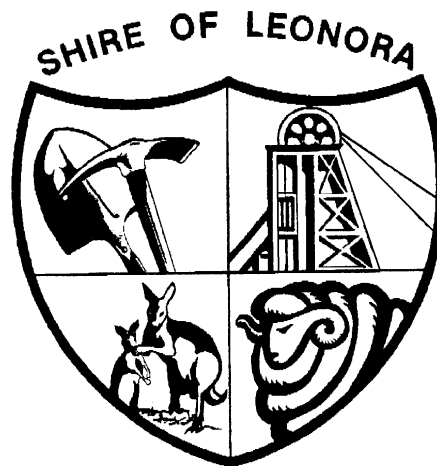


SHIRE OF LEONORA

NOTICE OF AN ORDINARY COUNCIL MEETING



**MINUTES OF ORDINARY MEETING HELD
IN SHIRE CHAMBERS, LEONORA
ON TUESDAY 15TH NOVEMBER, 2016
COMMENCING AT 9:32AM.**

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

1.1 President Cr P J Craig declared the meeting open at 9:32am.

1.3 Visitors or members of the public in attendance.

10:00am – Mr Marius Van der Merwe, Director Butler Settineri.

10:30am – Ms Amanda Rukuwai Donnelly, Senior Environment and Community Advisor St Barbara Limited, Ms Kylie Oakley, Land Manager, St Barbara Limited.

1.4 Financial Interests Disclosure

Nil

2.0 DISCLAIMER NOTICE

3.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

3.1 Present

President

Deputy President

Councillors

Chief Executive Officer

Deputy Chief Executive Officer

Manager Community Services

PJ Craig

MWV Taylor

LR Petersen

GW Baker (9:38am to 11:42am)

RA Norrie

RM Cotterill

AE Taylor

JG Epis

TM Browning

B Meynell

M Van der Merwe (10:00am to 11:42am)

A Rukuwai Donnelly (10:55am to 11:14am)

K Oakley (10:55am to 11:14am)

E Labaschagne (10:55am to 11:14am)

3.2 Apologies

3.3 Leave Of Absence (Previously Approved)

4.0 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

5.0 PUBLIC QUESTION TIME

Nil

6.0 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7.0 PETITIONS / DEPUTATIONS / PRESENTATIONS

Nil

8.0 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETINGS

Moved Cr MWV Taylor, Seconded Cr RA Norrie that the Minutes of the Ordinary Meeting held on 18th October, 2016 be confirmed as a true and accurate record.

CARRIED (6 VOTES TO 0)

9.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Cr PJ Craig made the following announcements:

- Attended a meeting of the Goldfields Voluntary Regional Organisation of Councils (GVROC) with the CEO in Warburton approximately two weeks ago. At the meeting, Cr Damien McLean (President, Shire of Ngaanyatjaraku) highlighted some issues currently causing difficulties within the community. This includes funding levels from government bodies, and the matter of government appointed contracts for works within the community. As an example, it now costs many thousands of dollars to fit a smoke alarm within residences, as opposed to a few hundred dollars prior to government contracts being issued for works.

- Also attended the Annual General Meeting of the Goldfields Tourism Network Association with Cr RA Norrie in Menzies. Unfortunately the meeting was not well represented by member Councils, however as this had been the second or third effort to schedule the AGM the meeting went ahead. To support the efforts of the GTNA, Cr PJ Craig nominated for the position of Deputy President to the GTNA committee, and Cr RA Norrie nominated to the position of Treasurer. Both were elected unopposed.

Cr GW Baker entered the meeting at 9:38am.

10.0 REPORTS OF OFFICERS

10.1 CHIEF EXECUTIVE OFFICER

10.1 A) AGNEW TOWNSITE

SUBMISSION TO: Meeting of Council
Meeting Date: 15th November, 2016

AGENDA REFERENCE: 10.1 (A) NOV 16

SUBJECT: Agnew Townsite

LOCATION / ADDRESS: Agnew

NAME OF APPLICANT: Lambert Family

FILE REFERENCE: Lands Department – Other Townsites 6.3

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: James Gregory Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 7th November, 2016

BACKGROUND

Recently Reg and his brother Allen Lambert travelled to Agnew, their mission, to locate the lot on Miller Street where Reg and his Wife had once lived. The property, within the Agnew townsite is now Crown Land. Mr Reg Lambert planted a gum tree on this property 69 years ago and considering the hot, harsh climate, has withstood the test of time.

The Lambert Family have suggested that when the time comes, the ashes of Reg Lambert and his wife be placed together under the gum tree and below ground level. With this in mind, the family is curious to know whether Council would consider declaring the gum tree a “significant tree” to fulfil their wishes.

The law which protect vegetation from damage and clearance across states and territories in Australia vary considerably. What they share in common is that as Acts of Parliament (and Regulations) they are promulgated by state and territory parliaments.

I thought that most states and territories had blanket laws aimed at protecting trees on private land. In fact, most don't. Even where they do exist, they rely heavily on local government to administer them.

Obtaining comprehensive information about WA “laws” is difficult because it is delegated to local government, and those schemes are neither easy to find nor consistent with one another. Their “laws” often include trees on public land as well as private trees (which would be a greater risk).

Registers of Significant trees and “tree preservation orders” can be identified by local councils through their local planning schemes, which are enabled through Part 5 of Planning and Development Act 2005 (although the Act does not specifically refer to significant trees).

Uniquely, all councils in WA appears to use significant tree registers. Criteria include size (height, canopy and girth) as well as heritage and indigenous/native value, however criteria do vary across Councils.

Some Councils have elaborate criteria, some of which include;

1. Outstanding Visual/Aesthetic Significance
 - a) Tree/s that is outstanding for its/ their height, trunk circumstances or canopy spread;
 - b) Tree/s that occur in a prominent location or context;
 - c) Tree/s that contribute significantly to the landscape in which it/they grow (including streetscapes, parks, gardens or natural landscapes);
 - d) Tree/s that exhibit an unusual growth form or physical feature, including unusually pruned forms; or
 - e) Tree/s that are particularly old or vulnerable.
2. Botanic/Scientific Significance

- a) Tree/s that are of an important genetic value that could provide important and valuable propagating stock. This could include specimens that are particularly resistant to disease or climatic extremes or have particular growth or form.
 - b) Tree/s that demonstrate a likelihood of producing information that will help the wider understanding of natural or cultural history by virtue of its use as a research site, teaching site, type locality or benchmark site.
3. Significant Ecological Value
- a) Priority, rare, threatened or locally uncommon species or ecological community;
 - b) Indigenous remnant tree/s that predate the urban development in its immediate proximity;
 - c) Tree/s that make a significant contribution to the integrity of an ecological community, including its role as a seed source or specialised habitat;
 - d) A remnant specimen now reduced in range or abundance, which indicates the former extent of species, particularly range limits; or
 - e) Tree/s which is a significant habitat element for rare, threatened, priority or locally uncommon or common native species.
4. Historical, Commemorative, Cultural or Social Significance
- a) Tree/s that are associated with public significance or important historical event;
 - b) Tree/s highly valued by the community or Cultural group for reason of strong religious, spiritual, cultural or other social associations, including trees associated with aboriginal heritage and culture;
 - c) Tree/s associated with a heritage listed place and representative of that same historic era; or
 - d) Tree/s that have local significance, are important to the local community and/or are recognised features of the immediate landscape.

Besides not having a Significant Tree Policy, the Shire of Leonora does not have a Policy for Memorial Plaques and Cremated Remains in Public Places either.

If it was to formulate a Policy, for the latter the following could be considered for adoption:

- That Council permit the scattering of ashes on Council owned or managed land; and
- That Council generally not permit the burial of cremated remains on Council owned or managed land. The policy prevents the Council from incurring any responsibility for ongoing maintenance or up keep of the memorial. Council may vary this policy and permit the burial of cremated remains on Council owned or managed land in exceptional circumstances.

Land within the Agnew Townsite is managed and controlled by the Department of Lands. Their approval will be required before this matter can be progressed further.

STATUTORY ENVIRONMENT

In accordance with the Planning and Development Act 2000 and the Shire of Leonora Town Planning Scheme.

POLICY IMPLICATIONS

There are no policy implications resulting in the recommendation of this report, not to say that one should not be developed.

FINANCIAL IMPLICATIONS

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

STRATEGIC IMPLICATIONS

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

RECOMMENDATIONS

That prior to the gum tree within the Agnew townsite being declared a “significant tree”, that the manager /owner of the land, being the Department of Lands, be requested to provide comment and or advice in regards intended proposal.

VOTING REQUIREMENT

Simple majority required.

COUNCIL DECISION

Mover Cr MWV Taylor, Seconded Cr LR Peterson that prior to the gum tree within the Agnew townsite being declared a “significant tree”, that the manager /owner of the land, being the Department of Lands, be requested to provide comment and or advice in regards intended proposal.

CARRIED (7 VOTES TO 0)

10.0 REPORTS OF OFFICERS

10.2 DEPUTY CHIEF EXECUTIVE OFFICER

10.2 (A) MONTHLY FINANCIAL STATEMENTS

SUBMISSION TO: Meeting of Council
Meeting Date: 15th November, 2016

AGENDA REFERENCE: 10.2 (A) NOV 16

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: 31st October, 2016

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, 2016
- (b) Compilation Report
- (c) Material Variances 31st October, 2016

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, 2016 consisting of:

- (a) Statement of Financial Activity – 31st October, 2016
- (b) Compilation Report
- (c) Material Variances – 31st October, 2016

be accepted.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Moved Cr RA Norrie, Seconded Cr RM Cotterill that the Monthly Financial Statements for the month ended – 31st October, 2016 consisting of:

- (a) Statement of Financial Activity – 31st October, 2016
- (b) Compilation Report
- (c) Material Variances – – 31st October, 2016

CARRIED (7 VOTES TO 0)

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Mr Jim Epis
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 (by Statutory Reporting Program), a summary of significant accounting policies and other explanatory notes for the period ending 31 October 2016. 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.


Moore Stephens (WA) Pty Ltd
Chartered Accountants



PAUL BREMAN
DIRECTOR

8 November 2016

**SHIRE OF LEONORA
MONTHLY FINANCIAL REPORT
For the Period Ended 31 October 2016**

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 31 October 2016

	Note	Adopted Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)- (a)/(a)	Var.
Operating Revenues							
Governance		\$ 4,500	\$ 1,500	\$ 593	\$ (907)	(60%)	
General Purpose Funding - Rates		5,303,874	5,303,441	5,303,441	0	0%	
General Purpose Funding - Other		1,278,395	342,458	325,474	(16,984)	(5%)	▼
Law, Order, Public Safety		10,200	6,068	2,459	(3,609)	(59%)	
Health		51,368	32,238	31,005	(1,233)	(4%)	
Education and Welfare		222,568	80,655	84,852	4,197	5%	
Housing		38,650	12,896	10,286	(2,610)	(20%)	
Community amenities		271,029	194,396	241,332	46,936	24%	▲
Recreation and Culture		202,420	105,092	80,033	(25,059)	(24%)	▼
Transport		566,614	285,957	290,727	4,770	2%	
Economic Services		580,039	159,235	118,679	(40,556)	(25%)	▼
Other Property and Services		91,000	30,310	32,854	2,544	8%	
Total Operating Revenue		8,620,657	6,554,246	6,521,735	(32,511)		
Operating Expense							
Governance		(573,589)	(226,193)	(172,221)	53,972	24%	▼
General Purpose Funding		(385,488)	(128,496)	(120,236)	8,260	6%	
Law, Order, Public Safety		(151,926)	(50,136)	(45,813)	4,323	9%	
Health		(591,392)	(245,670)	(256,604)	(10,934)	(4%)	
Education and Welfare		(635,079)	(216,228)	(167,434)	48,794	23%	▼
Housing		0	(6,865)	0	6,865	100%	
Community Amenities		(238,250)	(83,297)	(65,624)	17,673	21%	▼
Recreation and Culture		(1,130,998)	(379,949)	(340,963)	38,986	10%	▼
Transport		(3,199,370)	(1,112,651)	(1,063,067)	49,584	4%	▼
Economic Services		(1,878,734)	(591,297)	(428,475)	162,822	28%	▼
Other Property and Services		(30,000)	(114,537)	(54,233)	60,304	53%	▼
Total Operating Expenditure		(8,814,826)	(3,155,319)	(2,714,670)	440,649		
Funding Balance Adjustments							
Add back Depreciation		1,180,621	393,532	416,950	23,418	6%	▼
Adjust (Profit)/Loss on Disposal		115,352	100,345	56,755	(43,590)	(43%)	▲
Adjust Provisions and Accruals		0	0	(51,751)			
Net Cash from Operations		1,101,804	3,892,804	4,229,019	387,966		
Capital Revenues							
Grants, Subsidies and Contributions	10	4,814,113	1,684,700	190,000	(1,494,700)	(89%)	▼
Proceeds from Disposal of Assets	3	166,000	110,910	110,910	0	0%	
Total Capital Revenues		4,980,113	1,795,610	300,910	(1,494,700)		
Capital Expenses							
Land and Buildings	3	(5,916,114)	(1,828,708)	(2,060,926)	(232,218)	(13%)	▲
Infrastructure - Roads	3	(1,529,738)	(362,017)	(20,944)	341,073	94%	▼
Infrastructure - Other	3	(3,230,887)	(465,180)	(14,766)	450,414	97%	▼
Plant and Equipment	3	(537,000)	(255,000)	(238,161)	16,839	7%	▼
Total Capital Expenditure		(11,213,739)	(2,910,905)	(2,334,797)	576,108		
Net Cash from Capital Activities		(6,233,626)	(1,115,295)	(2,033,887)	(918,592)		
Financing							
Transfer from Reserves	7	250,000	0	0	0		
Transfer to Reserves	7	(465,698)	(5,104)	(5,104)	0	0%	
Net Cash from Financing Activities		(215,698)	(5,104)	(5,104)	0		
Net Operations, Capital Financing		(5,347,520)	2,772,405	2,190,028	(530,627)		
Opening Funding Surplus(Deficit)	2	5,347,520	5,347,520	5,281,523			
Closing Funding Surplus(Deficit)	2	0	8,119,925	7,471,551			

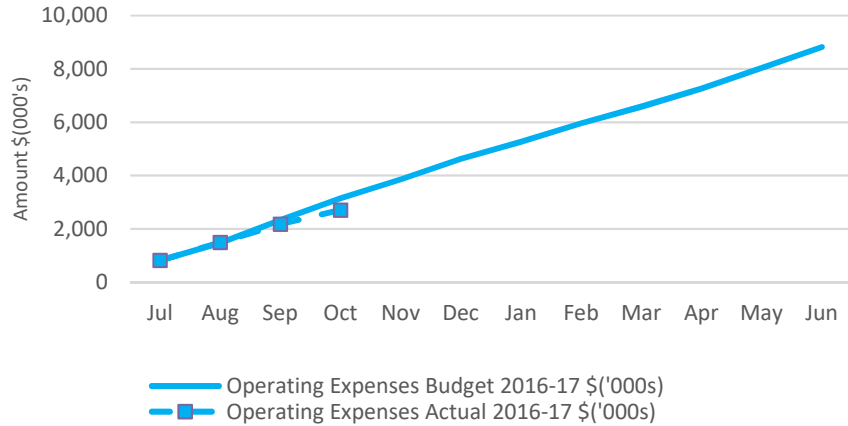
▲ ▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

Refer to the attached Explanation of Material Variances Statement for an explanation of the reasons for the variance.

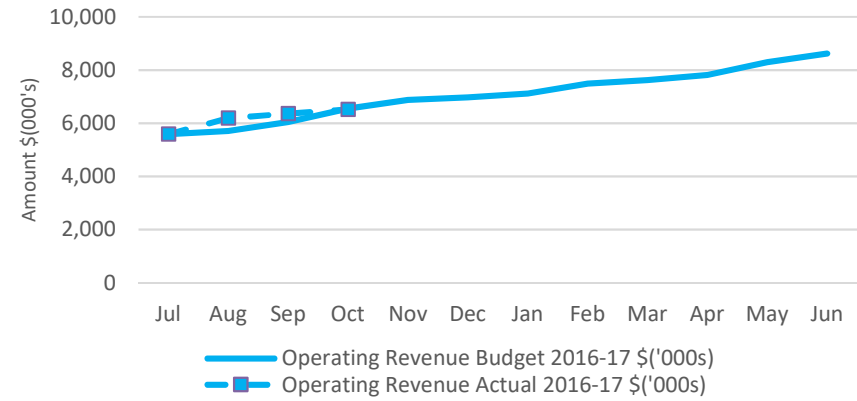
This statement is to be read in conjunction with the accompanying financial statements and notes.

