesday 28 October 2014 the CEO City of Kalgoorlie-Boulder advised that the City and the Shire of Esperance would be discussing, via a phone hook-up, the future of the project with Horizon Power. He advised that the only way forward for the project to proceed is for the participating Councils to take over ownership of the lights as Horizon Power still maintain the asset tax of \$1m+ makes the project unviable. GVROC, however still hasn't seen the business case to back this up.

An informal briefing session of the Technical Officers Working Group was held via teleconference on Thursday 30 October 2014. The meeting looked at ways in which the project could proceed. Councils participating included the:

- Shire of Dundas;
- Shire of Esperance;
- City of Kalgoorlie-Boulder;
- Shire of Laverton;
- Shire of Leonora;
- Shire of Menzies; and
- Shire of Ravensthorpe.

The CEO City of Kalgoorlie-Boulder advised that for the project to proceed the Shires of Dundas, Esperance, Laverton, Leonora and Menzies would be required to enter into an agreement with Horizon Power over the ownership of the assets, with Horizon Power guaranteeing that absolutely no costs will have to be met by the Councils.

For this to occur participating Councils would have to endorse the proposal and at next week's GVROC meeting a formal position agreed to.

A further matter requiring resolution was one around the form of agreement that all parties will work towards having the assets transferred back to Horizon at no penalty to either party. This would require lobbying the State Government. In doing this GVROC would also work get a better tariff if Councils were required to take ownership of the lights.

Following their meeting with Horizon Power the Shire of Esperance and the City of Kalgoorlie-Boulder advised as follows:

- Horizon Power will send through a revised model showing the cost savings for Horizon and the tariff savings for the participating Councils, with the model showing 2 scenarios, one being with the gifted tax to be paid by Horizon Power and the other scenario being Councils taking "ownership" of the fittings, not including the poles, and gifted tax is avoided. Horizon Power has undertaken to have a revised tariff to GVROC by COB on Wednesday 5 December 2014.
- It is anticipated that the scenario of Councils taking on ownership should have a better financial outcome than originally modelled and advised by Horizon Power. Currently GVROC's modelling showings a reduction in the tariffs of around \$97k across the participating Councils.
- In order for Councils to take on ownership with confidence, ie that there isn't a corresponding financial burden to the Councils, a rock solid agreement with Horizon Power and the affected Councils need to be developed. This will need to clearly show that all installation, ongoing maintenance, replacement or any other costs will be met by Horizon Power.

- Assuming the Councils involved take on the ownership, GVROC will commence the process of lobbying the State Government to approve the transfer of the assets back to Horizon within 2 years at no cost to the Councils involved or Horizon Power.
- Horizon Power made it absolutely clear they would be responsible for all costs (cash and non-cash, operations and replacement), and even if GVROC was unsuccessful in lobbying the government re the gift tax, at some point the LED lights (at replacement) would become their asset, at no additional cost Councils. It was stated that this position had come from their CEO.
- All of the above is subject to each participating Council formally ratifying the proposal.

## **STATUTORY ENVIRONMENT**

Section 3.1 of the Local Government Act 1995 states that “the general function of a Local Government is to provide for the good government of persons in its district.”

## **POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendation of this report.

## **FINANCIAL IMPLICATIONS**

There are no financial implications resulting from the recommendation of this report.

For the region, total project costs are estimated at \$5,626,382.00. This proposal is seeking \$3,339,964.00 from the 2012/13 Country Local Government Fund regional allocation for the Goldfields-Esperance region. \$1,927,782 of this requested funding is budgeted against Component 1 – LED street light retrofit, and \$1,412,182.00 for Component 2 – Solar PV installations.

## **STRATEGIC IMPLICATIONS**

The utility-approved LED street lights will replace current High Pressure Sodium and Mercury Vapour lights and materially reduce energy usage, tariff costs, and greenhouse gas emissions. The installation of LED street lights will eliminate environmentally harmful substances currently in the legacy lights such as mercury and lead – with most components being 100% recyclable, and provide improved lighting outcomes for the community including:

- Greater uniformity and levels of lighting across and along the street;
- Improved colour rendering and visibility;
- Less depreciation of the light output over time with an asset life up to 10 times longer; and
- Lower glare

## **RECOMMENDATION**

That Council support and agree to the Goldfields Voluntary Regional Organisation of Council’s resolution dated the 6<sup>th</sup> November, 2014, details as follows:

**RESOLUTION:**

*Moved: Mr Brookes*

*Seconded: Cr Williams*

***That GVROC:***

1. *Request that the Shires of Esperance, Dundas, Laverton, Leonora and Menzies endorse the proposal for Horizon Power to transfer ownership of the streetlights to be upgraded to LEDs to each Local government so that this project can proceed, subject to Horizon Power entering into an agreement with each Local Government such that Horizon Power will be responsible for all costs associated with maintaining, repairs and replacing of the LED lights and that Local Governments are not responsible for any costs other than the revised lighting tariff that is subject to further negotiation;*
2. *Request that Horizon Power lobby the State Government for the transfer of the LED lights back to Horizon Power ownership within 2 years without any cost to the Local Governments or Horizon Power;*
3. *Request Horizon Power to upgrade the streetlights to the technical specifications and costs as currently specified, by Horizon Power, as a minimum, noting that tenders are not required to be called by the Local Governments in accordance with the Local Government (Functions and General) Regulations, clause 11 (2) (e) and (f);*
4. *Request that the City of Kalgoorlie-Boulder coordinate the calling tenders for the installations of solar PV units at the sites identified, with individual Local governments to consider and award tenders in accordance with the overall objective of this project;*
5. *Request Shires of Esperance, Coolgardie, Dundas, Laverton, Leonora, Menzies and City of Kalgoorlie-Boulder endorse in principle the funding arrangements and the dividend (export tariffs) distribution*

*formulae, for a period of 10 years, noting that this may change depending on the final tariff savings for the LED lights passed back to the Local Governments and*

6. *Note the correspondence from Minister for Energy regarding the Gazettal of the new LED Tariffs.*

**CARRIED**

**RESOLUTION:** *Moved: Cr Goldfinch      Seconded: Cr Harris*

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*That GVROC look at the potential for the tender to be expanded to include other Local Governments subject to budget capacity and approval.*

**CARRIED**

## **VOTING REQUIREMENT**

Simple Majority Required

## **COUNCIL DECISION**

**Moved Cr RA Norrie, Seconded Cr MWV Taylor** that Council support and agree to the Goldfields Voluntary Regional Organisation of Council's resolution dated the 6<sup>th</sup> November, 2014, details as follows:

**RESOLUTION:** *Moved: Mr Brookes      Seconded: Cr Williams*

---

*That GVROC:*

- 1. Request that the Shires of Esperance, Dundas, Laverton, Leonora and Menzies endorse the proposal for Horizon Power to transfer ownership of the streetlights to be upgraded to LEDs to each Local government so that this project can proceed, subject to Horizon Power entering into an agreement with each Local Government such that Horizon Power will be responsible for all costs associated with maintaining, repairs and replacing of the LED lights and that Local Governments are not responsible for any costs other than the revised lighting tariff that is subject to further negotiation;*
- 2. Request that Horizon Power lobby the State Government for the transfer of the LED lights back to Horizon Power ownership within 2 years without any cost to the Local Governments or Horizon Power;*
- 3. Request Horizon Power to upgrade the streetlights to the technical specifications and costs as currently specified, by Horizon Power, as a minimum, noting that tenders are not required to be called by the Local Governments in accordance with the Local Government (Functions and General) Regulations, clause 11 (2) € and (f);*
- 4. Request that the City of Kalgoorlie-Boulder coordinate the calling tenders for the installations of solar PV units at the sites identified, with individual Local governments to consider and award tenders in accordance with the overall objective of this project;*
- 5. Request Shires of Esperance, Coolgardie, Dundas, Laverton, Leonora, Menzies and City of Kalgoorlie-Boulder endorse in principle the funding arrangements and the dividend (export tariffs) distribution formulae, for a period of 10 years, noting that this may change depending on the final tariff savings for the LED lights passed back to the Local Governments and*
- 6. Note the correspondence from Minister for Energy regarding the Gazettal of the new LED Tariffs.*

**CARRIED**

**RESOLUTION:** *Moved: Cr Goldfinch      Seconded: Cr Harris*

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*That GVROC look at the potential for the tender to be expanded to include other Local Governments subject to budget capacity and approval.*

**CARRIED**

**CARRIED (6 VOTES TO 0)**

**CR PJ Craig adjourned the meeting at 10.27am for a morning tea break.**

**CR PJ Craig reconvened the meeting at 10.39am, with all those previously listed in the record of attendance present, as well as Mr Geoff Hobley and Mr Shane McLaughlin of Energy Development Remote Energy.**

**Cr PJ Craig welcomed Mr Shane McLaughlin and Mr Geoff Hobley to Leonora, and invited them to address the Council on the history of power supply to Leonora and to discuss the future power requirements.**

**Mr Shane McLaughlin provided some overview of Energy Developments Limited (EDL) history, clientele and projects that they have been (and are currently) responsible for.**

*EDL is committed to providing safe working environment, and has a good safety record despite some close calls that are outside of the control of operators. Pro-active measures are still implemented where possible to address these issues when they are identified in an effort to maintain this commitment.*

*Some grant funding has been secured to implement new technology at Coober Pedy. It is hoped that the results of the project can be transferred and implemented at other projects where suitable.*

*Mr Geoff Hobley also addressed the Council and highlighted that the primary purpose of the visit was to build on history of remote area energy projects and raise profile of services that are provided regionally and alternative energy options.*

*Some discussion ensued on energy and power supplies to towns, the agreements in place, infrastructure etc. Generally, the most efficient method of power generation is via gas (as is the case with the Leonora townsite).*

*Compressed Natural Gas (CNG) operation from Yulara is currently being managed by EDL. CEO, Mr JG Epis, advised that some groups had discussed in the past setting up CNG facility in the region. Currently, gas for power generation at minesites is being trucked in as required. Some analysis has been undertaken on the efficiency of this, and as a result Sunrise Dam mine and Tropicana mine will be establishing pipeline to deliver gas for future power generation.*

*A query was made about community support and sponsorship and events. It was suggested that any requests for support be forwarded for consideration.*

*Cr PJ Craig thanked Mr Geoff Hobley and Mr Shane McLaughlin for their informative presentation.*

*Mr Geoff Hobley and Mr Shane McLaughlin left the meeting at 11:09am.*

*Cr PJ Craig adjourned the meeting at 11:09am for a short comfort break.*

*Cr PJ Craig reconvened the meeting at 11:15am, with all those previously listed in the attendance record present.*



28 AUG 2014

**Hon Mike Nahan MLA  
Treasurer; Minister for Energy;  
Citizenship and Multicultural Interests**

Our ref: 48-06902

Ms Helen Westcott  
PO Box 6456  
East Perth WA 6892

Dear Ms Westcott

**GAZETTAL OF NEW LED STREETLIGHT TARIFFS**

Thank you for your letter (ref. 280314) received 22 July 2014 regarding the gazettal of new LED streetlight tariffs for the 2014/2015 financial year.

I have been advised by Horizon Power that a tender for the supply of the LED streetlights is currently being finalised.

Work on developing the new tariffs for these streetlights cannot be undertaken until the preferred supplier has been appointed and the product specifications and costs are finalised.

The development of these new LED streetlight tariffs is scheduled to begin in January 2015 and be complete by July 2015, when they are expected to be published in the Government Gazette.

The electricity tariff development process is highly regulated and requires early engagement with the Public Utilities Office by Horizon Power. It takes place from January to June each year.

Until such time as these new tariffs are developed and gazetted, Horizon Power is required to charge existing tariffs for new LED streetlights installed as part of the CEEP project being undertaken by GVROC.

Yours sincerely

**DR MIKE NAHAN MLA  
TREASURER; MINISTER FOR ENERGY;  
CITIZENSHIP AND MULTICULTURAL INTERESTS**

18 AUG 2014

## 10.0 REPORTS OF OFFICERS

### 10.2 DEPUTY CHIEF EXECUTIVE OFFICER

#### 10.2(A) MONTHLY FINANCIAL STATEMENTS

**SUBMISSION TO:** Meeting of Council  
Meeting Date: 18th November, 2014

**AGENDA REFERENCE:** 10.2 (A) NOV 14

**SUBJECT:** Monthly Financial Statements

**LOCATION / ADDRESS:** Leonora

**NAME OF APPLICANT:** Shire of Leonora

**FILE REFERENCE:** Nil

#### AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

**NAME:** Tanya Browning

**OFFICER:** Deputy Chief Executive Officer

**INTEREST DISCLOSURE:** Nil

**DATE:** 11<sup>th</sup> November, 2014

#### BACKGROUND

In complying with the Local Government Financial Management Regulations 1996, a monthly statement of financial activity must be submitted to an Ordinary Council meeting within 2 months after the end of the month to which the statement relates. The statement of financial activity is a complex document but gives a complete overview of the “cash” financial position as at the end of each month. The statement of financial activity for each month must be adopted by Council and form part of the minutes.

It is understood that parts of the statement of financial activity have been submitted to Ordinary Council meetings previously. In reviewing the Regulations the complete statement of financial activity is to be submitted, along with the following reports that are not included in the statement.

Monthly Financial Statements submitted for adoption include:

- (a) Statement of Financial Activity – 31st October, 2014
- (b) Compilation Report
- (c) Material Variances – 31st October, 2014

#### STATUTORY ENVIRONMENT

##### *Part 4 — Financial reports— s. 6.4*

34. *Financial activity statement report – s. 6.4*

(1A) *In this regulation —*

***committed assets** means revenue unspent but set aside under the annual budget for a specific purpose.*

34. (1) *A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail —*

- (a) *annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c);*
- (b) *budget estimates to the end of the month to which the statement relates;*
- (c) *actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;*
- (d) *material variances between the comparable amounts referred to in paragraphs (b) and (c); and*
- (e) *the net current assets at the end of the month to which the statement relates.*

34. (2) *Each statement of financial activity is to be accompanied by documents containing —*
- (a) *an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;*
  - (b) *an explanation of each of the material variances referred to in subregulation (1)(d); and*
  - (c) *such other supporting information as is considered relevant by the local government.*
34. (3) *The information in a statement of financial activity may be shown —*
- (a) *according to nature and type classification; or*
  - (b) *by program; or*
  - (c) *by business unit.*
34. (4) *A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be —*
- (a) *presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and*
  - (b) *recorded in the minutes of the meeting at which it is presented.*
34. (5) *Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.*

#### **POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendation of this report.

#### **FINANCIAL IMPLICATIONS**

There are no financial implications resulting from the recommendation of this report.

#### **STRATEGIC IMPLICATIONS**

There are no strategic implications resulting from the recommendation of this report.

#### **RECOMMENDATIONS**

That the Monthly Financial Statements for the month ended 31st October, 2014 consisting of:

- (a) Statement of Financial Activity – 31st October, 2014
- (b) Compilation Report
- (c) Material Variances – 31st October, 2014

be accepted.

#### **VOTING REQUIREMENT**

Simple Majority

#### **COUNCIL DECISION**

**Moved Cr LR Petersen Seconded Cr MWV Taylor** that the Monthly Financial Statements for the month ended 31st October, 2014 consisting of:

- (a) Statement of Financial Activity – 31st October, 2014
- (b) Compilation Report
- (c) Material Variances – 31st October, 2014

be accepted.

**CARRIED (6 VOTES TO 0)**



The Chief Executive Officer  
Shire of Leonora  
PO Box 56  
LEONORA WA 6438

### COMPILATION REPORT TO THE SHIRE OF LEONORA

We have compiled the accompanying Local Government special purpose financial statements of the Shire of Leonora, which comprise the Statement of Financial Activity, a summary of significant accounting policies and other explanatory notes for the period ending 31 October 2014. The financial statements have been compiled to meet compliance with the Local Government Act 1995 and associated Regulations.

### THE RESPONSIBILITY OF THE SHIRE OF LEONORA

The Shire of Leonora are solely responsible for the information contained in the special purpose financial statements and are responsible for the maintenance of an appropriate accounting system in accordance with the relevant legislation.

### OUR RESPONSIBILITY

On the basis of information provided by the Shire of Leonora we have compiled the accompanying special purpose financial statements in accordance with the requirements of the Local Government Act 1995, associated Regulations and APES 315 Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Shire of Leonora provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The Local Government special purpose financial statements were compiled exclusively for the benefit of the Shire of Leonora. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

*UHY Haines Norton (WA) Pty Ltd*  
UHY Haines Norton (WA) Pty Ltd  
Chartered Accountants



Paul Breman  
Director

11 November 2014

**Shire of Leonora**  
**MONTHLY FINANCIAL REPORT**  
**For the Period Ended 31st October 2014**

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

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**Shire of Leonora**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**(Statutory Reporting Program)**  
**For the Period Ended 31st October 2014**

Note	Adopted Annual Budget	YTD Budget (a)	YTD Actual 31 October 2014	Var. \$ (b)-(a)	Var. % (b)-(a)/(b)	Var.
<b>Operating Revenues</b>						
	\$	\$	\$	\$	%	
Governance	3,027	1,011	351	(660)	(188.03%)	
General Purpose Funding	1,243,972	423,412	357,674	(65,738)	(18.38%)	▼
Law, Order and Public Safety	13,636	4,204	7,540	3,336	44.24%	
Health	73,335	24,447	9,913	(14,534)	(146.62%)	
Education and Welfare	191,602	63,866	73,959	10,093	13.65%	
Housing	48,748	16,220	11,711	(4,509)	(38.50%)	
Community Amenities	206,435	164,939	162,224	(2,715)	(1.67%)	
Recreation and Culture	197,900	66,044	80,568	14,524	18.03%	
Transport	2,274,958	758,335	260,627	(497,708)	(190.97%)	▼
Economic Services	544,707	181,578	120,176	(61,402)	(51.09%)	▼
Other Property and Services	129,427	43,139	47,223	4,084	8.65%	
<b>Total (Ex. Rates)</b>	<b>4,927,747</b>	<b>1,747,195</b>	<b>1,131,966</b>	<b>(615,229)</b>		
<b>Operating Expense</b>						
Governance	(518,232)	(185,112)	(155,856)	29,256	18.77%	▼
General Purpose Funding	(400,166)	(142,182)	(109,122)	33,060	30.30%	▼
Law, Order and Public Safety	(122,052)	(40,900)	(38,738)	2,162	5.58%	
Health	(702,741)	(245,949)	(221,042)	24,907	11.27%	▼
Education and Welfare	(578,231)	(203,519)	(149,821)	53,698	35.84%	▼
Housing	0	(7,760)	0	7,760	100.00%	
Community Amenities	(242,032)	(82,440)	(67,892)	14,548	21.43%	
Recreation and Culture	(1,304,981)	(464,893)	(340,599)	124,294	36.49%	▼
Transport	(5,909,199)	(2,122,335)	(1,541,646)	580,689	37.67%	▼
Economic Services	(1,622,261)	(558,757)	(345,112)	213,645	61.91%	▼
Other Property and Services	(113,630)	(165,959)	40,473	206,432	(510.05%)	
<b>Total</b>	<b>(11,513,525)</b>	<b>(4,219,806)</b>	<b>(2,929,355)</b>	<b>1,290,451</b>		
<b>Funding Balance Adjustment</b>						
Add back Depreciation	2,097,158	699,054	535,687	(163,367)	(30.50%)	▼
Adjust (Profit)/Loss on Asset Disposal	254,655	254,655	(6,208)	(260,863)	4202.05%	
Adjust Provisions and Accruals	0	0	(28,407)	(28,407)	(100.00%)	▼
<b>Net Operating (Ex. Rates)</b>	<b>(4,233,965)</b>	<b>(1,518,902)</b>	<b>(1,296,317)</b>	<b>222,585</b>		
<b>Capital Revenues</b>						
Grants, Subsidies and Contributions	2,954,255	984,775	360,000	(624,775)	173.55%	
Proceeds from Disposal of Assets	397,000	397,000	145,591	(251,409)	(172.68%)	▼
Transfer from Reserves	82,260	0	0	0		
<b>Total</b>	<b>3,433,515</b>	<b>1,381,775</b>	<b>505,591</b>	<b>(876,184)</b>		
<b>Capital Expenses</b>						
Land and Buildings	(8,077,151)	(2,692,384)	(121,251)	2,571,133	2120.50%	▼
Plant and Equipment	(1,072,000)	(357,333)	(290,904)	66,429	22.84%	▼
Furniture and Equipment	0	0	0	0		
Infrastructure Assets - Roads	(690,243)	(230,081)	(84,675)	145,406	171.72%	▼
Infrastructure Assets - Other	(396,685)	(132,228)	(40,183)	92,045	229.07%	▼
Transfer to Reserves	(301,781)	(5,797)	(5,797)	0	0.00%	
<b>Total</b>	<b>(10,537,860)</b>	<b>(3,417,823)</b>	<b>(542,810)</b>	<b>2,875,013</b>		
<b>Net Capital</b>	<b>(7,104,345)</b>	<b>(2,036,048)</b>	<b>(37,219)</b>	<b>1,998,829</b>		
<b>Total Net Operating + Capital</b>	<b>(11,338,310)</b>	<b>(3,554,950)</b>	<b>(1,333,536)</b>	<b>2,221,414</b>		
Opening Funding Surplus(Deficit)	6,230,757	6,230,757	6,198,972	(31,785)	(0.51%)	▼
Rate Revenue	5,107,553	5,107,553	5,187,554	80,001	1.54%	▲
<b>Closing Funding Surplus(Deficit)</b>	<b>(0)</b>	<b>7,783,360</b>	<b>10,052,990</b>	<b>2,269,630</b>		

Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold. ▲ ▼

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Accounting**

This statement is a special purpose financial report, prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

**(b) The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in this statement.

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

All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 12.

