

SHIRE OF LEONORA

NOTICE OF AN ORDINARY COUNCIL MEETING



**MINUTES OF ORDINARY MEETING HELD
IN SHIRE CHAMBERS, LEONORA
ON TUESDAY 17TH OCTOBER, 2017
COMMENCING AT 9:33 AM**

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

1.1 President Cr Peter Craig declared the meeting open at 9:33 am

1.3 Visitors or members of the public in attendance
Mr David Mustard (Public Observer, Candidate for 2017 election)

1.4 Financial Interests Disclosure
Nil

2.0 DISCLAIMER NOTICE

3.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

3.1 Present	
President	PJ Craig
Deputy President	RA Norrie
Councillors	RM Cotterill
	AE Taylor
	LR Petersen
Chief Executive Officer	JG Epis
Deputy Chief Executive Officer	TM Browning
EHO/Building Surveyor	D Hadden (from 10:08 am – 10:36am)
Visitor	D Mustard (Public Observer, Candidate for 2017 Election)

3.2 Apologies
Nil

3.3 Leave Of Absence (Previously Approved)
Nil

4.0 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

5.0 PUBLIC QUESTION TIME

Nil

6.0 APPLICATIONS FOR LEAVE OF ABSENCE

Cr LR Petersen, who has nominated for re-election at 2017 Local Government elections, applied for a leave of absence from the Ordinary Meeting of Council to be held 21st November, 2017 (should she be re-elected to Council).

Moved Cr RA Norrie, Seconded Cr AE Taylor that Cr LR Petersen be granted a leave of absence from the Ordinary Meeting of Council to be held 21st November, 2017, subject to her being re-elected to Council.

CARRIED (5 VOTES TO 0)

7.0 PETITIONS / DEPUTATIONS / PRESENTATIONS

Nil

8.0 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETINGS

Moved Cr RM Cotterill, Seconded Cr RA Norrie that the Minutes of the Ordinary Meeting held on 19th September, 2017 be confirmed as a true and accurate record.

CARRIED (5 VOTES TO 0)

9.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Cr PJ Craig made the following announcements:

- Senate hearing in Kalgoorlie on 12/10/2017. CEO attended along with Deputy President (President unable to attend). There was limited time to present arguments, and it was difficult to properly convey the views of the communities represented.

10.0 REPORTS OF OFFICERS
10.1 CHIEF EXECUTIVE OFFICER
10.1(A) COMMUNITY GRANTS

SUBMISSION TO: Meeting of Council
Meeting Date: 17th October, 2017

AGENDA REFERENCE: 10.1 (A) OCT 17

SUBJECT: Community Grants

LOCATION / ADDRESS: Leonora

NAME OF APPLICANT: N/A

FILE REFERENCE: Grants Leonora/Leinster 11.16

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: James Gregory Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 3rd October, 2017

BACKGROUND

In the past the Shire of Leonora has made an annual financial contribution of \$40,000.00 directly to community and sporting organisations at both Leinster and Leonora. The following flyer was distributed within both the Leonora and Leinster Communities during July-September 2017.

GRANT: Assisting your Community

PROVIDER: Shire of Leonora

CLOSES: 28th September, 2017

FUNDING POOL: \$80,000.00 (for both communities)

FUNDING ALLOCATION: Maximum \$10,000 – Minimum \$500.00

PURPOSE: To provide the additional resources often needed by community groups to develop their own projects and find their own ways of getting people to work together for the common goal of promoting and benefiting the whole community.

ACTIVITIES SUPPORTED:

- Development Projects
 - Talent identification and development.
 - Developing sport and recreation within the community.
 - Creating school – community links.
 - Skill development clinics.
 - Coaches/officials course
- Participation Projects
 - Outdoor and indoor recreation
 - Community participation
 - Annual events at local level
 - Introduction of new competitions
- Community Service Groups

WHO CAN APPLY:

To be eligible for funding, organisations must be:

- Not for profit
- Incorporated
- Community based

Community organisations which are not incorporated should approach an incorporated community based organisation to auspice the project.

Since the 1st July, 2006 the following organisations/clubs at Leinster have been allocated \$520,000.00, details below.

Leinster Race Club	\$ 87,329.00
Leinster Golf Club	\$ 76,221.00
Leinster Community Library	\$ 65,550.00
Leinster Community Day Care	\$ 46,435.00
Leinster Sports Recreation Association	\$ 39,971.00
Leinster Community Resource Centre	\$ 37,185.00
Leinster Drive-In	\$ 33,481.00
Leinster St John Ambulance	\$ 29,500.00
Leinster Residents Association	\$ 25,000.00
Leinster Craft Group	\$ 18,000.00
Leinster Play Group	\$ 16,950.00
Leinster P & C Association	\$ 9,023.00
Leinster Charity Ball	\$ 6,000.00
Leinster Junior Football	\$ 5,500.00
Leinster Toy Library	\$ 5,000.00
Leinster Blue Light	\$ 5,000.00
Northern Goldfields Sport	\$ 4,000.00
Leinster Community Ball	\$ 3,000.00
Leinster Swimming Club	\$ 2,500.00
Leinster Kindergym	\$ 2,355.00
Laverton Sports Club	\$ 2,000.00
TOTAL	<u>\$520,000.00</u>

Since the 1st July, 2006 the following organisations/clubs at Leonora have been allocated \$480,000.00, details below.

Leonora Clay Target Club	\$ 52,271.00
Leonora Bush Mission	\$ 41,000.00
Walkatjorra Cultural Centre	\$ 38,250.00
Leonora Race Club	\$ 35,992.00
Leonora St John Ambulance	\$ 34,300.00
Leonora Rifle Club	\$ 25,597.00
Leonora Child Care Centre	\$ 21,105.00
Leonora RSL Club	\$ 20,828.45
Leonora Information Centre/Library	\$ 20,398.00
Leonora Community Resource Centre	\$ 19,674.00
Leonora Golf Club	\$ 18,000.00
Leonora Aquatic Centre	\$ 17,905.00
Leonora Auskick	\$ 17,840.00
Leonora Recreation Centre	\$ 11,307.00
Gwalia Reference Group	\$ 10,605.00
Tjupan Ngalia Tribal Land Council	\$ 10,100.00
Marlarthunda Aboriginal Corporation	\$ 10,000.00
Leonora Bowls Club	\$ 9,902.00
Leonora Milo IN2 Program	\$ 7,025.00
Leonora Motocross	\$ 6,500.00
Leonora Junior Football	\$ 6,500.00
Leonora P&C Association	\$ 5,500.00
Leonora Community Xmas Group	\$ 5,000.00
Leonora Youth Services	\$ 5,000.00
Leonora Police Rangers	\$ 5,000.00

Leonora Health Service	\$ 4,532.55
Leonora District High School	\$ 4,000.00
Leonora Junior Tennis	\$ 4,000.00
Leonora Drug Action Group	\$ 3,268.00
Leinster Senior Football (Kambalda)	\$ 3,000.00
Tower Street Times	\$ 2,600.00
Aboriginal Football Training Squad	\$ 2,000.00
Leonora Playgroup	\$ 1,000.00
TOTAL	\$480,000.00

When applications for funding closed on the 28th September, 2017 the following community groups and sporting organisations had expressed an interest in the available funding.

LEINSTER

Leinster's 40 th Anniversary Celebration	\$ 10,000.00
Leinster Residents Association	\$ 10,000.00
Leinster Play Group	\$ 6,000.00
Leinster Golf Club	\$ 5,000.00
Leinster Race Club	\$ 5,000.00
Leinster Arts and Craft Group	\$ 4,000.00
TOTAL	\$ 40,000.00

LEONORA

Murlpirrmarra Connection	\$ 10,000.00
Leonora Observatory	\$ 10,000.00
Leonora Nyunnga-gu Women's Group	\$ 9,000.00
Leonora Basketball (Regional Competition)	\$ 9,000.00
Leonora Community Guitar Lessons	\$ 8,000.00
Leonora Walkatjorra Cultural Centre	\$ 6,000.00
Leonora Bush Mission	\$ 5,400.00
Leonora Walkatjorra Cultural Centre	\$ 4,850.00
Leonora Information Centre Library	\$ 3,000.00
Leonora Senior Football (Kambalda)	\$ 3,000.00
Leonora Basketball (Local)	\$ 2,520.00
Leonora Race Club	\$ 2,380.00
Leonora Auskick	\$ 2,000.00
Leonora WA Country Health Service	\$ 1,450.00
Leonora Junior Tennis	\$ 1,000.00
TOTAL	\$ 77,600.00

Unfortunately for Leonora, the total amount sought exceeds the funding pool by \$37,600.00. Even though all projects above would be of great benefit to the Leonora Community, not all projects can be funded.

Those funding submissions not to meet with success include:

- Murlpirrmarra Connection \$10,000.00
- Leonora Observatory \$10,000.00
- Leonora Basketball (Regional Competition) \$ 9,000.00

Those funding submissions approved but with limited success include:

- Leonora Community Guitar Lessons from \$8,000.00 to \$3,000.00
- Leonora Nyunnga-gu Women's Group from \$9,000.00 to \$5,400.00

I can only offer the support and assistance of the Shire of Leonora in sourcing funds elsewhere for those projects not funded or partly funded.

STATUTORY ENVIRONMENT

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

POLICY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

An amount of \$80,000.00 is contained within the current budget for expenditure as detailed.

STRATEGIC IMPLICATIONS

To provide the additional resources often needed by community groups and sporting organisations to develop their own projects and to find ways of getting people to work together for the common goal of promoting and benefiting the whole community.