**SHIRE OF LEONORA
SUMMARY GRAPHS - FINANCIAL ACTIVITY
For the Period Ended 31 October 2016**

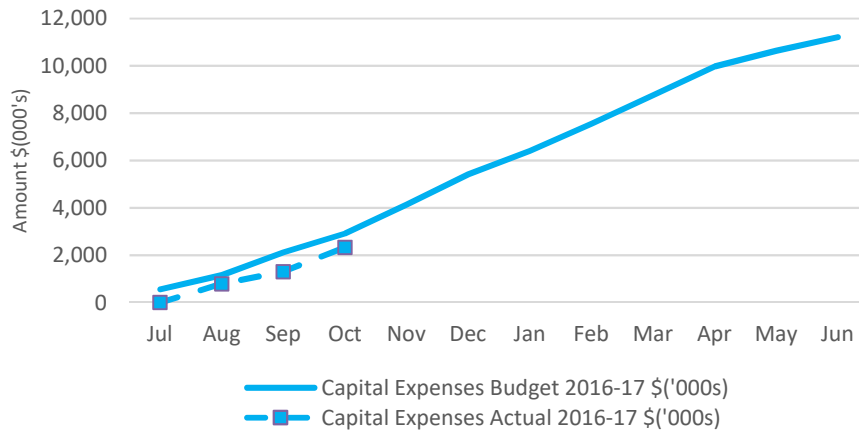
Operating Expenses



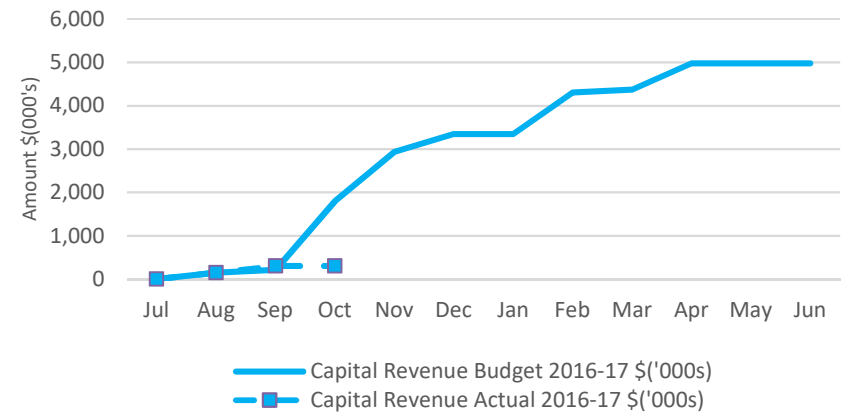
Operating Revenue



Capital Expenditure



Capital Revenue



This information is to be read in conjunction with the accompanying financial statements and notes.

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

This statement comprises a special purpose financial report which has 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 statement 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.

(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 11.

(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

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.

(f) 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.

(g) 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.

(h) 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 Resale

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.

(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

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

Note 1 (j) (Continued)

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

Asset	Depreciation Rate
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

(k) 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.

(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.

(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 and service charges.

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 noncurrent 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.

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

Note 1 (p) (Continued)

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.

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) Program Classifications (Function/Activity)

Governance

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

General Purpose Funding

Rates, general purpose government grants and interest revenue.

Law, Order, Public Safety

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

Health

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

Education and Welfare

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

Housing

Provision and maintenance of elderly residents housing.

Community Amenities

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

Recreation and Culture

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

Transport

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

Economic Services

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

Other Property and Services

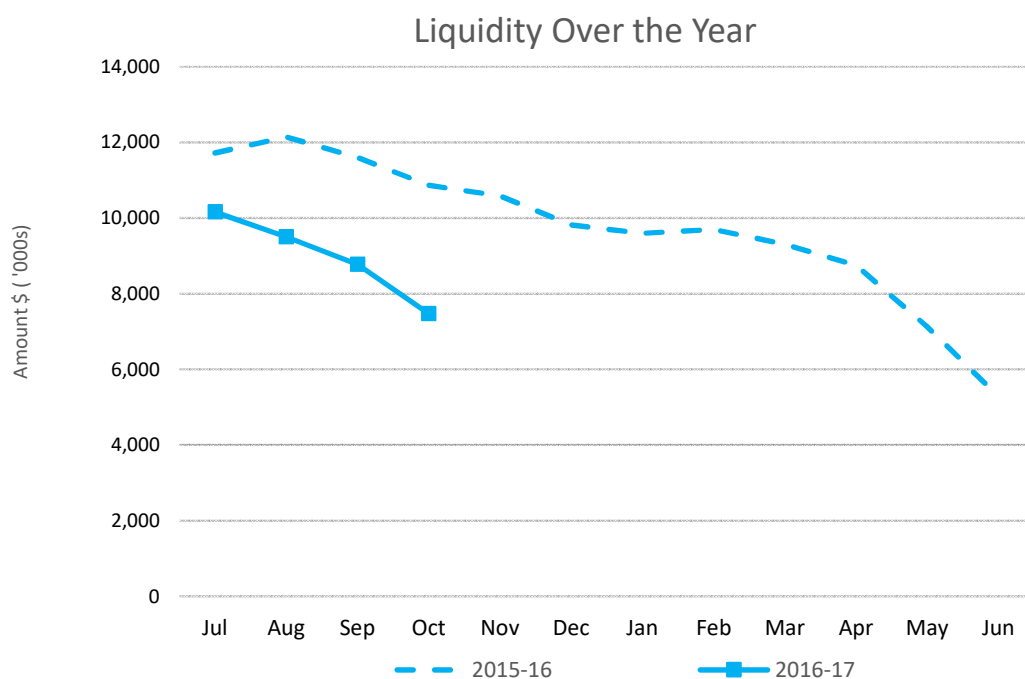
Private works operation, plant repair and operation costs and engineering operation costs.

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

NOTE 2. NET CURRENT ASSETS

Net Current Assets	Note	30 June 2016	YTD 31 Oct 2015	YTD 31 Oct 2016
		\$	\$	\$
Current Assets				
Cash Municipal	4	2,424,967	5,145,320	5,116,960
Cash Reserves	4	2,027,361	1,034,356	2,032,465
Restricted Municipal Cash Investments	4	2,808,871	4,750,654	1,317,897
Receivables - Rates	5	116,915	868,580	870,014
Receivables -Other	5	198,615	449,102	314,875
Inventories		47,200	2,142	23,591
		7,623,929	12,250,154	9,675,802
Less: Current Liabilities				
Payables	6	(315,046)	(353,604)	(171,786)
Provisions		(223,766)	(183,822)	(172,015)
Less: Cash Reserves	7	(2,027,361)	(1,034,356)	(2,032,465)
Add: Cash Backed Leave Provisions		172,015	183,822	172,015
Add: Accrued Salaries already funded		51,752	0	0
Net Current Funding Position		5,281,523	10,862,194	7,471,551

Positive=Surplus (Negative=Deficit)

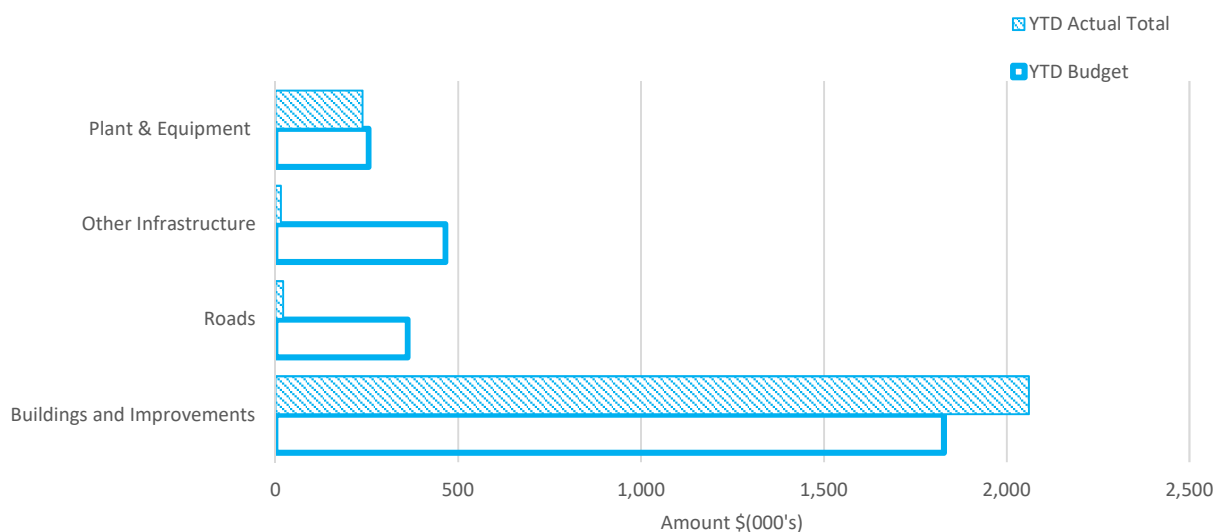


SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

NOTE 3. CAPITAL - ACQUISITIONS AND FUNDING

Capital Acquisitions	Note	YTD Actual New /Upgrade (a)	YTD Actual (Renewal Expenditure) (b)	Adopted Annual Budget	YTD Budget (d)	YTD Actual Total (c) = (a)+(b)	Variance (d) - (c)
		\$	\$	\$	\$	\$	\$
Buildings and Improvements		0	2,060,926	5,916,114	1,828,708	2,060,926	(4,087,406)
Roads		3,251	17,693	1,529,738	362,017	20,944	(1,167,721)
Other Infrastructure		9,466	5,300	3,230,887	465,180	14,766	(2,765,707)
Plant & Equipment		238,161		537,000	255,000	238,161	(282,000)
Capital Expenditure Totals		250,878	2,083,919	11,213,739	2,910,905	2,334,797	(8,302,834)
Capital Acquisitions Funded By							
Capital Grants and Contributions				4,814,113	1,684,700	190,000	(3,129,413)
Other (Disposals & C/Fwd)				110,910	110,910	110,910	0
Council Contribution - Operations				6,288,716	1,115,295	2,033,887	(5,173,421)
Capital Funding Total				11,213,739	2,910,905	2,334,797	

Capital Expenditure Program YTD



SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

NOTE 3. CAPITAL ACQUISITIONS

			Adopted Annual Budget	YTD Budget	YTD Actual	Variance (Under)/ Over
Capital Acquisitions			\$	\$	\$	\$
Building and Improvements						
E720016	Upgrade CCTV	Upgrade	100,000	0	0	(100,000)
E740001	Land Trans Aged Care Facility	New	205,000	0	0	(205,000)
E720015	Renew Childcare Play Equipment	Renewal	23,000	0	0	(23,000)
E720011	26 Queen Vic	Renewal	21,000	0	0	(21,000)
E720012	11 Queen Vic	Renewal	12,000	0	11,440	(560)
E720018	40A Hoover	Renewal	15,000	0	0	(15,000)
E720019	40B Hoover	Renewal	11,000	0	0	(11,000)
E720017	1 Queen Vic	Renewal	48,000	0	265	(47,735)
E720013	Relocate/Renew Gym	Renewal	20,000	0	0	(20,000)
E720009	Works Depot Workshop	Renewal	50,000	20,000	0	(50,000)
E720010	SPQ Renewal	Renewal	7,500	7,500	0	(7,500)
E720001	Mine Office	Renewal	123,200	41,068	0	(123,200)
E720002	Chisholms House	Renewal	225,800	75,268	0	(225,800)
E720003	Hoover House	Renewal	256,400	85,468	0	(256,400)
E720004	Murrin Murrin Lockup	Renewal	20,600	6,868	0	(20,600)
E720005	Balletich's Place	Renewal	102,600	34,200	0	(102,600)
E720006	Art's Place	Renewal	101,400	33,800	0	(101,400)
E720008	Lawlers Police Station	Renewal	100,000	33,332	0	(100,000)
E720014	NGROAC Facility	New	4,473,614	1,491,204	2,049,221	(2,424,393)
TOTAL - Building and Improvements			5,916,114	1,828,708	2,060,926	
Plant & Equipment						
E730003	EHO Vehicle	Replacement	38,000	38,000	38,546	546
E730006	Grader Camp Genset	Replacement	17,000	17,000	0	(17,000)
E730004	Grader Camp Utility	Replacement	46,000	46,000	45,813	(187)
E730001	Works Supervisor Utility	Replacement	46,000	46,000	45,812	(188)
E730007	Trailers Dollies Grader Camp	Replacement	200,000	0	0	(200,000)
E730002	MWS Vehicle	Replacement	61,000	61,000	60,995	(5)
E730005	DCEO Vehicle	Replacement	47,000	47,000	46,995	(5)
E730008	CEO Vehicle	Replacement	82,000	0	0	(82,000)
TOTAL - Plant & Equipment			537,000	255,000	238,161	
TOTAL PROPERTY PLANT AND EQUIPMENT			6,453,114	2,083,708	2,299,087	

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

NOTE 3. CAPITAL ACQUISITIONS

			Adopted Annual Budget	YTD Budget	YTD Actual	Variance (Under)/ Over
Capital Acquisitions						
Roads						
E700001	Renewal of Grids	Renewal	50,000	0	0	(50,000)
E700003	RRG Wonganoo	Upgrade	450,000	112,500	3,251	(446,749)
E700004	R2R Project	Upgrade	934,738	233,684	1,800	(932,938)
E700002	Footpath Renewals	Renewal	95,000	15,833	15,893	(79,107)
TOTAL - Roads			1,529,738	362,017	20,944	
Other Infrastructure						
E710006	Waste Management Site Fencing	Upgrade	62,000	0	0	(62,000)
E710007	Liquid Waste Site Development	Upgrade	600,000	0	0	(600,000)
E710001	Cemetery Fencing	Renewal	35,000	35,000	0	(35,000)
E710008	Fitness Playground Equipment	Upgrade	24,000	0	0	(24,000)
E710004	Runway rejuv. & Paint	Renewal	306,600	0	0	(306,600)
E710005	Apron Taxi Subgrade Failure	Renewal	912,750	0	8,557	(904,193)
E710002	Gwalia Headframe	Renewal	847,537	282,512	5,300	(842,237)
E710010	Gwalia Headframe NSRF	Renewal	380,000	126,668	0	(380,000)
E710003	Gwalia Entrance	Upgrade	43,000	14,332	0	(43,000)
E710009	Relocate Ruston Engine	Renewal	20,000	6,668	909	(19,091)
TOTAL - Other Infrastructure			3,230,887	465,180	14,766	(3,216,121)
TOTAL INFRASTRUCTURE			4,760,625	827,197	35,710	
Total Capital Expenditure			11,213,739	2,910,905	2,334,797	

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

NOTE 3. CAPITAL DISPOSALS

Assets Disposed

Description Disposed Asset	Cost/Fair Value	Accum Depr	Proceeds	Adopted Budget Profit/(Loss)	Actual Profit/(Loss)	Variance	Comments
	\$	\$	\$	\$	\$	\$	
Plant and Equipment (Fixed Assets)							
642 Nissan Pathfinder	30,600	(2,465)	20,455	(11,194)	(7,680)	3,514	
643 Triton 4x4 Dual Cab	28,500	(2,560)	15,455	(17,858)	(10,485)	7,373	
647 Ford Ranger	35,000	(2,885)	20,000	(23,736)	(12,115)	11,621	
PE5 Territory Titanium	42,500	(863)	30,000	(16,458)	(11,637)	4,821	
641 Nissan Navara	43,500	(3,662)	25,000	(31,099)	(14,838)	16,261	
637 2014 Ford FPV				(15,007)	0	15,007	
					0	0	
	180,100	(12,435)	110,910	(115,352)	(56,755)	58,597	
	180,100	(12,435)	110,910	(115,352)	(56,755)	58,597	

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

NOTE 4. CASH AND INVESTMENTS

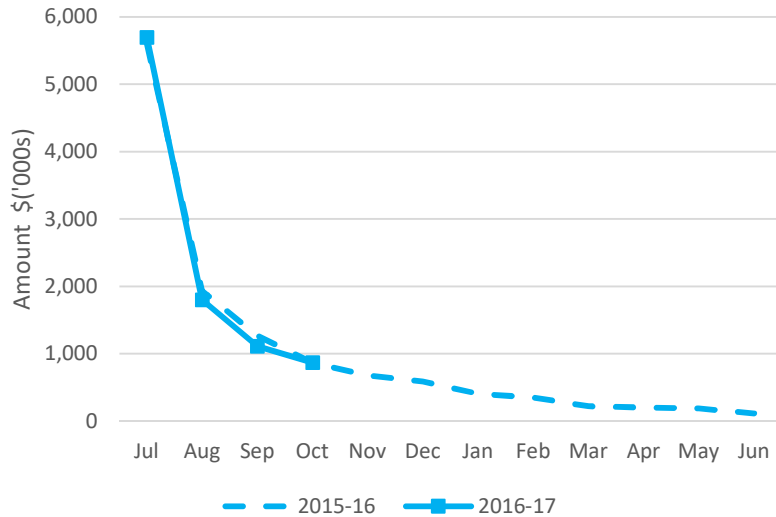
Bank Accounts	Municipal	Municipal Restricted	Reserves	Trust	Total Amount	Institution	Interest Rate	Details
	\$		\$	\$	\$			
(a) Cash Deposits								
Municipal Account	5,115,468				5,115,468	NAB	Variable	Cheque Acc.
LSL Maximiser			131,159		131,159	NAB	Variable	Cheque Acc.
Fire Maximiser			26,726		26,726	NAB	Variable	Cheque Acc.
Plant Maximiser			392,785		392,785	NAB	Variable	Cheque Acc.
Annual Leave Maximiser			160,497		160,497	NAB	Variable	Cheque Acc.
Gwalia Precinct Maximiser			471,392		471,392	NAB	Variable	Cheque Acc.
Building Maintenance Maximiser			348,932		348,932	NAB	Variable	Cheque Acc.
Waste Management Maximiser			500,974		500,974	NAB	Variable	Cheque Acc.
Cash on Hand	1,492				1,492	NAB	NIL	On Hand
(b) Term Deposits								
N/A					0			
(c) Other Investments								
OCDC R4R		1,317,897			1,317,897	WATC	1.45%	Ongoing
Total	5,116,960	1,317,897	2,032,465	0	8,467,322			