**(c) Rounding Off Figures**

All figures shown in this statement are rounded to the nearest dollar.

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

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

**(e) Goods and Services Tax**

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

**(f) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

**(g) Trade and Other Receivables**

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

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

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

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

**(h) Inventories**

**General**

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated Closing Funding Surplus(Deficit)

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

**Land Held for Resale**

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

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

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

**(i) Fixed Assets**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

**(j) Depreciation of Non-Current Assets**

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation rates and periods are:

Buildings	30 to 50 years
Furniture and Equipment	2 to 15 years
Plant and Equipment	5 to 15 years
Roads - Aggregate	25 years
Roads - Unsealed - Gravel	35 years
Drains and Sewers	75 years
Airfield - Runways	12 years

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

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

**(k) Trade and Other Payables**

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the local government 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 and are usually paid within 30 days of recognition.

**(l) Employee Benefits**

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

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

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

**(ii) Annual Leave and Long Service Leave (Long-term Benefits)**

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

**(m) Interest-bearing Loans and Borrowings**

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

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

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

***Borrowing Costs***

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

**(n) Provisions**

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

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

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

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

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

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

**(p) Nature or Type Classifications**

**Rates**

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

**Operating Grants, Subsidies and Contributions**

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

**Non-Operating Grants, Subsidies and Contributions**

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

**Profit on Asset Disposal**

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

**Fees and Charges**

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

**Service Charges**

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies the These are television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**Interest Earnings**

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**Other Revenue / Income**

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

**Employee Costs**

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

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

**(q) Nature or Type Classifications (Continued)**

**Materials and Contracts**

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

**Utilities (Gas, Electricity, Water, etc.)**

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

**Insurance**

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

**Loss on asset disposal**

Loss on the disposal of fixed assets.

**Depreciation on non-current assets**

Depreciation expense raised on all classes of assets.

**Interest expenses**

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

**Other expenditure**

Statutory fees, taxes, provision for bad debts, member's fees or levies including WA Fire Brigade Levy and State taxes. Donations and subsidies made to community groups.

**(r) Statement of Objectives**

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

Council operations as disclosed in this statement encompass the following service orientated activities/programs:



**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

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

**GOVERNANCE**

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

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

**GENERAL PURPOSE FUNDING**

*1 Rates*

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

*2 Grants*

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

*3 Interest from Investments*

Includes interest received on surplus funds invested throughout the year from both operating and reserve accounts.

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

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

**(r) STATEMENT OF OBJECTIVE (Continued)**

**LAW, ORDER, PUBLIC SAFETY**

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

**HEALTH**

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

**EDUCATION AND WELFARE**

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

**HOUSING**

Costs of maintaining Council owned accommodation units and collection of rentals paid by staff for use of those buildings. Costs that can be accurately attributed to other programs are allocated. Revenue associated with a State Government owned house by way of loan repayments to Council are also included.

Accommodation units include 3 houses, 2 duplexes and a single persons quarters.

**COMMUNITY AMENITIES**

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

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

Provision of Christmas decorations in Leonora Town site.

Operation of the Leonora Cemetery.

**RECREATION AND CULTURE**

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

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

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

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

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

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

**(r) STATEMENT OF OBJECTIVE (Continued)**

**TRANSPORT**

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

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

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

**ECONOMIC SERVICES**

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

Contribution to employment of a Goldfields/Esperance Development Officer operating from Shire Offices - Leonora.

Costs and revenues associated with building control under building regulations, including inspections and issuing building permits.

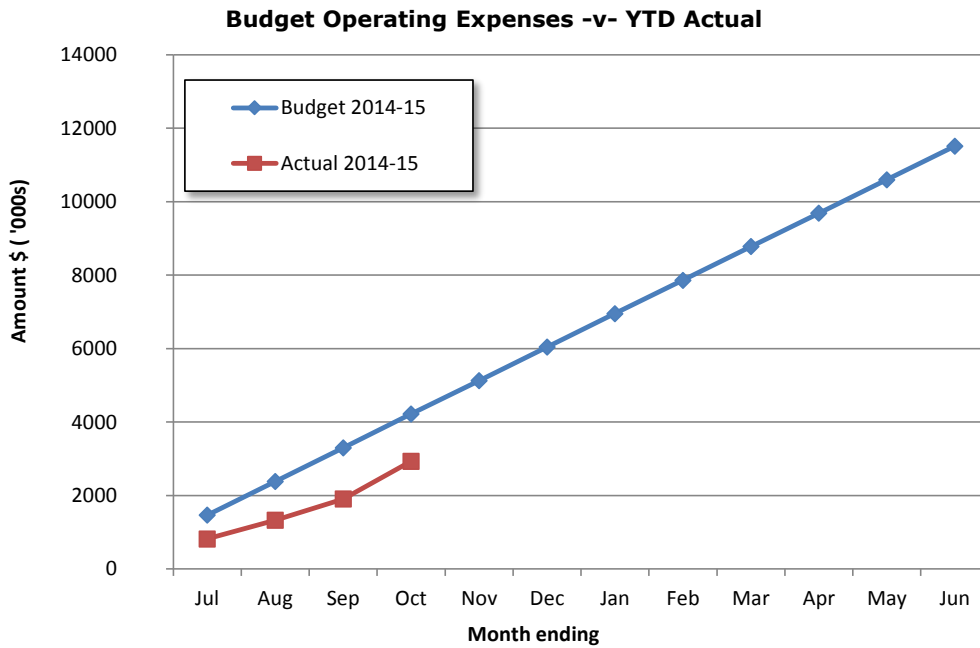
**OTHER PROPERTY & SERVICES**

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

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

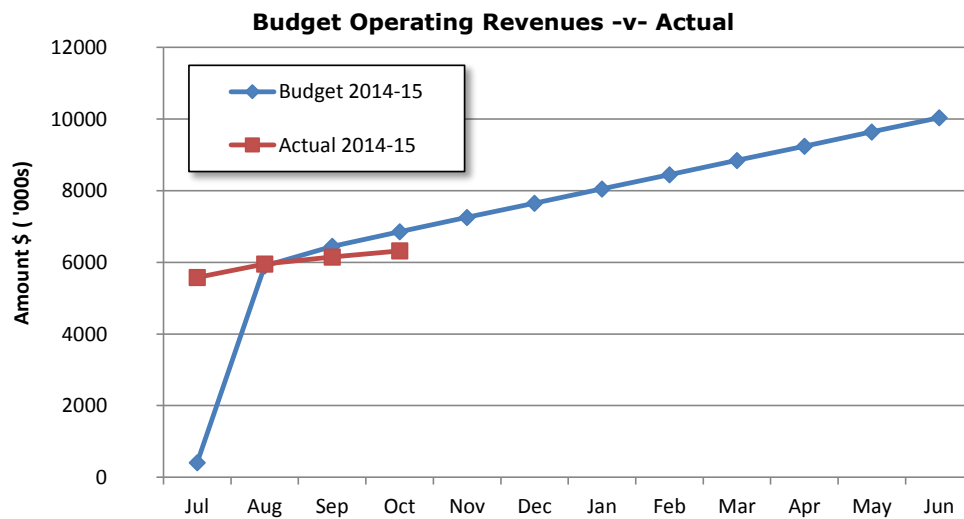
**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

**Note 2 - Graphical Representation - Source Statement of Financial Activity**



**Comments/Notes - Operating Expenses**

Currently trending lower than budget estimates. No significant activity undertaken yet.

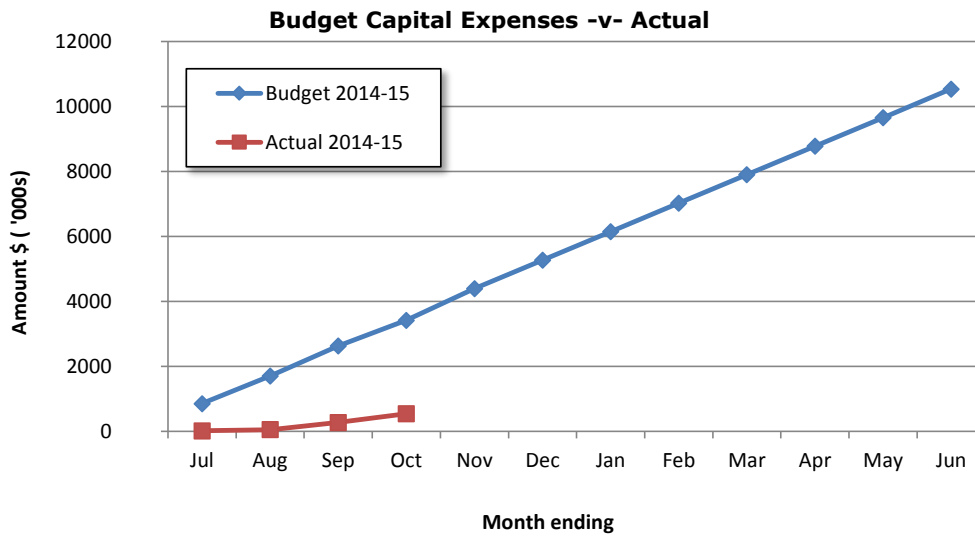


**Comments/Notes - Operating Revenues**

Currently trending closely with budget estimates.

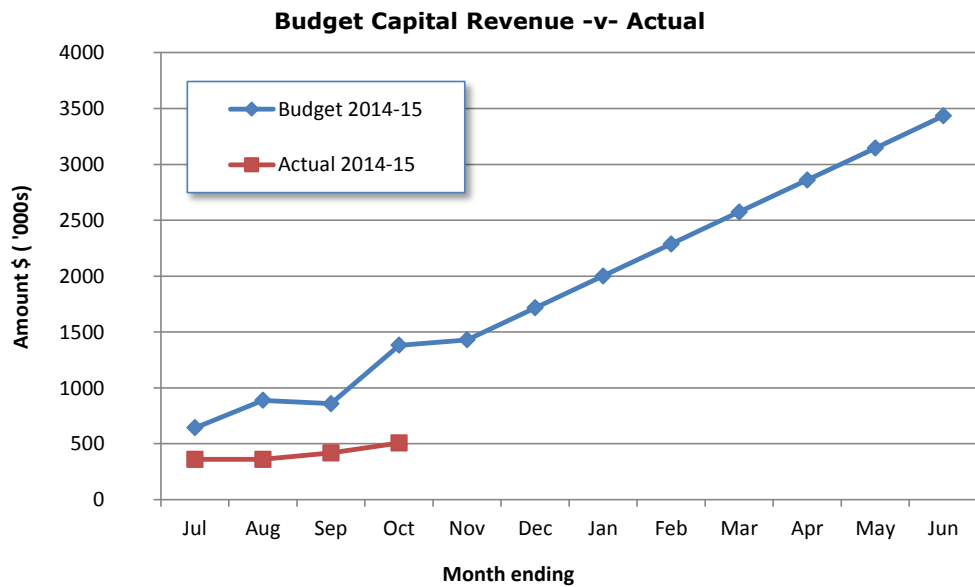
**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

**Note 2 - Graphical Representation - Source Statement of Financial Activity**



**Comments/Notes - Capital Expenses**

No significant activity to report (capital projects etc to commence now that tenders called, rate revenue received etc)



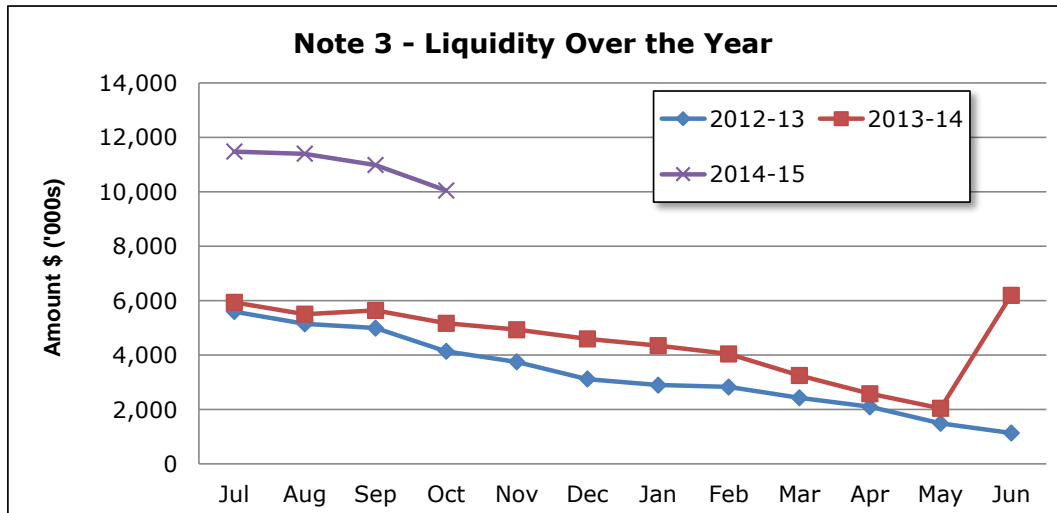
**Comments/Notes - Capital Revenues**

No significant activity to report (early in reporting period, no significant activity yet)

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

**Note 3: NET CURRENT FUNDING POSITION**

		Positive=Surplus (Negative=Deficit)		
		2014-15		
	Note	31st October 2014	30th June 2014	YTD 31ST October 2014
		\$	\$	\$
<b>Current Assets</b>				
Cash Unrestricted	4	4,244,525	1,521,007	4,718,249
Cash Restricted	4	5,383,729	5,348,106	474,410
Receivables - Rates	6	897,512	162,802	700,166
Receivables - Other	6	595,104	373,152	118,707
Inventories		58,578	73,955	49,232
		11,179,448	7,479,022	6,060,764
<b>Less: Current Liabilities</b>				
Payables		(390,804)	(550,193)	(396,598)
Provisions		(217,785)	(246,192)	(295,761)
		(608,589)	(796,385)	(692,359)
Less: Cash Reserves	7	(735,654)	(729,857)	(474,410)
Add: Cash Backed Provisions		217,785	217,785	276,162
Employee Benefits Already Funded		0	28,407	0
<b>Net Current Funding Position</b>		<b>10,052,990</b>	<b>6,198,972</b>	<b>5,170,157</b>



**Comments - Net Current Funding Position**

The large increase in surplus at 30 June 2014 relates to revenue from the Royalties for Regions grant of \$4,618,249 currently held in an Overnight Cash Deposit Facility with the WA Treasury Corp.

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

**Note 4: CASH AND INVESTMENTS**

	Interest Rate	Unrestricted \$	Restricted \$	Trust \$	Total Amount \$	Institution	Maturity Date
<b>(a) Cash Deposits</b>							
Municipal Account	Variable	4,243,255			4,243,255	NAB	Cheque Acc.
Trust Account	Variable			16,112	16,112	NAB	Cheque Acc.
LSL Maximiser	Variable		127,419		127,419	NAB	Cheque Acc.
Fire Maximiser	Variable		18,117		18,117	NAB	Cheque Acc.
Plant Maximiser	Variable		204,889		204,889	NAB	Cheque Acc.
Annual Leave Maximiser	Variable		155,921		155,921	NAB	Cheque Acc.
Gwalia Precinct Maximiser	Variable		86,521		86,521	NAB	Cheque Acc.
Building Maintenance Maximiser	Variable		142,787		142,787	NAB	Cheque Acc.
Cash On Hand	Nil	1,270			1,270	NAB	On Hand
<b>(b) Term Deposits</b>							
N/A					0		
<b>(c) Other Investments</b>							
OCDF R4R	2.45%		4,648,075		4,648,075	WATC	
<b>Total</b>		4,244,525	5,383,729	16,112	9,644,366		

**Comments/Notes - Investments**

OCDF relates to R4R funding for Northern Goldfields Regional Office & Administration Centre

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

**Note5: BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
	Amendments			\$	\$	\$	\$ 0
<b>Closing Funding Surplus (Deficit)</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

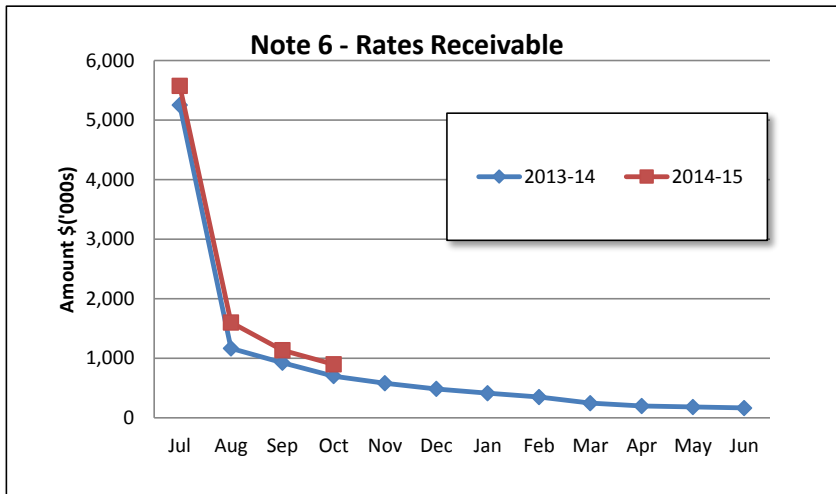
**Note 6: RECEIVABLES**

**Receivables - Rates Receivable**

Opening Arrears Previous Years  
 Levied this year  
Less Collections to date  
 Equals Current Outstanding

**Net Rates Collectable**  
 % Collected

	31st October 2014	YTD 30th June 2014
	\$	\$
Opening Arrears Previous Years	162,802	58,144
Levied this year	5,447,117	5,284,211
<u>Less</u> Collections to date	(4,712,407)	(5,179,553)
Equals Current Outstanding	897,512	162,802
<b>Net Rates Collectable</b>	897,512	162,802
% Collected	84.00%	96.95%



**Comments/Notes - Receivables Rates and Rubbish**

2014-2015 rates and charges were due on 27 August 2014. For ratepayers that did not elect to pay by four instalments, final notices will be issued and then forwarded

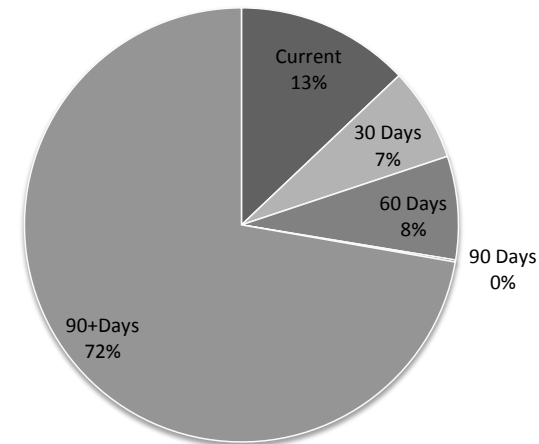
**Receivables - General**

Receivables - General

	Current	30 Days	60 Days	90 Days	90+Days
	\$	\$	\$	\$	\$
Receivables - General	76,956	41,404	45,832	888	430,024
<b>Total Receivables General Outstanding</b>					<b>595,104</b>

Amounts shown above include GST (where applicable)

**Note 6 - Accounts Receivable (non-rates)**



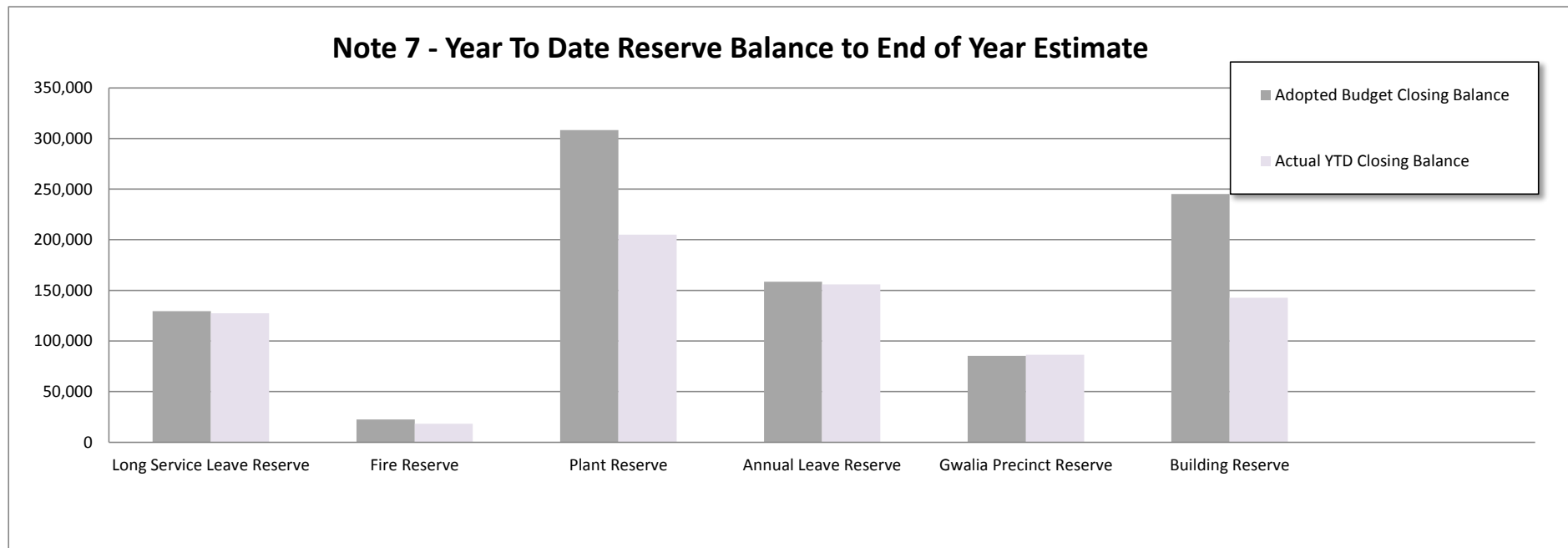
**Comments/Notes - Receivables General**

Outstanding debtors are followed up periodically (every fortnight), with reminders and final demands issued on bad debtors. Collection agency is engaged on long overdue bills.