RECOMMENDATIONS

That Council approve the allocation of funding to the following sporting groups/organisations:

LEINSTER

Leinster's 40 th Anniversary Celebration	\$ 10,000.00
Leinster Residents Association	\$ 10,000.00
Leinster Play Group	\$ 6,000.00
Leinster Race Club	\$ 5,000.00
Leinster Golf Club	\$ 5,000.00
Leinster Arts and Craft Group	\$ 4,000.00
TOTAL	<u>\$ 40,000.00</u>

LEONORA

Leonora Walkatjurra Cultural Centre	\$ 6,000.00
Leonora Bush Mission	\$ 5,400.00
Leonora Nyunnga-gu Women's Group	\$ 5,400.00
Leonora Walkatjurra Cultural Centre	\$ 4,850.00
Leonora Information Centre Library	\$ 3,000.00
Leonora Community Guitar Lessons	\$ 3,000.00
Leonora Senior Football (Kambalda)	\$ 3,000.00
Leonora Basketball (Local)	\$ 2,520.00
Leonora Race Club	\$ 2,380.00
Leonora Auskick	\$ 2,000.00
Leonora WA Country Health Service	\$ 1,450.00
Leonora Junior Tennis	\$ 1,000.00
TOTAL	<u>\$ 40,000.00</u>

VOTING REQUIREMENT

Simple majority required.

COUNCIL DECISION

Moved Cr LR Petersen, Seconded Cr RA Norrie that Council approve the allocation of funding to the following sporting groups/organisations:

LEINSTER

Leinster's 40 th Anniversary Celebration	\$ 10,000.00
Leinster Residents Association	\$ 10,000.00
Leinster Play Group	\$ 6,000.00
Leinster Race Club	\$ 5,000.00
Leinster Golf Club	\$ 5,000.00
Leinster Arts and Craft Group	\$ 4,000.00
TOTAL	<u>\$ 40,000.00</u>

LEONORA

Leonora Walkatjurra Cultural Centre	\$ 6,000.00
Leonora Bush Mission	\$ 5,400.00
Leonora Nyunnga-gu Women's Group	\$ 5,400.00
Leonora Walkatjurra Cultural Centre	\$ 4,850.00
Leonora Information Centre Library	\$ 3,000.00
Leonora Community Guitar Lessons	\$ 3,000.00
Leonora Senior Football (Kambalda)	\$ 3,000.00
Leonora Basketball (Local)	\$ 2,520.00
Leonora Race Club	\$ 2,380.00
Leonora Auskick	\$ 2,000.00
Leonora WA Country Health Service	\$ 1,450.00
Leonora Junior Tennis	\$ 1,000.00
TOTAL	<u>\$ 40,000.00</u>

CARRIED (5 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: 17th October, 2017

AGENDA REFERENCE: 10.2 (A) OCT 17

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: 10th October, 2017

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 – 30th September, 2017
- (b) Compilation Report
- (c) Material Variances – 30th September, 2017

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 30th September, 2017 consisting of:

- (a) Statement of Financial Activity –30th September, 2017
- (b) Compilation Report
- (c) Material Variances –30th September, 2017

be accepted.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Moved Cr AE Taylor, Seconded Cr RA Norrie that the Monthly Financial Statements for the month ended 30th September, 2017 consisting of:

- (a) Statement of Financial Activity –30th September, 2017
- (b) Compilation Report
- (c) Material Variances –30th September, 2017

be accepted.

CARRIED (5 VOTES TO 0)

Level 15 Exchange Tower
2 The Esplanade
Perth, WA 6000

PO Box 5785
St Georges Terrace, WA 6831

T +61 (0)8 9225 5355

www.moorestephenswa.com.au

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 30 September 2017. 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

5 October 2017

Shire of Leonora Management Information Report

Period Ending
30 September 2017

Topic	Item	Explanation	Actions	Priority
Allocations	Under/overallocations	The Plant Operation costs are underallocated by \$38,480.95 and the Public Works Overheads are underallocated by \$56,238.02.	We recommend the overhead allocations be reviewed and adjusted where appropriate.	Medium
Funding Surplus		At the time of preparing the attached Statement of Financial Activity, the Annual Financial Report for 30 June 2017 has not been finalised, therefore the closing surplus may change from the current \$3,254,094 due to potential year end and audit adjustments		Low

Approval:  Paul Breman, Director

Date of Issue: 5 October 2017

**SHIRE OF LEONORA
MONTHLY FINANCIAL REPORT
For the Period Ended 30 September 2017**

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 30 September 2017

	Note	Adopted Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)- (a)/(a)	Var.
Operating Revenues		\$	\$	\$	\$	%	
Governance		4,480	1,474	699	(775)	(53%)	
General Purpose Funding - Rates		5,488,040	5,488,040	5,588,356	100,316	2%	▲
General Purpose Funding - Other		676,406	208,432	156,925	(51,507)	(25%)	▼
Law, Order, Public Safety		9,615	5,743	283	(5,460)	(95%)	
Health		30,718	9,190	11,493	2,303	25%	
Education and Welfare		228,415	57,104	91,173	34,069	60%	▲
Housing		38,750	9,696	7,132	(2,564)	(26%)	
Community amenities		312,565	204,065	236,280	32,215	16%	▲
Recreation and Culture		176,812	44,693	48,737	4,044	9%	
Transport		578,069	253,204	286,868	33,664	13%	▲
Economic Services		606,575	99,138	81,468	(17,670)	(18%)	▼
Other Property and Services		134,090	67,057	65,396	(1,661)	(2%)	
Total Operating Revenue		8,284,535	6,447,836	6,574,810	126,974		
Operating Expense							
Governance		(631,755)	(177,448)	(122,244)	55,204	31%	▼
General Purpose Funding		(397,655)	(111,268)	(94,868)	16,400	15%	▼
Law, Order, Public Safety		(163,766)	(42,920)	(47,319)	(4,399)	(10%)	
Health		(631,547)	(181,512)	(189,340)	(7,828)	(4%)	
Education and Welfare		(643,201)	(170,368)	(148,439)	21,929	13%	▼
Housing		0	(99)	0	99	100%	
Community Amenities		(429,840)	(119,714)	(36,978)	82,736	69%	▼
Recreation and Culture		(1,198,405)	(295,530)	(256,548)	38,982	13%	▼
Transport		(3,044,039)	(778,271)	(848,588)	(70,317)	(9%)	▲
Economic Services		(1,949,802)	(497,826)	(334,844)	162,982	33%	▼
Other Property and Services		(30,600)	(245,353)	(108,279)	137,074	56%	▼
Total Operating Expenditure		(9,120,610)	(2,620,309)	(2,187,447)	432,862		
Funding Balance Adjustments							
Add back Depreciation		1,209,703	302,422	393,803	91,381	30%	▼
Adjust (Profit)/Loss on Disposal		140,552	0	0	0		
Adjust Provisions and Accruals		0	0	(94,834)	(94,834)		▲
Net Cash from Operations		514,180	4,129,949	4,686,332	556,383		
Capital Revenues							
Grants, Subsidies and Contributions	10	4,514,131	808,353	453,000	(355,353)	(44%)	▼
Proceeds from Disposal of Assets	3	198,181	0	0	0		
Total Capital Revenues		4,712,312	808,353	453,000	(355,353)		
Capital Expenses							
Land and Buildings	3	(1,995,970)	(1,052,200)	(38,222)	1,013,978	96%	▼
Infrastructure - Roads	3	(4,020,531)	(608,750)	(647,172)	(38,422)	(6%)	▲
Infrastructure - Other	3	(1,558,745)	(394,545)	(393,449)	1,096	0%	
Plant and Equipment	3	(615,612)	(587,093)	0	587,093	100%	▼
Total Capital Expenditure		(8,190,858)	(2,642,588)	(1,078,843)	1,563,745		
Net Cash from Capital Activities		(3,478,546)	(1,834,235)	(625,843)	1,208,392		
Financing							
Transfer from Reserves	7	450,000	0	0	0		
Transfer to Reserves	7	(739,728)	(3,182)	(3,249)	(67)	2%	
Net Cash from Financing Activities		(289,728)	(3,182)	(3,249)	(67)		
Net Operations, Capital Financing		(3,254,094)	2,292,532	4,057,240	1,764,707		
Opening Funding Surplus(Deficit)	2	3,254,094	3,254,094	3,200,634			
Closing Funding Surplus(Deficit)	2	0	5,546,626	7,257,874			

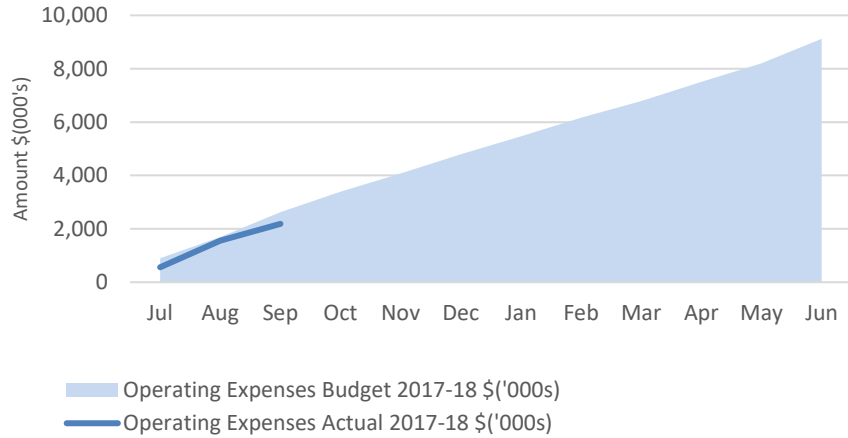
▲▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

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

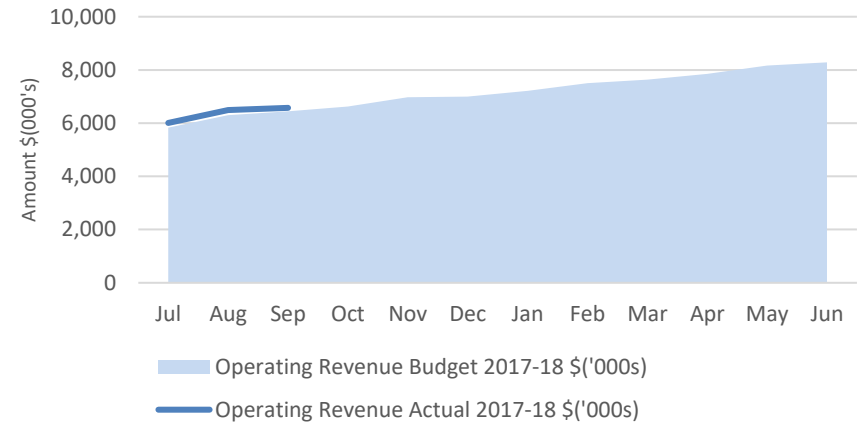
This statement is to be read in conjunction with the accompanying financial statements and notes.