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

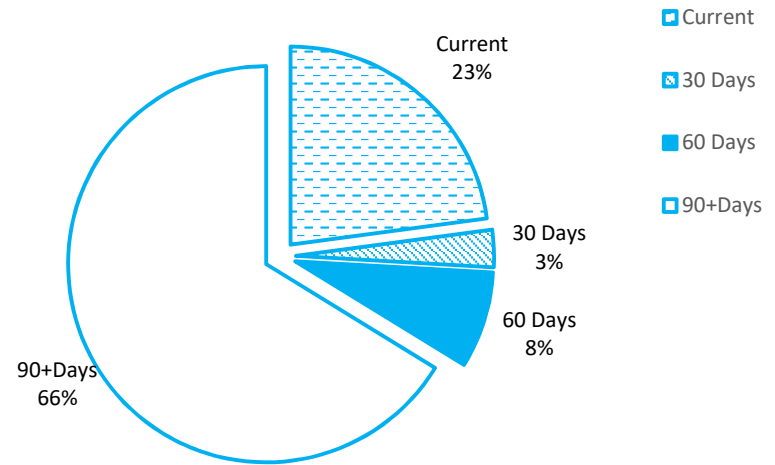
NOTE 5. RECEIVABLES

Receivables - Rates and Other Rates Receivable	YTD 31 Oct 2016	30 June 2016	Receivables - General	Credit	Current	30 Days	60 Days	90+Days	Total
	\$	\$		\$	\$	\$	\$	\$	\$
Opening Arrears Previous Years	116,915	83,147	Receivables - General	(99)	72,071	9,541	24,727	208,635	314,875
Levied this year	5,303,441	5,239,642	GST Receivable						
Discounts	0	0							
Deferred	0	0							
Less Collections to date	(4,550,342)	(5,205,874)							
Equals Current Outstanding	870,014	116,915							
Net Rates Collectable	870,014	116,915	Total Receivables General Outstanding						314,875
% Collected	83.95%	97.80%	Amounts shown above include GST (where applicable)						

Rates Receivable



Accounts Receivable (non-rates)

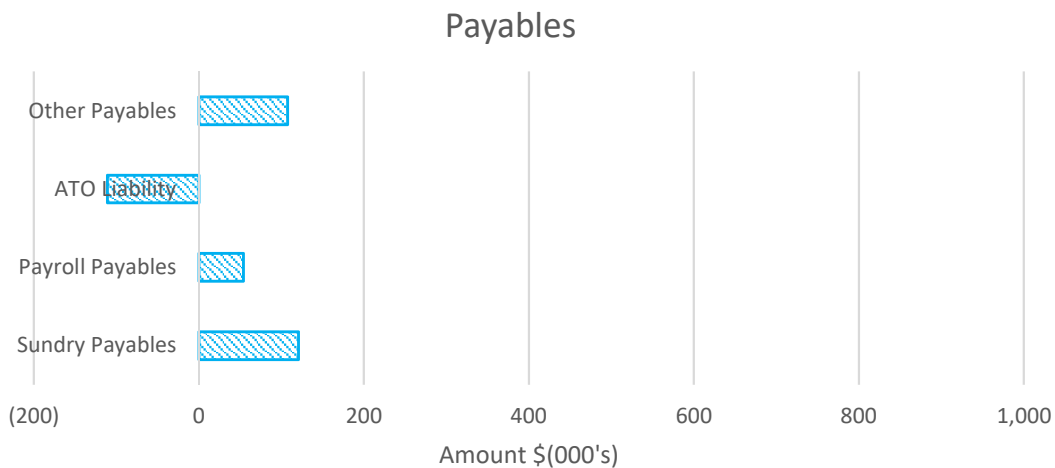
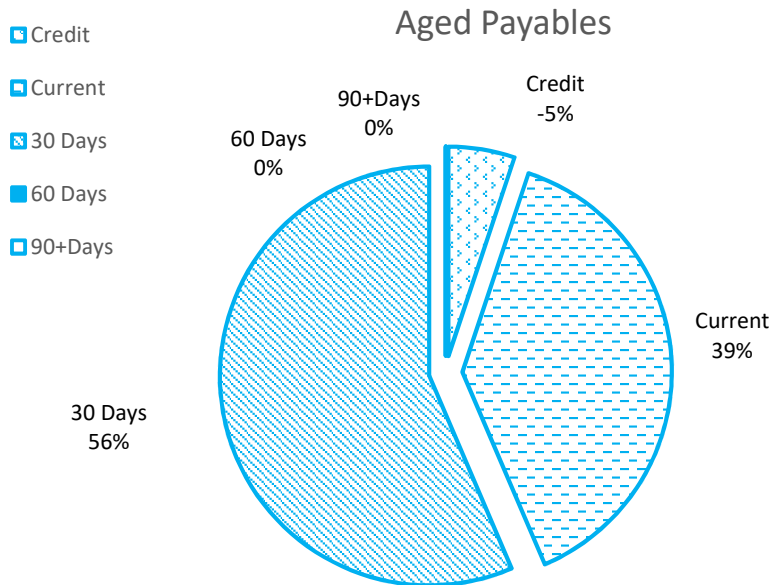


SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

NOTE 6. PAYABLES

Payables	Credit	Current	30 Days	60 Days	90+Days	Total
Payables - General	\$ (6,870)	\$ 51,689	\$ 75,849	\$ 0	\$ 0	\$ 120,668
Sundry Payables						120,668
Payroll Payables						54,274
ATO Liability						(110,816)
Other Payables						107,660
Total Payables General Outstanding						171,786

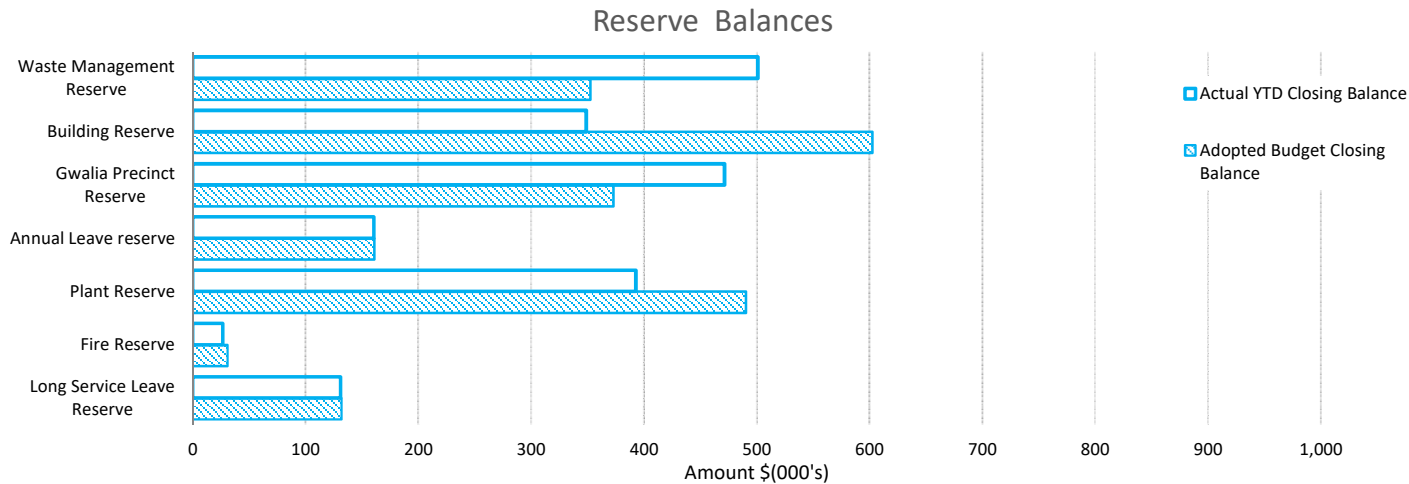
Amounts shown above include GST (where applicable)



SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

NOTE 7. CASH BACKED RESERVE

Reserves	Opening Balance	Adopted Budget Interest Earned	Actual Interest Earned	Adopted Budget Transfers In (+)	Actual Transfers In (+)	Adopted Budget Transfers Out (-)	Actual Transfers Out (-)	Adopted Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Service Leave Reserve	130,805	981	354			0	0	131,786	131,159
Fire Reserve	26,654	230	72	4,000		0	0	30,884	26,726
Plant Reserve	391,726	3,650	1,059	95,000		0	0	490,376	392,785
Annual Leave reserve	160,064	1,201	433			0	0	161,265	160,497
Gwalia Precinct Reserve	470,121	2,776	1,271			(100,000)	0	372,897	471,392
Building Reserve	347,991	4,485	941	250,000		0	0	602,476	348,932
Waste Management Reserve	500,000	2,625	974			(150,000)	0	352,625	500,974
Aerodrome Reserve	0	750	0	100,000		0	0	100,750	0
	2,027,361	16,698	5,104	449,000	0	(250,000)	0	2,243,059	2,032,465



SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

NOTE 8. RATING INFORMATION

RATE	Rate in	Number of Properties	Rateable Value	Rate Revenue	YTD Actual		Total Revenue	Rate Revenue	Adopted Budget		Total Revenue
					Interim Rates	Back Rates			Interim Rate	Back Rate	
General Rate	\$		\$				\$				\$
GRV	0.0667	676	15,313,822	1,021,205	(525)		1,020,680	1,021,432	1,500	0	1,022,932
UV	0.1463	1,805	27,701,736	4,052,476	(3,491)		4,048,985	4,052,764	(13,502)	0	4,039,262
Sub-Totals		2,481	43,015,558	5,073,681	(4,016)	0	5,069,665	5,074,196	(12,002)	0	5,062,194
Minimum Payment	Minimum \$										
GRV	304	83	114,261	25,232			25,232	25,232	0	0	25,232
UV	304	712	786,932	208,544			208,544	216,448	0	0	216,448
Sub-Totals		795	901,193	233,776	0	0	233,776	241,680	0	0	241,680
							5,303,441				5,303,874
							0				0
Amount from General Rates							5,303,441				5,303,874
Ex-Gratia Rates							0				0
							5,303,441				5,303,874

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

NOTE 9. INFORMATION ON BORROWINGS

(a) Debenture Repayments

The Shire does not have any borrowings.

(b) New Debentures

There are no new debentures as at the reporting date.

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

NOTE 10. GRANTS AND CONTRIBUTIONS

Grants	Grant Provider	Approval (Y/N)	2016-17	2016-17 Budget		Variations		Recoup Status	
			Adopted Budget	Operating	Capital	Operating	Capital	Received	Not Received
			\$	\$	\$	\$	\$	\$	\$
General Purpose Funding									
I030019 Grant Equalisation	WALGCC	Y	608,952	608,952	0	0	0	151,797	457,155
I030021 Grant - Roads	WALGCC	Y	592,395	592,395	0	0	0	148,262	444,133
Law, Order, Public Safety									
I053406 Grant - CCTV			100,000	0	100,000	0	0		100,000
Health									
I076473 Aged Care Feasibility Study Grant			20,650	20,650	0	0	0		20,650
Welfare Services									
I080014 Childcare Grant			2,500	2,500	0	0	0		2,500
I080002 Sustainability Child Care			54,715	54,715	0	0	0	12,584	42,131
I082001 Youth Support DCP Grant	DCP		67,353	67,353	0	0	0	34,866	32,487
Recreation and Culture									
I114467 Grant Swimming Pool	DSR		30,000	30,000	0	0	0		30,000
I117010 Other Grant Funding			123,720	123,720	0	0	0	62,850	60,870
Transport									
MRWA Funding									
I122200 MRWA Direct	MRWA		140,429	140,429	0	0	0	140,429	0
I122052 Contribution Street Lights	MRWA		3,700	3,700	0	0	0		3,700
I122218 RRG Funding	MRWA		300,000	0	300,000	0	0	120,000	180,000
Other Streets/Roads Funding									
I122042 Contribution Crossovers			1,500	1,500	0	0	0		1,500
I122206 Roads to Recovery			934,738	0	934,738	0	0		934,738
I123494 RADS funding	RADS		609,675	0	609,675	0	0		609,675
Economic Services									
I134468 Minara Comm. Foundation Grants			48,309	48,309	0	0	0	21,335	26,974
I134458 Projects			28,000	28,000	0	0	0	28,000	0
I138005 Grants			48,000	48,000	0	0	0		48,000
I138002 Sponsorship			115,000	115,000	0	0	0		115,000
I134463 Lotterywest Headframe Stage 1	Lotterywest		300,000	0	300,000	0	0		300,000
I134464 Lotterywest Cottages Conservation	Lotterywest		50,000	0	50,000	0	0		50,000
I134470 Gwalia Precinct Renewal	Regional		605,000	0	605,000	0	0		605,000
I134471 Headframe Renewal Reg. Grants Scheme	Regional		300,000	0	300,000	0	0	70,000	230,000
I137008 Lotterywest Fitout funding	Lotterywest		1,564,700	0	1,564,700	0	0		1,564,700
I139002 Lotterywest Heritage Conserv. Grant	Lotterywest		50,000	0	50,000	0	0		50,000
I139003 Lotterywest Trail Grant	Lotterywest		32,883	32,883	0	0	0		32,883
TOTALS			6,732,219	1,918,106	4,814,113	0	0	790,123	5,942,096

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

NOTE 11. BUDGET AMENDMENTS

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

Budget Amendments

COA	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
				\$	\$	\$	\$

There are no budget amendments.

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

NOTE 12. TRUST FUND

There are no funds held at balance date over which the Shire has no control.

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2016

NOTE 13. EXPLANATION OF MATERIAL VARIANCES

Details and explanations of the material variances reflected on the Statement of Financial Activity are provided below as required

Reporting Program	Variance	Variance	Var.	Timing/ Permanent	Explanation of Variance
	\$	%			
Operating Revenues					
					Draw down on OCDF has resulted in less interest revenue than expected.
General Purpose Funding - Other	(16,984)	(4.96%)	▼	Permanent	
Education and Welfare	4,197	5.20%			
Transport	4,770	1.67%			
Economic Services	(40,556)	(25.47%)	▼	Timing	Alteration to timing of receipt of grant funds
Operating Expense			▼		
					Some delays in recruitment of staff at childcare centre resulted in lower employee expenses to date.
Education and Welfare	48,794	22.57%	▼	Timing	Alteration to timing of town planning expenses and programme of works
Community Amenities	17,673	21.22%	▼	Timing	
Recreation and Culture	38,986	10.26%	▼	Timing	Alteration to timing of works at various facilities
Transport	49,584	4.46%	▼	Timing	Alteration to timing of works programmes due to contractor and staff availability
Economic Services	162,822	27.54%	▼	Timing	Alteration to timing of programmes
Other Property and Services	60,304	52.65%	▼	Timing	Alteration to timing of programmes
Capital Revenues					
Capital Expenses					
					Alteration to timing of payments for construction for NGROAC than estimated budget projections
Land and Buildings	(232,218)	(12.70%)	▲	Timing	Alteration to timing of acquisition of grants
Plant and Equipment	16,839	6.60%	▼	Timing	

Additional Comments

Note 2 - Net Current Assets
Note 3 - Capital
Note 4 - Cash
Note 5 - Receivables
Note 6 - Payables
Note 7 - Reserves
Note 8 - Rates
Note 9 - Borrowings
Note 10 - Grants
Note 11 - Budget Amendments
Note 12 - Trust

Mr Marius van der Merwe entered the meeting at 10:01am

10.0 REPORTS OF OFFICERS

10.2 DEPUTY CHIEF EXECUTIVE OFFICER

10.2(B) ACCOUNTS FOR PAYMENT

SUBMISSION TO: Meeting of Council
Meeting Date: 15th November, 2016

AGENDA REFERENCE: 10.2 (B) NOV 16

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: 31st October, 2016

BACKGROUND

Attached statement consists of accounts paid by Delegated Authority and Direct Bank Transactions represented by cheques numbered from **21938** to **22014** totalling **\$181,678.47** and accounts paid by Council Authorisation represented by cheques numbered from **21907** to **21937** totalling **\$1,367,843.71**.

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 Delegated Authority and Direct Bank Transactions represented by cheques numbered from **21938** to **22014** totalling **\$181,678.47** and accounts paid by Council Authorisation represented by cheques numbered from **21907** to **21937** totalling **\$1,367,843.71**.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Moved Cr LR Petersen, Seconded Cr RA Norrie that accounts paid Delegated Authority and Direct Bank Transactions represented by cheques numbered from **21938** to **22014** totalling **\$181,678.47** and accounts paid by Council Authorisation represented by cheques numbered from **21907** to **21937** totalling **\$1,367,843.71**.

Shire of Leonora**Monthly Report - List of Accounts Paid by Authorisation of Council****Submitted to Council on the 15th November, 2016**

Cheques numbered from **21938** to **22014** totaling **\$181,678.47** submitted to each member of the Council on 15th November, 2016 have been checked and are fully supported by remittances and duly certified invoices with checks being carried out as to prices, computations and costing.