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

**Note 7: Cash Backed Reserve**

2014-15											
Name	Adopted Budget Opening Balance	Actual Opening Balance	Adopted Budget Interest Earned	Actual Interest Earned	Adopted Budget Transfers In (+)	Actual Transfers In (+)	Adopted Budget Transfers Out (-)	Actual Transfers Out (-)	Transfer out Reference	Adopted Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$
Long Service Leave Reserve	126,415	126,415	3,155	1,004	0	0	0	0		129,570	127,419
Fire Reserve	17,974	17,974	450	143	4,000	0	0	0		22,424	18,117
Plant Reserve	203,274	203,274	5,085	1,615	100,000	0	0	0		308,359	204,889
Annual Leave Reserve	154,692	154,692	3,861	1,229	0	0	0	0		158,553	155,921
Gwalia Precinct Reserve	85,839	85,839	1,677	682	80,000	0	(82,260)	0		85,256	86,521
Building Reserve	141,663	141,663	3,553	1,124	100,000	0	0	0		245,216	142,787
	<b>729,857</b>	<b>729,857</b>	<b>17,781</b>	<b>5,797</b>	<b>284,000</b>	<b>0</b>	<b>(82,260)</b>	<b>0</b>		<b>949,378</b>	<b>735,654</b>



**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

**Note 8: CAPITAL DISPOSALS AND ACQUISITIONS**

Actual YTD Profit(Loss) of Asset Disposal				Disposals	Adopted Current Budget 31st October 2014		
Cost	Accum Depr	Proceeds	Profit (Loss)		Annual Budget Profit/(Loss)	Actual Profit/(Loss)	Variance
\$	\$	\$	\$		\$	\$	\$
				<b>Plant and Equipment</b>			
35,778	(9,906)	22,727	(3,145)	Pe2 - EHO Vehicle 4L	(12,610)	(3,145)	9,465
			0	Loader 1CVT011	(92,982)	0	92,982
26,000	(13,972)	15,455	3,427	301 - Works Utility P448D	(19,348)	3,427	22,775
			0	Grader L2221	(15,722)	0	15,722
23,050	(10,322)	19,091	6,363	507 - Dual Cab Utility P534	(14,679)	6,363	21,042
			0	Works Utility	(25,328)	0	25,328
40,600	(7,350)	29,091	(4,159)	501 - MWS Vehicle 6L	(29,810)	(4,159)	25,651
36,200	(10,878)	29,227	3,905	CEO Vehicle 1L	(17,596)	3,905	21,501
46,607	(16,424)	30,000	(183)	DCEO Vehicle 2L	(16,207)	(183)	16,024
			0	MEHS Vehicle	(10,373)	0	10,373
			0				
<b>208,235</b>	<b>(68,852)</b>	<b>145,591</b>	<b>6,208</b>		<b>(254,655)</b>	<b>6,208</b>	<b>234,466</b>

**Comments - Capital Disposal/Replacements**

Comments	Summary Acquisitions	Adopted Current Budget 31st October 2014		
		Budget	Actual	Variance
		\$	\$	\$
	<b>Plant &amp; Equipment</b>	1,072,000	290,904	(781,096)
	<b>Buildings</b>	8,077,151	121,251	(7,955,900)
	<b>Land</b>	0	0	0
	<b>Furniture and Equipment</b>	0	0	0
	<b>Infrastructure Roads</b>	690,243	84,675	(605,568)
	<b>Infrastructure Other</b>	396,685	40,183	(356,502)
	<b>Capital Totals</b>	<b>10,236,079</b>	<b>537,013</b>	<b>(9,699,066)</b>

**Comments - Capital Acquisitions**

Comments	Land	Adopted Current Budget 31st October 2014		
		Budget	Actual	Variance
		\$	\$	\$
				0
				0
	<b>Capital Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>

Comments	Buildings	Adopted Current Budget 31st October 2014		
		Budget	Actual	Variance
		\$	\$	\$
Orders issued for works	E052001-Youth Centre Refurbishment	15,000	740	(14,260)
Not yet commenced	Gym Upgrade	200,000	0	(200,000)
Not yet commenced	Depot Workshop Renewal	130,000	0	(130,000)
Progressing	E520002-Vintage Vehicle Building	190,518	116,364	(74,154)
Progressing	E0520003-Northern Goldfields Regional Office and Administration Centre	6,817,943	4,147	(6,813,796)
Not yet commenced	Gwalia Cottages	546,290	0	(546,290)
Not yet commenced	Barnes Federal Theatre	22,200	0	(22,200)
Not yet commenced	Patroni's Guest House Interpretation	44,000	0	(44,000)
Not yet commenced	Major's Boarding House	111,200	0	(111,200)
				0
	<b>Capital Totals</b>	<b>8,077,151</b>	<b>121,251</b>	<b>(7,955,900)</b>

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

**Note 8: CAPITAL DISPOSALS AND ACQUISITIONS**

Comments	Plant & Equipment	Adopted Current Budget		
		31st October 2014		
		Budget	Actual	Variance (Under)Over
		\$	\$	\$
Completed	EHO Vehicle	34,000	33,846	(154)
Commenced	Recycling Equipment	10,000	491	(9,509)
Tenders to be called first	Cat 962 Loader P011	300,000	0	(300,000)
Order placed in September	Nissan Patrol P448	45,000	0	(45,000)
Tender awarded in September, order progressing	Cat Road Grader L2221	400,000	0	(400,000)
Completed	Grader Vehicle Utility	37,000	36,650	(350)
Completed	MWS Vehicle 6L	65,000	60,635	(4,365)
Completed	Navara Utility P33	36,000	36,650	650
Not yet commenced	MEHS Vehicle	24,000	0	(24,000)
Completed	CEO Vehicle 1L	75,000	76,095	1,095
Completed	DCEO Vehicle 2L	46,000	46,537	537
				0
	<b>Capital Totals</b>	<b>1,072,000</b>	<b>290,904</b>	<b>(781,096)</b>

Comments	Roads	Adopted Current Budget		
		31st October 2014		
		Budget	Actual	Variance (Under)Over
		\$	\$	\$
Works commenced	E500001-RRG 2014-15 Weebo Wildara	272,000	75,075	(196,925)
Projects to be submitted and approved	R2R Renewals	323,243	0	(323,243)
Progressing	Footpath Renewals	95,000	9,600	(85,400)
	<b>Capital Totals</b>	<b>690,243</b>	<b>84,675</b>	<b>(605,568)</b>

Comments	Other Infrastructure	Adopted Current Budget		
		31st October 2014		
		Budget	Actual	Variance (Under)Over
		\$	\$	\$
Discussions underway with engineers	Treatment Pond Upgrade	50,000	0	(50,000)
Goods yet to be ordered	Fitness/Playground Equipment	24,000	0	(24,000)
Due for completion approx. November	E510003-Upgrade Aerodrome Lighting			
Will progress now that some grants approved	Genset	50,000	858	(49,142)
Not yet commenced	Gwalia Headframe Renewal	208,360	0	(208,360)
Complete	Gwalia Entrance Renewal	20,000	0	(20,000)
Not yet commenced	E510001-Restoration Electric Tram	39,325	39,325	0
	Restoration "Ken" Locomotive	5,000	0	(5,000)
				0
	<b>Capital Totals</b>	<b>396,685</b>	<b>40,183</b>	<b>(356,502)</b>

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

**Note 9: RATING INFORMATION**

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Adopted Budget Rate Revenue \$	Adopted Budget Interim Rate \$	Adopted Budget Back Rate \$	Adopted Budget Total Revenue \$
<b>General Rates</b>											
GRV											
Industrial	0.0630	48	3,545,980	223,397	0	0	223,397	223,397	0	0	223,397
Commercial	0.0630	30	3,541,182	223,094	0	0	223,094	223,094	0	0	223,094
Residential	0.0630	486	6,498,180	409,385	582	0	409,967	409,385	0	0	409,385
Town Centre	0.0630	5	252,770	15,925	0	0	15,925	15,925	0	0	15,925
Mining Tenements	0.0630	6	2,399,248	151,153	(22,960)	0	128,193	151,153	1,541	0	152,694
Miscellaneous	0.0630	12	356,524	22,461	(8,505)	0	13,956	22,461	0	0	22,461
UV											
Mining Tenements	0.1380	1,069	26,846,741	3,704,850	16,510	0	3,721,360	3,704,850	15,405	(104,595)	3,615,660
Pastoral	0.1380	30	1,264,312	174,475	(8,921)	0	165,554	174,475	0	0	174,475
Rural	0.1380	2	50,000	6,900	0	0	6,900	1,256	0	0	1,256
<b>Sub-Totals</b>		1,688	44,754,937	4,931,640	(23,294)	0	4,908,346	4,925,996	16,946	(104,595)	4,838,347
<b>Minimum Payments</b>	<b>Minimum \$</b>										
GRV											
Industrial	287	13	32,270	3,731	0	0	3,731	3,731	0	0	3,731
Commercial	287	4	10,140	1,148	0	0	1,148	1,148	0	0	1,148
Residential	287	19	50,521	5,453	0	0	5,453	5,453	0	0	5,453
Town Centre	287	2	875	574	0	0	574	574	0	0	574
Vacant	287	63	60,731	18,081	(287)	0	17,794	18,081	0	0	18,081
Miscellaneous	287	4	2,910	1,148	8,505	0	9,653	1,148	0	0	1,148
UV											
Mining Tenements	287	825	944,662	236,775	3,219	0	239,994	238,210	0	0	238,210
Rural	287	3	3,501	861	0	0	861	861	0	0	861
<b>Sub-Totals</b>		933	1,105,610	267,771	11,437	0	279,208	269,206	0	0	269,206
<b>Total Raised from General Rates</b>							5,187,554				5,107,553

**Comments - Rating Information**

All land except exempt land in the Shire of Leonora is rated according to its Gross Rental Value (GRV) in town sites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2014/15 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

Please refer to Compilation Report.

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

**10. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

The Shire of Leonora has no borrowings.

(b) New Debentures

No new debentures were raised during the reporting period.

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

**Note 11: GRANTS AND CONTRIBUTIONS**

Program/Details GL	Grant Provider	Approval	2014-15 Adopted Budget	Variations Additions (Deletions)	Operating	Capital	Recoup Status	
							Received	Not Received
		(Y/N)	\$	\$	\$	\$	\$	\$
<b>GENERAL PURPOSE GRANTS</b>								
I030019- Grants Commission	WALGGC	Y	598,006		598,006		150,403	447,603
I030021- Federal Roads	WALGGC	Y	594,250		594,250		149,585	444,665
<b>LAW, ORDER, PUBLIC SAFETY</b>								
I053402- Fire Prevention Grant	DFES	Y	4,552		4,552		1,530	3,022
<b>HEALTH</b>								
I076473- Aged Care Feasibility	Lotterywest	N	20,000		20,000		0	20,000
<b>WELFARE SERVICES</b>								
I080002- Childcare sustainability	DWEER	Y	54,546		54,546		13,490	41,056
I082002- Youth Programs	DCP	N	48,000		48,000		32,807	15,193
<b>RECREATION AND CULTURE</b>								
I117010- CRC Other		Y	120,000		120,000		60,000	60,000
<b>ECONOMIC SERVICES</b>								
I134458 Grant Income (Projects)		N	127,910		127,910		12,878	115,032
I134463 Headframe Stage 1	Lotterywest	Y	126,100			126,100	0	126,100
I134464 Cottages Conservation	Lotterywest	Y	233,861			233,861	0	233,861
I134465 Barnes Federal Theatre	Lotterywest	Y	26,018			26,018	0	26,018
I134466 Patroni's Interpretation	Lotterywest	Y	40,000			40,000	0	40,000
I134667 Minara Historic Cottages Preservation		N	99,000			99,000	0	99,000
I137002 CRC Special Project Fund Bus. Case		Y	60,000			60,000	60,000	0
I137003 CRC Special Project Fund Inf Fund		Y	300,000			300,000	300,000	0
I137008 Lotterywest Fitout Funding	Lotterywest	Y	1,564,700			1,564,700	0	1,564,700
I138002 Sponsorship		Y	115,000		115,000		500	114,500
I138005 Grant Income		N	55,000		55,000		0	55,000
<b>TRANSPORT</b>								
<b>MRWA ROAD FUNDING</b>								
I122214/15/16- Project Grants	RRG	Y	181,333			181,333	0	181,333
I122042/52/200- Direct Grants	MWRA	Y	123,408		123,408	0	117,800	5,608
<b>OTHER ROAD/STREETS GRANTS</b>								
I122206- Roads To Recovery	Building Program	N	323,243			323,243	0	323,243
I122213 Natural Disaster Reinstatement		Y	1,630,000		1,630,000		0	1,630,000
I122494 RADS Grant		Y	44,254		44,254		0	44,254
<b>TOTALS</b>			<b>6,489,181</b>	<b>0</b>	<b>3,534,926</b>	<b>2,954,255</b>	<b>898,993</b>	<b>5,590,188</b>
	Operating		3,534,926				538,993	
	Non-Operating		2,954,255				360,000	
			<u>6,489,181</u>				<u>898,993</u>	

**Shire of Leonora**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2014**

**Note 12: TRUST FUND**

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance	Amount	Amount	Closing Balance
	1 July 2014	Received	Paid	31-Oct-14
Proceeds from sale of impounded cattle	\$ 16,112	\$ 0	\$ 0	\$ 16,112
	<b>16,112</b>	<b>0</b>	<b>0</b>	<b>16,112</b>



Shire of Leonora  
Material Variances as at 31st October 2014

ACCOUNT	NAME	ACTUAL	Year To Date BUDGET	DIFFERENCE	REASON FOR VARIATION
<b>Income</b>					
I030011	Rates Mining Written Back	\$ -	\$ (104,595.00)	\$ 104,595.00	No refunds or write offs processed yet
I030032	Interest Revenue - OCDF	\$ 38,257.59	\$ -	\$ 38,257.59	Interest for NGROAC R4R funds, held by WATC
I074421	Cont to Contract EHO	\$ 7,813.36	\$ 16,925.00	\$ (9,111.64)	Less activity than budgeted to end of Oct period
I076473	Aged Care Feas. Grant	\$ -	\$ 6,672.00	\$ (6,672.00)	No grant funding applied for yet
I082001	Youth Support DCP Grant	\$ 32,807.04	\$ -	\$ 32,807.04	Budget split requires amendment from I082002
I082002	Youth Program Grants	\$ -	\$ 16,000.00	\$ (16,000.00)	Budget split requires amendment to I082001
I114465	Charges Swimming Pool	\$ 1,764.08	\$ 5,336.00	\$ (3,571.92)	Pool did not open until early October, budget split at 1/12 per month, need to adjust
I117010	Other Grant Funding	\$ 60,000.00	\$ 40,000.00	\$ 20,000.00	Change in funding structure now sees payments half yearly not quarterly
I122217	RRG 14-15 Weebo Wildara	\$ -	\$ 60,445.00	\$ (60,445.00)	Budget split at 1/12 per month, need to adjust to
I122200	Grants MRWA Direct	\$ 117,800.00	\$ 39,272.00	\$ 78,528.00	Budget split at 1/12 per month, need to adjust to programme
I122206	Grants Roads to Recovery	\$ -	\$ 107,755.00	\$ (107,755.00)	Budget split at 1/12 per month, need to adjust to programme
I122213	Natural Disaster Reinstatement	\$ -	\$ 543,336.00	\$ (543,336.00)	Budget split at 1/12 per month, need to adjust to programme
I126410	Fees Landing at Airport	\$ 43,994.70	\$ 55,000.00	\$ (11,005.30)	Avdata report not received prior to month end processing
I126415	Passenger Head Tax	\$ 59,719.00	\$ 81,664.00	\$ (21,945.00)	Avdata report not received prior to month end processing
I134467	Minara Historic Cottage Pres	\$ -	\$ 33,000.00	\$ (33,000.00)	Grant application not successful
I134466	Lotterywest Patroni's Interp.	\$ -	\$ 13,336.00	\$ (13,336.00)	Budget split at 1/12 per month, need to adjust to programme
I134463	Lotterywest Headframe Stg 1	\$ -	\$ 42,036.00	\$ (42,036.00)	Budget split at 1/12 per month, need to adjust to programme
I134464	Lotterywest Cons. Cottages	\$ -	\$ 77,957.00	\$ (77,957.00)	Budget split at 1/12 per month, need to adjust to programme
I134458	Grant Income Projects	\$ 12,878.00	\$ 42,638.00	\$ (29,760.00)	Budget split at 1/12 per month, need to adjust to programme
I136456	GEDC Officer Contrib.	\$ 14,400.00	\$ 4,625.00	\$ 9,775.00	Budget split at 1/12 per month, need to adjust to programme
I137002	CRC Special Proj. Fund	\$ 60,000.00	\$ 20,000.00	\$ 40,000.00	Budget split at 1/12 per month, need to adjust to programme
I137003	CRC Special Proj. Fund	\$ 300,000.00	\$ 100,000.00	\$ 200,000.00	Budget split at 1/12 per month, need to adjust to programme
I137008	Lotterywest Fitout Funding	\$ -	\$ 521,572.00	\$ (521,572.00)	Budget split at 1/12 per month, need to adjust to programme
I138002	Sponsorship (Golden Gift)	\$ 500.00	\$ 38,336.00	\$ (37,836.00)	Budget split at 1/12 per month, need to adjust to programme
I138005	Grant Income (Golden Gift)	\$ -	\$ 18,336.00	\$ (18,336.00)	Budget split at 1/12 per month, need to adjust to programme
I141450	Charges Plant Hire	\$ 6,015.45	\$ 33,336.00	\$ (27,320.55)	Budget split at 1/12 per month, need to adjust to programme
I145145	Reimbursements	\$ 17,409.85	\$ 170.00	\$ 17,239.85	Budget split at 1/12 per month, need to adjust to programme
		<u>\$ 773,359.07</u>	<u>\$ 1,813,152.00</u>	<u>\$ (1,039,792.93)</u>	

**Expenditure**

E030010	Valuation Expenses	\$ 4,928.12	\$ 15,016.00	\$ (10,087.88)	Budget split at 1/12 per month, need to adjust to programme
E030013	Admin Allocated to Rates	\$ 89,729.70	\$ 107,925.00	\$ (18,195.30)	Allocation lower than budget estimate to date
E041160	Subscriptions	\$ 28,311.04	\$ 9,221.00	\$ 19,090.04	Budget split at 1/12 per month, need to adjust to programme
E041187	Strategic Plan Development	\$ 3,530.00	\$ 19,291.00	\$ (15,761.00)	Budget split at 1/12 per month, need to adjust to programme
E042200	Audit Fees	\$ 2,303.18	\$ 14,173.00	\$ (11,869.82)	Invoice for audit not received prior to period end
E074075	Doctor Top Up Salary	\$ 70,694.52	\$ 49,613.00	\$ 21,081.52	Budget split at 1/12 per month, need to adjust to programme
E074082	Medical Centre Wages	\$ 33,447.72	\$ 23,722.00	\$ 9,725.72	Includes entitlements paid to retiring staff member
E080005	Childcare Centre Salaries	\$ 50,590.20	\$ 73,716.00	\$ (23,125.80)	Staff resourcing adjusted to accommodate service demand where possible
E082012	Youth Services Management Costs	\$ 17,430.00	\$ 31,664.00	\$ (14,234.00)	No further claim received during October reporting period
E107030	Cemeteries - Leonora	\$ 770.29	\$ 10,086.00	\$ (9,315.71)	Budget split at 1/12 per month, need to adjust to programme
E113070	Oval	\$ 11,006.35	\$ 34,734.00	\$ (23,727.65)	Less maintenance costs during winter months
E113092	Swimming Pool Maintenance	\$ 36,249.28	\$ 53,659.00	\$ (17,409.72)	Less maintenance costs during winter months