**SHIRE OF LEONORA
SUMMARY GRAPHS - FINANCIAL ACTIVITY
For the Period Ended 30 September 2017**

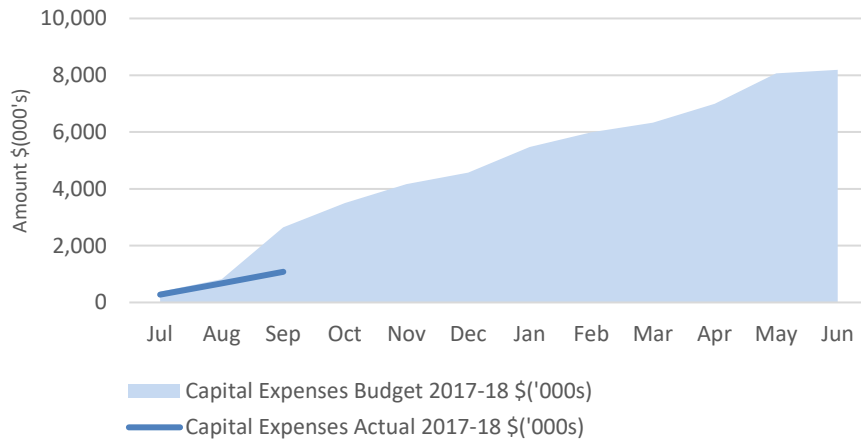
Operating Expenses



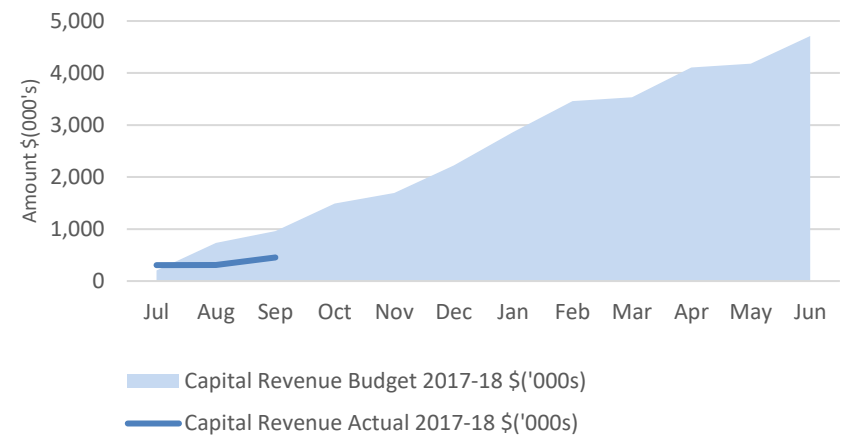
Operating Revenue



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 30 September 2017

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

NOTES TO THE STATEMENT OF FINANCIAL POSITION For the Period Ended 30 September 2017

For the period ended 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

NOTES TO THE STATEMENT OF FINANCIAL POSITION

For the Period Ended 30 September 2017

For the period ended
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

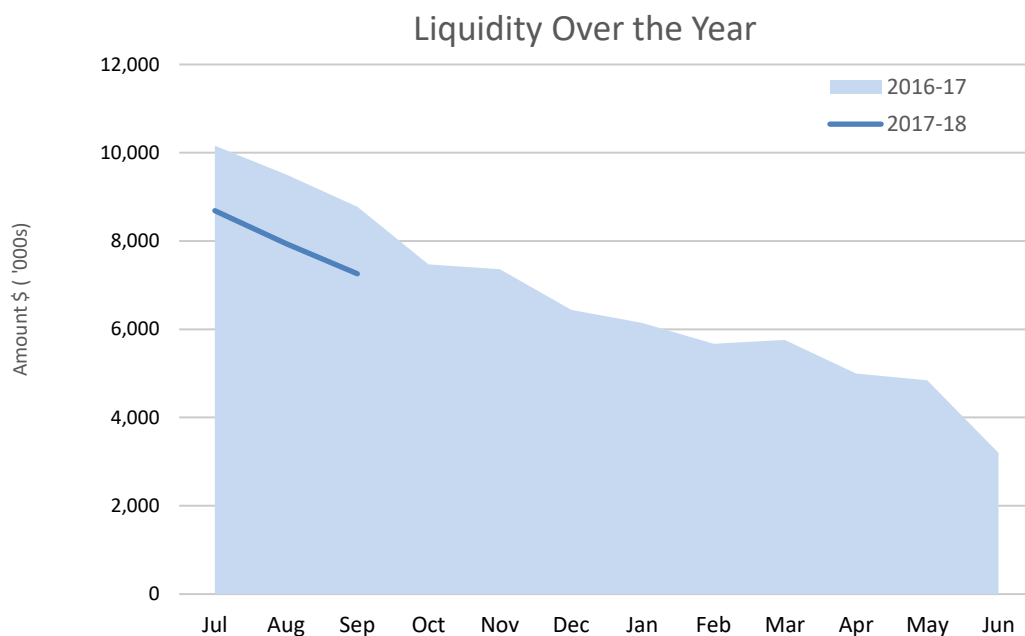
Private works operation, plant repair and operation costs and engineering operation costs.

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

NOTE 2. NET CURRENT ASSETS

Net Current Assets	Note	30 June 2017	YTD 30 Sep 2016	YTD 30 Sep 2017
		\$	\$	\$
Current Assets				
Cash Municipal	4	2,759,947	6,276,276	6,127,990
Cash Reserves	4	2,411,600	2,031,257	2,414,849
Restricted Municipal Cash Investments	4	0	1,316,328	0
Receivables - Rates	5	116,411	1,110,299	1,090,830
Receivables - Other	5	989,678	434,874	186,756
Inventories		40,848	37,198	22,088
		6,318,484	11,206,232	9,842,513
Less: Current Liabilities				
Payables	6	(706,250)	(397,419)	(169,790)
Provisions		(262,533)	(172,015)	(167,699)
Less: Cash Reserves	7	(2,411,600)	(2,031,257)	(2,414,849)
Add: Leave provisions already funded		167,699	172,015	167,699
Add: Accrued Salaries		94,834		0
Net Current Funding Position		3,200,634	8,777,556	7,257,874

Positive=Surplus (Negative=Deficit)

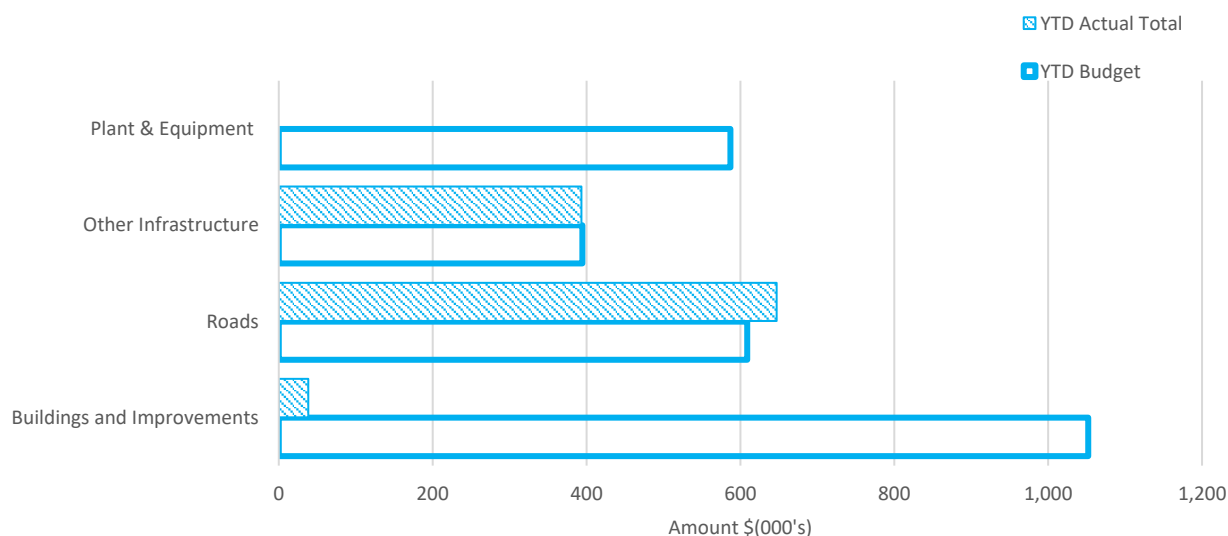


SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

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		1,889	36,333	1,995,970	1,052,200	38,222	(943,770)
Roads		6,750	640,422	4,020,531	608,750	647,172	(3,411,781)
Other Infrastructure		6,814	386,635	1,558,745	394,545	393,449	(1,164,200)
Plant & Equipment		0	0	615,612	587,093	0	(28,519)
Capital Expenditure Totals		15,453	1,063,390	8,190,858	2,642,588	1,078,843	(5,548,270)
Capital Acquisitions Funded By							
Capital Grants and Contributions				4,514,131	808,353	453,000	(3,705,778)
Other (Disposals & C/Fwd)				198,181	0	0	(198,181)
Council Contribution - Operations				3,478,546	1,834,235	625,843	(1,644,311)
Capital Funding Total				8,190,858	2,642,588	1,078,843	(5,548,270)