CHIEF EXECUTIVE OFFICER

Cheque	Date	Name	Item	Payment by Delegated Authority
21938	15/11/2016	ALU Glass	Repair glass panel to bottom of office door after break in	313.50
21939	15/11/2016	Austral Mercantile Collections P/L	Legal fees	487.30
21940	15/11/2016	Australia's Golden Outback	Participation 2017 golden Outback Holiday Planner, Advertising in 2017 Holiday Planner	3,176.00
21941	15/11/2016	Bah Henneker's	To supply and install one Coolair CPQ 850 Evaporative Air conditioner and dropper as quoted	4,560.00
21942	15/11/2016	Benchmark Engineering Pty Ltd	DCP kit and carry case	1,793.00
21943	15/11/2016	Biggs Butchers	BBQ meat for function at Hoover House WA Tourism Group	160.00
21944	15/11/2016	Bullivants Pty Ltd	Annual inspection of chains and slings	408.10
21945	15/11/2016	Bunnings Building Supplies Pty Ltd	Sprinklers and tap timer, fertiliser, paint scraper, wire brush, kinetic bath plugs	140.40
21946	15/11/2016	Business Key	Advertising 2016/2017 edition of Goldfields-Esperance business key	719.40
21947	15/11/2016	Butler Settineri	Audit Fee - Northern Goldfields Regional Office and Administration Centre year ending 30 June, 2016	880.00
21948	15/11/2016	Butson Group Pty Ltd	Catering for 150 people - Prince Wright Productions - Leonora School 24/10/2016, catering luncheon pensioners Melbourne Cup 2016	1,615.80
21949	15/11/2016	Canine Control	Ranger services 10th-12th October, 2016 & 24th - 26th October, 2016	7,842.46
21950	15/11/2016	Chefmaster Australia	100ltr bin liners	532.20
21951	15/11/2016	Choices Flooring	Floor rugs and vinyl for airport	2,040.00
21952	15/11/2016	Comfort Inn Midas	Accommodation Ayla Wheeler 19/10/2016	145.00
21953	15/11/2016	Country Arts WA	Presenters fee for Aboriginal Comedy Allstars	5,280.00
21954	15/11/2016	Covs Parts Pty Ltd	Bearing kit	66.00
21955	15/11/2016	Coyles Mower & Chainsaw Centre	New hedge trimmer, repair work on wiper snipper	633.00
21956	15/11/2016	CR Hose Glassware Pty Ltd	72 White wine glasses with Gwalia gold logo	522.00
			Sub Total	\$31,314.16

			Balance Brought Forward	\$31,314.16
21957	15/11/2016	Creative Spaces	Graphic design of 2 additional panels and 1 historical timeline, Design and printing of Hoover House and Gwalia Museum brochures, Final invoice for project - design, fabrication and installation of Gwalia Exhibition	17,290.57
21958	15/11/2016	Department Of Transport	Renewal of licence and registration 1TAC699, renew licence 3L, application to transfer licence L1935	452.95
21959	15/11/2016	Des Taylor	Chicken and dog feed	284.00
21960	15/11/2016	Don Green Contractors	Cleaning and inspection of air filters	583.00
21961	15/11/2016	Eagle Petroleum (WA) Pty Ltd	Motorpass charges - October, 2016	1,270.81
21962	15/11/2016	Elite Gym Hire	Hire of gym equipment 01/10/2016-01/11/2016	1,072.50
21963	15/11/2016	Forman Bros	Check hot water system - 40A Hoover Street, replace RS shower heads - Hoover House, pump out info bay and install leach system, dig out wash bay sump at depot, install new pump and retic controller - town park, replace solenoid valves and sprinklers at memorial park, Gwalia public toilets - unblock drain, pump out septic tank and make repairs, Hoover House - repair solenoid and damaged retic	8,559.10
21964	15/11/2016	Frances Thornton Media	50% payment of total agreed for media and communications services at 2017 Golden Gift	9,250.00
21965	15/11/2016	Goldfields Locksmiths	New keys MK3 & MK7 for cleaner, 2 x deadlocks rekeyed to 2.2	693.00
21966	15/11/2016	Goldfields Truck Power	Parts for community bus - connector front door window glass	2,895.51
21967	15/11/2016	Goldline Distributors	Supplies - Hoover House/Museum, Office and Cleaning Products	3,323.95
21968	15/11/2016	Hitachi Construction Machinery	Service and parts	5,990.07
21969	15/11/2016	Horizon Power	Power usage 27/09/2016-26/10/2016 Office (20 994 9), Power usage 01/10/2016-31/10/2016 - Street Lights (27 242 8), Power usage 01/10/2016-31/10/2016 - Decorative Street Lights (16 221 5)	4,402.86
21970	15/11/2016	J.R. & A. Hersey Pty Ltd	Earplugs, tape, spray markers, cones, guide posts, fence droppers, toilet roll	3,814.14
21971	15/11/2016	Kate Ferguson	Gwalia Exhibition images and video	3,000.00
21972	15/11/2016	Kleenheat Gas	1 x gas bottle - 137A Hoover Street	84.99
21973	15/11/2016	Komatsu Australia Pty Ltd	30 grader blades as quoted	2,772.01
21974	15/11/2016	Landgate	Land enquiry, Gross rental valuations chargeable, Mining tenements chargeable	243.40
21975	15/11/2016	Leonora District High School	600ml water and paper plates for community lunch at school - Price Wright Production Workshop	49.00
21976	15/11/2016	Leonora Motor Inn	Accommodation for Ranger - 10th-12th and 24th-26th October, 2016	1,730.00
21977	15/11/2016	Leonora Pharmacy -	First aid kits for shire vehicles P2334, P2360, P2087, P2146	1,028.50
			Sub Total	\$100,104.52

			Balance Brought Forward	\$100,104.52
21978	15/11/2016	Leonora Post Office	Leonora Post Office charges October, 2016	449.14
21979	15/11/2016	Leonora Supplies WA	Supplies for Museum/Hoover House, Office, Child Care Centre	1,050.66
21980	15/11/2016	Lucrative Security	Security following break-in at Shire Office - Protect ATM until services restored	4,862.00
21981	15/11/2016	Marketforce	Advertisement for Tender LS-10-2016 and Tender LS-09-2016	1,039.66
21982	15/11/2016	Marmta Pty Ltd	Provision of youth services at Leonora Youth Centre for July 2016	13,695.00
21983	15/11/2016	Mcleods Barristers and Solicitors	Jeavons.L - Planning & Health Prosecutions	195.71
21984	15/11/2016	MCM Protection Pty Ltd	Replacement alarm at Shire Offices after break in	2,618.00
21985	15/11/2016	McMahon Burnett Transport	Freight - Office	212.77
21986	15/11/2016	Meaghan Walley	Jewellery for re-sale at visitor centre	615.00
21987	15/11/2016	Meulemans Cricket Centre	Cricket Equipment Leinster Recreation Association	6,458.10
21988	15/11/2016	Michael Bargerbos	Fuel - 4L service in Kal & Fuel - 2L (Perth trip - LGMA board meeting - Tanya Browning)	93.00
21989	15/11/2016	Moore Stephens	Compilation of monthly financial report September, 2016	4,290.00
21990	15/11/2016	Netlogic Information Technology	Trend smart protection - 1 year subscription, includes antivirus and antispam filtering, check email flow at child care centre, advise Tanya to check internet connection, setup exchange whitelist, add domain for Dave Hadden getting bounces, Fix licensing issue for Reckon, investigate drop out issues at PMP	1,212.50
21991	15/11/2016	Office National Canning Vale & West Perth	Electronic cash register for front desk (old one damaged during break-in)	359.95
21992	15/11/2016	Office National Kalgoorlie	Service for Depot, Office and CRC photocopiers	1,907.79
21993	15/11/2016	Outback Aviation Logistics	Hire of R22 helicopter used as filming platform for movie 'Decadent and Depraved', Hire of helicopter for aerial survey over Leonora and surrounding area to assist Linda Persson	3,015.37
21994	15/11/2016	Penns Cartage Contractors	Freight - Centurion/Covs/Chef Master/Hersey - Depot	1,402.95
21995	15/11/2016	Pipeline Mining & Civil Contracting	Welding of steel sleepers to rail at museum	654.50
21996	15/11/2016	Prime Media Group Ltd	Air-Time Museum and Gwalia 02/10/2016 - 30/10/2016	660.00
21997	15/11/2016	Prosegur Australia Pty Ltd	ATM monthly rental September, 2016	3,159.11
21998	15/11/2016	Quick Corporate Australia	Office Stationery	850.58
21999	15/11/2016	R & D Mechanical	Repairs & painting on Eagle 6 wheeler after front tyre blowout	735.00
22000	15/11/2016	Rangeland Services Pty Ltd	Chainlink fencing at tennis courts, repair/replace fence at airport, drill caprock testing on airport apron to 3m, drill holes at Sullivan's Creek for 'wedgie cutout' loop trails, fencing liquid waste ponds	12,397.00
			Sub Total	\$162,038.31

			Balance Brought Forward	\$162,038.31
22001	15/11/2016	Reckon Limited	Cancelled – already paid via CC - Reckon accounts premier 2016 - 5 user licence annual	0.00
22001	15/11/2016	Reckon Limited	Cancelled – already paid via CC - Reckon accounts premier 2016 - 5 user licence annual	0.00
22002	15/11/2016	Robert Duncan Photography	Photography at launch of Gwalia Exhibition 12/10/2016	200.00
22003	15/11/2016	Showfront Pty Ltd	Tower case with LED lights, spot lights, down lights, glass shelves, lockable glass hinged door,...	1,974.50
22004	15/11/2016	St John Ambulance Australia (WA) Inc.	Annual use of St John's ambulance hall 2015/2016, first-aid training for Ayla Wheeler 19/10/2016	859.00
22005	15/11/2016	Telstra	Telstra bill October, 2016	4,975.47
22006	15/11/2016	Tensioned Fabric Structures	Supply of cable for bowls club shade sail	835.78
22007	15/11/2016	The Food Van	Elderly get together refreshments	90.00
22008	15/11/2016	The West Australian-	Advertising costs	489.60
22009	15/11/2016	Tjuma Pulka (Media) Aboriginal Corporatio	Telstra phone line connection reimbursement 16/09/216-15/10/2016	155.00
22010	15/11/2016	Toll Ipec Pty Ltd	Freight - Office, Depot	260.84
22011	15/11/2016	Westland Autos No1 Pty Ltd	Off-road tyres for Ford Ranger and long range fuel tank	3,347.50
22012	15/11/2016	Whitehouse Hotel	Meals for Gemma Smith, Linda Persson and Elaine Labuschagne	76.00
22013	15/11/2016	Woodlands Distributors and Agencies	Bin holders and litter bags	5,737.60
22014	15/11/2016	Wurth Australia Pty Ltd	Split pins, safety bits, cleaner for vehicle interior, carburettor cleaner, windscreen cleaner, ...	638.87
			Grand Total	\$181,678.47

Shire of Leonora				
Monthly Report – List of Accounts Paid by Delegated Authority				
Submitted to Council on the 15th November, 2016				
The following list of accounts has been paid under delegation, and Direct Bank Transactions by the Chief Executive Officer, since the previous list of accounts. Cheques are numbered from 21907 to 21937 and totalling \$1,367,843.71 .				
CHIEF EXECUTIVE OFFICER				
Cheque	Date	Name	Item	Payment by Delegated Authority
21907	12/10/2016	Liquor Traders Australia Pty Ltd	Alcoholic beverages for Gwalia Exhibition	\$681.12
21908	12/10/2016	G & K Prime	Contracted works 29/09/2016-11/10/2016	\$6,710.00
21909	12/10/2016	Department of Lands	Contract of Sale - Lot 981 on Deposited Plan 1855	\$3,300.00
1	12/10/2016	Shire of Leonora	Salaries & Wages PPE: 12/10/16	\$64,819.72
21910	13/10/2016	LGRCEU	Union Fee PPE: 12/10/16	\$20.50
21911	14/10/2016	Sparlon Electrical	Remove & investigate issue with HWS at oval complex	\$1,045.00
21912	14/10/2016	Majstrovich Building Co.	Northern Goldfields Regional Office - Progress Claim No.8	\$1,037,300.00
21913	14/10/2016	Sparlon Electrical	Install fluoro lights and power outlets in new service bay	\$2,403.50
122	18/10/2016	National Australia Bank	NAB Super Pay - October, 2016	\$22.75
21914	20/10/2016	Building Commission	VOID: incorrect amount	\$0.00
21915	20/10/2016	Construction Training Fund	BCITF payment for Calimo Pty Ltd - Gym Extension	\$63.75
21916	20/10/2016	Dave Hadden	Environmental health and building services - contract 65	\$6,534.00
21917	20/10/2016	APOD Pty Ltd	Architectural fees as per service agreement 26th April, 2013 - Leonora Office and Administration Centre Project	\$72,950.00
21918	20/10/2016	Telstra New Developments	commencement of works - 58 Tower St - New admin building	\$17,119.30
123	20/10/2016	National Australia Bank	NAB Connect Fee - October, 2016 Bank Statement	\$27.75
124	21/10/2016	Australian Super	Superannuation PPE: 12/10/16	\$122.99
125	21/10/2016	BT Super for Life	Superannuation PPE: 12/10/16	\$169.53
126	21/10/2016	C&BUS	Superannuation PPE: 12/10/16	\$197.69
127	21/10/2016	IEOF Employer Super	Superannuation PPE: 12/10/16	\$198.58
128	21/10/2016	WA Super	Superannuation PPE: 12/10/16	\$7,750.87
21919	25/10/2016	Jordan Price-Wright	Re-imbusement of costs associated with film "The Decadent and Depraved"	\$13,000.00
21920	25/10/2016	Stephen Peacock	Repairs to Jack Longas camp	\$4,290.00
21921	25/10/2016	Shire of Leonora	Petty cash recoup - October, 2016	\$341.25
21922	26/10/2016	G & K Prime	Contracted works 12/09/2016-26/10/2016	\$7,700.00
1	25/10/2016	Shire of Leonora	Salaries & Wages PPE: 26/10/16	\$60,963.39
			Sub Total	\$1,307,731.69

			Balance Brought Forward	\$1,307,731.69
129	28/10/2016	Gwalia Museum	Refund for accommodation double charge	\$300.00
21923	28/10/2016	Elaine Labuschagne	Reimbursement for costs of accommodating Ms Linda Persson - Artist in residence	\$1,615.61
130	28/10/2016	Alliance Equipment Finance	Depot photocopier lease - October, 2016	\$230.20
21924	31/10/2016	LGRCEU	Union Fee PPE: 26/10/16	\$20.50
21925	31/10/2016	Building Commission	Building Services Levy Fee - Calimo Pty Ltd - gym extension	\$56.65
21926	31/10/2016	Platters Catering and Events	Additional catering provided for guests at opening of Gwalia Exhibition	\$190.00
21927	31/10/2016	Department of Transport	Leonora Number plate 222L Robin Ballard	\$200.00
21928	1/11/2016	Ayla-Jade Wheeler	Reimbursement for costs associated with Long Day Care PD Training Program	\$2,226.00
21929	1/11/2016	Dave Hadden	Environmental health and building services - contract 67	\$8,107.00
21930	1/11/2016	Michael Biggs	Cleaning services 13th October, 2016 - Maintenance Grader Camp (PV500)	\$175.00
131	1/11/2016	National Australia Bank	Account Fees - October, 2016 Bank Statement	\$122.90
132	1/11/2016	Aon Master Trust	Superannuation PPE:26/10/16	\$106.67
133	1/11/2016	Australian Super	Superannuation PPE:26/10/16	\$183.35
134	1/11/2016	BT Super for Life	Superannuation PPE:26/10/16	\$169.53
135	1/11/2016	C&BUS	Superannuation PPE:26/10/16	\$197.69
136	1/11/2016	IEOF Employer Super	Superannuation PPE:26/10/16	\$176.52
137	1/11/2016	WA Super	Superannuation PPE:26/10/16	\$7,617.90
138	2/11/2016	National Australia Bank	Credit Card Charges - October, 2016	\$5,871.45
21931	1/11/2016	Anglogold Ashanti	Refund for payment made in error to bank account	\$3,776.74
21932	1/11/2016	St Barbara Limited	Refund overpayment of rates 12/8/16	\$61.00
21933	1/11/2016	Reinhold Resources	Refund overpayment of rates 16/8/16	\$80.66
139	1/11/2016	Westnet	CRC Internet Charges - October, 2016 Bank Statement	\$11.00
140	1/11/2016	National Australia Bank	EFTPOS Fee (Gwalia) - October, 2016	\$183.58
21934	3/11/2016	Horizon Power	Power usage 17/08/2016-18/10/2016	19,757.09
21935	3/11/2016	Patrick Allin	Reimbursement of costs associated with attending LIWA Seminar	\$193.98
21936	3/11/2016	Telstra	CRC internet	\$220.00
141	4/11/2016	Westnet	CRC Internet Charges - September, 2016 Bank Statement	\$11.00
21937	9/11/2016	G&K Construction	Contracted works 27/10/2016-09/11/2016	\$8,250.00
			Grand Total	\$1,367,843.71

10.0 REPORTS OF OFFICERS

10.2 DEPUTY CHIEF EXECUTIVE OFFICER

10.2(C) MEETING BETWEEN COUNCIL AND ITS AUDITOR

SUBMISSION TO: Meeting of Council
Meeting Date: 15th November 2016

AGENDA REFERENCE: 10.2(C) NOV 16

SUBJECT: Meeting between Council and its Auditor

LOCATION / ADDRESS: Leonora
NAME OF APPLICANT: N/A

FILE REFERENCE: 1.10

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: Tanya Browning

OFFICER: Deputy Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 7th November 2016

BACKGROUND

Previously, Council has satisfied the regulatory requirement to meet with its auditors by either teleconference or in person meetings, and usually during the Ordinary Meeting of Council, or when the opportunity has presented to meet with the appointed auditors in person. Last year, as the audit committee is represented by the full Council, it was decided after discussions with the Shire of Leonora’s appointed auditors to schedule the 2014/15 interim audit visit and a scheduled financial management review, at the same time around the same time as the Audit Committee Meeting. This enabled one of Council’s appointed auditors, Mr Marius van der Merwe, to attend in person and liaise with the committee. Unfortunately, scheduling has prevented the Shire of Leonora’s auditor to meet during an Audit Committee meeting this year, however meeting with Council in person at the full Council meeting still satisfies compliance requirements.

The independent audit report for the 2015/16 period was not available at the time of writing this report, however there will be opportunity for Council to engage with its auditor to raise queries about audits carried out this year and any other matter. Should the independent audit report become available prior to the meeting, it will be forwarded to Councillors for review at the earliest opportunity.

STATUTORY ENVIRONMENT

Section 7.12 A (2) of the Local Government Act 1995 requires a local government meet with its auditor at least once every year.

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 Council accept this report prepared by the Deputy Chief Executive Officer, and note the requirement to meet with the Council’s auditor at least once per year has been met for this period.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Moved Cr RM Cotterill, Seconded Cr RA Norrie that the Council accept this report prepared by the Deputy Chief Executive Officer, and note the requirement to meet with the Council's auditor at least once per year has been met for this period.

CARRIED (7 VOTES TO 0)

Ms Amanda Rukuwai Donnelly (Senior Environment & Community Advisor, St Barbara Limited), Ms Kylie Oakley (Land Manager, St Barbara Limited) and Ms Elaine Labuschagne (Manager Economic & Heritage Services entered the meeting at 10:55am.

Cr OJ Craig welcomed Ms Rukuwai Donnelly, Ms Oakley and Ms Labuschagne and invited them to address Council re: The Gwalia State Hotel.

Some discussion ensued on correspondence re: Possible transfer of Gwalia State Hotel to the Shire of Leonora.