E114294	Repairs and Maintenance Rec Centre	\$ 11,519.50	\$ 35,947.00	\$ (24,427.50)	Some scheduled repairs not to take place until later in the year.
E122043	Road Mtce Bush Grading	\$ 376,534.08	\$ 224,992.00	\$ 151,542.08	Alteration to timing of programme (casuals etc)
E122209	Natural Disaster Cost of Open	\$ 308,039.49	\$ 626,664.00	\$ (318,624.51)	Works only commenced recently (following tender being awarded and contracts issued etc)
E122298	Depreciation Expense Depot	\$ 226,304.05	\$ 324,316.00	\$ (98,011.95)	Result of depn reviews, will require budget amend
E126021	Aerodrome Insurance	\$ -	\$ 22,670.00	\$ (22,670.00)	Reallocation required from other ins. Accounts
E132075	Golden Quest Trail Marketing	\$ 22,727.27	\$ 8,336.00	\$ 14,391.27	Budget split at 1/12 per month, need to adjust to programme
E134038	Heritage Trail	\$ 6,898.09	\$ 32,967.00	\$ (26,068.91)	Still awaiting final grant confirmations etc
E134014	Hoover House Maintenance	\$ 2,539.28	\$ 11,895.00	\$ (9,355.72)	Budget split at 1/12 per month, need to adjust to programme
E134031	Gwalia Buildings Mtce	\$ 637.23	\$ 16,938.00	\$ (16,300.77)	Budget split at 1/12 per month, need to adjust to programme
E138001	Advertising	\$ -	\$ 11,664.00	\$ (11,664.00)	Budget split at 1/12 per month, need to adjust to programme
E138002	Entertainment	\$ -	\$ 40,000.00	\$ (40,000.00)	Budget split at 1/12 per month, need to adjust to programme
E138004	Athletics Events/Prizemoney	\$ -	\$ 18,336.00	\$ (18,336.00)	Budget split at 1/12 per month, need to adjust to programme
E138005	Fireworks	\$ -	\$ 8,000.00	\$ (8,000.00)	Budget split at 1/12 per month, need to adjust to programme
E138006	Security	\$ -	\$ 12,664.00	\$ (12,664.00)	Budget split at 1/12 per month, need to adjust to programme
E138007	Aircraft Charter/Hire	\$ -	\$ 10,000.00	\$ (10,000.00)	Budget split at 1/12 per month, need to adjust to programme
E138008	Accommodation & Meals	\$ -	\$ 9,002.00	\$ (9,002.00)	Budget split at 1/12 per month, need to adjust to programme
E138009	Athletics /Cyclist Expenses	\$ -	\$ 22,000.00	\$ (22,000.00)	Budget split at 1/12 per month, need to adjust to programme
E142011	Salaries Admin	\$ 195,605.66	\$ 257,885.00	\$ (62,279.34)	Alteration to timing of programme
E143030	Sick & Holiday Pay	\$ 25,828.20	\$ 38,897.00	\$ (13,068.80)	Alteration to timing of programme
E144010	Fuels & Oils	\$ 92,388.82	\$ 82,160.00	\$ 10,228.82	Alteration to timing of programme
E144050	Insurance & Licenses	\$ 37,528.75	\$ 51,174.00	\$ (13,645.25)	Some licences still be to paid/allocated
E148298	Depn Expense - Plant/Equip	\$ 13,819.67	\$ 64,519.00	\$ (50,699.33)	Result of depn reviews, will require budget amend
		<u>\$ 1,669,360.49</u>	<u>\$ 2,373,846.00</u>	<u>\$ (704,485.51)</u>	

#### Capital Revenue (See Statement of Financial Activity)

Note 8	Proceeds from Disposals of Ass	\$ 145,591.00	\$ 397,000.00	\$ (251,409.00)	Assets to be purchased/disposed at a later date
		<u>\$ 145,591.00</u>	<u>\$ 397,000.00</u>	<u>\$ (251,409.00)</u>	

#### Capital Expenditure (See Statement of Financial Activity)

Note 8	Land & Buildings	\$ 121,251.00	\$ 2,692,384.00	\$ (2,571,133.00)	Budget split at 1/12 per month, need to adjust to programme
Note 8	Plant & Equipment	\$ 290,904.00	\$ 357,333.00	\$ (66,429.00)	Budget split at 1/12 per month, need to adjust to programme
Note 8	Infrastructure Assets Other	\$ 84,675.00	\$ 230,081.00	\$ (145,406.00)	Budget split at 1/12 per month, need to adjust to programme
Note 8	Infrastructure Assets Roads	\$ 40,183.00	\$ 132,228.00	\$ (92,045.00)	Budget split at 1/12 per month, need to adjust to programme
		<u>\$ 537,013.00</u>	<u>\$ 3,412,026.00</u>	<u>\$ (2,875,013.00)</u>	

## **10.0 REPORTS OF OFFICERS**

### **10.2 DEPUTY CHIEF EXECUTIVE OFFICER**

#### **10.2(B) ACCOUNTS FOR PAYMENT**

**SUBMISSION TO:** Meeting of Council  
Meeting Date: 18th November, 2014

**AGENDA REFERENCE:** 10.2 (B) NOV 14

**SUBJECT:** Accounts for Payment

**LOCATION / ADDRESS:** Nil

**NAME OF APPLICANT:** Nil

**FILE REFERENCE:** Nil

#### **AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT**

**NAME:** Tanya Browning

**OFFICER:** Deputy Chief Executive Officer

**INTEREST DISCLOSURE:** Nil

**DATE:** 11<sup>th</sup> November, 2014

#### **BACKGROUND**

Attached statement consists of accounts paid by Delegated Authority and Direct Bank Transactions represented by **19289** to **19345** and totalling **\$605,079.51** and accounts paid by Council Authorisation represented by **Cheques 19346** to **19412** totalling **\$341,816.71** be authorised for payment.

#### **POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendation of this report.

#### **FINANCIAL IMPLICATIONS**

There are no financial implications resulting from the recommendation of this report.

#### **STRATEGIC IMPLICATIONS**

There are no strategic implications resulting from the recommendation of this report.

#### **RECOMMENDATIONS**

That accounts paid by Delegated Authority and Direct Bank Transactions represented by **19289** to **19345** and totalling **\$645,563.47** and accounts paid by Council Authorisation represented by **Cheques 19346** to **19412** totalling **\$341,816.71** be authorised for payment.

#### **VOTING REQUIREMENT**

Simple Majority

#### **COUNCIL DECISION**

**Moved Cr LR Petersen, Seconded Cr GW Baker** that accounts paid by Delegated Authority and Direct Bank Transactions represented by **19289** to **19345** and totalling **\$645,563.47** and accounts paid by Council Authorisation represented by **Cheques 19346** to **19412** totalling **\$341,816.71** be authorised for payment.

**CARRIED (6 VOTES TO 0)**

**Shire of Leonora****Monthly Report - List of Accounts Paid by Delegated Authority****Submitted to Council on the 18th November, 2014**

The following list of accounts has been paid via **direct bank transactions** since the previous list of accounts, totalling **\$2,434.39**

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**CHIEF EXECUTIVE OFFICER**

<b>Direct Deposits</b>	<b>Date</b>	<b>Name</b>	<b>Item</b>	<b>Payment</b>
1 DD	16/10/2014	National Australia Bank	Bank Fee – Oct 2014 B/S	35.00
1 DD	31/10/2014	National Australia Bank	Bank Fee – Oct 2014 B/S	173.00
1 DD	31/10/2014	Building Commission	Building Commission Fee on B./L No: 05/14	35.50
1 DD	31/10/2014	Toyota Financial Services	GEDC Vehicle – Oct 2014 B/S	1,145.32
1 DD	31/10/2014	National Australia Bank	EFTPOS Fee – Oct 2014 B/S	173.07
1 DD	06/11/2014	Office National Kalgoorlie	Lease on Office Photocopier – Nov 2014 B/S	861.50
1 DD	06/11/2014	Westnet P/L	CRC Internet – Nov 2014 B/S	11.00
			<b>GRAND TOTAL</b>	<b>\$2,434.39</b>

<b>Shire of Leonora</b>				
<b>Monthly Report - List of Accounts Paid by Delegated Authority</b>				
<b>Submitted to Council on the 18th November, 2014</b>				
The following list of accounts has been paid under delegation, by the Chief Executive Officer, since the previous list of accounts. Cheques numbered from <b>19289</b> to <b>19354</b> and totalling <b>\$643,129.08</b>				
<hr/>				
<b>CHIEF EXECUTIVE OFFICER</b>				
<b>Cheque</b>	<b>Date</b>	<b>Name</b>	<b>Item</b>	<b>Payment by Delegated Authority</b>
19289	20/10/2014	Builders Registration Board of WA	Builders Rego Fee for B/L No: 04/15D	35.50
19290	21/10/2014	Airport Lighting Specialists	Additional Amount Owing to Cheque No. 19214	248.18
19291	21/10/2014	Australian Taxation Office	September 2014 BAS	26,248.00
19292	21/10/2014	Pipeline Mining and Civil Contracting	Works as per Tender Contract 02/2014	22,636.68
19293	22/10/2014	B.C.I.T.F.	B.C.I.T.F. Fee for B/L No: 04/15	33.75
19294	22/10/2014	Builders Registration Board of WA	Builders Rego Fee for B/L No: 05/15 & 06/15	71.00
19295	22/10/2014	JT Professional Services	Work on Audit and Risk Committee – September, 2014	825.00
19296	24/10/2014	Pipeline Mining and Civil Contracting	Hole at TV Hut, Install Leech drains, work at Donga site and Tender Works 02/2014	27,985.78
19297	27/10/2014	Dave Hadden – Direct Deposit – CANCELLED CHQ	Health & Building Report	7,260.00
1 DD	29/10/2014	Shire of Leonora	Salaries & Wages – PPE: 29.10.2014	63,184.00
19298	29/10/2014	Shire of Leonora	Tax/Rent – PPE: 29.10.2014	25,294.77
19299	29/10/2014	WA Super	Superannuation – PPE: 29.10.2014	7,964.30
19300	29/10/2014	Child Support Agency	Child Support – PPE: 29.10.2014	680.19
19301	29/10/2014	BT 4 Life Super	Superannuation – PPE: 29.10.2014	150.71
19302	29/10/2014	Australian Super	Superannuation – PPE: 29.10.2014	484.94
19303	29/10/2014	AMP	Superannuation – PPE: 29.10.2014	380.00
19304	29/10/2014	IOOF Employer Super	Superannuation – PPE: 29.10.2014	176.37
19305	28/10/2014	Custom Creative Carpentry	Dig out water main to Retic tank at 13 Fitzgerald Drive and Rebury + Fridge and Freezer installation at Grader Camp	227.50
19306	28/10/2014	Majstrovich Building Co	Progress Claim 4 – Museum Shed	48,000.00
19307	28/10/2014	Pipeline Mining and Civil Contracting	Grader Works – Repairs to Flood Damaged Roads – Tender 02/2014	31,834.51
19308	28/10/2014	Sparlon Electrical	New lights at 13 Fitzgerald Drive, Attend fault at Airport, Fix HWS at Grader Camp and repair RCD at Tennis Courts and Town park	4,021.50
19309	29/10/2014	Nick Gagliardi – Direct Deposit – CANCELLED CHQ	Contract Road Train Operator	5890.50
19310	31/10/2014	Australian Communications Authority	Licence Renewal - 6JJJ	41.00
19311	31/10/2014	Biggs Butchers	Barbeque for Minister Redmans Visit	180.00
			<b>Sub Total</b>	<b>\$273,854.18</b>

Cheque	Date	Name	Item	Payment by Delegated Authority
			<b>Balance Brought Forward</b>	<b>\$273,854.18</b>
19312	31/10/2014	Bluescope Distribution Pty Ltd	Items requested by Works Manager for Depot and Single Persons Quarters	1,821.60
19313	31/10/2014	Coolgardie Tyre Service	Tyre Repair Kits and Tyres requested by WSM	3,841.20
19314	31/10/2014	Cutting Edges Pty Ltd	Items for P03 & Grader Blades	8,575.23
19315	31/10/2014	Horizon Power	Power Usage for Shire Properties	12,498.18
19316	31/10/2014	Kenyon & Company Pty Ltd	Spotlights, Antenna and Radio for GEDC Vehicle	1,010.68
19317	31/10/2014	Pier Street Medical	Medical Services Prvisional Fee	38,881.99
19318	31/10/2014	RLG Mechanical Services	Fit Two Way, Phone Cradle, Spotlights and Cargo Barrier to GEDC Vehicle and Battery for P03	1,739.13
19319	31/10/2014	Telstra	Phone Usage - Campr Requisites and CRC	350.00
19320	31/10/2014	Turbos WA Pty Ltd	Repairs/Service to P768, P2334, P448, P000 and P2333	13,316.14
19321	31/10/2014	Whitehouse Hotel	Dinner for G Smith & E Labushagne, Meals for Audit Visit, Food for Victorian High tea and Lunch for Shire Meeting 21st October	1,214.70
19322	31/10/2014	Wurth Australia Pty Ltd	Sealant, Rapid Cleaner, A/C Leak Sealant Intro Pack and Particle Filter.	773.09
19323	31/10/2014	NT Link -	Building Rental - Grader Camp for Weebo Road roadworks	6,972.80
19324	31/10/2014	Sparlon Electrical	Call out to Airport and attend to Runway & Apron Lighting Control Gear	323.50
19325	31/10/2014	Shire of Leonora	Petty Cash Recoup	345.20
19326	31/10/2014	Building Commission	Building Commission Fee on B/L No: 04.15	35.50
19327	31/10/2014	Stuart Williamson	Contract Grader	1,840.00
19328	05/11/2014	Custom Creative Carpentry	Repair and Weld Security Mesh panels to Security Gates and touch up with Kill Rust Paint at Oval...	1,265.00
19329	05/11/2014	Pip McCahon	Reimbursement for Bullbar Purchased with own money for work vehicle	715.00
19330	05/11/2014	Stuart Butson	Reimbursement for Expenses Incurred during LGMA State Conference	1,054.59
19331	05/11/2014	Tanya Browning -	Reimbursement of Housing Utilities as per Conditions of Contract	864.13
19332	10/11/2014	Sparlon Electrical	Upgrade Powerboard at Hoover House	3,164.70
1 DD	12/11/2014	Shire of Leonora	Salaries & Wages – PPE: 12.11.2014	62,071.00
19333	12/11/2014	L.G.R.C.E.U.	Union Fee – PPE: 12.11.2014	19.40
19334	12/11/2014	Shire of Leonora	Tax/Rent – PPE: 12.11.2014	23,078.56
19335	12/11/2014	WA Super	Superannuation – PPE: 12.11.2014	7,533.42
19336	12/11/2014	Child Support Agency	Child Support – PPE: 12.11.2014	680.19
19337	12/11/2014	BT4 Life Super	Superannuation – PPE: 12.11.2014	150.71
19338	12/11/2014	Australian Super	Superannuation – PPE: 12.11.2014	499.57
19339	12/11/2014	AMP	Superannuation – PPE: 12.11.2014	380.00
19340	12/11/2014	IOOF Employer Super	Superannuation – PPE: 12.11.2014	176.37
19341	11/11/2014	Earth Australia Contracting Pty Ltd	Tender Works - 02/2014 & 03/2014	164,257.43
19342	11/11/2014	Horizon Power	Power Usage - Shire, 9 Cohen Street, Office and Decorative Streetlights	694.72
19343	11/11/2014	Jennifer A Noble	Two Piece Band at Hoover House for Murder Mystery Night	350.00
			<b>Sub Total</b>	<b>\$634,347.91</b>

<b>Cheque</b>	<b>Date</b>	<b>Name</b>	<b>Item</b>	<b>Payment by Delegated Authority</b>
			<b>Balance Brought Forward</b>	<b>\$634,347.91</b>
19344	11/11/2014	Telstra	Phone/Internet Usage - October, 2014	4,213.68
19345	11/11/2014	Water Corporation	Water Usage - Sports Ground and Standpipe	4,567.49
			<b>GRAND TOTAL</b>	<b>\$643,129.08</b>

<b>Shire of Leonora</b>				
<b>Monthly Report - List of Accounts Paid by Authorisation of Council</b>				
<b>Submitted to Council on the 18th November, 2014</b>				
<p>Cheques numbered from <b>19346</b> to <b>19412</b> totalling <b>\$341,816.71</b> submitted to each member of the Council on 18th November, 2014 have been checked and are fully supported by remittances and duly certified invoices with checks being carried out as to prices, computations and costing.</p>				
<p>_____</p> <p><b>CHIEF EXECUTIVE OFFICER</b></p>				
<b>Cheque</b>	<b>Date</b>	<b>Name</b>	<b>Item</b>	<b>Payment</b>
19346	18/11/2014	Air BP	Avgas Drums	2,729.22
19347	18/11/2014	Austral Mercantile Collections P/L	Legal Fees	3,106.26
19348	18/11/2014	Australia's Golden Outback	Advertisement and Editorial in Holiday Planner	2,620.25
19349	18/11/2014	BOC Limited	Oxygen & Argoshield G size	160.38
19350	18/11/2014	Butler Settineri	Audit of Country Local Government Fund 2012-13 Round 5	841.50
19351	18/11/2014	Canine Control	Ranger Services - 16th - 18th October, 2014	2,612.50
19352	18/11/2014	Comfort Inn Midas	Accommodation for T Nardone	145.00
19353	18/11/2014	Covs Parts Pty Ltd	Solvent Degreaser	1,398.10
19354	18/11/2014	CR Hose Glassware Pty Ltd	Wine And Beer Glasses for Hoover House (Resale)	1,206.40
19355	18/11/2014	Department Of Transport	Licence and Third Party Insurance for P926	293.80
19356	18/11/2014	Eagle Petroleum (WA) Pty Ltd	Retail Fuel Cards from 1st October to 3rd November, 2014, Bulk Diesel Purchase & Standard Fuel Purchases for October	45,538.16
19357	18/11/2014	Eastern Goldfields Miner's Memorial	Shire of Leonora's Contribution to Miner's Memorial	2,000.00
19358	18/11/2014	Elite Gym Hire	Gym Equipment Hire - November, 2014	819.50
19359	18/11/2014	Forman Bros	Inspect and Repair Shower Taps at Aquatic Centre, Supply and Fit new Cistern and check Aquatrip at 1 Queen Victoria Street, Investigate and repair leaks at Public Toilets, Golf Club and Depot, Redo wiring and fix broken Sprinklers at 112A & 11B Walton Street and Fix Aquatrip on Main Street	5,328.65
19360	18/11/2014	Gail Ross	Milk and Bread Purchases for Hoover House	35.20
19361	18/11/2014	GNRBA Inc	Shire Contribution to Mertondale NRM Project	22,000.00
19362	18/11/2014	Golden City Motors	Box Trailer, Cage and Spare Wheel for Leonora CRC "Buy Local" Campaign	1,815.00
19363	18/11/2014	Goldfields Locksmiths	Rekey Info Centre Lock Cylinder	27.60
19364	18/11/2014	Goldfields Mitsubishi	New Grader Ute and Parks and Garden Vehicle Less trade in.	43,246.80
			<b>Sub Total</b>	<b>\$135,924.32</b>



<b>Cheque</b>	<b>Date</b>	<b>Name</b>	<b>Item</b>	<b>Payment</b>
			<b>Balance Brought Forward</b>	<b>\$135,924.32</b>
19365	18/11/2014	Goldfields Nissan	New Nissan Navara less Trade-In	34,999.01
19366	18/11/2014	Goldfields Pest Control	Annual Inspection and Treatment of Shire Properties - 2014	10,472.00
19367	18/11/2014	Goldfields Tourism Network Assoc Inc	Golden Quest Trail Guidebook	800.00
19368	18/11/2014	Goldfields Truck Power	Multi Tyred Roller, Tractor and Slasher Hire	4,400.00
19369	18/11/2014	Goldline Distributors	Goods for Hoover House and Mop Bucket for Child Care Centre	820.87
19370	18/11/2014	Halfway Studios	Cupcakes for Seniors Morning Tea	22.00
19371	18/11/2014	Ian Diffen Tyres & Mufflers	5 x Maxxis as requested by MWS	1,450.00
19372	18/11/2014	Kalgoorlie Retravisoin	Dryer	878.00
19373	18/11/2014	Key Factors	Load/Haul Road Base on Weebo road	20,202.90
19374	18/11/2014	Keys Bros Removals & Storage	Leonora Relocation	720.00
19375	18/11/2014	Kleenheat Gas	Facility Fees - 11A Walton Street and 40B Hoover Street	89.00
19376	18/11/2014	Landgate	Mining Tenements and Rural UVs chargeable	1,303.35
19377	18/11/2014	Leinster Contracting Services	Empty 2 Skip Bins at Malcolm Dam	1,059.52
19378	18/11/2014	Leonora Motor Inn	Accommodation for Ranger P Smith	264.00
19379	18/11/2014	Leonora Pharmacy -	3 x Sunscreen for Child Care Centre	90.00
19380	18/11/2014	Leonora Post Office	Postage Costs for October, 2014	330.40
19381	18/11/2014	Leonora Supermarket and Hardware	Supermarket Purchases - October, 2014	1,103.57
19382	18/11/2014	McMahon Burnett Transport	Freight	535.05
19383	18/11/2014	Mukinbudin Agencies July 08	Depot Items, Chicken Feed, Dog Food, Roundup and Aviation Drum Pump and Niteroad	10,327.34
19384	18/11/2014	Netlogic Information Technology	Remote Consultation to fix servers at doctors Surgery and service to Shire Server	350.00
19385	18/11/2014	Newland Associates	Input Shaft	2,420.00
19386	18/11/2014	Office National Kalgoorlie	Monthly Copy Charges and Travel fees for Service of Shire and CRC Photocopiers	2,110.61
19387	18/11/2014	Pipeline Mining & Civil Contracting	Grader Works for Damaged Roads	26,570.70
19388	18/11/2014	Powerchill Electrical & Refrigeration	Inspect and Repair Air Cons at 40B Hoover, 9 Cohen and 1 Queen Victoria Streets Leonora	379.50
19389	18/11/2014	Red Terra Contracting	D6H Dozer Hire	8,976.00
19390	18/11/2014	Royal Life Saving Society WA	Watch around Water Re-registration 2014/15	100.00
19391	18/11/2014	Satellite Television & Radio Australia	Balance for Supply and install Satellite Dish at Leonora TV Hut	6,118.75
19392	18/11/2014	Sigma Chemicals	Chemicals for Pool Maintenance	1,643.50
19393	18/11/2014	Skippers Aviation Pty Ltd	Flights for Auditors and G Smith	2,076.00
19394	18/11/2014	Squire Patton Boggs	Title Search Leinster Rubbish Disposal Site	660.00
19395	18/11/2014	St Barbara Limited -	Refund of Rates	5,638.95
			<b>Sub Total</b>	<b>\$282,835.34</b>