Capital Expenditure Program YTD



SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

NOTE 3. CAPITAL ACQUISITIONS

			Adopted Annual Budget	YTD Budget	YTD Actual	Variance (Under)/ Over
Capital Acquisitions			\$	\$	\$	\$
Building and Improvements						
E840001	Land Trans Aged Care Facility	New	205,000	205,000	0	(205,000)
E820018	Aged Care Facility - SIHI	New	195,000	195,000	0	(195,000)
E082001	Lot 1142 Walton South	Renewal	27,320	0	0	(27,320)
E082002	Lot 240 Hoover St Renewal	Renewal	43,328	0	0	(43,328)
E082003	Lot 137A Hoover South	Renewal	6,846	0	0	(6,846)
E082004	Lot 137B Hoover North	Renewal	9,906	0	0	(9,906)
E082005	Lot 229 Hoover St Renewal	Renewal	5,700	0	0	(5,700)
E082006	Lot 250 Queen Vic St	Renewal	29,500	0	0	(29,500)
E820007	Lot 294 Queen Vic St	Renewal	26,070	0	2,127	(23,943)
E820019	Relocate / Renew Gym	Renewal	20,000	0	0	(20,000)
E820020	Skate Park Fencing	New	40,000	0	1,889	(38,111)
E820020	Works Depot Workshop Renewal	Renewal	50,000	20,000	0	(50,000)
E820013	School Masters House	Renewal	150,000	150,000	0	(150,000)
E820011	Chisholms House Renewal	Renewal	225,800	225,800	0	(225,800)
E820010	Hoover house Renewal	Renewal	256,400	256,400	0	(256,400)
E820008	Murrin Murrin Lockup Renewal	Renewal	20,600	0	32,201	11,601
E820009	Balletich's Place Renewal	Renewal	34,500	0	0	(34,500)
E820012	Art's Place Place Renewal	Renewal	101,400	0	0	(101,400)
E820014	Edna Wilcox's House	Renewal	100,000	0	0	(100,000)
E820015	Mazza's Store	Renewal	250,000	0	0	(250,000)
E820017	Paint Museum Office	Renewal	52,600	0	2,005	(50,595)
E810004	Lawler Police Stn Rest.	Renewal	100,000	0	0	(100,000)
E820016	Painting Admin Offices	New	46,000	0	0	(46,000)
TOTAL - Building and Improvements			1,995,970	1,052,200	38,222	(1,957,748)
Plant & Equipment						
E830004	EHO Vehicle	Replacement	36,855	36,855	0	(36,855)
E830008	Doctor's Vehicle	Replacement	38,546	38,546	0	(38,546)
E830005	Parks & Gardens Utility	Replacement	45,000	45,000	0	(45,000)
E830003	Grader Utility	Replacement	45,000	45,000	0	(45,000)
E830009	Semi Water Tanker	Replacement	75,000	75,000	0	(75,000)
E830010	Grader Camp Trailers	Replacement	200,000	200,000	0	(200,000)
E830006	MEHS Vehicle	Replacement	28,519	0	0	(28,519)
E830001	CEO Vehicle Replacement	Replacement	70,500	70,500	0	(70,500)
E830002	DCEO Vehicle	Replacement	50,192	50,192	0	(50,192)
E830007	MCS Vehicle	Replacement	26,000	26,000	0	(26,000)
TOTAL - Plant & Equipment			615,612	587,093	0	(615,612)
TOTAL PROPERTY PLANT AND EQUIPMENT			2,611,582	1,639,293	38,222	(2,573,360)

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

NOTE 3. CAPITAL ACQUISITIONS

			Adopted Annual Budget	YTD Budget	YTD Actual	Variance (Under)/ Over
Capital Acquisitions						
Roads						
E800001	Agnew Rd South WANDRRA	Renewal	275,000	68,750	7,131	(267,869)
E800002	Wonganoo Rd WANDRRA	Renewal	720,000	540,000	369,360	(350,640)
E800003	Leonora-Nambi Rd WANDRRA	Renewal	260,000	0	480	(259,520)
E800004	Littlemill Rd WANDRRA	Renewal	400,000	0	45,766	(354,234)
E800005	Leonora Mt Ida Rd WANDRRA	Renewal	100,000	0	15,000	(85,000)
E800006	Darlot Rd WANDRRA	Renewal	200,000	0	184,234	(15,766)
E800007	Albion Downs Yeerlirrie WANDRRA	Renewal	320,000	0	0	(320,000)
E800008	Kookynie Malcolm WANDRRA	Renewal	160,000	0	0	(160,000)
E800009	Glenorn Yundamindra Rd WANDRRA	Renewal	440,000	0	18,451	(421,549)
E800010	RRG Glenorn Yundamindra	Upgrade	480,000	0	6,750	(473,250)
E080011	R2R Project	Upgrade	565,531	0	0	(565,531)
E080012	Grid Renewals (various)	Renewal	100,000	0	0	(100,000)
TOTAL - Roads			4,020,531	608,750	647,172	(3,373,359)
Improvements & Infrastructure						
E810006	Liquid Waste Site Development	Upgrade	600,000	0	6,136	(593,864)
E810005	Cemetery Fencing	Renewal	45,200	0	0	(45,200)
E810007	Oval Retic System Renewal	Renewal	80,000	0	0	(80,000)
E810008	Fitness Playground Equip	Upgrade	24,000	0	0	(24,000)
E810009	Memorial Park Lighting	Upgrade	15,000	0	0	(15,000)
E810010	Playground Softfall	Renewal	15,000	0	0	(15,000)
E810012	Shade Sails Town Park	New	25,000	0	678	(24,322)
E810001	Gwalia Headframe Renewal	Renewal	494,545	394,545		(494,545)
E810002	Gwalia Headframe NSRF	Renewal	190,000	0	382,655	192,655
E810003	Upgrade Gwalia Entrance	Upgrade	25,000	0	0	(25,000)
E810011	Rushton Engine Reloc.	Renewal	20,000	0	3,980	(16,020)
E810013	Gwalia St Barb Fencing	New	25,000	0	0	(25,000)
TOTAL - Other Infrastructure			1,558,745	394,545	393,449	(1,165,296)
TOTAL INFRASTRUCTURE			5,579,276	1,003,295	1,040,621	(4,538,655)
Total Capital Expenditure			8,190,858	2,642,588	1,078,843	(7,112,015)

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

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)							
PE8 2016 Mitsubishi Paj. Sport EHO				(9,455)	0	9,455	29,091
651 2015 Ford Territory TX (Doc 3L)				(17,989)	0	17,989	19,545
648 MCS Nissan X Trail KBC772K				(10,295)	0	10,295	15,454
PE6 DCEO Ford Territory Titanium				(16,086)	0	16,086	30,909
650 Mits. 2014 Triton (P646)				(16,415)	0	16,415	20,000
644 Mits. 2014 Triton (P968)				(18,468)	0	18,468	18,182
649 MEHS Nissan X Trail KBC771K				(9,385)	0	9,385	16,364
637 CEO 2014 Ford FPV GTF Sedan				(32,459)	0	32,459	43,636
20 P850 1984 Water Tanker				(10,000)	0	10,000	5,000
	0	0	0	(140,552)	0	140,552	
	0	0	0	(140,552)	0	140,552	

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

NOTE 4. CASH AND INVESTMENTS

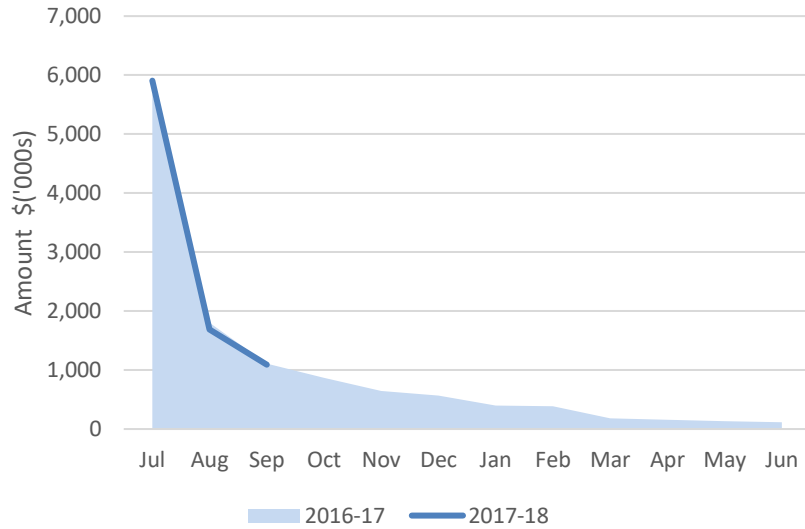
Bank Accounts	Municipal	Municipal Restricted	Reserves	Trust	Total Amount	Institution	Interest Rate	Details
	\$		\$	\$	\$			
(a) Cash Deposits								
Municipal Account	6,126,720				6,126,720	NAB	Variable	Cheque Acc.
Trust Account				0	0	NAB	Variable	Cheque Acc.
LSL Maximiser			131,872		131,872	NAB	Variable	Cheque Acc.
Fire Maximiser			30,877		30,877	NAB	Variable	Cheque Acc.
Plant Maximiser			512,095		512,095	NAB	Variable	Cheque Acc.
Annual Leave Maximiser			161,369		161,369	NAB	Variable	Cheque Acc.
Gwalia Precinct Maximiser			373,807		373,807	NAB	Variable	Cheque Acc.
Building Maintenance Maximiser			601,201		601,201	NAB	Variable	Cheque Acc.
Waste Management Maximiser			503,628		503,628	NAB	Variable	Cheque Acc.
Aerodrome			100,000		100,000	NAB	Variable	Cheque Acc.
Cash on Hand	1,270				1,270	NAB	NIL	On Hand
Total	6,127,990	0	2,414,849	0	8,542,839			