Cr PJ Craig thanked Ms Rukuwai Donnelly, Ms Oakley and Ms Labuschagne for their time, and advised the matter would be considered by Council at a later date.

Ms Rukuwai Donnelly, Ms Oakley and Ms Labuschagne left the meeting at 11:14am.

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

A. ELECTED MEMBERS

Nil

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

11.0 (B) OFFICERS

11.0(B) (ii) ANNUAL REPORT 2016 & GENERAL ELECTORS' MEETING

SUBMISSION TO: Meeting of Council
Meeting Date: 15th November 2016

AGENDA REFERENCE: 11.0 (B)(ii) Nov 16

SUBJECT: Annual Report & General Electors' Meeting

LOCATION / ADDRESS: Leonora

NAME OF APPLICANT: N/A

REFERENCE: 1.8

AUTHOR: Tanya Browning

OFFICER: Deputy Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 10th November 2016

COMMENT:

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

The draft Annual Report for the year ended 30th June, 2016 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 31st 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 20th December 2016, at 2:00pm.

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 30th June 2016 be accepted and the General Meeting of Electors be scheduled for Tuesday 20th December 2016, at 2:00pm in the Shire of Leonora Council Chambers, Leonora.

VOTING REQUIREMENT

Simple majority required.

COUNCIL DECISION

Moved Cr RA Norrie, Seconded Cr GW Baker that the Annual Report as presented for the year ended 30th June 2016 be accepted and the General Meeting of Electors be scheduled for Tuesday 20th December 2016, at 2:00pm in the Shire of Leonora Council Chambers, Leonora.

CARRIED (7 VOTES TO 0)

Mr PJ Craig adjourned the meeting at 11:42am.

Mr PJ Craig reconvened the meeting at 11:57am.

All those previously listed in the record of attendance were present, with the exception of Cr RA Norrie who left the meeting to travel to Kalgoorlie for another meeting, and Mr Van der Merwe.



ANNUAL REPORT

For the Year ended 30th June 2016

ANNUAL REPORT 2015-2016



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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 hard to achieve the goals of the community identified within the Strategic Community Plan. Creating opportunities to realise these goals continues to be a focus of the Council, and it is positive for our community to note continued progress in this regard.

During the 2015/16 reporting period, construction continued on the Northern Goldfields Regional Office and Administration Centre (NGROAC), which is due to be completed late 2016/early 2017. This facility will realise a significant goal from within the Strategic Community Plan, and will also provide greater opportunity for services to our community. As well as the NGROAC, another goal from within the Strategic Community Plan, relating to Aged Care Accommodation, has also gained traction over the last twelve months. Extensive community engagement and consultation has taken place to assess community needs, and from there some suitable designs were compiled for a 'Leonora Ageing in Place' complex, that was assessed to best meet the demand vs need for our community, with regard to ability to deliver a sustainable service. Since then, a business case has been developed, which includes construction costs, suitable land options have been identified, and the business case has been submitted for consideration for eligibility for Royalties for Regions funding. The outcome of that submission will become known in the next financial year, and if successful, work will commence on progressing the project further.

Along with the above projects, efforts have continued on progressing the sewerage infill extension program in the Leonora townsite – another significant achievement from within the Strategic Community Plan. There has also been some success with securing funding from the National Stronger Regions Fund (NSRF) to continue preservation of the Gwalia Headframe, as well as significant buildings in the Gwalia precinct. Matching funds for this project will be contributed by the Shire of Leonora, made possible through good planning, and investment into reserves from previous years. These reserves have enabled some security when preparing large funding applications, to demonstrate that Council is in a financial position to co-contribute funds – an essential requirement with many funding bodies these days.

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

Cr Peter Craig
President

ANNUAL REPORT 2015-2016



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Once again, the Shire has achieved a 'clean' audit report with no points of statutory non-compliance noted during the 2015/16 reporting period.

The administration has continued to concentrate on developing, refining and improving systems relating to the Integrated Planning and Reporting framework (IPR) and has invested significant resources to ensure that the plans and documents being produced are as accurate, meaningful and useful as possible. During recent times, more analysis being undertaken by various government agencies and funding bodies, into the financial management practices, viability and sustainability of local governments when considering submissions for large capital funding projects.

With increased pressure over limited resources, agencies are placing more consideration to whether funds will achieve good value for money long term, and whether applicants can afford to maintain / sustain the assets for which they are applying for funding. Generally, the IPR documents are referred to in assisting with this consideration and assessment. Given the documented projects that the community aspire to within the Strategic Community Plan, it is essential to ensure that the Shire of Leonora is considerate of the long term impacts of taking on new projects, and that Council is able to maintain a sound financial position when making such commitments whilst also maintaining appropriate levels of service. I am pleased to report good progress to date, including participation at a regional level with asset management planning and development of practices.

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:

COUNCILLOR	MEETING CONVENED	ATTENDED	% ATTENDANCE
P J Craig	12	12	100%
M W V Taylor	12	10	83%
R A Norrie	12	9	75%
G W Baker	12	12	100%
L R Petersen	12	11	92%
R M Cotterill	12	11	92%
A E Taylor	12	11	92%

I would like to thank all the staff and Councillors for their perseverance and loyalty over the year in review. I look forward to the challenges and rewards that 2016/17 will present to us.

Jim Epis
Chief Executive Officer

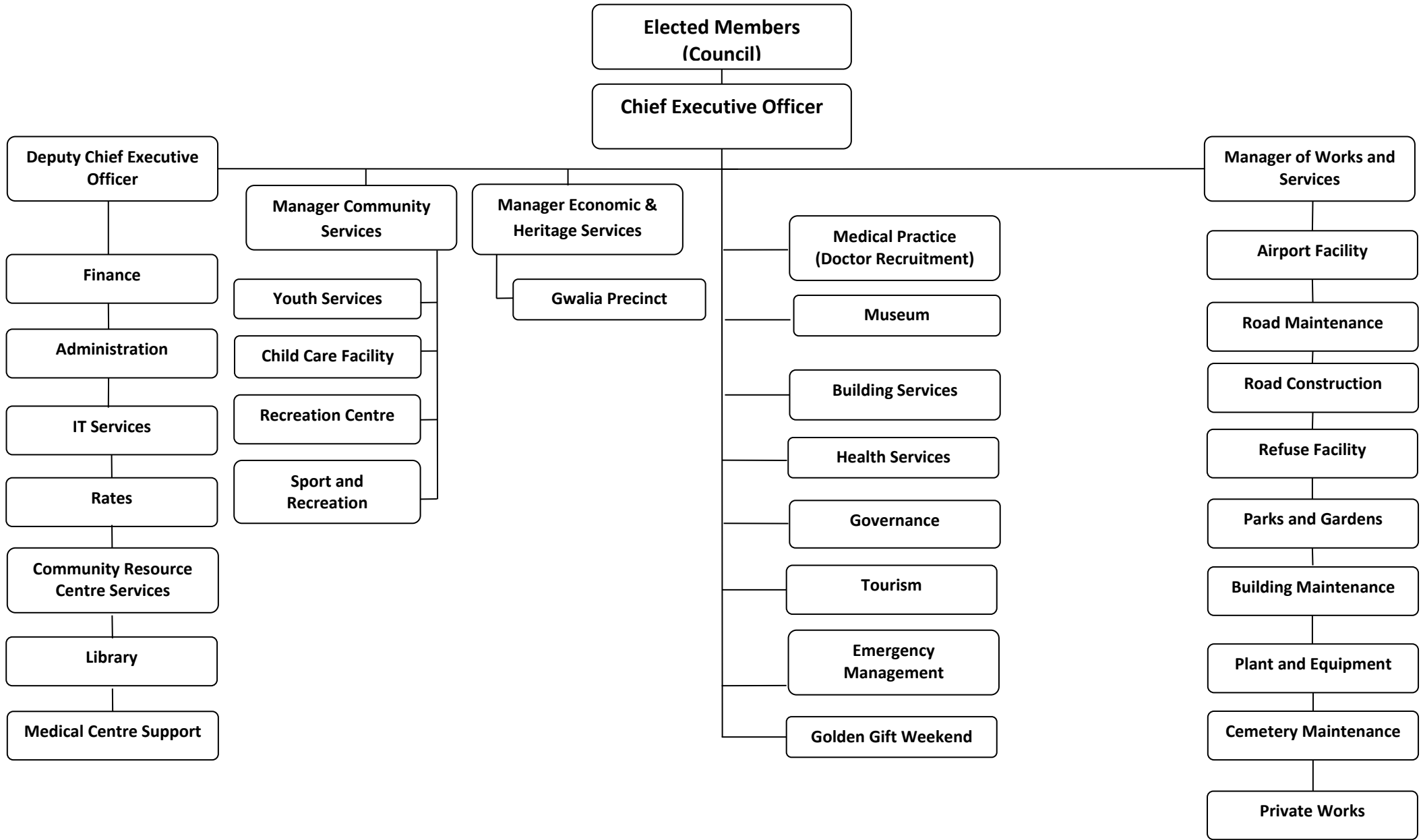
ANNUAL REPORT 2015-2016



COUNCILLOR DETAILS

POSITION	RETIREMENT YEAR	CONTACT	NUMBER
PRESIDENT Mr P CRAIG 9B North Road (PO Box 118) LEINSTER WA 6437	2019	WK HM FAX MOB EMAIL	08 9037 9191 08 9037 9054 08 9037 9192 0418 950 572 peter.craig@bagden.com.au
DEPUTY PRESIDENT Mr M W V Taylor 10 Forrest Street (PO Box 226) LEONORA WA 6438	2019	WK HM FAX MOB EMAIL	08 6314 4712 0417 976 169 matt@pmcc.com.au
Mr R A NORRIE Lot 260 Queen Victoria (PO Box 397) LEONORA WA 6438	2019	WK HM FAX MOB EMAIL	08 9037 6777 08 9037 7389 08 9037 6788 0409 377 386 rossn@cbslaccountants.com
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 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 sixmile6@bigpond.com
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

SHIRE OF LEONORA – ORGANISATIONAL CHART



SHIRE OF LEONORA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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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 2016

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and other information for the financial year ended 30 June 2016 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2016 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 11TH day of NOVEMBER 2016



Jim Epis
Chief Executive Officer

SHIRE OF LEONORA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue				
Rates	23	5,239,642	5,166,718	5,151,795
Operating grants, subsidies and contributions	30	1,832,904	1,536,911	999,257
Fees and charges	29	1,372,872	1,093,205	1,111,787
Interest earnings	2(a)	100,022	27,507	133,509
Other revenue	2(a)	284,009	112,436	230,510
		<u>8,829,449</u>	<u>7,936,777</u>	<u>7,626,858</u>
Expenses				
Employee costs		(2,593,998)	(2,385,514)	(2,549,245)
Materials and contracts		(2,944,325)	(4,278,684)	(4,479,670)
Utility charges		(346,114)	(298,428)	(345,915)
Depreciation on non-current assets	2(a)	(2,183,745)	(1,577,040)	(1,947,662)
Insurance expenses		(251,404)	(246,224)	(285,547)
Other expenditure		(105,433)	(187,583)	(149,689)
		<u>(8,425,019)</u>	<u>(8,973,473)</u>	<u>(9,757,728)</u>
		404,430	(1,036,696)	(2,130,870)
Non-operating grants, subsidies and contributions	30	1,109,087	4,203,547	3,626,754
Profit on asset disposals	21	13,720	0	152,273
(Loss) on asset disposals	21	(72,561)	(220,713)	(7,485)
Fair value adjustments to financial assets at				
Net result		<u>1,454,676</u>	<u>2,946,138</u>	<u>1,640,672</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	1,164,381	0	28,857,207
Total other comprehensive income		<u>1,164,381</u>	<u>0</u>	<u>28,857,207</u>
Total comprehensive income		<u><u>2,619,057</u></u>	<u><u>2,946,138</u></u>	<u><u>30,497,879</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 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue	2(a)			
Governance		3,961	3,115	807
General purpose funding		5,936,322	5,513,717	5,294,635
Law, order, public safety		14,934	11,762	8,312
Health		24,674	26,291	27,513
Education and welfare		254,549	271,143	99,317
Housing		34,879	50,735	42,496
Community amenities		282,860	226,979	207,297
Recreation and culture		279,266	217,762	82,812
Transport		1,114,831	1,118,711	1,029,852
Economic services		615,962	414,838	721,791
Other property and services		267,211	81,724	112,026
		<u>8,829,449</u>	<u>7,936,777</u>	<u>7,626,858</u>
Expenses	2(a)			
Governance		(322,919)	(553,229)	(444,569)
General purpose funding		(506,008)	(381,783)	(341,842)
Law, order, public safety		(131,301)	(143,685)	(115,166)
Health		(563,355)	(638,508)	(500,031)
Education and welfare		(498,819)	(623,205)	(465,987)
Community amenities		(149,139)	(277,143)	(156,302)
Recreation and culture		(969,289)	(1,196,606)	(992,672)
Transport		(3,950,331)	(3,541,252)	(5,426,390)
Economic services		(1,296,227)	(1,603,170)	(1,299,996)
Other property and services		(37,631)	(14,892)	(14,773)
		<u>(8,425,019)</u>	<u>(8,973,473)</u>	<u>(9,757,728)</u>
		404,430	(1,036,696)	(2,130,870)
Non-operating grants, subsidies and contributions	30	1,109,087	4,203,547	3,626,754
Profit on disposal of assets	21	13,720	0	152,273
(Loss) on disposal of assets	21	(72,561)	(220,713)	(7,485)
Fair value adjustments to financial assets at				
Net result		<u>1,454,676</u>	<u>2,946,138</u>	<u>1,640,672</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	1,164,381	0	28,857,207
Total other comprehensive income		<u>1,164,381</u>	<u>0</u>	<u>28,857,207</u>
Total comprehensive income		<u>2,619,057</u>	<u>2,946,138</u>	<u>30,497,879</u>

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

**SHIRE OF LEONORA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2016**

	NOTE	2016 \$	2015 \$	2014 \$
CURRENT ASSETS				
Cash and cash equivalents	3	7,259,324	6,822,388	6,869,113
Trade and other receivables	4	430,954	1,455,115	535,455
Inventories	5	47,200	30,145	73,955
TOTAL CURRENT ASSETS		<u>7,737,478</u>	<u>8,307,648</u>	<u>7,478,523</u>
NON-CURRENT ASSETS				
Inventories	5	576,096	631,535	631,535
Property, plant and equipment	6	17,455,835	14,839,067	14,316,747
Infrastructure	7	57,997,277	57,183,641	28,314,324
TOTAL NON-CURRENT ASSETS		<u>76,029,208</u>	<u>72,654,243</u>	<u>43,262,606</u>
TOTAL ASSETS		<u>83,766,686</u>	<u>80,961,891</u>	<u>50,741,129</u>
CURRENT LIABILITIES				
Trade and other payables	8	482,239	321,119	578,100
Provisions	9	172,015	183,822	217,785
TOTAL CURRENT LIABILITIES		<u>654,254</u>	<u>504,941</u>	<u>795,885</u>
NON-CURRENT LIABILITIES				
Provisions	9	81,732	45,307	64,480
TOTAL NON-CURRENT LIABILITIES		<u>81,732</u>	<u>45,307</u>	<u>64,480</u>
TOTAL LIABILITIES		<u>735,986</u>	<u>550,248</u>	<u>860,365</u>
NET ASSETS		<u>83,030,700</u>	<u>80,411,643</u>	<u>49,880,764</u>
EQUITY				
Retained surplus		41,402,301	40,945,690	39,604,457
Reserves - cash backed	12	2,027,361	1,029,296	729,857
Revaluation surplus	13	39,601,038	38,436,657	9,546,450
TOTAL EQUITY		<u>83,030,700</u>	<u>80,411,643</u>	<u>49,880,764</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 2016**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2014		39,604,457	729,857	9,579,450	49,913,764
Comprehensive income					
Net result		1,640,672	0	0	1,640,672
Changes on revaluation of assets	13	0	0	28,857,207	28,857,207
Total comprehensive income		1,640,672	0	28,857,207	30,497,879
Transfers from/(to) reserves		(299,439)	299,439	0	0
Balance as at 30 June 2015		40,945,690	1,029,296	38,436,657	80,411,643
Comprehensive income					
Net result		1,454,676	0	0	1,454,676
Changes on revaluation of assets	13	0	0	1,164,381	1,164,381
Total comprehensive income		1,454,676	0	1,164,381	2,619,057
Transfers from/(to) reserves		(998,065)	998,065	0	0
Balance as at 30 June 2016		41,402,301	2,027,361	39,601,038	83,030,700

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 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		5,205,873	5,166,718	5,231,451
Operating grants, subsidies and contributions		2,994,172	2,725,793	10,261
Fees and charges		1,372,872	1,093,205	1,111,787
Interest earnings		100,022	27,507	133,509
Goods and services tax		191,095	446,627	671,701
Other revenue		284,009	112,436	230,510
		<u>10,148,043</u>	<u>9,572,286</u>	<u>7,389,219</u>
Payments				
Employee costs		(2,550,367)	(2,385,514)	(2,543,494)
Materials and contracts		(2,819,273)	(4,269,251)	(4,751,728)
Utility charges		(346,114)	(298,428)	(345,915)
Insurance expenses		(251,404)	(246,224)	(285,547)
Goods and services tax		(294,433)	(446,627)	(682,021)
Other expenditure		(105,433)	(187,583)	(149,689)
		<u>(6,367,024)</u>	<u>(7,833,627)</u>	<u>(8,758,394)</u>
Net cash provided by (used in) operating activities	14(b)	<u>3,781,019</u>	<u>1,738,659</u>	<u>(1,369,175)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(3,231,707)	(9,107,093)	(1,707,164)
Payments for construction of infrastructure		(1,479,144)	(1,853,668)	(998,913)
Non-operating grants, subsidies and contributions		1,109,087	4,203,547	3,626,754
Proceeds from sale of land held for resale		54,545	0	0
Proceeds from sale of fixed assets		203,136	223,636	401,773
Net cash provided by (used in) investment activities		<u>(3,344,083)</u>	<u>(6,533,578)</u>	<u>1,322,450</u>
Net cash provided by (used in) financing activities		<u>0</u>	<u>0</u>	<u>0</u>
Net increase (decrease) in cash held		436,936	(4,794,919)	(46,725)
Cash at beginning of year		6,822,388	6,822,389	6,869,113
Cash and cash equivalents at the end of the year	14(a)	<u><u>7,259,324</u></u>	<u><u>2,027,470</u></u>	<u><u>6,822,388</u></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 2016**

NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
Net current assets at start of financial year - surplus/(deficit)	<u>6,991,574</u> 6,991,574	<u>6,991,408</u> 6,991,408	<u>6,198,972</u> 6,198,972
Revenue from operating activities (excluding rates)			
Governance	3,961	3,115	807
General purpose funding	696,680	346,999	142,840
Law, order, public safety	14,934	11,762	8,312
Health	28,157	26,291	27,513
Education and welfare	262,968	271,143	99,317
Housing	34,879	50,735	42,496
Community amenities	282,860	226,979	207,297
Recreation and culture	279,266	217,762	82,812
Transport	1,116,649	1,118,711	1,178,222
Economic services	615,962	414,838	721,791
Other property and services	267,211	81,724	115,929
	<u>3,603,527</u>	<u>2,770,059</u>	<u>2,627,336</u>
Expenditure from operating activities			
Governance	(322,919)	(553,229)	(444,569)
General purpose funding	(506,008)	(381,783)	(341,842)
Law, order, public safety	(131,301)	(143,685)	(115,166)
Health	(563,355)	(646,485)	(503,176)
Education and welfare	(498,819)	(626,621)	(465,987)
Community amenities	(150,033)	(277,143)	(156,302)
Recreation and culture	(992,289)	(1,196,606)	(992,672)
Transport	(3,998,998)	(3,750,572)	(5,430,547)
Economic services	(1,296,227)	(1,603,170)	(1,299,996)
Other property and services	(37,631)	(14,892)	(14,956)
	<u>(8,497,580)</u>	<u>(9,194,186)</u>	<u>(9,765,213)</u>
Operating activities excluded from budget			
(Profit) on disposal of assets	21 (13,720)	0	(152,273)
Loss on disposal of assets	21 72,561	220,713	7,485
Movement in employee benefit provisions	24,618	0	(53,136)
Movement in Accrued Salaries and Wages	17,410	0	5,935
Depreciation and amortisation on assets	2(a) 2,183,745	1,577,040	1,947,662
Amount attributable to operating activities	<u>4,382,135</u>	<u>2,365,034</u>	<u>816,768</u>
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	1,109,087	4,203,547	3,626,754
Proceeds from disposal of land held for resale	21 54,545		
Proceeds from disposal of assets	21 203,136	223,636	401,773
Purchase of property, plant and equipment	6(b) (3,231,707)	(9,107,093)	(1,707,164)
Purchase and construction of infrastructure	7(b) (1,479,144)	(1,853,668)	(998,913)
Amount attributable to investing activities	<u>(3,344,083)</u>	<u>(6,533,578)</u>	<u>1,322,450</u>
FINANCING ACTIVITIES			
Transfers to reserves (restricted assets)	12 (998,065)	(998,174)	(299,439)
Amount attributable to financing activities	<u>(998,065)</u>	<u>(998,174)</u>	<u>(299,439)</u>
Surplus(deficiency) before general rates	<u>39,987</u>	<u>(5,166,718)</u>	<u>1,839,779</u>
Total amount raised from general rates	23 <u>5,239,642</u>	<u>5,166,718</u>	<u>5,151,795</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	24 <u><u>5,279,629</u></u>	<u><u>0</u></u>	<u><u>6,991,574</u></u>

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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. All are stated in Australian Dollars.

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

Critical accounting estimates

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

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

The local government reporting entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 20 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.

(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.

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 the Council's intentions to release for sale.

(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.

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

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2016 all non-current assets were carried at Fair Value in accordance with the requirements.

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

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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	2 to 15 years
Plant and equipment	5 to 15 years
Infrastructure	10 to 60 years

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

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

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

Capitalisation threshold

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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

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

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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 Shire has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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 Shire no longer has any significant continual involvement in the risks and benefits associated with the asset.

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

(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.

(m) Provisions

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

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

(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 Shire, are classified as finance leases.

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

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

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

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

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

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

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

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

(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 Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(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.

(u) Comparative Figures

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

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

(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 2016**

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 Shire.

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.</p>
(iii) AASB 16 Leases	February 2016	1 January 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.</p>

**SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
<p>(iv) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations</p> <p>[AASB 1 & AASB 11]</p>	<p>August 2014</p>	<p>1 January 2016</p>	<p>This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i>, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p> <p>Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.</p>
<p>(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation</p> <p>[AASB 116 & 138]</p>	<p>August 2014</p>	<p>1 January 2016</p>	<p>This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.</p> <p>Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.</p>
<p>(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</p>	<p>December 2014</p>	<p>1 January 2017</p>	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>

**SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column. It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation.
(viii) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities. The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

⁽¹⁾ 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 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Adoption of New and Revised Accounting Standards

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

These new and revised standards were as follows:

- (i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- (ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES	2016	2015	
	\$	\$	
(a) Net Result			
The Net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
- Audit of the Annual Financial Report	8,500	8,850	
- Financial Management Review	0	5,031	
- Other services	1,500	765	
Depreciation			
Buildings - non-specialised	233,192	221,603	
Furniture and equipment	8,729	12,675	
Plant and equipment	398,927	726,581	
Roads	1,536,088	901,304	
Improvements and Infrastructure	6,809	34,916	
Roads Other	0	50,583	
	<u>2,183,745</u>	<u>1,947,662</u>	
Rental charges			
- Operating leases	14,484	16,094	
	<u>14,484</u>	<u>16,094</u>	
(ii) Crediting as revenue:			
Significant revenue			
General Purpose Funding	0	620,436	
	<u>0</u>	<u>620,436</u>	
The significant revenue in 2015 relates to the early payment of half of the WA Grants Commissions instalment.			
Other revenue			
Reimbursements and recoveries	211,980	88,122	
Other	72,029	142,388	
	<u>284,009</u>	<u>230,510</u>	
	<u>284,009</u>	<u>230,510</u>	
	2016	2016	2015
	Actual	Budget	Actual
	\$	\$	\$
Interest earnings			
- Reserve funds	44,944	14,174	15,439
- Other funds	55,078	13,333	118,070
	<u>100,022</u>	<u>27,507</u>	<u>133,509</u>
	<u>100,022</u>	<u>27,507</u>	<u>133,509</u>

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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.

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

GOVERNANCE

Objective:

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

Activities:

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

An administration cost is also allocated which enables staff to process Council 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.

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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.

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.

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

RECREATION AND CULTURE

Objective:

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

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 Shire's overheads operating accounts.

Activities:

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

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 1/07/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance ⁽¹⁾ 30/06/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance 30/06/16 \$
Northern Goldfields Tourism Group	Recreation and Culture	921	0	(921)	0			0
Government Grant	General Purpose Funding	5,213	0	0	5,213			5,213
CLGF	General Purpose Funding	145,565	0	(144,568)	997			997
Workforce Planning Grant	General Purpose Funding	16,210	0	0	16,210			16,210
Northern Goldfields Regional Office and Administrative Centre	Economic Services	4,618,249	360,000	(427,450)	4,550,799	85,415	(2,159,089)	2,477,125
Animal Sterilisation Program	Law, Order, Public Service	2,500	0	(2,500)	0			0
Suicide Prevention Centre	Recreation & Culture	0	0	0	0	26,051	(25,786)	265
Total		<u>4,788,658</u>	<u>360,000</u>	<u>(575,439)</u>	<u>4,573,219</u>	<u>111,466</u>	<u>(2,184,875)</u>	<u>2,499,810</u>

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 2016

	Note	2016 \$	2015 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		2,732,153	1,219,873
Restricted		<u>4,527,171</u>	<u>5,602,515</u>
		<u><u>7,259,324</u></u>	<u><u>6,822,388</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Annual Leave Reserve	12	160,064	157,964
Long Service Leave Reserve	12	130,805	129,089
Building Reserve	12	347,991	244,660
Fire Disaster Reserve	12	26,654	22,354
Plant Purchase Reserve	12	391,726	307,574
Gwalia Precinct Reserve	12	470,121	167,655
Waste Management Reserve	12	500,000	0
Unspent grants	2(c)	<u>2,499,810</u>	<u>4,573,219</u>
		<u><u>4,527,171</u></u>	<u><u>5,602,515</u></u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		116,915	83,146
Sundry debtors		194,690	1,352,318
GST receivable		115,424	12,086
Interest Accrued		<u>3,925</u>	<u>7,565</u>
		<u><u>430,954</u></u>	<u><u>1,455,115</u></u>
		<u><u>0</u></u>	<u><u>0</u></u>
5. INVENTORIES			
Current			
Fuel and materials		<u>47,200</u>	<u>30,145</u>
		<u><u>47,200</u></u>	<u><u>30,145</u></u>
Non-current			
Land held for resale - cost			
Cost of acquisition		1,719	1,875
Development costs		<u>574,377</u>	<u>629,660</u>
		<u><u>576,096</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 2016

	2016 \$	2015 \$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Land - freehold at:		
- Independent valuation 2014 - level 2 & 3	957,000	957,000
	<u>957,000</u>	<u>957,000</u>
	<u>957,000</u>	<u>957,000</u>
Buildings - non-specialised at:		
- Independent valuation 2014 - level 2 & 3	10,971,302	10,971,302
- Additions after valuation - cost	3,342,726	688,310
Less: accumulated depreciation	<u>(454,795)</u>	<u>(221,603)</u>
	13,859,233	11,438,009
	<u>13,859,233</u>	<u>11,438,009</u>
Total land and buildings	<u>14,816,233</u>	<u>12,395,009</u>
Furniture and equipment at:		
- Management valuation 2013- level 3	0	28,000
- Management valuation 2016 - level 3	18,502	0
- Additions after valuation - cost	0	35,375
Less accumulated depreciation	<u>0</u>	<u>(23,591)</u>
	18,502	39,784
Plant and equipment at:		
- Independent valuation 2013 - level 3	0	1,737,046
- Independent valuation 2016 - level 3	2,237,100	0
- Management valuation 2016 - level 3	351,000	0
- Additions after valuation - cost	0	1,711,989
Less accumulated depreciation	<u>0</u>	<u>(1,077,761)</u>
	2,588,100	2,371,274
Playground at:		
- Management valuation 2015 - level 3	33,000	33,000
Less accumulated depreciation	<u>0</u>	<u>0</u>
	33,000	33,000
	<u>17,455,835</u>	<u>14,839,067</u>

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold	957,000	0	0	0	0	0	957,000
Total land	957,000	0	0	0	0	0	957,000
Buildings - non-specialised	11,438,009	2,654,416	0	0	(233,192)		13,859,233
Total buildings	11,438,009	2,654,416	0	0	(233,192)	0	13,859,233
Total land and buildings	12,395,009	2,654,416	0	0	(233,192)	0	14,816,233
Furniture and equipment	39,784	0	0	0	(8,729)	(12,553)	18,502
Plant and equipment	2,371,274	577,291	(261,084)	296,543	(398,927)	3,003	2,588,100
Playground	33,000	0	0	0	0	0	33,000
Total property, plant and equipment	14,839,067	3,231,707	(261,084)	296,543	(640,848)	(9,550)	17,455,835

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Land - freehold	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2014	Price per hectare / market borrowing rate
Land - vested in and under the control of Council	3	Improvements to land valued using cost approach using depreciated replacement cost	Management valuation	June 2014	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	3	Improvements to land valued using cost approach using depreciated replacement cost	Management valuation	June 2014	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - specialised	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent valuer and Management valuation	June 2014	Price per square metre / market borrowing rate
Furniture and equipment					
	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment					
- Independent valuation 2016	3	Market approach using recent observable market data for similar assets	Independent valuer	June 2016	Market price per item
- Management valuation 2016	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Playground	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
	\$	\$
7 (a). INFRASTRUCTURE		
Roads		
- Management valuation 2015 - level 3	0	50,497,641
- Management valuation 2016 - level 3	51,143,197	0
Less accumulated depreciation	<u>0</u>	<u>0</u>
	<u>51,143,197</u>	<u>50,497,641</u>
Improvements and Infrastructure		
- Management valuation 2015 - level 3	6,686,000	6,686,000
- Additions after valuation - cost	165,338	0
- Transfers - cost	9,551	0
Less accumulated depreciation	<u>(6,809)</u>	<u>0</u>
	<u>6,854,080</u>	<u>6,686,000</u>
	<u><u>57,997,277</u></u>	<u><u>57,183,641</u></u>

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$
Roads	50,497,641	1,313,806		867,838	(1,536,088)	0	51,143,197
Improvements and Infrastructure	6,686,000	165,338	0	0	(6,809)	9,551	6,854,080
Total infrastructure	<u>57,183,641</u>	<u>1,479,144</u>	<u>0</u>	<u>867,838</u>	<u>(1,542,897)</u>	<u>9,551</u>	<u>57,997,277</u>

**SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Improvements and Infrastructure	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	363,244	226,420
Accrued salaries and wages	51,751	34,341
ATO liabilities	54,555	52,952
Credit Cards	12,689	7,406
	<u>482,239</u>	<u>321,119</u>
	<u>482,239</u>	<u>321,119</u>

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

9. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2015			
Current provisions	114,067	69,755	183,822
Non-current provisions	0	45,307	45,307
	<u>114,067</u>	<u>115,062</u>	<u>229,129</u>
Additional provision	152,306	33,322	185,628
Amounts used	(142,238)	(18,772)	(161,010)
Balance at 30 June 2016	<u>124,135</u>	<u>129,612</u>	<u>253,747</u>
	<u>124,135</u>	<u>129,612</u>	<u>253,747</u>
Comprises			
Current	124,135	47,880	172,015
Non-current	0	81,732	81,732
	<u>124,135</u>	<u>129,612</u>	<u>253,747</u>
	<u>124,135</u>	<u>129,612</u>	<u>253,747</u>

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

12. RESERVES - CASH BACKED

	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$	Budget 2016 Opening Balance \$	Budget 2016 Transfer to \$	Budget 2016 Transfer (from) \$	Budget 2016 Closing Balance \$	Actual 2015 Opening Balance \$	Actual 2015 Transfer to \$	Actual 2015 Transfer (from) \$	Actual 2015 Closing Balance \$
Annual Leave Reserve	157,964	2,100	0	160,064	157,964	1,185	0	159,149	154,692	3,272	0	157,964
Long Service Leave Reserve	129,089	1,716	0	130,805	129,089	968	0	130,057	126,415	2,674	0	129,089
Building Reserve	244,660	103,331	0	347,991	244,660	102,585	0	347,245	141,663	102,997	0	244,660
Fire Disaster Reserve	22,354	4,300	0	26,654	22,354	4,198	0	26,552	17,974	4,380	0	22,354
Plant Purchase Reserve	307,574	84,152	0	391,726	307,574	82,907	0	390,481	203,274	104,300	0	307,574
Gwalia Precinct Reserve	167,655	302,466	0	470,121	167,655	302,581	0	470,236	85,839	81,816	0	167,655
Waste Management Reserve	0	500,000	0	500,000	0	503,750	0	503,750	0	0	0	0
	<u>1,029,296</u>	<u>998,065</u>	<u>0</u>	<u>2,027,361</u>	<u>1,029,296</u>	<u>998,174</u>	<u>0</u>	<u>2,027,470</u>	<u>729,857</u>	<u>299,439</u>	<u>0</u>	<u>1,029,296</u>

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Annual Leave Reserve	2017-2027	- to be used to offset Council's leave liability to its employees.
Long Service Leave Reserve	2017-2027	- to be used to offset Council's long service leave liabilities to its employees.
Building Reserve	2017-2027	- to be used for the construction and preservation of Council buildings and urgent repairs and maintenance.
Fire Disaster Reserve	2017-2027	- to be used to assist in the provision of emergency contingencies in the case of a fire disaster.
Plant Purchase Reserve	2017-2027	- to be used for the purchase of major plant.
Gwalia Precinct Reserve	2017-2027	- to be used for restoration and historical projects in the Gwalia precinct.
Waste Management Reserve	2017/18	- to be used for management and compliance works associated with the rubbish tip and liquid waste disposal sites.

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

13. REVALUATION SURPLUS

	2016	2016	2016	2016	2016	2015	2015	2015	2015	2015
	Opening	Revaluation	Revaluation	Total	Closing	Opening	Revaluation	Revaluation	Total	Closing
	Balance	Increment	Decrement	Movement on	Balance	Balance	Increment	Decrement	Movement on	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	44,891	296,543	0	296,543	341,434	44,891	0	0	0	44,891
Playground	33,000	0	0	0	33,000	33,000	0	0	0	33,000
Roads	32,084,416	867,838	0	867,838	32,952,254	8,258,459	23,825,957	0	23,825,957	32,084,416
Improvements and Infrastructure	6,274,350	0	0	0	6,274,350	1,243,100	5,031,250	0	5,031,250	6,274,350
	38,436,657	1,164,381	0	1,164,381	39,601,038	9,579,450	28,857,207	0	28,857,207	38,436,657

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2016	2016	2015
	\$	Budget	\$
		\$	
Cash and cash equivalents	<u>7,259,324</u>	<u>2,027,470</u>	<u>6,822,388</u>

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

Net result	1,454,676	2,946,138	1,640,672
Non-cash flows in Net result:			
Depreciation	2,183,745	1,577,040	1,947,662
(Profit)/Loss on sale of asset	58,841	220,713	(144,788)
Fair value adjustments to fixed assets at fair value through profit or loss	0		
Loss on revaluation of fixed assets	0		0
Reversal of loss on revaluation of fixed assets	0		
Non-current assets recognised due to changes in legislative requirements	0	0	0
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	1,024,161	1,188,882	(919,660)
(Increase)/Decrease in inventories	(17,055)	9,433	43,810
Increase/(Decrease) in payables	161,120	0	(256,981)
Increase/(Decrease) in provisions	24,618	0	(53,136)
Grants contributions for the development of assets	<u>(1,109,087)</u>	<u>(4,203,547)</u>	<u>(3,626,754)</u>
Net cash from operating activities	<u>3,781,019</u>	<u>1,738,659</u>	<u>(1,369,175)</u>

	2016	2015
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	35,000	25,000
Credit card balance at balance date	<u>(546)</u>	<u>(7,406)</u>
Total amount of credit unused	<u>34,454</u>	<u>17,594</u>
Loan facilities		
Loan facilities - current	0	0
Loan facilities - non-current	<u>0</u>	<u>0</u>
Total facilities in use at balance date	<u>0</u>	<u>0</u>
Unused loan facilities at balance date	<u>0</u>	<u>0</u>

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

15. CONTINGENT LIABILITIES

There were no known contingent liabilities at the reporting date.