<b>Cheque</b>	<b>Date</b>	<b>Name</b>	<b>Item</b>	<b>Payment</b>
			<b>Balance Brought Forward</b>	<b>\$282,835.34</b>
19396	18/11/2014	Staples Australia Pty Limited	Centrefeed Roll, Toilet Paper, Hands Soap and Stationery Products for CRC, Medical Centre and Shire Office	652.79
19397	18/11/2014	State Law Publisher	Advertising in Government Gazette	125.10
19398	18/11/2014	The Central Hotel	Murder at the Juice Joint - Leonora Community Grant	600.00
19399	18/11/2014	Threat Protect	Security Monitoring - October, 2014	332.86
19400	18/11/2014	Toll Fast	Freight	262.89
19401	18/11/2014	Toll Ipec Pty Ltd	Freight	214.90
19402	18/11/2014	Tutt Bryant Equipment - WA	Pully, V Belt for P2333	367.81
19403	18/11/2014	UHY Haines Norton	Accounting Service Fees for September and October, Nuts and Bolts workshop for S Butson and Enter Land and Buildings Revaluation Information	18,798.50
19404	18/11/2014	Visage Productions	Final Payment for Participation in OUR TOWN Television Series	16,500.00
19405	18/11/2014	WA Country Health Service - Goldfields	Rental of Surgery and Consulting Rooms - October, 2014	417.38
19406	18/11/2014	WA Local Government Association	Advertising of Tender	763.57
19407	18/11/2014	West Australian Newspapers Ltd	Advertising	1,377.60
19408	18/11/2014	West Coast Civil	Leonora Aerodrome Apron Inspection and Condition Report	2,662.00
19409	18/11/2014	WesTrac Pty Ltd	Parts for P000	266.42
19410	18/11/2014	Weusandi Contractors	Hire of Watercart	15,193.75
19411	18/11/2014	Whitehouse Hotel	Lunch and Drinks for Wendy Duncan Visit	173.60
19412	18/11/2014	The Central Hotel	Melbourne Cup Lunch and Refreshments for 6 elderly - Leonora Community Grant	272.20
			<b>GRAND TOTAL</b>	<b>\$341,816.71</b>

*Ms Pip McCahon, Project Officer, Goldfields Esperance Development Officer, entered the meeting at 11.35am.*

*Cr PJ Craig welcomed Ms McCahon to provide an update on the progress of the Northern Goldfields Office and Administration Centre (NGROAC) project.*

*Ms Pip McCahon presented some detail on design progress, architect drawings and negotiations with state government agencies confirming utilisation via lease agreements etc.*

*Cr PJ Craig thanked Ms McCahon for her informative presentation, and Ms McCahon left the meeting at 12.12pm.*

**10.0 REPORTS OF OFFICERS**

**10.3 ENVIRONMENTAL HEALTH OFFICER/BUILDING SURVEYOR**

Nil

**11.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING.**

**A. ELECTED MEMBERS**

Nil

Moved Cr GW Baker, Seconded Cr AE Taylor that late items 11.0(B)(i), 11.0(B)(ii) and 11.0(B)(iii) be accepted for consideration by council.

**CARRIED (6 VOTES TO 0)**

**11.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING**

**11.0(B) OFFICERS**

**11.0(B)(i)**

**WRITE OFF RATES – PASTORAL/RURAL PROPERTIES**

**SUBMISSION TO:** Meeting of Council  
Meeting Date: 18th November, 2014

**AGENDA REFERENCE:** 11.0 (B)(i) NOV 14

**SUBJECT:** Write off Rates – Pastoral/Rural Properties

**LOCATION / ADDRESS:** Leonora

**NAME OF APPLICANT:** Shire of Leonora

**FILE REFERENCE:** Rates Written Off 16.11

**AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT**

**NAME:** James Gregory Epis

**OFFICER:** Chief Executive Officer

**INTEREST DISCLOSURE:** Nil

**DATE:** 14<sup>th</sup> November, 2014

**BACKGROUND**

The Local Government Act provides for the Council to be able to write off any amount of money which is owed to the local government. There are on occasion recommendations made to Council to write off bad debts where there is no chance at recovering the money owed, or where the cost of recovering the debt far outweighs the debt itself and also cannot be recovered.

Generally these debts relate to outstanding rates and charges, and a provision of \$104,595.00 is included in the current budget in the event that bad debts are recommended for write off after all recovery options have been exhausted.

Other situations exist where ratepayers experiencing financial hardship may seek relief from Council, in the form of write off of part or all of their outstanding rates and charges owed to the local government. These requests are considered on a case by case basis, with a recommendation made to Council for consideration. Any write off of any amount of money owing to a local government must be made by an absolute majority decision of Council.

For the 2014/2015 rating period a differential rate was not imposed for properties with Unimproved Valuations (UV). The 2013/2014 rating period was the first time in a number of years that no differential rate was imposed on UV properties. Furthermore, a concession has not been applied against pastoral property rates as was the case in 2013/2014.

The reasoning behind no concession being applied is the result of advice from the Department of Local Government and Communities (DLGC) that the concession offered by the Shire of Leonora was unlawful, and warned against following similar action during 2014/15. Although the Shire of Leonora sought advice from the DLGC in advance prior to applying concessions to pastoral rates, and were advised that the proposed course of action had a 'sound statutory basis', the DLGC are now of a different opinion.

I must stress that the Shire of Leonora vehemently disagree with the DLGC and have engaged solicitors on behalf of Council to provide legal advice on the action taken. To date, the advice from our solicitors has been that the action taken was within the provisions of the Local Government Act, and we are seeking for the DLGC to retract their statement that the Shire of Leonora acted unlawfully. To date, the DLGC have continued to advise that the application of a concession similar to that applied during 2013/14 would be subjected to further scrutiny, and further action against the Shire could also be taken. Until this matter is resolved, it was considered that the most appropriate action would be to heed the advice of the DLGC and not apply a concession.

The Shire of Leonora is aware of the financial hardships that some pastoralists may experience as a result of the lack of concession applied to pastoral/rural rates during 2014/2015. All pastoralists were advised by way of letter dated 23<sup>rd</sup> July, 2014 that should they find themselves in this situation, the following options are available:

- Owners may object to the valuation used to calculate rates to the Valuer Generals' Office.
- Owners may apply in writing to the Chief Executive Officer, describing hardship circumstances and seeking write off of rates and service charges. These applications will be considered on a case by case basis, and then a recommendation made to Council. It should be noted that an absolute majority of Council is required for the write off of any monies owing to it.

The owners of Clover Downs Station and the Piggery Paddock have both provided correspondence requesting that Council consider their current financial hardships and that rate relief by means of write off be considered as a form of assistance.

Details in regard hardship include flooding, damage to own private roads, damage to wells/bores, vandalism, wild dogs, rising cost of fuel, wind drought and dry conditions at present.

Details of Proposed Write Off:

Assessment 7417 Clover Downs Station

Rates Levied	\$ 7,003.18
Less Proposed Write Off	<u>\$ 3,501.89</u>
	\$ 3,501.89
Plus Emergency Service Levy	\$ 64.00
Plus Installment Option	<u>\$ 24.00</u>
Amount Owing	\$ 3,589.89

Assessment 7414 Piggery Paddock

Rates Levied	\$ 1,380.00
Less Proposed Write Off	<u>\$ 690.00</u>
	\$ 690.00
Plus Emergency Service Levy	\$ 64.00
Plus Installment Option	<u>\$ 0.00</u>
Amount Owing	\$ 754.00

**STATUTORY ENVIRONMENT**

In accordance with Section 6.12(1)(c) of the Local Government Act 1995; which relates to the write off of any amount of money which is owed to the local government.

**POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendation of this report.

## **FINANCIAL IMPLICATIONS**

A provision of \$104,595.00 is included in the current budget to write back rates that are unrecoverable due to companies entering into administration or where all other avenues of debt recovery have been exhausted.

## **STRATEGIC IMPLICATIONS**

There are no strategic implications resulting from the recommendation of this report.

## **RECOMMENDATION**

That Council, by Absolute Majority resolve to write off municipal rates applicable to Assessment 7417 - \$3,501.89 and Assessment 7414 - \$690.00 and that both ratepayers be advised accordingly.

## **VOTING REQUIREMENT**

Absolute Majority

## **COUNCIL DECISION**

**Moved Cr GW Baker, Seconded Cr MWV Taylor** that Council, by Absolute Majority resolve to write off municipal rates applicable to Assessment 7417 - \$3,501.89 and Assessment 7414 - \$690.00 and that both ratepayers be advised accordingly.

**CARRIED BY ABSOLUTE MAJORITY (6 VOTES TO 0)**

**11.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING**

**11.0(B) OFFICERS**

**11.0(B)(ii)**

**ALFRESCO DINING REQUEST**

**SUBMISSION TO:** Meeting of Council  
Meeting Date: 18th November, 2014

**AGENDA REFERENCE:** 11.0 (B)(ii) NOV 14

**SUBJECT:** Alfresco Dining Request

**LOCATION / ADDRESS:** Lot 200 (72a) Tower Street Leonora

**NAME OF APPLICANT:** N & L Gahan

**FILE REFERENCE:** 21.1.0

**AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT**

**NAME:** Dave Hadden

**OFFICER:** Environmental Health Officer/Building Surveyor

**INTEREST DISCLOSURE:** Nil

**DATE:** 12<sup>th</sup> November, 2014

**BACKGROUND**

A development application has been received from the owners of Lot 200(72a) Tower Street Leonora seeking Council approval for Alfresco Dining at the front of the fast food takeaway being currently developed in this vacant shop.

**Comment**

The applicant is seeking approval to place two small 600mm diameter tables against the shop front walls with two chairs at each table. The tables and chairs are primarily to provide outside seating for customers to use while waiting for orders, smokers and customers who attend the shop with pets. The tables and chairs would be placed in front of the shop during business hours and stored inside outside of those hours.

The applicant intends to provide tables and seating inside but also wishes to cater for smokers and animal lovers who attend their existing food van business.

**STATUTORY ENVIRONMENT**

Council's Town Planning Scheme is quiet in the matter of Alfresco Dining, however the proposed fast food takeaway shop complies with the Scheme Zoning Table for Town Centre Zone, "permitted use".

**POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendation of this report.

**FINANCIAL IMPLICATIONS**

The only concern staff would have is public indemnity responsibility if council were to approve the alfresco dining area in front of the shop. Staff would recommend that the applicant would need to demonstrate that their public indemnity insurance covered the alfresco area prior to operating the alfresco dining area.

## **STRATEGIC IMPLICATIONS**

There are no strategic implications resulting from the recommendation of this report.

## **RECOMMENDATION**

That Council grant approval to the development of an alfresco dining area in front of Lot 200 (72a) Tower Street Leonora subject to:

- The two tables and four chairs being placed against the front wall of the shop during business hours and stored inside the shop outside of those hours; and
- Applicant to provide a copy of their public indemnity insurance cover of up to \$10,000,000.00 covering their business and alfresco dining area to Council prior to commencement of alfresco dining.

## **VOTING REQUIREMENT**

Simple Majority

## **COUNCIL DECISION**

**Moved Cr LR Petersen, Seconded Cr MWV Taylor** that Council grant approval to the development of an alfresco dining area in front of Lot 200 (72a) Tower Street Leonora subject to:

- The two tables and four chairs being placed against the front wall of the shop during business hours and stored inside the shop outside of those hours; and
- Applicant to provide a copy of their public indemnity insurance cover of up to \$10,000,000.00 covering their business and alfresco dining area to Council prior to commencement of alfresco dining.

**CARRIED (6 VOTES TO 0)**

**11.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY A DECISION OF THE MEETING**

**11.0 (B) OFFICERS**

**11.0 (B)(iii) ANNUAL REPORT 2014 & GENERAL ELECTORS' MEETING**

**SUBMISSION TO:** Meeting of Council  
Meeting Date: 17<sup>th</sup> November 2014

**AGENDA REFERENCE:** 11.0 (B)(iii) Nov 14

**SUBJECT:** Annual Report & General Electors' Meeting

**LOCATION / ADDRESS:** Leonora

**NAME OF APPLICANT:** N/A

**FILE REFERENCE:** 1.8

**AUTHOR:** Tanya Browning

**OFFICER:** Deputy Chief Executive Officer

**INTEREST DISCLOSURE:** Nil

**DATE:** 13<sup>th</sup> November 2014

**COMMENT:**

In each financial year a local government is to prepare an Annual Report.

The draft Annual Report for the year ended 30<sup>th</sup> June, 2014 is attached for consideration and adoption, and a date for the Annual Meeting of Electors should be set.

The Annual Report is included as a separate attachment to this report.

**BACKGROUND**

Section 5.54 (1 & 2) of the Local Government Act states that the Annual Report for a financial year is to be accepted by the Local Government no later than 31<sup>st</sup> December in that year, or where the auditor's report is not available until after that date, no later than two (2) months after the auditor's report becomes available.

With regard to the Annual Electors Meeting, Section 5.27 of the Local Government Act states that at least fourteen (14) days public notice must be given and the meeting must be held no later than 56 days after Council accepts the Annual Report.

It is recommended that the Annual Electors Meeting be held on Tuesday 16<sup>th</sup> December 2014, at 4:00pm.

**POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendation of this report.

**FINANCIAL IMPLICATIONS**

There are no financial implications resulting from the recommendation of this report.

**STRATEGIC IMPLICATIONS**

There are no strategic implications resulting from the recommendation of this report.

**RECOMMENDATIONS**

That the Annual Report as presented for the year ended 30<sup>th</sup> June 2014 be accepted and the General Meeting of Electors be scheduled for Tuesday 16<sup>th</sup> December 2014, at 4:00pm in the Council Chamber, Leonora.



## **VOTING REQUIREMENT**

Simple majority required.

## **COUNCIL DECISION**

**Moved Cr LR Petersen, Seconded Cr RA Norrie** that Council grant that the Annual Report as presented for the year ended 30<sup>th</sup> June 2014 be accepted and the General Meeting of Electors be scheduled for Tuesday 16<sup>th</sup> December 2014, at 4:00pm in the Council Chamber, Leonora.

**CARRIED (6 VOTES TO 0)**



# Shire of Leonora

# ANNUAL REPORT

For the year ending  
**30<sup>th</sup> JUNE 2014**

# ANNUAL REPORT 2013-2014



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# ANNUAL REPORT 2013-2014



## **MESSAGE FROM THE SHIRE PRESIDENT**

Under the leadership of CEO Jim Epis, and his senior officers (Deputy CEO Tanya Browning and Manager Works Dan Yates), the Shire of Leonora has been working to achieve the goals identified within the Strategic Community Plan. Further detail on specific achievements are included within the annual report under the heading 'Overview of Plan for the Future', which demonstrates the significant work undertaken by the workforce to date, and the progress being made to realise these community goals.

One of the most significant achievements relating to the Strategic Community Plan is the funding approval received for the 'Northern Goldfields Office and Administration Centre' (NGROAC), which was announced just prior to the end of the 2013/14 reporting period. This is a perfect example of a project that will assist to address many issues concerning the community, and also demonstrates what can be achieved through commitment, collaboration with other levels and departments of government and a progressive attitude to community outcomes. The efforts of the local GEDC project officer (Pip McCahon) should also be commended in preparing funding applications etc. Without this assistance, progress would not have been achieved so quickly.

Continued focus on renewal of heritage assets was observed during the 2013/14 year. Although this type of work can prove to sometimes be a costly exercise, the community has identified the preservation of these assets to have a high level of importance. Various structures within the museum precinct contribute to a greater understanding of the mining operations of 1898 to 1963 and associations with the early gold mining history of the towns of Leonora and Gwalia, which should be maintained for future generations.

It is important recognise dedicated service and leadership, and I would like to take the opportunity to recognise the community commitment and service to the Shire of Leonora by the retiring President, Cr Jeff Carter. Cr Carter contributed significantly to the Council for a number of years, and his presence will be missed as much as it is appreciated. I know that I speak on behalf of the whole Council as I convey my appreciation and gratitude to Cr Carter for his many years of service. We wish him all the best in his future endeavours as well as his retirement.

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

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

# ANNUAL REPORT 2013-2014



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

The 2013/14 saw another very productive year, despite some obstacles to operations. A progressive and forward thinking approach is key to achieving the goals set out within the Strategic Community Plan, and the Shire of Leonora is fortunate enough to be led by a Council with these qualities.

Capital works included some further reseals to town streets, the purchase of a roller (dual use for roadworks and compaction at the Leonora refuse site), upgrade to digital radio (ABC Country) and the commencement of construction of a building to house vintage vehicles at the Gwalia Museum Precinct. A significant amount of renewal and maintenance work has also been undertaken across many service areas within the Shire, especially the Gwalia precinct. Many of these works are reflective of the endeavours to observe sound asset management practices.

The Strategic Community Plan also places importance on workforce development, training, and internal promotion opportunities. During the 2013/14 reporting period, staff were engaged to commence (and some have already completed) training to become qualified in a variety of services, including recreation/aquatic services, child care, business/administration, project management and technical services. Initiatives to support further staff development will be ongoing well into the future.

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

<b>COUNCILLOR</b>	<b>MEETING CONVENED</b>	<b>ATTENDED</b>	<b>% ATTENDANCE</b>
J F Carter	4	3	75%
P J Craig	11	10	91%
M W V Taylor	11	9	82%
G W Baker	11	9	82%
S J Heather	4	3	75%
R A Norrie	11	11	100%
L R Petersen	11	10	91%
R M Cotterill	7	6	86%
A E Taylor	7	6	86%

Once again, the Shire has finished in a strong financial position, and achieved a 'clean' audit report (no points of statutory non-compliance), and as with any good team it's the dedication and commitment of its members that makes a winning combination. I would like to thank all the staff and Councillors for their perseverance and loyalty over the year in review, in particular Cr Jeff Carter, our retiring Shire President following twelve years of service to the Council. I look forward to the challenges and rewards that 2014/15 will present to us.