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

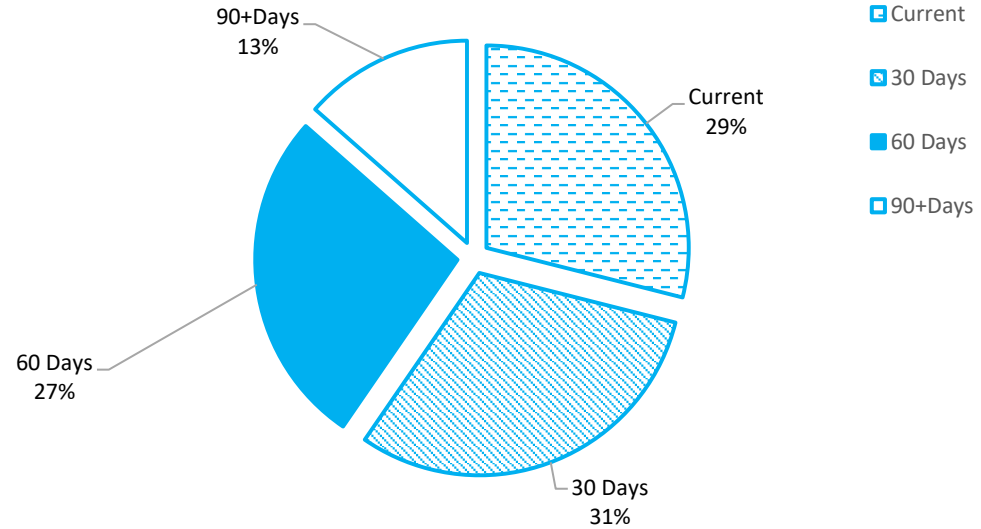
NOTE 5. RECEIVABLES

Receivables - Rates and Other Rates Receivable	YTD 30 Sep 2017	30 June 2016	Receivables - General	Credit	Current	30 Days	60 Days	90+Days	Total
	\$	\$		\$	\$	\$	\$	\$	\$
Opening Arrears Previous Years	116,915	83,147	Receivables - General	0	54,056	57,214	50,255	25,231	186,756
Levied this year	5,588,356	5,239,642							
Discounts	0	0							
Deferred	0	0							
Less Collections to date	(4,614,441)	(5,205,874)							
Equals Current Outstanding	1,090,830	116,915							
Net Rates Collectable	1,090,830	116,915	Total Receivables General Outstanding						186,756
% Collected	80.88%	97.80%	Amounts shown above include GST (where applicable)						

Rates Receivable



Accounts Receivable (non-rates)



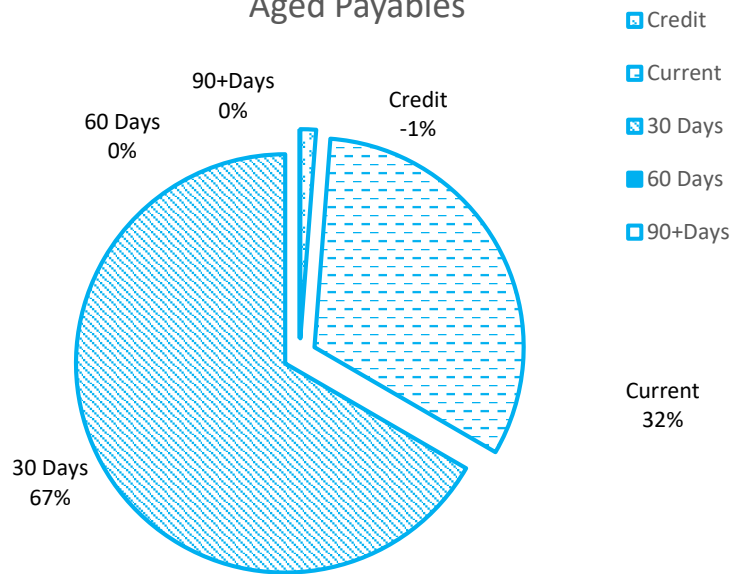
SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

NOTE 6. PAYABLES

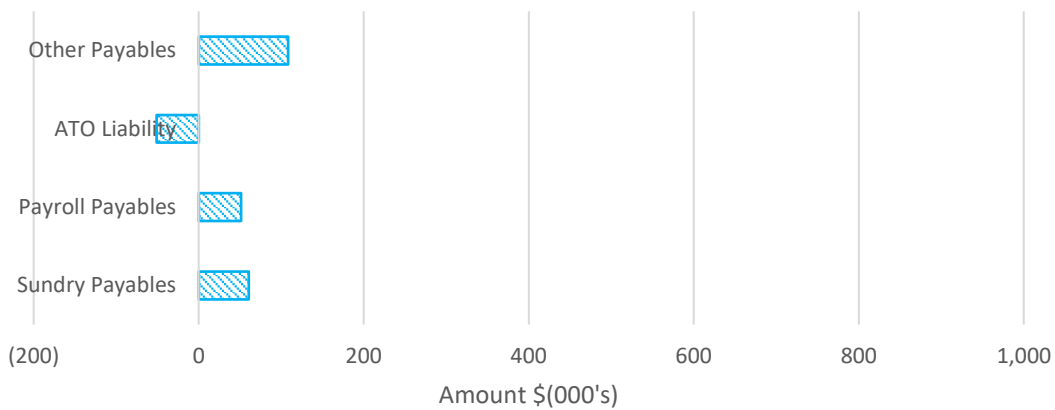
Payables	Credit	Current	30 Days	60 Days	90+Days	Total
Payables - General	\$ (755)	\$ 20,040	\$ 41,538	\$ 0	\$ 0	\$ 60,823
Sundry Payables						60,823
Payroll Payables						51,523
ATO Liability						(50,875)
Other Payables						108,319
Total Payables General Outstanding						169,790

Amounts shown above include GST (where applicable)

Aged Payables



Payables

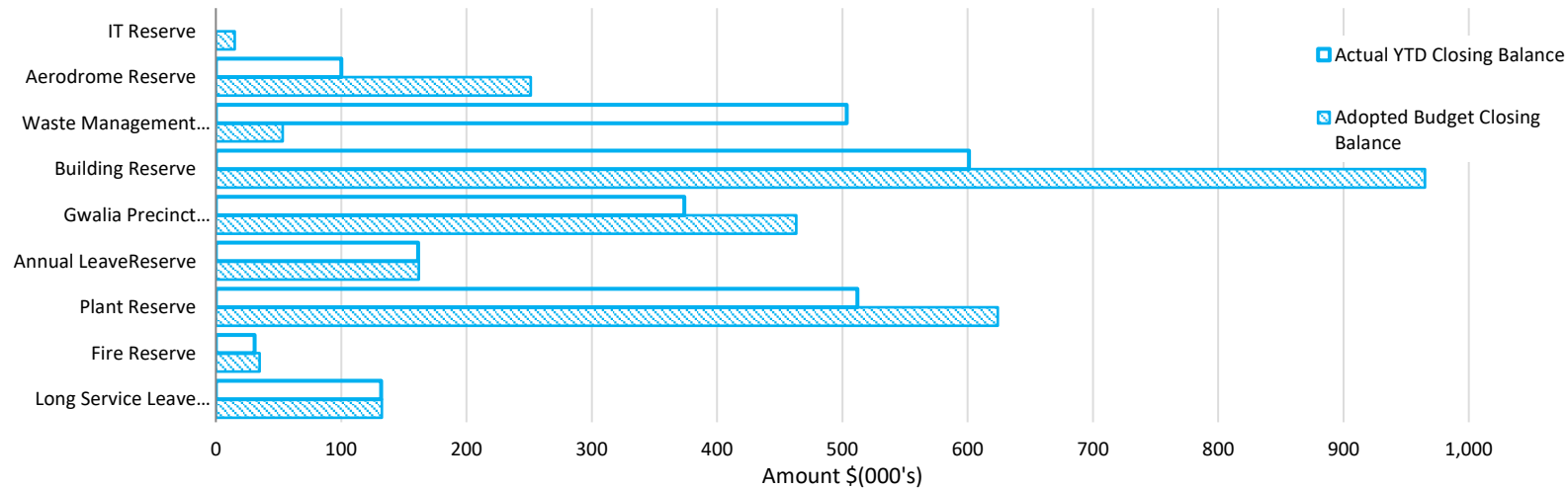


SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

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	131,683	658	189	0	0	0	0	132,341	131,872
Fire Reserve	30,833	174	44	4,000	0	0	0	35,007	30,877
Plant Reserve	511,360	2,732	735	110,000	0	0	0	624,092	512,095
Annual Leave Reserve	161,138	806	231	0	0	0	0	161,944	161,369
Gwalia Precinct Reserve	373,271	1,966	536	88,000	0	0	0	463,237	373,807
Building Reserve	600,339	4,802	862	360,000	0	0	0	965,141	601,201
Waste Management Reserve	502,976	265	652	0	0	(450,000)	0	53,241	503,628
Aerodrome Reserve	100,000	1,250	0	150,000	0	0	0	251,250	100,000
IT Reserve	0	75	0	15,000	0	0	0	15,075	0
	2,411,600	12,728	3,249	727,000	0	(450,000)	0	2,701,328	2,414,849

Reserve Balances



SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

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	0.0677	591	15,290,974	1,035,199	0	0	1,035,199	1,035,207	1,500	0	1,036,707
UV	0.1485	1,104	28,708,933	4,264,729	63,167	0	4,327,896	4,264,572	(38,500)	0	4,226,072
Sub-Totals		1,695	43,999,907	5,299,928	63,167	0	5,363,095	5,299,779	(37,000)	0	5,262,779
Minimum Payment	Minimum \$										
GRV	309	84	114,929	25,956	0	0	25,956	25,956	0	0	25,956
UV	309	645	716,621	199,305	0	0	199,305	199,305	0	0	199,305
Sub-Totals		729	831,550	225,261	0	0	225,261	225,261	0	0	225,261
							5,588,356				5,488,040
							0				0
Amount from General Rates							5,588,356				5,488,040
Ex-Gratia Rates							0				0
							5,588,356				5,488,040