16. CAPITAL AND LEASING COMMITMENTS	2016	2015
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	10,713	23,648
- later than one year but not later than five years	18,747	41,915
- later than five years	<u>0</u>	<u>0</u>
	<u><u>29,460</u></u>	<u><u>65,563</u></u>

The Shire did not have any future operating lease commitments at the reporting date.

(b) Capital Expenditure Commitments

Contracted for:		
- capital expenditure projects	4,528,200	0
- plant & equipment purchases	0	0
Payable:		
- not later than one year	4,528,200	0

The capital expenditure project outstanding at the end of the reporting period represented the construction of the Northern Goldfields Office and Administration Centre (NGROAC)

The Shire did not have any future capital expenditure commitments at the reporting date.

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

17. JOINT VENTURE ARRANGEMENTS

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

	2016	2015
	\$	\$
Non-current assets		
Land and buildings	75,500	75,500
Less: accumulated depreciation	<u>(3,775)</u>	<u>(1,887)</u>
	<u><u>71,725</u></u>	<u><u>73,613</u></u>
Furniture and Equipment	8,204	12,109
Less: accumulated depreciation	<u>0</u>	<u>(2,778)</u>
	<u><u>8,204</u></u>	<u><u>9,331</u></u>
Plant and Equipment	4,182	8,247
Less: accumulated depreciation	<u>0</u>	<u>(3,492)</u>
	<u><u>4,182</u></u>	<u><u>4,755</u></u>
Light vehicles	3,200	3,549
Less: accumulated depreciation	<u>0</u>	<u>(1,129)</u>
	<u><u>3,200</u></u>	<u><u>2,420</u></u>

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2016	2015
	\$	\$
Governance	0	13
General purpose funding	116,914	83,146
Law, order, public safety	54,654	50,354
Health	242,800	235,839
Education and welfare	7,438	14,357
Housing	1,742,040	1,777,978
Community amenities	2,230,364	1,841,799
Recreation and culture	8,174,222	7,646,620
Transport	61,400,131	58,796,452
Economic services	4,143,107	6,711,692
Other property and services	2,507,992	2,086,969
Unallocated	<u>3,147,024</u>	<u>1,716,672</u>
	<u><u>83,766,686</u></u>	<u><u>80,961,891</u></u>

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015	2014
19. FINANCIAL RATIOS			
Current ratio	6.50	7.80	3.06
Asset sustainability ratio	0.82	0.34	0.51
Debt service cover ratio	0.00	0.00	0.00
Operating surplus ratio	0.05	(0.30)	(0.29)
Own source revenue coverage ratio	0.82	0.68	0.72

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 59 of this document.

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

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

The early payment was considered to be "one-off" and if recognised in the year to which the allocation related the calculations in the 2016 and 2015 columns above would be as follows:

	2016	2015
Operating surplus ratio	0.14	(0.39)

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

20. 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:

	1 July 2015 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2016 \$
Sale of Impounded Cattle	16,112	0	(16,112)	0

21. DISPOSALS OF ASSETS - 2015/16 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
Plant and Equipment								
Health								
Ford Territory	16,517	20,000	3,483	0	27,977	20,000	0	(7,977)
Education and welfare								
Nissan Dualis	4,308	12,727	8,419	0	16,143	12,727	0	(3,416)
Community amenities								
Sale of Industrial blocks	55,439	54,545	0	(894)	0	0	0	0
Recreation and culture								
Chevrolet Hearse	23,000	0	0	(23,000)	0	0	0	0
Transport								
Landcruiser	0	1,818	1,818	0	6,289	1,818	0	(4,471)
12M Grader	136,541	115,000	0	(21,541)	298,401	130,000	0	(168,401)
Fuso Canvas Truck	25,535	14,500	0	(11,035)	26,457	20,000	0	(6,457)
Mitsubishi Outlander Wagon	12,634	11,818	0	(816)	22,570	11,818	0	(10,752)
Ford Territory	42,548	27,273	0	(15,275)	46,512	27,273	0	(19,239)
	<u>316,522</u>	<u>257,681</u>	<u>13,720</u>	<u>(72,561)</u>	<u>444,349</u>	<u>223,636</u>	<u>0</u>	<u>(220,713)</u>

**SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

The Shire of Leonora had no borrowings.

(b) New Debentures - 2015/16

The Shire did not take up any new debentures during the year ended 30 June 2016.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2016.

(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 2016

23. RATING INFORMATION - 2015/16 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General rate											
Gross rental value valuations											
GRV	0.0648	595	17,514,198	1,134,920	(2,913)	0	1,132,007	1,134,920	1,586	0	1,136,506
Unimproved value valuations											
UV	0.1420	1,067	27,135,712	3,853,271	(811)	0	3,852,460	3,909,468	(131,776)	0	3,777,692
Sub-Total		1,662	44,649,910	4,988,191	(3,724)	0	4,984,467	5,044,388	(130,190)	0	4,914,198
Minimum payment	Minimum \$										
Gross rental value valuations											
GRV	295	83	113,026	24,485	0	0	24,485	24,485	0	0	24,485
Unimproved value valuations											
UV	295	782	10,766,332	230,690	0	0	230,690	228,035	0	0	228,035
Sub-Total		865	10,879,358	255,175	0	0	255,175	252,520	0	0	252,520
Total amount raised from general rate		2,527	55,529,268	5,243,366	(3,724)	0	5,239,642	5,296,908	(130,190)	0	5,166,718
Totals							<u>5,239,642</u>				<u>5,166,718</u>
							<u>5,239,642</u>				<u>5,166,718</u>

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

24. NET CURRENT ASSETS

Composition of net current assets

	2016 (30 June 2016 Carried Forward) \$	2016 (1 July 2015 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
Surplus/(Deficit) 1 July 15 brought forward	<u>5,279,629</u>	<u>6,991,574</u>	<u>6,991,574</u>
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	2,732,153	1,219,873	1,219,873
Restricted	4,527,171	5,602,515	5,602,515
Receivables			
Rates outstanding	116,915	83,146	83,146
Sundry debtors	194,690	1,352,318	1,352,318
GST receivable	115,424	12,086	12,086
Interest Accrued	3,925	7,565	7,565
Inventories			
Fuel and materials	47,200	30,145	30,145
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(363,244)	(226,420)	(226,420)
Accrued salaries and wages	(51,751)	(34,341)	(34,341)
ATO liabilities	(54,555)	(52,952)	(52,952)
Credit Cards	(12,689)	(7,406)	(7,406)
Provisions			
Provision for annual leave	(124,135)	(114,067)	(114,067)
Provision for long service leave	(47,880)	(69,755)	(69,755)
Unadjusted net current assets	<u>7,083,224</u>	<u>7,802,707</u>	<u>7,802,707</u>
Adjustments			
Less: Reserves - restricted cash	(2,027,361)	(1,029,296)	(1,029,296)
Add: Accrued Salaries and Wages	51,751	34,341	34,341
Add: Provision for Annual Leave	124,135	114,067	114,067
Add: Provision for Long Service Leave	47,880	69,755	69,755
Adjusted net current assets - surplus/(deficit)	<u>5,279,629</u>	<u>6,991,574</u>	<u>6,991,574</u>

Difference

There was no difference between the surplus/(deficit) 1 July 2015 brought forward position used in the 2016 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2015 audited financial report.

**SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

25. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates.

26. SERVICE CHARGES - 2015/16 FINANCIAL YEAR

The Shire did not impose any service charges.

**SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

**27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2015/16 FINANCIAL YEAR**

Rates Discounts

No discount on rates was available.

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount % or \$	Actual \$	Budget \$
Landing Fees	Waivers	100%	2,075	3,000
Housing Rental	Waivers	100%	5,200	5,200
			7,275	8,200

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Landing Fees	The Royal Flying Doctor Service (RFDS) has been granted continuous waiver on landing fees at the Leonora Airport.	To assist the operations and work of the RFDS.	Recognition of valuable community service the RFDS provides to the district.
Housing Rental	Doctor servicing Leonora has a house provided at no extra charge.	To support the retention of a doctor to provide medical services to the Shire of Leonora.	Rent is waived as per agreement with Council.

**SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

28. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Instalment Options				
Option One				
Single full payment	07-Sep-15	0	0.00%	0.00%
Option Two				
First Instalment	N/A	0	0.00%	0.00%
Second Instalment	N/A	0	0.00%	0.00%
Option Three				
First Instalment	07-Sep-15	6	0.00%	0.00%
Second Instalment	06-Nov-15	6	0.00%	0.00%
Third Instalment	07-Jan-16	6	0.00%	0.00%
Fourth Instalment	07-Mar-16	6	0.00%	0.00%

	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	0	0
Interest on instalment plan	0	0
Charges on instalment plan	15,160	9,024
	<u>15,160</u>	<u>9,024</u>

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

29. FEES & CHARGES	2016	2015
	\$	\$
Governance	3,870	0
General purpose funding	88,483	9,330
Law, order, public safety	13,926	8,662
Health	21,486	27,513
Education and welfare	113,625	99,317
Housing	34,747	30,310
Community amenities	282,859	205,235
Recreation and culture	111,371	80,512
Transport	427,910	434,975
Economic services	220,493	178,564
Other property and services	54,102	37,369
	<u>1,372,872</u>	<u>1,111,787</u>

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

30. GRANT REVENUE

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

By Program:	2016	2015
	\$	\$
Operating grants, subsidies and contributions		
General purpose funding	508,175	0
Law, order, public safety	1,008	0
Education and welfare	149,343	0
Recreation and culture	160,441	0
Transport	679,595	590,707
Economic services	334,342	408,550
	<u>1,832,904</u>	<u>999,257</u>
Non-operating grants, subsidies and contributions		
General purpose funding	0	1,820,387
Law, order, public safety	0	4,870
Education and welfare	0	130,021
Recreation and culture	0	179,977
Transport	1,109,087	1,375,126
Economic services	0	116,373
	<u>1,109,087</u>	<u>3,626,754</u>
	<u>2,941,991</u>	<u>4,626,011</u>

31. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

28	28
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32. ELECTED MEMBERS REMUNERATION

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

	2016	2016	2015
	\$	Budget	\$
Meeting Fees	37,616	44,834	30,900
President's allowance	16,466	16,466	17,200
Deputy President's allowance	4,116	4,116	4,300
Travelling expenses	11,017	12,455	9,552
Telecommunications allowance	24,500	24,500	24,500
	<u>93,715</u>	<u>102,371</u>	<u>86,452</u>

33. MAJOR LAND TRANSACTIONS

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

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2015/16 financial year.

**SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

35. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2016	2015	2016	2015
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	7,259,324	6,822,388	7,259,324	6,822,388
Receivables	430,954	1,455,115	430,954	1,455,115
	<u>7,690,278</u>	<u>8,277,503</u>	<u>7,690,278</u>	<u>8,277,503</u>
Financial liabilities				
Payables	482,239	321,119	482,239	321,119
Borrowings	0	0	0	0
	<u>482,239</u>	<u>321,119</u>	<u>482,239</u>	<u>321,119</u>

Fair value is determined as follows:

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

**SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

35. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

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

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

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

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

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

	2016	2015
	\$	\$
Impact of a 10% ⁽¹⁾ movement in price of investments		
- Equity	973,648	819,697
- Statement of Comprehensive Income	973,648	819,697
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	97,365	81,970
- Statement of Comprehensive Income	97,365 ⁽¹⁾	81,970 ⁽¹⁾

Notes:

⁽¹⁾ 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 2016**

35. FINANCIAL RISK MANAGEMENT (Continued)
(b) Receivables

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

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

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

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

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

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

	2016	2015
Percentage of rates and annual charges		
- Current	1%	4%
- Overdue	99%	96%
Percentage of other receivables		
- Current	48%	7%
- Overdue	51%	92%

**SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

35. 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 as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2016</u>					
Payables	482,239	0	0	482,239	482,239
	<u>482,239</u>	<u>0</u>	<u>0</u>	<u>482,239</u>	<u>482,239</u>
<u>2015</u>					
Payables	321,119	0	0	321,119	321,119
	<u>321,119</u>	<u>0</u>	<u>0</u>	<u>321,119</u>	<u>321,119</u>

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

36. PRIOR PERIOD CORRECTIONS

The following adjustments have been made to comparative amounts in the 30 June 2016 Financial Report to bring to account financial activities that were incorrectly stated in 2014/15. Details of this activity is listed below:-

In 2014/15 the Shire revalued it's road infrastructure, utilising the Depreciated Replacement Cost to establish its fair value. Subsequent to the finalisation of the 2015 Annual Financial report the road valuation was examined and errors identified. Road infrastructure which is privately owned and controlled was included within the previous valuation. Unit costs for the construction of unsealed pavements was significantly higher than actual construction costs.

The change in the unit costs and removal of privately owned infrastructure, resulted in an overall reduction in the value of roads asset class of \$17,762,004. This reduction in valuation has been adjusted against the Revaluation surplus for roads.

	Financial Reports 2015 \$	Corrected Comparative 2015 \$	Adjustment \$
STATEMENT OF COMPREHENSIVE INCOME			
<i>By Nature or Type and By Program</i>			
Changes on revaluation of non-current assets	46,652,211	28,857,207	(17,795,004)
Total comprehensive income	48,292,883	30,497,879	(17,795,004)
STATEMENT OF FINANCIAL POSITION			
Infrastructure	74,948,645	57,183,641	(17,765,004)
Revaluation surplus	56,198,661	38,436,657	(17,762,004)
STATEMENT OF CHANGES IN EQUITY			
Revaluation surplus :- Changes on revaluation on non-current assets			
Balance at 30 June 2015	56,198,661	38,436,657	(17,762,004)
NOTE 7 (a) INFRASTRUCTURE			
Roads			
Management valuation 2015 - level 3	68,259,645	50,497,641	(17,762,004)
NOTE 7 (b) Movements in carrying amounts			
Balance at the beginning of the year- roads	68,259,645	50,497,641	(17,762,004)
NOTE 13 REVALUATION SURPLUS			
Roads			
Revaluation increment	56,198,661	38,436,657	(17,762,004)
NOTE 18 TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY			
Transport	98,723,895	80,961,891	(17,762,004)
NOTE 19 FINANCIAL RATIOS			
Asset Consumption Ratio	0.668	0.834	0.166

INDEPENDENT AUDITOR'S REPORT TO 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 2016 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 the Shire of Leonora is in accordance with the underlying records of the Shire, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2016 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 58 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.

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

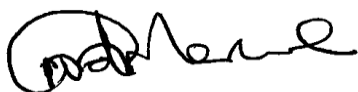
Reporting on Other Legal and Regulatory Requirements

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

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

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

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director
Perth
Date: 11 November 2016

**SHIRE OF LEONORA
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2016**

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

	2016	2015	2014
Asset consumption ratio	0.99	0.83	0.49
Asset renewal funding ratio	1.07	0.39	0.57

The above ratios are calculated as follows:

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

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7.0 NATIONAL COMPETITION POLICY STATEMENT

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

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

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

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

In accordance with the requirements of the National Competition Policy the Shire of Leonora makes the following disclosure for 2014/2015.

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 2015/16 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.

PLAN FOR THE FUTURE STRATEGY / INITIATIVE	2015/16 ACHIEVED / CONTINUING 2016/17	PLANNED / COMMENCING 2016/17
Exhibit the community spirit and showcase sights of the Shire by facilitating events attracting community members and other visitors	Enhance, develop and promote Golden Gift	N/A
Promote less tolerance for lawlessness by facilitating the coordination of relevant Government agencies to tackle crime	Utilise the Leonora Interagency committee to communicate with the relevant Government authorities	N/A
Support community run sporting, recreational and volunteering initiatives through direct financial assistance; the utilisation of Shire facilities	Maintain Community grant scheme annually	N/A
Ensure that there is appropriate infrastructure and facilities to service the health and social needs of the Shire's senior residents	Investigate the feasibility of accommodation for the elderly	N/A
Become the further education and vocational hub for the Northern Goldfields region	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	Sealing works roads just outside the town site to minimise dust	N/A

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PLAN FOR THE FUTURE STRATEGY / INITIATIVE	2015/16 ACHIEVED / CONTINUING 2016/17	PLANNED / COMMENCING 2016/17
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	Identify and release residential and commercial land blocks	N/A

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PLAN FOR THE FUTURE STRATEGY / INITIATIVE	2014/15 ACHIEVED / CONTINUING 2015/16	PLANNED / COMMENCING 2015/16
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 30th June, 2017. This plan resulted from a review of Council's previous plan prior to 8th 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.

Salary Range (\$)	No. of Employees
130,000 – 139,999	3
250,000 – 259,999	1

12.0 OFFICIAL CONDUCT – COMPLAINTS REGISTER

Pursuant to S.5.121 of the Local Government Act 1995, a complaints register has been maintained. As at the 30th June 2016, no complaints were recorded, therefore no action was required to deal with complaints.