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

# ANNUAL REPORT 2013-2014



## COUNCILLOR DETAILS

POSITION	RETIREMENT YEAR	CONTACT	NUMBER
<b>PRESIDENT (Deputy President to October 2013 &amp; President from October 2013)</b> Mr P CRAIG 9B North Road (PO Box 118) LEINSTER WA 6437	2015	WK HM FAX MOB EMAIL	08 9037 9191 08 9037 9054 08 9037 9192 0418 950 572 peter.craig@bagden.com.au
<b>DEPUTY PRESIDENT (from October 2013)</b> Mr R A NORRIE Lot 260 Queen Victoria (PO Box 397) LEONORA WA 6438	2015	WK HM FAX MOB EMAIL	08 9037 6777 08 9037 7389 08 9037 6788 0409 377 386 rosscpa@bigpond.net.au
Mr M W V Taylor 10 Forrest Street (PO Box 226) LEONORA WA 6438	2015	WK HM FAX MOB EMAIL	08 6314 4712 0417 976 169 matt@pmcc.com.au
Ms L R PETERSEN Lot 1114 Gwalia Street (PO Box 69) LEONORA WA 6438	2017	WK HM FAX MOB EMAIL	08 9037 6400 08 9037 6404 0419 177 232 Butsonsbs@westnet.com.au
Mr R A NORRIE Lot 260 Queen Victoria (PO Box 397) LEONORA WA 6438	2015	WK HM FAX MOB EMAIL	08 9037 6777 08 9037 7389 08 9037 6788 0409 377 386 rosscpa@bigpond.net.au
Mr GW BAKER "Waarnba" LOC 51 Laverton Road (PO Box 90) LEONORA WA 6438	2017	WK HM FAX MOB EMAIL	08 9037 6090 08 9037 6090 08 9037 6090 <a href="mailto:sixmile6@bigpond.com">sixmile6@bigpond.com</a>
Mr AE Taylor 1 Pinnacle Place LEINSTER WA 6437	2017	WK HM FAX MOB EMAIL	08 9037 4050 08 9037 3125 08 9238 1387 0417 174 374 alex@northfields.com.au
Mr RM Cotterill PO Box 8 LEONORA WA 6438	2017	WK HM FAX MOB EMAIL	08 9037 6167 08 9037 6167 0409 127 506 richardcotterill@live.com.au

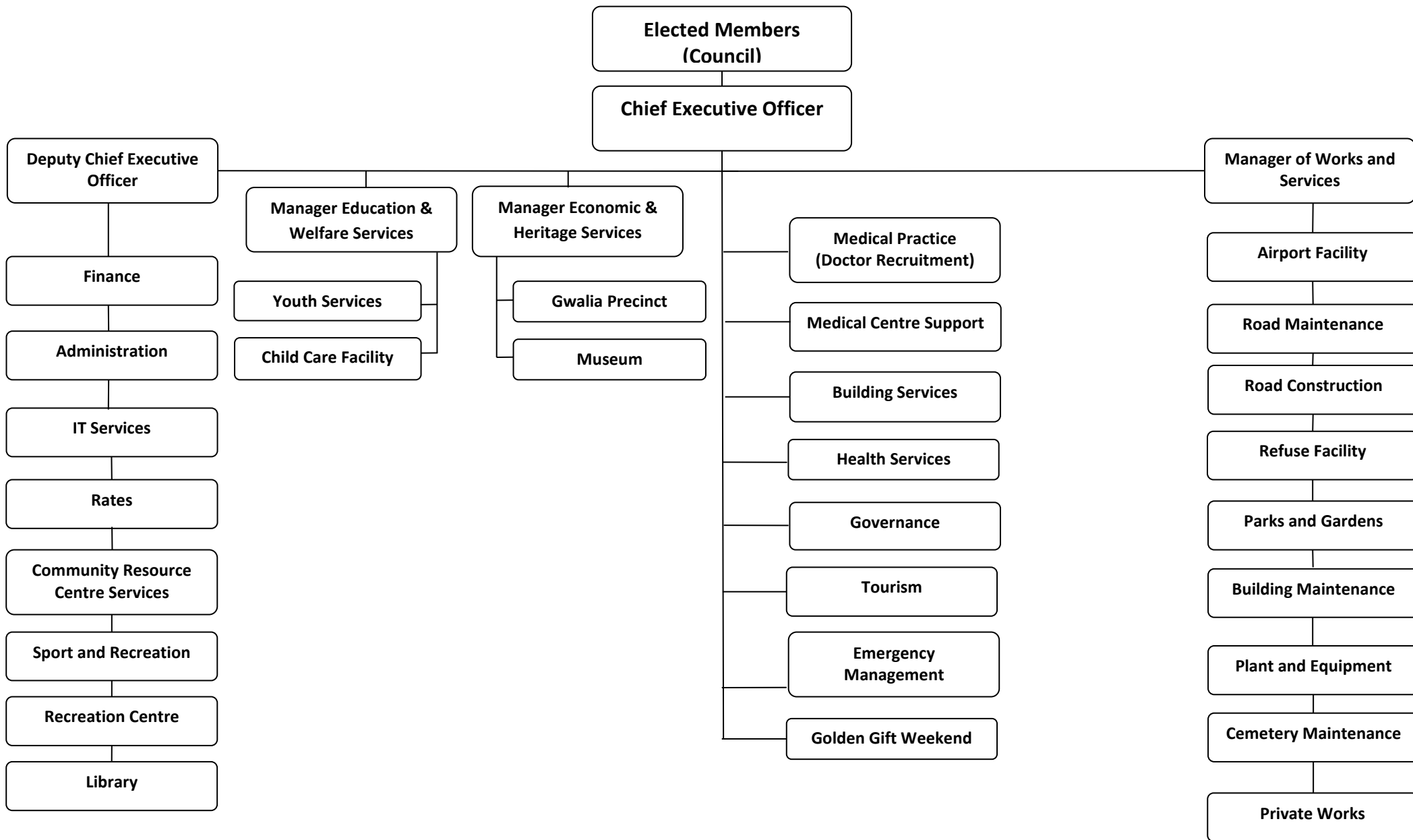
# ANNUAL REPORT 2013-2014



## COUNCILLOR DETAILS (RETIRING MEMBERS)

<b>PRESIDENT (to October 2013)</b> Mr J F CARTER Clover Downs Station (PO Box 85) LEONORA WA 6438	2013	WK HM FAX MOB EMAIL	08 9037 6159 08 9037 6159 0417 981 016 jeff@cloverdowns.com.au
Mr S J HEATHER Lot 8 Gwalia Street (PO Box 223) LEONORA WA 6438	2013	WK HM FAX MOB EMAIL	08 9037 6153 08 9037 6153 0408 996 373 jjheather@bigpond.com

# SHIRE OF LEONORA – ORGANISATIONAL CHART





**SHIRE OF LEONORA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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Principal place of business: 16 Tower Street, Leonora WA 6438	

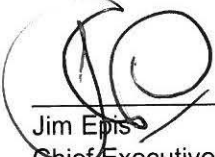
**SHIRE OF LEONORA  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Leonora being the annual financial report and other information for the financial year ended 30 June 2014 are in my opinion properly drawn up to present fairly the financial position of the Shire of Leonora at 30th June 2014 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the *31<sup>st</sup>* day of *NOVEMBER* 2014

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

**SHIRE OF LEONORA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2014 \$	2014 Budget \$	2013 \$
<b>Revenue</b>				
Rates	22	5,114,627	4,985,031	4,787,329
Operating Grants, Subsidies and Contributions	28	1,966,977	2,043,325	2,410,816
Fees and Charges	27	1,114,319	1,261,967	1,127,213
Interest Earnings	2(a)	28,439	41,798	38,954
Other Revenue		8,689	101,890	124,952
		<u>8,233,051</u>	<u>8,434,011</u>	<u>8,489,264</u>
<b>Expenses</b>				
Employee Costs		(2,504,421)	(2,831,356)	(2,415,111)
Materials and Contracts		(3,259,218)	(4,170,039)	(3,525,479)
Utility Charges		(271,826)	(71,233)	(327,079)
Depreciation on Non-Current Assets	2(a)	(2,015,633)	(1,718,196)	(1,200,471)
Interest Expenses	2(a)	(499)	0	(332)
Insurance Expenses		(301,237)	(274,364)	(271,458)
Other Expenditure		(166,142)	(179,624)	(93,893)
		<u>(8,518,976)</u>	<u>(9,244,812)</u>	<u>(7,833,823)</u>
		(285,925)	(810,801)	655,441
Non-Operating Grants, Subsidies and Contributions	28	4,941,493	803,243	358,643
Loss on Revaluation of Fixed Assets	2(a)	(1,428,085)	0	(149)
Profit on Asset Disposals	20	27,407	68,324	65,000
Loss on Asset Disposals	20	(163,311)	(75,007)	(129,495)
		<u>3,091,579</u>	<u>(14,241)</u>	<u>949,440</u>
<b>NET RESULT</b>				
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-Current Assets	12	(2,431,062)	0	(4,467,654)
<b>Total Other Comprehensive Income</b>		<u>(2,431,062)</u>	<u>0</u>	<u>(4,467,654)</u>
<b>Total Comprehensive Income</b>		<u><u>660,517</u></u>	<u><u>(14,241)</u></u>	<u><u>(3,518,214)</u></u>

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

**SHIRE OF LEONORA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2014 \$	2014 Budget \$	2013 \$
<b>Revenue</b>				
Governance		2,148	2,320	25,730
General Purpose Funding		5,962,422	5,949,704	6,248,204
Law, Order, Public Safety		17,773	13,470	12,350
Health		48,090	84,693	39,517
Education and Welfare		205,758	191,209	153,471
Housing		43,894	48,960	43,043
Community Amenities		195,147	165,464	90,494
Recreation and Culture		181,384	179,400	175,257
Transport		955,127	1,097,561	1,034,120
Economic Services		540,003	576,960	518,562
Other Property and Services		81,305	124,270	148,516
		<u>8,233,051</u>	<u>8,434,011</u>	<u>8,489,264</u>
<b>Expenses</b>				
Governance		(396,910)	(498,466)	(387,985)
General Purpose Funding		(293,384)	(326,685)	(280,805)
Law, Order, Public Safety		(97,774)	(112,075)	(154,444)
Health		(530,477)	(662,491)	(500,139)
Education and Welfare		(433,901)	(506,656)	(366,488)
Housing		0	0	(7,238)
Community Amenities		(170,179)	(216,959)	(218,486)
Recreation & Culture		(987,911)	(1,246,658)	(1,005,649)
Transport		(4,342,185)	(3,975,406)	(3,642,962)
Economic Services		(1,354,081)	(1,645,915)	(1,285,969)
Other Property and Services		88,325	(53,501)	16,674
		<u>(8,518,477)</u>	<u>(9,244,812)</u>	<u>(7,833,491)</u>
<b>Financial Costs</b>				
Other Property and Services		(499)	0	(332)
	2(a)	<u>(499)</u>	<u>0</u>	<u>(332)</u>
<b>Loss on Revaluation of Fixed Assets</b>				
Other Property and Services		(1,428,085)	0	(149)
		<u>(1,428,085)</u>	<u>0</u>	<u>(149)</u>
<b>Non-Operating Grants, Subsidies and Contributions</b>				
Transport		323,244	803,243	358,643
Economic Services		4,618,249	0	0
		<u>4,941,493</u>	<u>803,243</u>	<u>358,643</u>
<b>Profit/(Loss) on Disposal of Assets</b>				
Health		(1,525)	(32,409)	(8,591)
Education and Welfare		0	0	(8,137)
Housing		0	0	(2,229)
Recreation & Culture		0	0	(19,904)
Transport		22,132	42,232	4,523
Other Property and Services		(156,511)	(16,506)	(30,157)
		<u>(135,904)</u>	<u>(6,683)</u>	<u>(64,495)</u>
<b>Net Result</b>		<b><u>3,091,579</u></b>	<b><u>(14,241)</u></b>	<b><u>949,440</u></b>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	(2,431,062)	0	(4,467,654)
<b>Total Other Comprehensive Income</b>		<b><u>(2,431,062)</u></b>	<b><u>0</u></b>	<b><u>(4,467,654)</u></b>
<b>Total Comprehensive Income</b>		<b><u>660,517</u></b>	<b><u>(14,241)</u></b>	<b><u>(3,518,214)</u></b>

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

**SHIRE OF LEONORA  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2014**

	NOTE	2014 \$	2013 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	6,869,113	1,666,285
Trade and Other Receivables	4	535,455	281,787
Inventories	5	73,955	48,918
<b>TOTAL CURRENT ASSETS</b>		<u>7,478,523</u>	<u>1,996,990</u>
<b>NON-CURRENT ASSETS</b>			
Inventories	5	631,535	631,535
Property, Plant and Equipment	6	14,316,747	12,996,969
Infrastructure	7	28,314,324	34,310,902
<b>TOTAL NON-CURRENT ASSETS</b>		<u>43,262,606</u>	<u>47,939,406</u>
<b>TOTAL ASSETS</b>	17	<u>50,741,129</u>	<u>49,936,396</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	578,100	409,937
Provisions	10	217,785	277,363
<b>TOTAL CURRENT LIABILITIES</b>		<u>795,885</u>	<u>687,300</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	64,480	28,849
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>64,480</u>	<u>28,849</u>
<b>TOTAL LIABILITIES</b>		<u>860,365</u>	<u>716,149</u>
		<u>49,880,764</u>	<u>49,220,247</u>
<b>EQUITY</b>			
Retained Surplus		39,604,458	36,772,269
Reserves - Cash Backed	11	729,857	470,467
Revaluation Surplus	12	9,546,449	11,977,511
<b>TOTAL EQUITY</b>		<u>49,880,764</u>	<u>49,220,247</u>

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

**SHIRE OF LEONORA  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2012</b>		<b>35,902,294</b>	<b>391,002</b>	<b>16,445,165</b>	<b>52,738,461</b>
Comprehensive Income					
Net Result		949,440	0	0	949,440
Changes on Revaluation of Non-Current Assets	12	<u>0</u>	<u>0</u>	<u>(4,467,654)</u>	<u>(4,467,654)</u>
Total Comprehensive Income		949,440	0	(4,467,654)	(3,518,214)
Transfers from/(to) Reserves		(79,465)	79,465	0	0
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Balance as at 30 June 2013</b>		<b>36,772,269</b>	<b>470,467</b>	<b>11,977,511</b>	<b>49,220,247</b>
Comprehensive Income					
Net Result		3,091,579	0	0	3,091,579
Changes on Revaluation of Non-Current Assets	12	<u>0</u>	<u>0</u>	<u>(2,431,062)</u>	<u>(2,431,062)</u>
Total Comprehensive Income		3,091,579	0	(2,431,062)	660,517
Transfers from/(to) Reserves	11	(259,390)	259,390	0	0
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Balance as at 30 June 2014</b>		<b><u>39,604,458</u></b>	<b><u>729,857</u></b>	<b><u>9,546,449</u></b>	<b><u>49,880,764</u></b>

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

**SHIRE OF LEONORA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2014 \$	2014 Budget \$	2013 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		5,009,969	4,985,031	4,770,958
Operating Grants, Subsidies and Contributions		1,816,163	2,043,325	2,511,332
Fees and Charges		1,114,319	1,562,484	1,127,213
Interest Earnings		28,439	41,798	38,954
Goods and Services Tax		476,301	350,000	354,403
Other Revenue		8,689	101,890	124,952
		<u>8,453,880</u>	<u>9,084,528</u>	<u>8,927,812</u>
<b>Payments</b>				
Employee Costs		(2,518,360)	(3,081,356)	(2,480,431)
Materials and Contracts		(3,126,100)	(4,303,159)	(3,209,737)
Utility Charges		(271,826)	(71,233)	(327,079)
Interest Expenses		(499)	0	(332)
Insurance Expenses		(301,237)	(274,364)	(271,458)
Goods and Services Tax		(474,497)	(350,000)	(321,038)
Other Expenditure		(166,142)	(179,623)	(93,893)
		<u>(6,858,661)</u>	<u>(8,259,735)</u>	<u>(6,703,968)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	13(b)	<u>1,595,219</u>	<u>824,793</u>	<u>2,223,844</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment		(1,042,746)	(1,964,492)	(1,849,432)
Payments for Construction of Infrastructure		(516,274)	(841,553)	(855,936)
Non-Operating Grants, Subsidies and Contributions		4,941,493	803,243	358,643
Proceeds from Sale of Fixed Assets		225,136	252,726	313,183
<b>Net Cash Provided by (Used in) Investment Activities</b>		<u>3,607,609</u>	<u>(1,750,076)</u>	<u>(2,033,542)</u>
<b>Net Increase (Decrease) in Cash Held</b>		5,202,828	(925,283)	190,302
Cash at Beginning of Year		1,666,285	1,567,556	1,475,983
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u>6,869,113</u>	<u>642,273</u>	<u>1,666,285</u>

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

**SHIRE OF LEONORA  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2014 Actual \$	2014 Budget \$	2013 Actual \$
<b>Revenue</b>				
Governance		2,148	2,320	25,730
General Purpose Funding		847,795	964,673	1,460,875
Law, Order, Public Safety		17,773	13,470	12,350
Health		48,090	84,693	39,517
Education and Welfare		205,758	191,209	153,471
Housing		43,894	48,960	43,043
Community Amenities		195,147	165,464	90,494
Recreation and Culture		181,384	179,400	175,257
Transport		1,305,778	1,969,128	1,457,763
Economic Services		5,158,252	576,960	518,562
Other Property and Services		81,305	124,270	148,367
		<u>8,087,324</u>	<u>4,320,547</u>	<u>4,125,429</u>
<b>Expenses</b>				
Governance		(396,910)	(498,466)	(387,985)
General Purpose Funding		(293,384)	(326,685)	(280,805)
Law, Order, Public Safety		(97,774)	(112,075)	(154,444)
Health		(532,002)	(694,900)	(508,730)
Education and Welfare		(433,901)	(506,656)	(374,625)
Housing		0	0	(9,467)
Community Amenities		(170,179)	(216,959)	(218,486)
Recreation and Culture		(987,911)	(1,246,658)	(1,025,553)
Transport		(4,347,460)	(4,001,498)	(3,703,439)
Economic Services		(1,354,081)	(1,645,915)	(1,285,969)
Other Property and Services		(1,496,770)	(70,007)	(13,815)
		<u>(10,110,372)</u>	<u>(9,319,819)</u>	<u>(7,963,318)</u>
<b>Net Result Excluding Rates</b>		(2,023,048)	(4,999,272)	(3,837,889)
<b>Adjustments for Cash Budget Requirements:</b>				
Loss on Revaluation of Fixed Assets		1,428,085	0	149
(Profit)/Loss on Asset Disposals	20	135,904	6,683	64,495
Movement in Accrued Salaries and Wages		10,008	0	5,479
Movement in Employee Benefit Provisions (Non-current)		(23,947)	0	(25,942)
Depreciation on Assets	2(a)	2,015,633	1,718,196	1,200,471
<b>Capital Expenditure and Revenue</b>				
Purchase Land and Buildings	6(a)	(281,236)	(638,610)	(970,912)
Purchase Furniture and Equipment	6(a)	(35,375)	(520,049)	(849,900)
Purchase Plant and Equipment	6(a)	(726,135)	(805,833)	(28,620)
Purchase Roads	7(a)	(322,421)	(511,000)	(527,376)
Purchase Infrastructure Other	7(a)	(193,853)	(330,553)	(328,560)
Proceeds from Disposal of Fixed Assets	20	225,136	252,726	313,183
Transfers to Reserves (Restricted Assets)	11	(332,273)	(330,798)	(247,531)
Transfers from Reserves (Restricted Assets)	11	72,883	90,000	168,066
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	1,134,984	1,083,479	1,412,542
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	6,198,972	0	1,134,984
<b>Total Amount Raised from General Rate</b>	22(a)	<u>(5,114,627)</u>	<u>(4,985,031)</u>	<u>(4,787,329)</u>

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



**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

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

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

**Critical Accounting Estimates**

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

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

**The Local Government Reporting Entity**

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 19. to these financial statements.

**(b) 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.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(c) Cash and Cash Equivalents**

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

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

**(d) Trade and Other Receivables**

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

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

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

**(e) Inventories**

***General***

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

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

***Land Held for Sale***

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

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

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(f) Fixed Assets**

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

***Mandatory Requirement to Revalue Non-Current Assets***

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

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
  - (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
    - (i) that are plant and equipment; and
    - (ii) that are -
      - (I) land and buildings; or-
      - (II) Infrastructure;
- and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

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

***Land Under Control***

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

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

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

***Initial Recognition and Measurement between Mandatory Revaluation Dates***

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

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

***Revaluation***

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

***Transitional Arrangements***

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** Methodology section as detailed above.

***Early Adoption of AASB 13 - Fair Value Measurement***

Whilst the new accounting standard in relation to Fair Value, AASB 13 – Fair Value Measurement only become applicable for the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology in the previous reporting period (year ended 30 June 2013) the Council chose to early adopt AASB 13

As a consequence, the principles embodied in AASB 13 - Fair Value Measurement have been applied to the previous reporting period (year ended 30 June 2013).

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(f) Fixed Assets (Continued)**

***Land Under Roads***

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

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

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

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

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

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(f) Fixed Assets (Continued)**

***Depreciation***

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

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

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

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Infrastructure	10 to 40 years

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

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

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

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

***Capitalisation Threshold***

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

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

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

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

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

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

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

***Fair Value Hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

***Valuation techniques***

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

**Market approach**

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

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

**Income approach**

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

**Cost approach**

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

**(h) Financial Instruments**

***Initial Recognition and Measurement***

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

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

***Classification and Subsequent Measurement***

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

Amortised cost is calculated as:

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

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



**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(h) Financial Instruments (Continued)**

***Classification and Subsequent Measurement (Continued)***

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

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

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

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

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

*(v) Financial liabilities*

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(h) Financial Instruments (Continued)**

***Impairment***

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

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

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

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

***Derecognition***

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

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

**(i) Impairment of Assets**

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

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

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

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

**(j) Trade and Other Payables**

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(k) Employee Benefits**

**Short-Term Employee Benefits**

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

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

**Other Long-Term Employee Benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any 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 Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**(l) Borrowing Costs**

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(m) Provisions**

Provisions are recognised when the Council 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.

**(n) Leases**

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

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

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

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

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

**(o) Investment in Associates**

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

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

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

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(p) Interests in Joint Arrangements**

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

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

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

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

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

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

**(r) Superannuation**

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

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

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

**(t) Rounding Off Figures**

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(u) Comparative Figures**

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**(v) Budget Comparative Figures**

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

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

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

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(i) AASB 9 – Financial Instruments	December 2013	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 2010 -7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	December 2013	1 January 2018	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]			

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
<p>(iii) AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities]</p> <p>[AASB 1, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 &amp; 1038 and Interpretations 5, 9, 16 &amp; 17]</p>	December 2012	1 January 2014	<p>Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128.</p> <p>It is not expected to have a significant impact on Council.</p>
<p>(iv) AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities</p> <p>[AASB 132]</p>	June 2012	1 January 2014	<p>This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>This Standard is not expected to significantly impact the Council’s financial statements.</p>



**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(v) AASB 2013 - 3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	June 2013	1 January 2014	<p>This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets.</p> <p>It is not expected to have a significant impact on Council.</p>
(vi) AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities  [AASB 10, 12 & 1049]	October 2013	1 January 2014	<p>This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities.</p> <p>It is not expected to have a significant impact on Council.</p>
(vii) AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments  [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]	December 2013	Refer Title column	<p>Part A of this standard makes various editorial corrections to Australian Accounting Standards.</p> <p>Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031.</p> <p>Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.</p> <p>As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.</p>

Notes:

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

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

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

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

These new and revised standards were:

AASB 10	AASB 128	AASB 2012 - 2
AASB 11	AASB 2011 - 7	AASB 2012 - 3
AASB 12	AASB 2011 - 9	AASB 2012 - 5
AASB 119	AASB 2011 - 10	AASB 2012 - 10
AASB 127		

Most of the standards adopted had a minimal effect on the accounting and reporting practices of the Council as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

<b>2. REVENUE AND EXPENSES</b>	<b>2014</b>	<b>2013</b>	
	<b>\$</b>	<b>\$</b>	
<b>(a) Net Result</b>			
The Net Result includes:			
(i) Charging as an Expense:			
<b>Significant Expense</b>			
General Purpose Funding	155,000	0	
This significant expense in 2014 years relates to the write off of unidentifiable fixed assets.			
Other Property and Services loss on revaluation of fixed assets.	1,428,085	0	
	<u>1,583,085</u>	<u>0</u>	
<b>Auditors Remuneration</b>			
- Audit of the annual financial report	11,561	22,912	
- Other Services	840	800	
<b>Depreciation</b>			
Buildings	265,675	183,893	
Furniture and Equipment	10,916	12,512	
Plant and Equipment	755,790	345,233	
Roads	900,121	509,472	
Infrastructure Other	31,718	93,258	
Roads Other	51,413	56,103	
	<u>2,015,633</u>	<u>1,200,471</u>	
<b>Interest Expenses (Finance Costs)</b>			
Other	499	332	
	<u>499</u>	<u>332</u>	
(ii) Crediting as Revenue:			
<b>Significant Revenue</b>			
General Purpose Funding	0	577,818	
Economic Services	4,618,249	0	
	<u>4,618,249</u>	<u>577,818</u>	
This significant revenue in 2013 year relates to Local Government Financial Assistance Grant - payment received early			
This significant revenue in 2014 year relates to - R4R NGROAC			
<b>Other Revenue</b>			
Reimbursements and Recoveries	8,689	0	
Other	0	124,952	
	<u>8,689</u>	<u>124,952</u>	
	<u>8,689</u>	<u>124,952</u>	
	<b>2014 Actual</b>	<b>2014 Budget</b>	<b>2013 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Interest Earnings</b>			
- Reserve Funds	13,273	11,798	12,473
- Other Funds	15,166	30,000	26,481
	<u>28,439</u>	<u>41,798</u>	<u>38,954</u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(b) Statement of Objective**

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

**COMMUNITY VISION**

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

**GOVERNANCE**

**Objective:**

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

**Activities:**

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

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

**GENERAL PURPOSE FUNDING**

**Objective:**

To collect revenue to allow for the provision of services.