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

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 30 September 2017

NOTE 10. GRANTS AND CONTRIBUTIONS

Grants	Grant Provider	Approval (Y/N)	2017-18			Variations		Received	Recoup Status Not Received
			Adopted Budget	Adopted 2016-17 Operating	Budget Capital	Additions / Operating	(Deletions) Capital		
			\$	\$	\$	\$	\$	\$	
General Purpose Funding									
I030019 Grant Equalisation	WALGCC	Y	316,245	316,245	0	0	0	68,160	248,085
I030021 Grant - Roads	WALGCC	Y	329,748	329,748	0	0	0	71,441	258,307
Law, Order, Public Safety									
I053402 Operational Grant - Bush Fire	DFES		1,415	1,415	0	0	0	0	1,415
Welfare Services									
I080002 Sustainability Child Care			54,715	54,715	0	0	0	14,007	40,708
I082001 Youth Support DCP Grant	DCP		68,700	68,700	0	0	0	34,865	33,835
I082002 Youth Program Grants			0	0	0	0	5,000	5,000	0
Recreation and Culture									
I1130045 Arts in Residence Grant Contr.			9,000	9,000	0	0	0	0	9,000
I117010 Other Grant Funding			120,000	120,000	0	0	0	31,686	88,314
Transport									
MRWA Funding									
I122200 MRWA Direct	MRWA		143,998	143,998	0	0	0	143,998	0
I122052 Contribution Street Lights	MRWA		3,700	3,700	0	0	0	0	3,700
I122213 Natural Disaster Reinstatement	MRWA		2,721,600	0	2,721,600	0	0	0	2,721,600
I122218 RRG Funding	MRWA		320,000	0	320,000	0	0	128,000	192,000
Other Streets/Roads Funding									
I122042 Contribution Crossovers			1,500	1,500	0	0	0	0	1,500
I122206 Roads to Recovery			565,531	0	565,531	0	0	0	565,531
Economic Services									
I138005 Grants			48,000	48,000	0	0	0	4,500	43,500
I138002 Sponsorship			115,000	115,000	0	0	0	0	115,000
I134470 Gwalia Precinct Renewal	Regional		729,000	0	729,000	0	0	147,000	582,000
I134471 Headframe Renewal Reg. Grants Scheme	Regional		178,000	0	178,000	0	0	178,000	0
TOTALS			5,726,152	1,212,021	4,514,131	0	5,000	826,657	4,904,495

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

NOTE 12. TRUST FUND

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

Description	Opening Balance 1 Jul 17	Amount Received	Amount Paid	Closing Balance 30 Sep 17
	\$	\$	\$	\$
Nomination fees	0	0	0	0
	0	0	0	0

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2017

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 by Local Government (Financial Management) Regulation 34(1) (d). ▲▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold of \$15,000.

Reporting Program	Variance	Variance	Var.	Timing/ Permanent	Explanation of Variance
Operating Revenues	\$	%			
General Purpose Funding - Rates	100,316	1.83%	▲	Timing	Fewer adjustments for tenement deaths etc processed at report date than budgeted. More positive adjustments to interim rates
General Purpose Funding - Other	(51,507)	(24.71%)	▼	Permanent	Reduction in FAGS allocations
Education and Welfare	34,069	59.66%	▲	Timing	Higher child care centre income than budgeted
Community Amenities	32,215	15.79%	▲	Timing	Higher volume of liquid waste received during the reporting period than budgeted
Transport	33,664	13.30%	▲	Timing	Higher volume of Avgas drums sold during reporting period than budgeted
Economic Services	(17,670)	(17.82%)	▼	Timing	Lower income from tenancy at NGROAC during reporting period than budgeted (still awaiting outcome of lease for Dept Child Protection etc)
Operating Expense			▼		
Governance	55,204	31.11%	▼	Timing	Reduced progress on integrated planning and risk management during reporting period than budgeted
General Purpose Funding	16,400	14.74%	▼	Timing	Variance to administration allocation and timing of allocation
Education and Welfare	21,929	12.87%	▼	Timing	Lower staffing costs whilst recruitment processes are undertaken
Community Amenities	82,736	69.11%	▼	Timing	Less activity during reporting period than estimated (at time of preparing monthly budgets)
Recreation and Culture	38,982	13.19%	▼	Timing	Lower staffing costs whilst recruitment processes are undertaken
Transport	(70,317)	(9.04%)	▲	Timing	Alteration to timing of works for road maintenance and aerodrome operations
Economic Services	162,982	32.74%	▼	Timing	Alteration to timing of works for heritage projects
Other Property and Services	137,074	55.87%	▼	Timing	Variance to timing of administration allocation expenses
Capital Revenues					
Grants, Subsidies and Contributions	(355,353)	(43.96%)	▼	Timing	Alteration to timing of payment of grants
Capital Expenses					
Land and Buildings	1,013,978	96.37%	▼	Timing	Non successful funding for Aged Care facility (no land transactions or other work taking place), alteration to timing of some renewal programs
Infrastructure - Roads	(38,422)	(6.31%)	▲	Timing	Alteration to timing of works programmes
Plant and Equipment	587,093	100.00%	▼	Timing	Alteration to timing of works programmes
Additional Comments					
Note 2 - Net Current Assets					N/A
Note 3 - Capital					N/A
Note 4 - Cash					N/A
Note 5 - Receivables					N/A
Note 6 - Payables					N/A
Note 7 - Reserves					N/A
Note 8 - Rates					N/A
Note 9 - Borrowings					N/A
Note 10 - Grants					N/A
Note 11 - Budget Amendments					N/A
Note 12 - Trust					N/A

10.0 REPORTS OF OFFICERS

10.2 DEPUTY CHIEF EXECUTIVE OFFICER

10.2(B) ACCOUNTS FOR PAYMENT

SUBMISSION TO: Meeting of Council
Meeting Date: 17th October, 2017

AGENDA REFERENCE: 10.2 (B) OCT 17

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: 10th October, 2017

BACKGROUND

Attached statement consists of accounts paid by Delegated Authority and Direct Bank Transactions represented by cheques numbered from **23111** to **23133** totalling **\$414,612.83** and accounts paid by Council Authorisation represented by cheques numbered from **23134** to **23204** totalling **\$796,371.99**.

STATUTORY ENVIRONMENT

Local Government Act 1995 S6.10 & Financial Management (1996) Regulation 12 & 13 apply to how the information is to be presented within this report for authorisation by Council.

POLICY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

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

STRATEGIC IMPLICATIONS

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

RECOMMENDATIONS

That accounts paid by Delegated Authority and Direct Bank Transactions represented by cheques numbered from **23111** to **23133** totalling **\$414,612.83** and accounts paid by Council Authorisation represented by cheques numbered from **23134** to **23204** totalling **\$796,371.99** be accepted.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Moved Cr LR Petersen, Seconded Cr RM Cotterill that accounts paid by Delegated Authority and Direct Bank Transactions represented by cheques numbered from **23111** to **23133** totalling **\$414,612.83** and accounts paid by Council Authorisation represented by cheques numbered from **23134** to **23204** totalling **\$796,371.99** be accepted.

CARRIED (5 VOTES TO 0)

Shire of Leonora				
Monthly Report – List of Accounts Paid by Delegated Authority				
Submitted to Council on the 17th October, 2017				
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 23111 to 23133 and totalling \$414,612.83 .				
CHIEF EXECUTIVE OFFICER				
Cheque	Date	Name	Item	Payment by Delegated Authority
444	8/09/2017	Alliance Equipment Finance	Office Photocopier Lease - September, 2017	797.78
445	11/09/2017	Alliance Equipment Finance	CRC photocopier lease - August,2017	536.45
1	12/09/2017	Shire of Leonora	Salaries & Wages PPE: 11/9/2017	73,703.43
23111	13/09/2017	LGRCEU	Union Fee PPE: 11/9/2017	20.50
23112	13/09/2017	Brenton Meynell	Travel costs associated with attending Child Australia Training in Perth	694.00
23113	13/09/2017	Charlotte Huckerby	Travel costs associated with attending DLGC Youth Leadership Program in Kalgoorlie	333.09
446	15/09/2017	National Australia Bank	NAB Super Pay - September, 2017	44.50
447	15/09/2017	National Australia Bank	NAB Connect Fee Access, September, 2017	48.24
23114	19/09/2017	Dave Hadden	Health and Building services as per invoice number 88 04/09/2017-17/09/2017	8,712.00
23115	19/09/2017	Elite Pool Covers	Final payment for pool cover at 1 Queen Vic	640.00
23116	19/09/2017	Gencon Civil Pty Ltd	Hire of road construction equipment for tender LS 05-2017 Wandrra Works	21,227.80
23117	19/09/2017	MLG Oz Pty Ltd	Cartage only of product from Boral quarry to Leonora - 5mm agg	2,421.28
23118	19/09/2017	Weusandi Contractors	Hire of water carts, pump, standpipe, genset and semi water cart - Wandrra works	82,566.00
23119	19/09/2017	Transcend Initiatives Pty Ltd	Running of youth centre	17,453.77
23120	19/09/2017	Avanti Plus Kalgoorlie	Helmets and kickstands - Roadwise project	423.90
448	19/09/2017	National Australia Bank	NAB Super Pay - September, 2017	10,289.41
449	19/09/2017	Australian Super	Superannuation PPE: 11/9/17	836.69
450	19/09/2017	BT Super for Life	Superannuation PPE: 11/9/17	97.69
451	19/09/2017	Host Plus	Superannuation PPE: 11/9/17	76.23
452	19/09/2017	IOOF Employer Super	Superannuation PPE: 11/9/17	194.02
453	19/09/2017	MLC Nominees Pty Ltd	Superannuation PPE: 11/9/17	66.50
454	19/09/2017	Prime Superannuation Fund	Superannuation PPE: 11/9/17	703.95
455	19/09/2017	Rest Superannuation	Superannuation PPE: 11/9/17	161.32
456	19/09/2017	WA Super	Superannuation PPE: 11/9/17	8,153.01
1	26/09/2017	Shire of Leonora	Salaries & Wages PPE: 25/9/2017	70,192.33
23121	27/09/2017	Local Government Professionals	Membership fees for 2017-2018	2,084.00
			Sub Total	\$302,477.89