11.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY A DECISION OF THE MEETING
11.0 (B) OFFICERS
11.0(B)(i) SOCIAL MEDIA PLAN AND PROCEDURES

SUBMISSION TO: Meeting of Council
Meeting Date: 15th November 2016

AGENDA REFERENCE: 11.0 (B)(i) NOV 16

SUBJECT: Social Media Plan & Procedures

LOCATION / ADDRESS: Leonora

NAME OF APPLICANT: N/A

FILE REFERENCE: 3.6

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: James G Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 7th November 2016

BACKGROUND

Councillors will recall some months ago, advice that the administration had engaged an officer on a casual basis to assist us with implementation of social media platform (Facebook page) for the Shire of Leonora. The goal was to increase optimistic and positive engagement with the community, and to promote the activities on offer, as well to provide a central point or 'electronic noticeboard' for community groups, clubs etc who want to share their events with the wider community. It was discussed that the Shire of Leonora weren't connecting with as many in the community as we could be, and this was seen as an opportunity to improve on that and promote some positive messages, as well as projects and other items being undertaken within the community.

As a social media page carries some risks and is likely to attract some negativity when people are upset, it was decided to concentrate heavily on properly planning for and setting up the social media platform, which would need to be monitored, referred to management for action, and also have some planning in place to reduce the risk of creating negative engagement with the community. Our casual officer has been engaged for approximately eight to twelve hours per week to allow her to monitor, upload and create content for the page. It is intended that community groups can forward details of events or notices to this officer for upload to the page, and for the officer to also engage with Shire departments (such as childcare centre, museum, aquatic centre, administration office, CRC, Info Centre, depot etc) to include some weekly information on what's happening within the community and any information that those departments might like to publicise. As time progresses, it is intended that the responsibility and knowledge of the social media platform will be shared around with other administration staff, who will become familiar with the content management, monitoring and operation on behalf of the Shire. It was considered of vital importance to have some internal control over the page and content prior to it going live, in an effort to ensure the connection with community is there and being communicated amongst the administration.

For approximately two months, this casual officer has been undertaking much research, and liaising with the Deputy CEO on the development of procedures/guidelines for the social media platform/Facebook page. Deputy CEO, Tanya Browning, sent out an email to various LGMA board members asking for advice/assistance regarding social media presence in LG, and the response was very informative and helpful. Some of the information that was considered particularly important to consider included:

- Guidance on promoting page and increasing connections - various policies of other Councils were examined, and ideas/options collated and forwarded for consideration
- Plan to deal with negative posts – information from other Councils were collated for advice/experience from other organisations. One example/option considered in the early stages was to follow the example of Shire of East Pilbara who had a two stage approach to implementing a Facebook page - Stage One commenced immediately following Council adopting the Social Media policy, and focused on developing

an understanding of risks and risk minimisation strategies, establishing guidelines controls etc. and training staff. Stage One focused primarily on one-way communication via Facebook by establishing an official page limited to distribution of formal messages, promotion of events, and the urgent distribution of emergency information. Stage Two implemented when social media was established with risks able to be managed and focus on two way communication via social media to communicate within the community. Stage Two ensured Council staff have the ability to respond to queries within an acceptable time period

- How/When to monitor page – examples from other Councils were also researched on this. There are conflicting opinions regarding engagement and access by the public, however most local governments have a "pinned post" or a description that the page is normally monitored during business hours by Council staff, and that comments will be responded to during these hours. Given the guidance of staff engagement was set at approximately 8-12 hours per week, it was planned for that officer to check Facebook 3-4 times per day (early morning, mid morning, mid afternoon and possibly evenings), estimating 15 minutes per check in to scroll and review. Two to three times per week to upload events/notices (which would take a bit longer and require 2-3 hours per week) and possibly if required moderation and maintenance would require another 2-3 hours per week. These are still just estimates, and until our page is operational more clarity on time requirements will be available.

Given that some local governments have had quite bad experiences from time to time with regard to social media, it was considered most important that all research and recommendations were thoroughly reviewed and approved by the executive team before progressing. It would be negligent to proceed with a social media platform without clear instructions for all staff to follow, and to provide guidance, boundaries and parameters to work within. Understandably, with many other commitments, waiting for responses from executive staff has delayed the social media initiative somewhat, but the attached guideline/procedure has been worth the wait.

The document borrows heavily from the Shire of Leonora Draft Social Media Policy that was previously articulated some time ago by the Manager Community Services position, as after reading various other Councils' policies they follow very similar guidelines. There are also some additional considerations, including:

- A permission to use image form, which has been based on the form used by Shire of Mundaring. It is recommended that when using images of children at community events, these forms be completed prior to uploading images.
- Guidelines that captures Councillors utilising social media platform and parameters to work within. Many other Councils have a similar guideline, and it helps to maintain consistent message and uniformed approach from an organisational point of view.

Text highlighted in red reflect new additions to the existing framework.

Soon, email correspondence will be issued to staff requesting that they forward any relevant Council information (Council meeting dates and locations, upcoming events, tourist information, trading hours for local attractions if not available on website etc.) to build up a calendar of information so that there will be a minimum of two posts per week on the Facebook page. There is also opportunity to connect with the community in Leinster to provide details on community events etc. It is hoped that the Facebook page for the Shire of Leonora will be live within two to three weeks.

STATUTORY ENVIRONMENT

Section 3.1 (2) of the Local Government Act 1995 states that the general function of a local government is to provide for the good governance of persons in the district.

POLICY IMPLICATIONS

Policy framework exists for email and internet usage. There are no further 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

Implementation and utilisation of social media plan and procedures is anticipated to increase community engagement.

RECOMMENDATIONS

That Council note the attached 'Shire of Leonora Social Media Plan – Procedures' document, and the work carried out to date by staff to establish a social media profile for the Shire of Leonora.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Moved Cr LR Petersen, Seconded Cr GW Baker that Council note the attached 'Shire of Leonora Social Media Plan – Procedures' document, and the work carried out to date by staff to establish a social media profile for the Shire of Leonora.

CARRIED (6 VOTES TO 0)

Shire of Leonora Social Media Plan – Procedures

Overview

The following procedures are to provide a clear guideline for staff with regards to how to set up a Facebook page for the Shire of Leonora and how to moderate and monitor content posted on Social Media. These procedures follow the same guidelines in place with the Shire of Leonora Social Media Policy.

1. Professional Use of Social Media

Becoming authorised to comment

- Before engaging in social media as a representative of the Shire of Leonora, you must become **authorised** to comment (see appendix 1)
- You may not comment as a representative of the Shire unless you are **authorised** to do so.
- To become **authorised** to comment in an official capacity, you have to have gained approval from the Chief Executive Officer or the Deputy Chief Executive Officer.

Engaging in social media on behalf of the Shire of Leonora

Once authorised to comment as a Shire representative, you must:

- Comment only on or through approved Shire of Leonora sites or pages.
- Disclose and comment only on information classified as public domain information.
- Ensure that all content published is accurate and not misleading and complies with all relevant Shire policies.
- Ensure you are not the first to make an announcement (unless specifically given authorisation to do so by the Chief Executive Officer).
- Comment only within your area of expertise and authority.
- Ensure comments are respectful of the community in which you are interacting online.
- **Ensure verbal/written permissions are granted for publishing of photographs of minors at events etc. Most grant funding/hire/function agreements should include permission to use photographs of events (See Appendix 2 – Permission to use Photograph).**

If you are authorised to comment as a Shire representative, you must not:

- Post or respond to material that is offensive, obscene, defamatory, threatening, harassing, bullying, discriminatory, hateful, racist, sexist, infringes copyright, constitutes a contempt of court, breaches a court suppression order, or is otherwise unlawful.

- Use or disclose any confidential or secure information.
- Make any comment or post any material that might otherwise cause damage to the Shires reputation or bring the Shire into disrepute.

Setting up a Facebook page:

Two stage approach – these procedures propose a two stage approach for the use of social media by the Shire of Leonora.

Stage One – will focus primarily on one way communication through the establishment of a Facebook page and will be limited to broadcasting and distributing information regarding promoting local events, community activities, formal Council messages and emergency information (usually weather/natural event or threat).

Stage One will allow for organisational guidelines and controls to be established to help understand and minimise the risks that may be associated with using social media and to train staff in the correct usage of social media.

Stage Two – when social media is implemented organisationally, and with risks able to be managed/mitigated, Stage Two can be implemented and can focus on two way usage of social media (Twitter, facebook etc.) as a communication tool with the community. Council will need to ensure it has adequate resources to be able to properly implement, monitor and maintain two way usage of social media.

Moderation of Shire produced social media

- The site owner must ensure a moderation policy is clear when inviting comments from the public on the Shires social media platform (*see Appendix 3 – “pinned post”*)
- Information and links relating to community groups, community events, and public services announcements are acceptable postings.
- Postings and links placed on the Shires website or social media platform that are, or can be interpreted as, offensive, slanderous, defamatory or untrue will be removed. **Serial offenders may be banned from the Shire of Leonora’s social media page.**

- Postings and links placed on the Shires website or social media platform that are blatantly commercial in nature will be removed.
- Whilst the Shire welcomes comments, feedback and suggestions through its social media platform, these are not treated as official complaints or submissions. The comments are forwarded to appropriate officers for information and response if required.
- If action is taken, or a response required, it must be recorded as an image and registered in the Shires record keeping system.

Monitoring of content produced by others

- The Shire will regularly monitor content posted on the Shire of Leonora social media sites, and content posted by other on other sites about the Shire.
- The Shire will not necessarily respond to every comment and post, but will replace error with fact, not argument, in due course.
- If staff see incorrect information on a social media site about the Shire, or incidences of misrepresentation of the Shire, advise the person handling the social media accounts at the time. They will determine whether it is appropriate for the Shire to respond. Do not get involved in argument.

Maintaining a corporate record of social media

- To ensure an accurate record of social media interactions is kept by the Shire, in accordance with the Record Keeping Policy, automatic email notifications of all postings on Shire of Leonora social media platforms are kept and registered in the record keeping system.
- Screen prints of other relevant comments or postings on other platforms and pages must also be taken and registered in the record keeping system.
- If staff are unsure of the relevance of what they are posting, they must record it and register it in the record keeping system until a determination on the relevance is made.

2 – Personal use of social media – Staff & Councillors

Councillor Overview

Councillors are not permitted to establish official social media tools for communications with the community. Councillors are authorised to establish and maintain personal social media profiles such as Facebook, LinkedIn, Twitter, You Tube etc. however, Councillors must not use the title of

“Councillor” on any social and digital media tools (Facebook, You Tube, Twitter, LinkedIn etc.) established for their personal and private use.

Councillors should not make comments about the Shire of Leonora, its elected representatives, staff or its partners and stakeholders on their personal and social media tools.

Staff Overview

The Shire of Leonora recognises that staff may wish to use social media in their personal life. This policy does not intend to discourage nor unduly limit personal expression or online activities of staff. However, staff should recognise the potential for damage to be caused (either directly or indirectly) to the Shire in certain circumstances via their personal use of social media, when they can be identified as a Shire employee. Accordingly, you should comply with this policy to ensure that the risk of such damage is minimised. You are personally responsible for the content you publish in a personal capacity on any form of social media platform. When in doubt, you should seek guidance from the CEO or deputy CEO on how to comply with the following obligations.

Where your comments or profile can identify you as an employee of the Shire, you must:

- Only disclose and discuss publicly available information.
- Ensure that all content published is accurate and not misleading and complies with all relevant Shire policies.
- Expressly state on all postings (identifying you as a Shire employee) the stated views are your own and are not those of the Shire of Leonora.
- Be polite and respectful to all people you interact with.
- Abide by the Shires code of conduct at all times.

You must not:

- Post material that is offensive, obscene, defamatory, threatening, harassing, bullying, discriminatory, hateful, racist, sexist, infringes copyright, constitutes a contempt of court, breaches a court suppression order, or is otherwise unlawful.
- Imply that you are authorised to speak as a representative of the Shire, nor give the impression that the views you express are those of the Shire of Leonora.
- Use your Shire email address or any Shire logos or insignia.

- Use the identity or likeness of another employee, contractor or other member of the Shire, and
- Use or disclose any confidential or personal information obtained in your capacity as an employee/contractor of the Shire
- Imply you are authorised to speak on behalf of the Shire, or give the impression that any views you express are those of the Shire of Leonora.
- Post material that is, or might be construed as, threatening, harassing, bullying or discriminatory towards another employee.
- Make any comment or post any material that might otherwise cause damage to the Shire's reputation or bring it into disrepute, as outlined in the Shire code of conduct.

Tone

- Use a light and friendly tone when posting or addressing comments/questions.

Content

- Posts should be interesting and relevant
- Avoid large blocks of text. Try to break text down into smaller sections, people are more likely to engage this way.
- Remember the limits of your authority when posting and replying to comments/questions.
- Always respond to posts, comments and questions. If things are left unanswered people will lose interest in the page.

Reasonable/unreasonable personal use

When accessing social media via the Shire's internet, and intranet systems, you must do so in accordance with the Shire's *Internet and Email Usage Policy*, which requires you to use these resources "reasonably", in a manner that does not interfere with your work, and is not inappropriate or excessively accessed.

Examples of reasonable use include:

- Updating Facebook status and posting messages during a lunch break.

It is not considered to be reasonable or acceptable to spend hours using social media that is not related to your work.

Reference checking

The Shire of Leonora reserves the right to perform online reference checking to ensure that potential employees are suitable for employment with the Shire of Leonora, and would have not engaged in behaviour that could be deemed as detrimental to the Shire.

Misconduct

Any indication that social media has been used by an employee of the Shire against a colleague or the Shire as employer, may lead to disciplinary action against the employee in accordance with other relevant policies and the Shires Code of Conduct.

Guidance for navigating legal issues

The following is offered as general guidance to assist you in complying with the obligations set out in this policy. When in doubt, seek further guidance from the Shire.

Defamation

- You should refrain from publishing material that may cause injury to another person, organisation, association or company's reputation, and should seek further guidance if publication of such material is thought to be necessary.

Offensive or obscene material

- Material may be offensive or obscene and may infringe relevant online classification laws if pornographic, sexually suggestive, harassing, hateful, racist, sexist, abusive or discriminatory.

Contempt of court

- You should exercise care if referring to pending court proceedings to avoid publishing material that may have a tendency to prejudice those proceedings, in particular, material that will not be part of the evidence in those proceedings
- You should make enquiries as to any applicable court suppression order prior to commenting on any court proceeding (whether past or pending)

Compliance

Depending on the circumstances, non-compliance with this policy may constitute a breach of employment or contractual obligations, misconduct (under the Shire's Code of Conduct), sexual harassment, discrimination, or some other contravention of the law.

Those who fail to comply with this policy may face disciplinary action and, in serious cases, termination of their employment or engagement.

Identifying inappropriate use

If you notice inappropriate or unlawful content online relating to the Shire of Leonora, or content that may otherwise have been published in breach of this policy, you should report the circumstances via email to the Deputy CEO at dceo@leonora.wa.gov.au.

Review process

In order to gauge the success of the Shire's social media platforms we will monitor the following:

- Likes
- Reviews
- Page visits

Authorised Contributor Application/Agreement

Department: _____

Manager/Supervisor: _____

Contributor (Person posting on Facebook etc):

New or Existing Tool: **New / Existing** **(please circle)**

Existing Tool (Name): _____

New Tool (Describe): _____

Agreed Use: **FACEBOOK**

Individual Update Frequency: _____

Online disclaimer frequency:

By signing below I acknowledge the protocol outlined in the Social Media Policy and confirm that I understand my requirements and restraints when engaging in social media, particularly:

- I will not be permitted to engage in two-way communication (responding to questions via social media during Stage One).
- I will ensure that I only post comments if they are deemed acceptable as per the Social Media Policy and Guidelines.
- I will only comment on a topic with which I have been approved.
- I will regularly inform readers of our online policy, encouraging them to contact us via telephone/email/website.
- I will provide regular and constant stream of updates as agreed to above.
- My updates will be in the form of a statement and will not encourage a direct response via Social Media.
- Where possible, I will forward readers to the Shire of Leonora website www.leonora.wa.gov.au
- I will perform necessary record keeping where required.
- I acknowledge that my access to social media may be retracted if:
 - I do not follow these protocols correctly
 - The use of social media is not proving productive

Contributor signature

CEO signature

Permission to Use Photograph

Permission to Use Photograph

Subject: _____

Location: _____

I grant to the Shire of Leonora and its representatives and employees the right to take photographs of myself in connection with the above-identified subject. I also authorize the Shire of Leonora, its assigns and transferees to copyright, use and publish the same in print and/or electronically.

I agree that the Shire of Leonora may use such photographs with or without identifying names for any lawful purpose, including for example such purposes as publicity, illustration, advertising, and Web content.

I have read and understand the above:

Signature _____

Printed name _____

Address _____

Date _____

Signature, parent or guardian _____
(if under age 18)

Moderation Policy when inviting comments via Social Media Platform

Welcome to the Shire of Leonora's official Facebook page! This page is designed to provide you with news and information regarding Shire activities.

We encourage all members of the community to engage with us on all official social networks, however should you require a formal response please visit, call, write to or email the Shire directly.

Your posts are welcome at any time; however reviewing, moderating and replying to posts will generally occur during our regular business hours of Monday-Friday, 8:30am-4:30 pm.

Please note that content shared on any Shire of Leonora social network reflects the views of the author and does not necessarily reflect the official views of the Shire of Leonora. The Shire reserves the right to moderate and remove posts that are not in keeping with the Shire of Leonora's Social Media Policy.

Please be respectful and note that any inappropriate or offensive content will be removed from the page.

12.0 NEXT MEETING

Tuesday 20th December, 2016 at 9:30am in the Leonora Shire Council Chambers.

13.0 CLOSURE OF MEETING

There being no further business, presiding member Cr PJ Craig closed the meeting at 12:48pm.