**Activities:**

1 Rates

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

2 Grants

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

3 Interest from Investments

Includes interest received on surplus funds invested throughout the year from both operating and reserve accounts.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

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

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

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

**Activities:**

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

**HEALTH**

**Objective:**

To provide an operational framework for environmental and community health.

**Activities:**

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

**EDUCATION AND WELFARE**

**Objective:**

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

**Activities:**

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

**HOUSING**

**Objective:**

To provide and maintain elderly residents housing.

**Activities:**

Costs of maintaining Council owned accommodation units and collection of rentals paid by staff for use of those buildings. Costs that can be accurately attributed to other programs are allocated. Revenue associated with a State Government owned house by way of loan repayments to Council are also included.

Accommodation units include 3 houses, 2 duplexes and a single persons quarters.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

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

**COMMUNITY AMENITIES**

**Objective:**

To provide services required by the community.

**Activities:**

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

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

Provision of Christmas decorations in Leonora Town site.

Operation of the Leonora Cemetery.

**RECREATION AND CULTURE**

**Objective:**

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

**Activities:**

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

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

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

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

**TRANSPORT**

**Objective:**

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

**Activities:**

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

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

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

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

**ECONOMIC SERVICES**

**Objective:**

To help promote the shire and its economic wellbeing.

**Activities:**

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

Contribution to employment of a Goldfields/Esperance Development Officer operating from Shire Offices - Leonora.

Contribution to costs of North Eastern Goldfields Land care Organisation.

Costs and revenues associated with building control under building regulations, including inspections and issuing building permits.

**OTHER PROPERTY AND SERVICES**

**Objective:**

To monitor and control council's overheads operating accounts.

**Activities:**

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

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

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

<u>Grant/Contribution</u>	<u>Function/ Activity</u>	<u>Opening Balance <sup>(1)</sup> 1/07/12 \$</u>	<u>Received <sup>(2)</sup> 2012/13 \$</u>	<u>Expended <sup>(3)</sup> 2012/13 \$</u>	<u>Closing Balance <sup>(1)</sup> 30/06/13 \$</u>	<u>Received <sup>(2)</sup> 2013/14 \$</u>	<u>Expended <sup>(3)</sup> 2013/14 \$</u>	<u>Closing Balance 30/06/14 \$</u>
Northern Goldfields Tourism Group	Recreation and Culture	29,716	0	(4,343)	<b>25,373</b>	0	(24,452)	<b>921</b>
Government Grant	General Purpose Funding	5,213	0	0	<b>5,213</b>	0	0	<b>5,213</b>
CLGF	General Purpose Funding	0	337,610	(277,610)	<b>60,000</b>	337,610	(252,045)	<b>145,565</b>
Workforce Planning Grant	General Purpose Funding	0	25,000	0	<b>25,000</b>	0	(8,790)	<b>16,210</b>
NGROAC	Economic Services	0	0	0	<b>0</b>	4,618,249	0	<b>4,618,249</b>
Animal Sterilisation Program	Law, Order, Public Service	0	0	0	<b>0</b>	2,500	0	<b>2,500</b>
<b>Total</b>		<b><u>34,929</u></b>	<b><u>362,610</u></b>	<b><u>(281,953)</u></b>	<b><u>115,586</u></b>	<b><u>4,958,359</u></b>	<b><u>(285,287)</u></b>	<b><u>4,788,658</u></b>

**Notes:**

- (1)** - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2)** - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3)** - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.



**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

	Note	2014 \$	2013 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		1,350,598	1,080,232
Restricted		<u>5,518,515</u>	<u>586,053</u>
		<u><u>6,869,113</u></u>	<u><u>1,666,285</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Annual Leave Reserve	11	154,692	151,037
Long Service Leave Reserve	11	126,415	123,427
Building Reserve	11	141,663	40,106
Fire Disaster Reserve	11	17,974	13,621
Plant Purchase Reserve	11	203,274	51,126
Gwalia Precinct Reserve	11	85,839	91,150
Unspent Grants	2(c)	<u>4,788,658</u>	<u>115,586</u>
		<u><u>5,518,515</u></u>	<u><u>586,053</u></u>
<b>4. TRADE AND OTHER RECEIVABLES</b>			
<b>Current</b>			
Rates Outstanding		162,802	58,144
Sundry Debtors		370,887	220,073
GST Receivable		<u>1,766</u>	<u>3,570</u>
		<u><u>535,455</u></u>	<u><u>281,787</u></u>
<b>5. INVENTORIES</b>			
<b>Current</b>			
Fuel and Materials		<u>73,955</u>	<u>48,918</u>
		<u><u>73,955</u></u>	<u><u>48,918</u></u>
<b>Non-Current</b>			
Land Held for Resale - Cost			
Cost of Acquisition		1,875	1,875
Development Costs		<u>629,660</u>	<u>629,660</u>
		<u><u>631,535</u></u>	<u><u>631,535</u></u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land		
Freehold Land at:		
- Independent Valuation 2014	<u>957,000</u>	<u>0</u>
	957,000	0
 Total Land	 <u>957,000</u>	 <u>0</u>
 Buildings at:		
- Management Valuation 2013	0	7,015,429
- Cost	0	3,869,109
- Independent Valuation 2014	10,971,302	0
Less: Accumulated Depreciation	<u>0</u>	<u>(487,250)</u>
	10,971,302	10,397,288
 Total Land and Buildings	 <u>11,928,302</u>	 <u>10,397,288</u>
 Furniture and Equipment at:		
- Management Valuation 2013	28,000	28,000
- Cost	35,375	0
Less Accumulated Depreciation	<u>(10,916)</u>	<u>0</u>
	52,459	28,000
 Plant and Equipment at:		
- Management Valuation 2013	2,260,981	2,571,681
- Cost	726,134	0
Less Accumulated Depreciation	<u>(651,129)</u>	<u>0</u>
	2,335,986	2,571,681
	<u>14,316,747</u>	<u>12,996,969</u>

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**Land**

The Shire's Land was revalued at 30 June 2014 by an independent valuer. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 and 3 inputs in the fair value hierarchy). The revaluation resulted in an overall decrement of \$ 2,463,790 in the net value of the Shire's Land. All of this decrement was debited to the profit and loss in the Shire's Statement of Comprehensive Income.

**Buildings**

The Shire's Buildings was revalued at 30 June 2014 by a combination of independent valuers and management. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 and 3 inputs in the fair value hierarchy). The revaluation resulted in an overall increment of \$ 1,035,705 in the net value of the Shire's buildings. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(c) for further details) and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(a) Movements in Carrying Amounts**

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

		<b>Balance at the Beginning of the Year</b>	<b>Additions</b>	<b>(Disposals)</b>	<b>Revaluation Increments/ (Decrements)</b>	<b>Impairment (Losses)/ Reversals</b>	<b>Depreciation (Expense)</b>	<b>Carrying Amount at the End of Year</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Freehold Land	(Level 2&3)	3,575,790	0	(155,000)	(2,463,790)	0	0	957,000
<b>Total Land</b>		<b>3,575,790</b>	<b>0</b>	<b>(155,000)</b>	<b>(2,463,790)</b>	<b>0</b>	<b>0</b>	<b>957,000</b>
Buildings	(Level 2&3)	9,920,036	281,236	0	1,035,705	0	(265,675)	10,971,302
<b>Total Buildings</b>		<b>9,920,036</b>	<b>281,236</b>	<b>0</b>	<b>1,035,705</b>	<b>0</b>	<b>(265,675)</b>	<b>10,971,302</b>
<b>Total Land and Buildings</b>		<b>13,495,826</b>	<b>281,236</b>	<b>(155,000)</b>	<b>(1,428,085)</b>	<b>0</b>	<b>(265,675)</b>	<b>11,928,302</b>
Furniture and Equipment	(Level 3)	28,000	35,375	0	0	0	(10,916)	52,459
Plant and Equipment	(Level 3)	2,571,681	726,135	(206,040)	0	0	(755,790)	2,335,986
<b>Total Property, Plant and Equipment</b>		<b>16,095,507</b>	<b>1,042,746</b>	<b>(361,040)</b>	<b>(1,428,085)</b>	<b>0</b>	<b>(1,032,381)</b>	<b>14,316,747</b>

During the year ended 30 June 2014, fixed assets were reclassified as part of the revaluation of Land and Buildings. Prior year closing balances for assets transferred between asset classes were amended to align the new classification of the specific assets reclassified. Transfers between asset classes to arrive at the prior year comparative balances are as shown below:

	<b>Closing Balance 30/06/2013</b>	<b>Transfer to</b>	<b>Transfer from</b>	<b>Reclassified Opening Balance 1/07/2013</b>
Valuation Reclassification Summary				
Land and Buildings	10,397,288	0	(10,397,288)	0
Furniture and Equipment	28,000	0	0	28,000
Plant and Equipment	2,571,681	0	0	2,571,681
Roads	27,915,341	0	0	27,915,341
Roads Other	1,844,040	0	0	1,844,040
Infrastructure Other	4,551,521	0	(3,098,538)	1,452,983
Freehold Land	0	3,575,790	0	3,575,790
Buildings	0	9,920,036	0	9,920,036
	<b>47,307,871</b>	<b>13,495,826</b>	<b>(13,495,826)</b>	<b>47,307,871</b>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>7. INFRASTRUCTURE</b>		
Roads		
- Management Valuation 2014	42,788,226	42,047,647
Less Accumulated Depreciation	<u>(17,881,647)</u>	<u>(14,132,306)</u>
	24,906,579	27,915,341
Roads Other		
- Cost	2,518,195	2,518,195
Less Accumulated Depreciation	<u>(725,568)</u>	<u>(674,155)</u>
	1,792,627	1,844,040
Infrastructure Other		
- Management Valuation 2010	1,551,935	4,638,419
- Additions after Valuation - Cost	193,854	328,559
Less Accumulated Depreciation	<u>(130,671)</u>	<u>(415,457)</u>
	1,615,118	4,551,521
	<u>28,314,324</u>	<u>34,310,902</u>

**Roads:**

The Shire's Infrastructure Roads was revalued at 30 June 2014 by management. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 3 inputs in the fair value hierarchy).

The revaluation resulted in an overall decrement of \$ 2,431,062 in the net value of the Shire's Infrastructure Roads. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(c) for further details) and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**7. INFRASTRUCTURE (Continued)**

**Movements in Carrying Amounts**

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

	<b>Balance as at the Beginning of the Year</b>	<b>Additions</b>	<b>(Disposals)</b>	<b>Revaluation Increments/ (Decrements)</b>	<b>Impairment (Losses)/ Reversals</b>	<b>Depreciation (Expense)</b>	<b>Carrying Amount at the End of the Year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Roads	27,915,341	322,421	0	(2,431,062)	0	(900,121)	24,906,579
Infrastructure Other	1,452,983	193,853	0	0	0	(31,718)	1,615,118
Roads Other	1,844,040	0	0	0	0	(51,413)	1,792,627
<b>Total</b>	<b><u>31,212,364</u></b>	<b><u>516,274</u></b>	<b><u>0</u></b>	<b><u>(2,431,062)</u></b>	<b><u>0</u></b>	<b><u>(983,252)</u></b>	<b><u>28,314,324</u></b>

During the year ended 30 June 2014, fixed assets were reclassified as part of the revaluation of Land and Buildings. Prior year closing balances for assets transferred between asset classes were amended to align the new classification of the specific assets reclassified. Transfers between asset classes to arrive at the prior year comparative balances are as shown below:

	<b>Closing Balance 30/06/2013</b>	<b>Transfer to</b>	<b>Transfer from</b>	<b>Reclassified Opening Balance 1/07/2013</b>
Valuation Reclassification Summary				
Land and Buildings	10,397,288	0	(10,397,288)	0
Furniture and Equipment	28,000	0	0	28,000
Plant and Equipment	2,571,681	0	0	2,571,681
Roads	27,915,341	0	0	27,915,341
Roads Other	1,844,040	0	0	1,844,040
Infrastructure Other	4,551,521		(3,098,538)	1,452,983
Freehold Land	0	3,575,790	0	3,575,790
Buildings	0	9,920,036	0	9,920,036
	<b><u>47,307,871</u></b>	<b><u>13,495,826</u></b>	<b><u>(13,495,826)</u></b>	<b><u>47,307,871</u></b>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	549,694	391,539
Accrued Salaries and Wages	28,406	18,398
	<u>578,100</u>	<u>409,937</u>

**9. LONG-TERM BORROWINGS**

The Shire did not have any long term borrowings at the reporting date.

**10. PROVISIONS**

Analysis of Total Provisions

Current	217,785	277,363
Non-Current	64,480	28,849
	<u>282,265</u>	<u>306,212</u>

	<b>Provision for Annual Leave</b>	<b>Provision for Long Service Leave</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Opening balance at 1 July 2013	151,700	154,512	306,212
Amounts used	(23,070)	(877)	(23,947)
Balance at 30 June 2014	<u>128,630</u>	<u>153,635</u>	<u>282,265</u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

	2014 \$	2014 Budget \$	2013 \$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Leave Reserve</b>			
Opening Balance	151,037	150,391	146,465
Amount Set Aside / Transfer to Reserve	3,655	3,398	4,572
Amount Used / Transfer from Reserve	0	0	0
	<u>154,692</u>	<u>153,789</u>	<u>151,037</u>
<b>(b) Long Service Leave Reserve</b>			
Opening Balance	123,427	172,725	168,216
Amount Set Aside / Transfer to Reserve	2,988	2,777	55,211
Amount Used / Transfer from Reserve	0	0	(100,000)
	<u>126,415</u>	<u>175,502</u>	<u>123,427</u>
<b>(c) Building Reserve</b>			
Opening Balance	40,106	0	0
Amount Set Aside / Transfer to Reserve	101,557	102,027	40,106
Amount Used / Transfer from Reserve	0	0	0
	<u>141,663</u>	<u>102,027</u>	<u>40,106</u>
<b>(d) Fire Disaster Reserve</b>			
Opening Balance	13,621	11,566	11,267
Amount Set Aside / Transfer to Reserve	4,353	4,396	6,354
Amount Used / Transfer from Reserve	0	0	(4,000)
	<u>17,974</u>	<u>15,962</u>	<u>13,621</u>
<b>(e) Plant Purchase Reserve</b>			
Opening Balance	51,126	992	992
Amount Set Aside / Transfer to Reserve	152,148	152,275	50,134
Amount Used / Transfer from Reserve	0	0	0
	<u>203,274</u>	<u>153,267</u>	<u>51,126</u>
<b>(f) Gwalia Precinct Reserve</b>			
Opening Balance	91,150	65,801	64,062
Amount Set Aside / Transfer to Reserve	67,572	65,925	91,154
Amount Used / Transfer from Reserve	(72,883)	(90,000)	(64,066)
	<u>85,839</u>	<u>41,726</u>	<u>91,150</u>
<b>TOTAL RESERVES</b>	<u><u>729,857</u></u>	<u><u>642,273</u></u>	<u><u>470,467</u></u>
Total Opening Balance	470,467	401,475	391,002
Total Amount Set Aside / Transfer to Reserve	332,273	330,798	247,531
Total Amount Used / Transfer from Reserve	(72,883)	(90,000)	(168,066)
<b>TOTAL RESERVES</b>	<u><u>729,857</u></u>	<u><u>642,273</u></u>	<u><u>470,467</u></u>

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



**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**11. RESERVES - CASH BACKED (continued)**

In accordance with council resolutions in relation to each reserve account, the purpose for which the funds are set aside are as follows:

- (a) Leave Reserve**  
- to be used to to offset Council's leave liability to its employees.
- (b) Long Service Leave Reserve**  
- to be used to offset Council's long service leave liabilities to it's employees
- (c) Building Reserve**  
- to be used for the construction and preservation of Council buildings and urgent repairs and maintenance.
- (d) Fire Disaster Reserve**  
- to be used to assist in the provision of emergency contingencies in the case of a fire disaster.
- (e) Plant Purchase Reserve**  
- to be used for the purchase of major plant.
- (f) Gwalia Precinct Reserve**  
- to be used for restoration and historical projects in the Gwalia precinct.

**SHIRE OF LEONORA**  
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<b>12. REVALUATION SURPLUS</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
<b>(a) Plant &amp; Equipment</b>		
Opening Balance	44,891	0
Revaluation Increment	0	44,891
Revaluation Decrement	0	0
	<u>44,891</u>	<u>44,891</u>
<b>(b) Roads</b>		
Opening Balance	10,689,520	15,202,065
Revaluation Increment	0	0
Revaluation Decrement	(2,431,062)	(4,512,545)
	<u>8,258,458</u>	<u>10,689,520</u>
<b>(c) Other Infrastructure</b>		
Opening Balance	1,243,100	1,243,100
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>1,243,100</u>	<u>1,243,100</u>
<b>TOTAL ASSET REVALUATION SURPLUS</b>	<u><u>9,546,449</u></u>	<u><u>11,977,511</u></u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**13. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	<b>2014</b> <b>\$</b>	<b>2014</b> <b>Budget</b> <b>\$</b>	<b>2013</b> <b>\$</b>
Cash and Cash Equivalents	<u>6,869,113</u>	<u>642,273</u>	<u>1,666,285</u>

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

Net Result	3,091,579	(14,241)	949,440
Depreciation	2,015,633	1,718,196	1,200,471
(Profit)/Loss on Sale of Asset	135,904	6,683	64,495
(Increase)/Decrease in Receivables	(253,668)	300,517	117,510
(Increase)/Decrease in Inventories	(25,037)	5,506	(1,554)
Increase/(Decrease) in Payables	168,163	(388,626)	272,439
Increase/(Decrease) in Employee Provisions	(23,947)	0	(20,463)
Grants Contributions for the Development of Assets	(4,941,493)	(803,242)	(358,643)
Loss on Revaluation of Fixed Assets	<u>1,428,085</u>	<u>0</u>	<u>149</u>
Net Cash from Operating Activities	<u>1,595,219</u>	<u>824,793</u>	<u>2,223,844</u>

	<b>2014</b> <b>\$</b>	<b>2013</b> <b>\$</b>
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	20,000	20,000
Credit Card Balance at Balance Date	<u>(7,689)</u>	<u>(6,454)</u>
<b>Total Amount of Credit Unused</b>	<u>12,311</u>	<u>13,546</u>
<b>Loan Facilities</b>		
Loan Facilities - Current	0	0
Loan Facilities - Non-Current	<u>0</u>	<u>0</u>
<b>Total Facilities in Use at Balance Date</b>	<u>0</u>	<u>0</u>
<b>Unused Loan Facilities at Balance Date</b>	<u>NIL</u>	<u>NIL</u>

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014**

**14. CONTINGENT LIABILITIES**

There were no known contingent liabilities at the reporting date.