Cheque	Date	Name	Item	Payment by Delegated Authority
			Balance Brought Forward	\$302,477.89
23122	27/09/2017	LGRCEU	Union Fee PPE: 25/9/2017	20.50
23123	28/09/2017	Telstra	Internet and phone usage	326.91
23124	28/09/2017	Water Corporation	Water usage 01/09/2017-31/10/2017	11,665.24
458	28/09/2017	Australian Super	Superannuation PPE: 25/9/17	543.14
459	28/09/2017	BT Super for Life	Superannuation PPE: 25/9/17	4.61
460	28/09/2017	Host Plus	Superannuation PPE: 25/9/17	102.40
461	28/09/2017	IOOF Employer Super	Superannuation PPE: 25/9/17	194.02
462	28/09/2017	MLC Nominees Pty Ltd	Superannuation PPE: 25/9/17	66.50
463	28/09/2017	Prime Superannuation Fund	Superannuation PPE: 25/9/17	574.28
464	28/09/2017	Rest Superannuation	Superannuation PPE: 25/9/17	124.36
465	28/09/2017	WA Super	Superannuation PPE: 25/9/17	8,237.23
466	27/09/2017	Alliance Equipment Finance	Copier hire charges - September, 2017 - Depot	230.20
467	29/09/2017	National Australia Bank	Account Fees - September, 2017	105.20
468	29/09/2017	National Australia Bank	Merchant Fee - Gwalia Museum Eftpos, September 2017	138.67
23125	2/10/2017	Commissioner of Police	Renew firearm licence for guns at Gwalia Museum	124.00
23126	2/10/2017	Dave Hadden	Health and Building services as per invoice number 89 18/09/2017-22/09/2017	5,808.00
23127	2/10/2017	Elec2go	Electrical supplies for resident artist	1,237.76
23128	2/10/2017	Horizon Power	Power usage 19/08/2017-20/09/2017 Rec Centre	5,214.95
23129	2/10/2017	Rangeland Services Pty Ltd	Heavy duty fencing at Gwalia Museum	47,553.00
23130	2/10/2017	Water Corporation	Water usage 01/09/2017-31/10/2017	3,661.83
23131	3/10/2017	Goldfield Services	Weekly cleaning of NGROAC building 03/09/2017-30/9/2017	3,705.00
23132	3/10/2017	Marnta Pty Ltd	Final invoice payment	11,580.00
23133	3/10/2017	Shire of Leonora	Cheque to pay outstanding invoices for Marnta Pty Ltd - 7079, 6433, 6476, 6516, 6556, 6886	2,115.00
469	2/10/2017	Westnet Pty Ltd	Internet CRC - October, 2017	11.00
470	3/10/2017	National Australia Bank	Credit Card Charges - September, 2017	8,791.14
			GRAND TOTAL	\$414,612.83

Shire of Leonora**Monthly Report - List of Accounts Paid by Authorisation of Council****Submitted to Council on the 17th October, 2017**

Cheques numbered from 23134 to 23204 totaling \$796,371.99 submitted to each member of the Council on 17th October, 2017 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
23134	17/10/2017	ALU Glass	Replace windows at Gwalia Cottages, 35 Hoover St and Information Centre	6,684.02
23135	17/10/2017	Avis - Leinster	Cost of replacement keys for hire cars - Golden Gift 2017	898.77
23136	17/10/2017	BeMac Sewing Creations	Skyline S3 with quilting kit for Ngunnga Gu Women's Group	1,299.00
23137	17/10/2017	BOC Limited	Oxygen cylinders and gas bottle for Leonora Aquatic Centre and container service fees	153.67
23138	17/10/2017	Breakaway Earthmoving	Dozer hire for September, 2017 - Wandrra Works - Glenorn Yundamindra Rd, material haulage Little Mill Rd	98,551.20
23139	17/10/2017	Building Commission	Building Levy Services fee for 01/09/2017-01/10/2017	56.65
23140	17/10/2017	Bunnings Building Supplies Pty Ltd	Garden Plants for main street and trolley	1,059.83
23141	17/10/2017	Butler Settineri	Further interim fee in relation to the audit of the Shire of Leonora for the year ended 30 June, ...	7,574.07
23142	17/10/2017	Butson Group Pty Ltd	Dinner for Elaine and Kate 10th September, 2017	50.00
23143	17/10/2017	Butsons Building Service	Accommodation for ranger and supply materials and labour to construct archive building at museum	50,020.00
23144	17/10/2017	Canine Control	Ranger services	8,007.14
23145	17/10/2017	Comfort Inn Midas	Accommodation - Charlotte Huckerby - attend LG workshop in Kalgoorlie	290.00
23146	17/10/2017	Constructive PD Pty Ltd	Gwalia Mine Head Frame Restoration 90 % complete	313,840.15
23147	17/10/2017	Coolgardie Tyre Service	Tyre repair supplies	1,557.93
23148	17/10/2017	David Cheney	Final payment for store and reassemble of Dexion Compactus at Gwalia Museum	990.00
23149	17/10/2017	Department of Fire and Emergency Services	2017/2018 Quarter 2 payment - Emergency Services Levy	391.33
23150	17/10/2017	Dunning's	Bulk fuel	44,232.00
23151	17/10/2017	Eagle Petroleum (WA) Pty Ltd	Motorpass charges and unleaded petrol for town crew	1,228.94
23152	17/10/2017	Elaine Labuschagne	Reimbursement for various supplies for Hoover House and Gwalia Museum & 55 Gwalia Street	947.27
23153	17/10/2017	Elite Gym Hire	Hire of gym equipment 01/09/2017-01/10/2017	1,072.50
			Sub Total	\$538,904.47

Cheque	Date	Name	Item	Payment
			Balance Brought Forward	\$538,904.47
23154	17/10/2017	Forman Bros	Locate underground electrics at the town park on Tower Street, make repairs to pool toilets	1,208.24
23155	17/10/2017	GNRBA Inc.	Cacti control at Gwalia and common reserve	22,000.00
23156	17/10/2017	Goldfields Australia	Refund for overpayment of rates - A1069 for P39/4976	309.00
23157	17/10/2017	Goldfields Darlot Mining Company Pty Ltd	Accommodation charges for reinstatement work at Darlot Rd	12,402.50
23158	17/10/2017	Goldfields Truck Power	Hire of tool carrier/loader - September, 2017 Wandrra works - Mt Ida Rd, transport excavator from Darlot to Marlou Contracting	11,664.73
23159	17/10/2017	Goldline Distributors	Supplies for Gwalia Museum, Hoover House and Office cleaning	2,117.96
23160	17/10/2017	Hitachi Construction Machinery	2 rear view unheated mirrors	446.62
23161	17/10/2017	Horizon Power	Power usage various	4,644.58
23162	17/10/2017	Hullabaloo Co.	Invoice 1 of 2 for Communication Management to be provided for Leonora Golden Gift 2018	9,250.00
23163	17/10/2017	Jim Epis -	Refund for overpayment of rates - E37/1259	154.50
23164	17/10/2017	Josway Hospitality Pty Ltd	Meals for Elaine and Kate	275.00
23165	17/10/2017	KAL Engineering Consultants Pty Ltd	NGROAC admin and project management	2,392.50
23166	17/10/2017	Kalgoorlie Retravisoin	Microwave and bar fridge for Child Care Centre, cordless vacuum for museum	911.00
23167	17/10/2017	Landgate	Chargeable tenements	450.50
23168	17/10/2017	Leinster Contracting Services	Empty skip bins at Malcolm Dam and Nambi Village	1,163.80
23169	17/10/2017	Leonora Motor Inn	Accommodation ranger	540.00
23170	17/10/2017	Leonora Post Office	Postal costs for September, 2017	395.36
23171	17/10/2017	Leonora Supplies WA	Supplies for child care centre, and museum	711.76
23172	17/10/2017	Marketforce	Advertising for Tender	1,405.46
23173	17/10/2017	Marlou Contracting	Hire of Cat excavator - Wandrra works - Darlot Rd	4,254.25
23174	17/10/2017	McMahon Burnett Transport	Freight charges	792.69
23175	17/10/2017	Miller's Autoglass Pty Ltd	Supply and install side glass on excavator, supply and install windscreen for P108	1,160.70
23176	17/10/2017	Miller's Fabrication Services	Straighten loader bucket and frame welding line	11,000.00
23177	17/10/2017	Minara Resources Limited	Double payment made in error for the Leonora GG 2017	33,000.00
23178	17/10/2017	Moore Stephens	Compilation of the monthly financial report for August, 2017	4,290.00
23179	17/10/2017	Mr W V Holloran A/C Shire of Leonora	Malcolm Dam Site Cleanup 23/10/2017-05/02/2018	1,600.00
23180	17/10/2017	Netlogic Information Technology	Remote consulting for IT issues and new pcs for medical centre	3,669.50
23181	17/10/2017	Office National Kalgoorlie	Monthly fees for copiers and ink for medical and child care centres	2,910.50
			Sub Total	\$674,025.62