<b>15. CAPITAL AND LEASING COMMITMENTS</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	13,749	20,131
- later than one year but not later than five years	13,503	6,106
- later than five years	0	0
	<u>27,252</u>	<u>26,237</u>

**(b) Capital Expenditure Commitments**

Contracted for:

- capital expenditure projects	151,323	0
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The capital expenditure project outstanding at the end of the current reporting period represents the construction of a building to house vintage vehicles at the Gwalia Museum.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**16. JOINT VENTURE ARRANGEMENTS**

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

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Non-Current Assets</b>		
Land & Buildings	74,688	74,688
Less: Accumulated Depreciation	<u>(3,740)</u>	<u>(1,873)</u>
	<u><u>70,948</u></u>	<u><u>72,815</u></u>
Plant & Machinery	8,247	11,393
Less: Accumulated Depreciation	<u>(1,649)</u>	<u>(868)</u>
	<u><u>6,598</u></u>	<u><u>10,525</u></u>
Furniture & Equipment	12,109	13,455
Less: Accumulated Depreciation	<u>(1,332)</u>	<u>(762)</u>
	<u><u>10,777</u></u>	<u><u>12,693</u></u>
Light Vehicles	3,549	3,944
Less: Accumulated Depreciation	<u>(591)</u>	<u>(394)</u>
	<u><u>2,958</u></u>	<u><u>3,550</u></u>

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

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Governance	0	60
General Purpose Funding	164,043	58,144
Law, Order, Public Safety	51,391	48,519
Health	244,179	278,243
Education and Welfare	16,195	86,138
Housing	1,809,457	1,777,805
Community Amenities	1,851,141	2,105,236
Recreation and Culture	6,499,433	6,159,549
Transport	30,618,031	35,541,532
Economic Services	5,685,571	847,246
Other Property and Services	2,280,194	1,835,805
Unallocated	<u>1,521,494</u>	<u>1,198,119</u>
	<u><u>50,741,129</u></u>	<u><u>49,936,396</u></u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

	2014	2013	2012
<b>18. FINANCIAL RATIOS</b>			
Current Ratio	3.39	3.42	11.34
Asset Sustainability Ratio	0.51	1.22	0.87
Debt Service Cover Ratio	N/A	N/A	N/A
Operating Surplus Ratio	(0.29)	0.10	0.19
Own Source Revenue Coverage Ratio	0.72	0.74	0.76

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

**Notes:**

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 60 of this document.

One of the 2014 ratios disclosed above are distorted by items of significant expense totalling \$ 155,000 relating to the write off of various fixed assets.

These items form part of operating expense and have been included in the calculations above.

These items of significant expenses are considered to be "one-off" and are non-cash in nature and, if they were ignored, the calculations disclosed in the 2014 column above would be as follows:

	2014
Operating Surplus Ratio	(0.28)

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**19. TRUST FUNDS**

Funds held at balance date over which the Shire has no control and which are not included in the financial statements are as follows:

	Balance 1 July 2013 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2014 \$
Sale of Impounded Cattle	0	16,112	0	16,112
	<u>0</u>			<u>16,112</u>

**20. DISPOSALS OF ASSETS - 2013/14 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Plant and Equipment</b>						
Health						
2011 Ford FG Falcon	23,888	38,324	22,727	22,727	(1,161)	(15,597)
2012 Ford Territory TX	24,909	41,357	24,545	24,545	(364)	(16,812)
Transport						
P819 1994 Roadwest Low Loader	27,863	0	31,500	30,000	3,637	30,000
P289 2006 Cat 12H Grader	77,139	91,676	100,909	130,000	23,770	38,324
Nissan Navara King Cab	20,730	41,546	15,455	15,454	(5,275)	(26,092)
Other Property and Services						
2012 Ford Territory Titanium	31,511	46,506	30,000	30,000	(1,511)	(16,506)
General Purpose Funding						
Writeoffs	155,000	0	0	0	(155,000)	0
	<u>361,040</u>	<u>259,409</u>	<u>225,136</u>	<u>252,726</u>	<u>(135,904)</u>	<u>(6,683)</u>

Profit	27,407	68,324
Loss	<u>(163,311)</u>	<u>(75,007)</u>
	<u>(135,904)</u>	<u>(6,683)</u>

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014**

**21. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

The Shire had no borrowings as at the reporting date.

(b) New Debentures - 2013/14

No new debentures were raised during the reporting period.

(c) Unspent Debentures

The Shire had no unspent debentures as at the reporting date.

(d) Overdraft

The Shire does not have an overdraft facility.



**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**22. RATING INFORMATION - 2013/14 FINANCIAL YEAR**

(a) Rates	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>RATE TYPE</b>											
<b>General Rate Valuations</b>											
Industrial	0.0610	48	3,545,980	216,305	0	0	216,305	214,922	1,500	0	216,422
Commercial	0.0610	30	3,541,962	216,060	411	0	216,471	214,678	0	0	214,678
Mining Tenement	0.0610	6	2,399,248	146,354	0	0	146,354	145,418	0	0	145,418
Residential	0.0610	486	6,498,180	396,389	0	0	396,389	393,243	0	0	393,243
Town Centre	0.0610	5	252,770	15,419	0	0	15,419	14,957	0	0	14,957
Miscellaneous	0.0610	13	427,556	26,081	0	0	26,081	25,883	0	0	25,883
<b>Unimproved Value Valuations</b>											
Mining Tenement	0.1340	1,088	26,823,486	3,594,347	(66,374)	0	3,527,973	3,600,531	15,000	0	3,615,531
Pastoral	0.1340	30	1,259,312	168,748	3,703	0	172,451	168,446	0	0	168,446
Rural	0.1340	2	50,000	6,700	(3,618)	0	3,082	6,688	0	0	6,688
<b>Sub-Totals</b>		1,708	44,798,494	4,786,402	(65,878)	0	4,720,524	4,784,766	16,500	0	4,801,266
<b>Minimum Payment</b>	<b>Minimum \$</b>										
<b>General Rate Valuations</b>											
Industrial	279	12	33,630	3,348	0	0	3,348	2,790	0	0	2,790
Commercial	279	4	10,160	1,116	0	0	1,116	1,116	0	0	1,116
Residential	279	19	52,445	5,301	0	0	5,301	4,743	0	0	4,743
Town Centre	279	2	875	558	0	0	558	558	0	0	558
Vacant	279	63	60,731	17,577	0	0	17,577	17,019	0	0	17,019
Miscellaneous	279	4	2,910	1,116	0	0	1,116	1,116	0	0	1,116
<b>Unimproved Value Valuations</b>											
Mining Tenement	279	935	1,060,464	260,865	103,106	0	363,971	260,586	0	0	260,586
Rural	279	3	3,501	837	0	0	837	837	0	0	837
Pastoral	279	1	0	0	279	0	279	0	0	0	0
<b>Sub-Totals</b>		1,043	1,224,716	290,718	103,385	0	394,103	288,765	0	0	288,765
							5,114,627			5,090,031	
Rates Written Off (refer note 25.)							(8,448)			(15,000)	
Concession (refer note 25.)							(94,502)			(90,000)	
<b>Total Amount Raised From General Rate Totals</b>							<b>5,011,678</b>			<b>4,985,031</b>	
							5,011,678			4,985,031	

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**22. RATING INFORMATION - 2013/14 FINANCIAL YEAR (Continued)**

**(b) Information on Surplus/(Deficit) Brought Forward**

	2014 (30 June 2014 Carried Forward) \$	2014 (1 July 2013 Brought Forward) \$	2013 (30 June 2013 Carried Forward) \$
<b>Surplus/(Deficit) 1 July 13 Brought Forward</b>	<u>6,198,972</u>	<u>1,134,984</u>	<u>1,134,984</u>
<b><u>Comprises:</u></b>			
Cash and Cash Equivalents			
Unrestricted	1,350,598	1,080,232	1,080,232
Restricted	5,518,515	586,053	586,053
Receivables			
Rates Outstanding	162,802	58,144	58,144
Sundry Debtors	370,887	220,073	220,073
GST Receivable	1,766	3,570	3,570
Inventories			
Fuel and Materials	73,955	48,918	48,918
<b><u>Less:</u></b>			
Trade and other Payables			
Sundry Creditors	(549,694)	(391,539)	(391,539)
Accrued Salaries and Wages	(28,406)	(18,398)	(18,398)
Provisions			
Provision for Annual Leave	(128,629)	(151,700)	(151,700)
Provision for Long Service Leave	(89,156)	(125,663)	(125,663)
<b><u>Net Current Assets</u></b>	<u><b>6,682,638</b></u>	<u><b>1,309,690</b></u>	<u><b>1,309,690</b></u>
Less:			
Reserves - Restricted Cash	(729,857)	(470,467)	(470,467)
Add:			
Accrued Salaries and Wages	28,406	18,398	18,398
Provision for Annual Leave	128,629	151,700	151,700
Provision for Long Service Leave	89,156	125,663	125,663
<b>Surplus/(Deficit)</b>	<u><b>6,198,972</b></u>	<u><b>1,134,984</b></u>	<u><b>1,134,984</b></u>

**Difference**

There was no difference between the Surplus/(Deficit) 1 July 2013 Brought Forward position used in the 2014 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2013 audited financial report.

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014**

**23. SPECIFIED AREA RATE - 2013/14 FINANCIAL YEAR**

The Shire did not impose any Specified Area Rates for the 2013/14 financial year.

**24. SERVICE CHARGES - 2013/14 FINANCIAL YEAR**

The Shire did not impose any service charges for the 2013/14 financial year.

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014**

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2013/14 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Landing Fees	Discount	100	1,250	3,000
Concession	Discount	54.00%	94,502	90,000
Housing Rental	Discount	100.00%	5,200	5,200
Rate Assessment	Write-Off	N/A	8,448	15,000
			109,400	113,200

No discount on rates is available.

A concession of 54% was applied to pastoral properties (with no property paying less than the \$279 minimum payment), in lieu of previous differential rate categories. The concession considered the impact of high property valuations on pastoralists, and the effort to achieve an equal rate burden within the district, giving consideration to capacity to pay and other factors.

A provision of \$15,000 was also written back mining rates that are unrecoverable due to companies entering into administration, or where all other avenues of debt recovery had been exhausted.

**Landing Fees**

The Royal Flying Doctor Service (RFDS) has been granted a continuous waiver on landing fees at the airport. This waiver is in recognition of the valuable community service provided by the RFDS to the district.

**Housing Rental**

The Shire of Leonora provides housing to the local Doctor who resides in Leonora and all rent is waived as per an agreement between the Doctor and Council.

**26. INTEREST CHARGES AND INSTALMENTS - 2013/14 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Charges on Instalment Plan	N/A	22	13,135	4,680
			13,135	4,680

No interest is charged on overdue rates.

Ratepayers had the option of paying rates in four equal instalments, due on 27 August 2013, 27 October 2013, 27 December 2013 and 27 February 2014.

An administration fee of \$22 is levied per assessment for payments by the four instalment option.

<b>27. FEES &amp; CHARGES</b>	<b>2014 \$</b>	<b>2013 \$</b>
General Purpose Funding	14,071	12,267
Law, Order, Public Safety	8,053	5,080
Health	24,965	1,499
Education and Welfare	72,774	71,929
Housing	27,870	29,050
Community Amenities	187,898	87,319
Recreation and Culture	69,416	62,309
Transport	476,385	594,802
Economic Services	182,426	192,766
Other Property and Services	50,461	70,192
	<u>1,114,319</u>	<u>1,127,213</u>

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**28. GRANT REVENUE**

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

	<b>2014</b>	<b>2013</b>
<b>By Nature or Type:</b>	<b>\$</b>	<b>\$</b>
Operating Grants, Subsidies and Contributions	1,966,977	2,410,816
Non-Operating Grants, Subsidies and Contributions	<u>4,941,493</u>	<u>358,643</u>
	<u><u>6,908,470</u></u>	<u><u>2,769,459</u></u>
<b>By Program:</b>		
Governance		25,000
General Purpose Funding	908,235	1,409,654
Law, Order, Public Safety	9,720	7,270
Health	23,125	38,017
Education and Welfare	132,144	81,542
Recreation and Culture	100,000	112,948
Transport	801,942	797,961
Economic Services	<u>4,933,304</u>	<u>297,067</u>
	<u><u>6,908,470</u></u>	<u><u>2,769,459</u></u>

**29. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<u><u>27</u></u>	<u><u>28</u></u>
------------------	------------------

**30. ELECTED MEMBERS REMUNERATION**

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

	<b>2014</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Meeting Fees	28,752	36,494	10,640
President's Allowance	15,767	17,200	12,000
Deputy President's Allowance	4,300	4,300	3,000
Travelling Expenses	9,493	8,810	3,190
Telecommunications Allowance	<u>27,515</u>	<u>24,800</u>	<u>3,220</u>
	<u><u>85,827</u></u>	<u><u>91,604</u></u>	<u><u>32,050</u></u>

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014**

**31. MAJOR LAND TRANSACTIONS**

Council did not participate in any major land transactions during the 2013/14.

**32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council did not participate in any trading undertakings or major trading undertakings during the 2013/14 financial year.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**33. FINANCIAL RISK MANAGEMENT**

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

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

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

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

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Cash and cash equivalents	6,869,113	1,666,285	6,869,113	1,666,285
Receivables	535,455	281,787	535,455	281,787
	<u>7,404,568</u>	<u>1,948,072</u>	<u>7,404,568</u>	<u>1,948,072</u>
<b>Financial Liabilities</b>				
Payables	578,100	409,937	578,100	409,937
Borrowings	0	0	0	0
	<u>578,100</u>	<u>409,937</u>	<u>578,100</u>	<u>409,937</u>

Fair value is determined as follows: □

- Cash and Cash Equivalents, Receivables, Payables - estimated to the carrying value which approximates net market value.

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014**

**33. FINANCIAL RISK MANAGEMENT (Continued)**  
**(a) Cash and Cash Equivalents**

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

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

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

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

Council manages these risks by diversifying its portfolio and only investing in registered commercial banks. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	42,603	29,524
- Statement of Comprehensive Income	42,603	29,524

*Notes:*

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



**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2014**

**33. FINANCIAL RISK MANAGEMENT (Continued)**  
**(b) Receivables**

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

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

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

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

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

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

	<b>2014</b>	<b>2013</b>
<b>Percentage of Rates and Annual Charges</b>		
- Current	0%	0%
- Overdue	100%	100%
<b>Percentage of Other Receivables</b>		
- Current	27%	27%
- Overdue	73%	73%

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(c) Payables**  
**Borrowings**

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2014</u></b>					
Payables	578,100	0	0	578,100	578,100
	<u>578,100</u>	<u>0</u>	<u>0</u>	<u>578,100</u>	<u>578,100</u>
<b><u>2013</u></b>					
Payables	409,937	0	0	409,937	409,937
	<u>409,937</u>	<u>0</u>	<u>0</u>	<u>409,937</u>	<u>409,937</u>

## INDEPENDENT AUDITOR'S REPORT TO THE RATE PAYERS OF THE SHIRE OF LEONORA

### Report on the Financial Report

We have audited the accompanying financial report of Shire of Leonora, which comprises the statement of financial position as at 30 June 2014 and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by chief executive officer.

### Council's Responsibility for the Financial Report

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

### Auditor's Responsibility

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

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

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

### Independence

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

## **Auditor's Opinion**

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

- a) giving a true and fair view of the Shire's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

## **Emphasis of Matter**

Without modifying our opinion, we draw attention to page 60 of the financial report "Supplementary Ratio Information", which describes certain ratio information relating to the financial report. The underlying information on which the calculation of the asset consumption ratio and asset renewal funding ratio is based does not form part of the audited financial report. As a result, we do not express an opinion on these ratios.

## **Other matters**

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

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

- a) There are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).
- c) In relation to the Supplementary Ratio Information presented on page 60 of this report we have reviewed the calculations as presented and nothing has come to our attention to suggest that they are not reasonably calculated and based on verifiable information.
- d) All information and explanations required were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA  
Director  
Perth  
Date: 3 November 2014

**SHIRE OF LEONORA  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2014**

**RATIO INFORMATION**

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

	<b>2014</b>	<b>2013</b>	<b>2012</b>
Asset Consumption Ratio	0.49	0.49	N/A
Asset Renewal Funding Ratio	0.57	0.52	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio  $\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$

Asset Renewal Funding Ratio  $\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

**N/A - In keeping with amendments to Local Government (Financial Management) Regulations 50, comparatives for the 2012 year have not been reported as financial information is not available.**



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## **7.0 NATIONAL COMPETITION POLICY STATEMENT**

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

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

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

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

In accordance with the requirements of the National Competition Policy the Shire of Leonora makes the following disclosure for 2013/2014.

### **7.1 COMPETITIVE NEUTRALITY**

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

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

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

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

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

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

### **7.2 STRUCTURAL REVIEW OF PUBLIC MONOPOLIES**

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

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

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

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

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

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

The table below sets out to provide an overview of achievements to date made during the 2013/14 reporting period, as well as initiatives that are proposed to commence and/or continue into the next financial year.

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

<b>PLAN FOR THE FUTURE STRATEGY / INITIATIVE</b>	<b>2013/14 ACHIEVED / CONTINUING 2014/15</b>	<b>PLANNED / COMMENCING 2014/15</b>
Exhibit the community spirit and showcase sights of the Shire by facilitating events attracting community members and other visitors	Enhance, develop and promote Golden Gift	N/A
Promote less tolerance for lawlessness by facilitating the coordination of relevant Government agencies to tackle crime	Utilise the Leonora Interagency committee to communicate with the relevant Government authorities	N/A
Support community run sporting, recreational and volunteering initiatives through direct financial assistance; the utilisation of Shire facilities	Maintain Community grant scheme annually	N/A
Ensure that there is appropriate infrastructure and facilities to service the health and social needs of the Shire's senior residents	N/A	Investigate the feasibility of accommodation for the elderly
Become the further education and vocational hub for the Northern Goldfields region	N/A	Open communications with Universities and TAFE organisations
Develop Leonora as a transportation hub for the Northern Goldfields and alternate route to the Pilbara	N/A	Attract industrial training business to town
Reduction in the adverse effects of mining activity around and near the town	N/A	Sealing works roads just outside the town site to minimise dust

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<b>PLAN FOR THE FUTURE STRATEGY / INITIATIVE</b>	<b>2013/14 ACHIEVED / CONTINUING 2014/15</b>	<b>PLANNED / COMMENCING 2014/15</b>
Facilitate more effective delivery of services by Federal and State Government agencies by providing a shared work space for visiting agencies and broking informal coordination of services	Support and promote the Leonora Inter-Agency (“LIA”) initiative	Provide facilities for Federal and State government agencies to work from a shared office space provided by the Shire at no/low costs.
Expand the asset management plan and document the asset management policies and procedures that are currently undertaken	Develop and implement asset management planning  Document current asset management policies and procedures	N/A
Ensure the Shire’s historic GWALIA buildings remain viable for future generations of the community by developing specific asset management plans	Seek heritage funding for the maintenance of historic assets  Organise valuations of the buildings in the GWALIA area	Engage architects specialising in heritage buildings to identify the future needs of the buildings  Utilise the services provided by the GWALIA reference volunteer group to organise building maintenance busy bees
Create an environment that promotes the finest work from staff by adopting and implementing best management practices, with an emphasis on safety	Develop a workforce plan to ensure the efficient allocation of staff and to identify the future staff requirements of the Shire  Develop occupational safety and health manuals	Adhere to DLG guidelines and other good management practices, by developing for staff handbooks identifying legislative requirements
Ensure the Shire receives the maximum grant assistance available to ensure the greatest benefit to the community	Attract grant funding through lobbying the government for assistance when Shire undertakes non-traditional services  Investigate grants available that the Shire is eligible to receive	N/A
Plan for adequate supply of residential and commercial land to meet the requirements of the community	N/A	Identify and release residential and commercial land blocks



# ANNUAL REPORT 2013-2014



PLAN FOR THE FUTURE STRATEGY / INITIATIVE	2013/14 ACHIEVED / CONTINUING 2014/15	PLANNED / COMMENCING 2014/15
Identify the future leadership requirements of the Shire and develop and equip staff to fulfil these positions	Develop and implement trainee scheme  Provide opportunities and budget for professional development, career development and training for staff  Prioritise and support internal promotion  Identify and backfill key roles	N/A
Support and develop Councillors to represent their community effectively	Ensure Councillors receive appropriate training to continuously improve their skills and knowledge	N/A

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

- (A) The Shire of Leonora is required to comply with the State Government imposed Disability Services Act (1993).
- (B) A Disability Access Inclusion Plan 2013-2018 has been approved with the following principal intent.
  - (i) Existing services are adapted to ensure they meet the needs of people with disabilities.
  - (ii) Access to buildings and facilities are improved.
- (C) The following delivery of services was implemented in the reporting year.

NIL

## **10.0 RECORD KEEPING PLAN**

### STATE RECORDS ACT 2000

- (A) The Shire of Leonora is required to comply with the abovementioned State Government imposed Legislation.
- (B) A Record Keeping Plan has been produced and approved by the State Records Commission for a period of 5 years to the 30<sup>th</sup> June, 2017. This plan resulted from a review of Council's previous plan prior to 8<sup>th</sup> October, 2012.

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(C) In accordance with minimum compliance requirements of Principle 6 of the State Records Commission – Standard 2, the following has been implemented:

1. The efficiency and effectiveness of Councils Record Keeping Systems is evaluated not less than once every three years.
2. The Council conducts a Record Keeping Training program.
3. The efficiency and effectiveness of the Record Keeping Training program is reviewed from time to time.
4. The Council's induction program addresses employee roles and responsibilities in regard to their compliance with Council's Record Keeping Plan.

## **11.0 EMPLOYEES'S REMUNERATION**

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

<b>Salary Range (\$)</b>	<b>No. of Employees</b>
110,000 – 119,999	1
130,000 – 139,999	2
230,000 – 239,999	1

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

Pursuant to S.5.121 of the Local Government Act 1995, a complaints register has been maintained. As at the 30<sup>th</sup> June 2014, no complaints were recorded, therefore no action was required to deal with complaints.

**12.0 NEXT MEETING**

Tuesday 16th December, 2014 at 1:00pm, in the Shire of Leonora Council Chambers.

**13.0 CLOSURE OF MEETING**

There being no further business, Shire President Cr PJ Craig declared the meeting closed at *12:24pm*.