Cheque	Date	Name	Item	Payment
			Balance Brought Forward	\$674,025.62
23182	17/10/2017	Penns Cartage Contractors	Freight charges	4,752.00
23183	17/10/2017	Pier Street Medical	Drug and alcohol screen for Garry John Adams and Douglas Malcolm Beaton	392.00
23184	17/10/2017	Pipeline Mining & Civil Contracting	Grave digging and removal of light vegetation from museum grounds	2,051.50
23185	17/10/2017	Prosegur Australia Pty Ltd	Monthly ATM rental fees - September, 2017	2,747.80
23186	17/10/2017	Public Libraries Western Australia	PLWA membership 2017-2018 Margot Epis Leonora Information Centre and Library	165.00
23187	17/10/2017	PWT Electrical Pty Ltd	Relocate air conditioning unit at Gwalia Museum, lighting and wiring for new shed at 26 Queen Vic St	2,659.45
23188	17/10/2017	Quick Corporate Australia	Stationery order	1,515.24
23189	17/10/2017	REDD Horizons Pty Ltd	Services relating to the Sharing is Caring program 1st and 2nd sessions	1,430.00
23190	17/10/2017	Shire Of Leonora - General	Casual office rental NGROAC	330.00
23191	17/10/2017	Shire Of Leonora - Rates	Rates for E37/01255. Assessment number 3803. Azark Project	865.31
23192	17/10/2017	Skippers Aviation Pty Ltd	Flights for Kate Ferguson PER-LEO 07/09/2017	347.00
23193	17/10/2017	Squire Patton Boggs	Azark Project Pty Ltd - National radioactive waste management facility	7,446.01
23194	17/10/2017	Talis	Updates to RAMM 2016-2017 period, valuation reports for preparation of annual financial statements	3,080.00
23195	17/10/2017	Telstra	Telstra bill - September, 2017	5,014.55
23196	17/10/2017	Tennant Australia	Parts for sweeper	98.12
23197	17/10/2017	Threat Protect	Alarm monitoring	968.83
23198	17/10/2017	Toll Customised Solutions	Storage and distribution of tourist information	356.63
23199	17/10/2017	Toll Ipec Pty Ltd	Freight charges	259.75
23200	17/10/2017	Trisley's Hydraulic Services Pty Ltd	Chemical order for Leonora Aquatic Centre	2,248.40
23201	17/10/2017	WA Country Health Service - Goldfields	Rent of surgery and consulting rooms for the month of September, 2017	417.38
23202	17/10/2017	West Australian Newspapers Ltd	Advertising - Diggers and Dealers exclusive - 8-10 August, 2017, fire control information	2,099.60
23203	17/10/2017	Westland Autos No1 Pty Ltd	60,000km service and supply and fit light bar to KBC108M	981.30
23204	17/10/2017	Weusandi Contractors	Hire of watercart, transfer pump, genset and standpipe - Wandrra works - Darlot Rd	82,120.50
			Grand Total	\$796,371.99

Contract Environmental Health Officer / Building Surveyor, Mr Dave Hadden, entered the meeting at 10:08 am.

10.0 REPORTS OF OFFICERS

10.3 ENVIRONMENTAL HEALTH OFFICER/BUILDING SURVEYOR

10.3(A) PROPOSED MINING ACCOMMODATION

SUBMISSION TO: Meeting of Council
Meeting Date: 17th October 2017

AGENDA REFERENCE: 10.3 (A) OCT 17

SUBJECT: Transient Workforce Accommodation

LOCATION / ADDRESS: Lots 6 and 7 Kurrajong Street, Leonora

NAME OF APPLICANT: NT Link Pty Ltd

FILE REFERENCE: 22.1.0

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: David Hadden

OFFICER: Environmental Health officer

INTEREST DISCLOSURE: Nil

DATE: 29th September 2017

BACKGROUND

An application has been received from NT Link to expand their existing Mining/Transient Workforce Accommodation (TWA) facility to service increasing exploration activity within the Shire. NT Link is a third party supplier who will provide accommodation to workers involved in multiple mines in the area.

Taylor Burrell Barnett (Town Planning Consultant) was contracted to provide this report to the Shire of Leonora.

Site Description

Address	Certificate of Title	Area	Land Owner
Lot 6 (No.119) Kurrajong Street	2774-60	3239m ²	Gwalia Properties Pty Ltd
Lot 7 (No.123) Kurrajong Street	2774-61	3223m ²	Gwalia Properties Pty Ltd

The proposed expansion is located on Lot. 6 (No.119) and Lot 7 (No.123) Kurrajong Street, immediately west of the existing NT Link operated Leonora Lodge facility, located at the southern end of the townsite.

Communal areas of the Lodge that future occupants will have access to include a swimming pool, dining room, bar, recreational room, gym and office, with the kitchen, dining room and wet mess facilities having recently been upgraded to accommodate additional patrons.

Detailed Proposal

The proposal involves the relocation of existing transportable buildings from the recently closed Leonora Detention Centre (also previously operated by NT Link).

18 buildings are proposed on Lot 7 (arranged in pairs with a covered walkway in-between), with a further 4 buildings proposed for overflow accommodation on Lot 6. Each building consists of 4 single bedroom units each with their own en-suite, providing capacity for up to an additional 104 people to temporarily reside on-site.

In addition to the accommodation the proposal includes a 36m² laundry (accessible via a comprehensive internal footpath network) and a 26 bay car park facility that includes a pedestrian (only) connection to the communal facilities that form part of the existing Lodge (refer *Attachments 1 & 2*).

No time limitation is proposed on individual use or the permanency of the buildings, which presumably are proposed to remain in perpetuity (unless otherwise restricted via a condition of Development Approval).

STATUTORY ENVIRONMENT

The land is zoned 'Miners Accommodation' under the Shire of Leonora Town Planning Scheme No.1 (TPS1). The proposed use is considered to constitute 'Mining Accommodation', which Schedule 1 defines as:

"transportable buildings or caravans provided by companies engaged in the mining industry for employees or persons connected with the industry which are permanently affixed to the site and which may include catering facilities for residents but does not include:

- (i) A dwelling or residential building as defined in the Residential Planning Codes*
- (ii) A motel, hostel, or caravan located in a zoned caravan park."*

Mining Accommodation is listed as a 'P' use in the Miners Accommodation zone, meaning a use that is permitted (and thus cannot be refused) provided:

"it complies with the relevant standards and requirements laid down in the Scheme and all conditions (if any) imposed by Council in granting Planning Approval."

TPS1 provides little specific guidance for this form of development, aside from Clause 4.5.1, which states that:

"Development of land for mining accommodation is subject to the planning approval of Council and any conditions imposed by Council relating to standards including buildings, facilities, car parking and landscaping, and may include as a condition a time limit on development."

More generally, Clause 6.3 lists the matters Council shall take into consideration when determining a planning application. Matters of specific relevance to this application are discussed in the following sections.

Character & Amenity

The proposal involves raised, single-storey modular buildings constructed of colorbond panels with a zincalume roof, of a comparable standard to the accommodation and facilities currently offered at the Lodge. The covered walkways are new and are proposed to be constructed of matching materials (refer ***Attachments 3 & 4***).

Development Siting and Setbacks

All buildings have been laid out in a rectilinear fashion, orientated in a manner that minimises solar gain on openings and allows for easy way finding and access through the site. Space has been left around the new laundry at the eastern end of Lot 7 to accommodate the potential provision of additional communal facilities, otherwise accommodation has been proposed on all other portions of both lots greater than 400m from the edge of the Leonora Wastewater Treatment Plant (WWTP) discussed later in this report.

Development of the collective site is setback a minimum of 3.3m from Kurrajong Street, 9.5m from the northern side boundary, 3m from the eastern rear boundary and 3m from the southern side boundary. Clause 4.4.1 of TPS 1 requires a 9m street setback for all Industrial zoned development (i.e. north of Steel Street), however a far lesser setback was previously accepted for Mining Accommodation located further along (north of Rochester).

In the absence of any established adjacent building line to match, and to ensure consistency with the Shire's determination of similar earlier proposals, the setbacks as proposed are considered acceptable in this instance.

Access and Car Parking

Primary access to all new buildings is proposed via the construction of a new 6m wide crossover off Kurrajong Street into a new car park constructed on the southern portion of Lot 6. The carpark is proposed to be surfaced off compacted gravel, with half-cut logs used to delineate each bay. The Shire's Environmental Health Officer/Building Surveyor has advised that this treatment is consistent with the provision of parking in similar circumstances within the Shire.

TPS1 does not specify a specific parking ratio for this type of land use. Instead discretion is afforded to the Council to determine an appropriate level of service having regard for the manner in which the facility is intended to be operated.

Workers residing at the site will predominantly be FIFO (fly in, fly-out), transported to and from relevant mine sites and the airport by bus, with a small portion of the workers (primarily those in Management roles) having access to private motor vehicles. Busses servicing the facility currently pull-up in the wide Otterburn Street reservation, near the exiting Administration Building and associated communal facilities. No change is proposed to accommodate this additional traffic with their being ample space to accommodate greater use.

The applicant has advised that a ratio of 1 car bay for every 6 residents has been adopted to date (consistent with their management of other similar facilities) and has proven to be satisfactory for the existing Lodge. In the absence of any known issues, the provision of 26 car parking bays in this instance is considered to be sufficient to provide use by temporary residents, service vehicles and the occasional visitor.

Landscaping

A small amount of landscaping is identified on the plans between each row of buildings. To ensure the provision of an appropriate level of resident amenity, it is recommended that this level of provision (as a minimum) be required as a condition of Development Approval.

Lighting

The applicant has advised solar lights will be located on the outside of each of the bedrooms and as well as within the new carpark. This is considered satisfactory to providing a safe walking environment within the development, in particular connections to communal facilities within the existing Lodge.

Security

The applicant has advised of a desire to protect the expanded facility by the erection of cyclone fence (with barbed wire on top) around the perimeter of the development. Whilst the need to secure the facility is acknowledged, a higher standard of fencing would be more appropriate for a residential environment.

The Shire's Environmental Health Officer/Building Surveyor has advised that fencing around the existing Lodge is typically 1.8 metre high 'neetascreen' fencing, with a higher standard, permeable palisade fencing located around the Administration Building. For consistency and to ensure an appropriate level of amenity is provided, it is recommended that the boundary fencing be required to match that already in place at the facility via a condition of Development Approval.

Services

Whilst all the typical utilities are immediately available to the site (or via short extension within the surrounding public road network), the applicant has advised that both the power and water connections are likely to require upgrading to accommodate the proposed scale of development.

Given its Townsite location, its proximity to an existing network, and the questionable ability of existing soil conditions to accommodate on-site disposal, connection of the new accommodation to the Town's gravity sewer would be appropriate. Connection to the above key utilities (and the Town's stormwater drainage system) is a standard condition of development approval.

Wastewater Treatment Plant Buffer

Despite the applicant's attempt to position the development as far away as possible, the Water Corporation advise that portions of the development are located within the generic 500m odour buffer of the Leonora Wastewater Treatment Plant. Ordinarily, the Water Corporation would not support the creation of residential or other odour sensitive uses (such as dining) within the buffer.

In this instance, having regard for the mitigating circumstances (being the accommodation is not permanent, its siting furthest away from the odour source, and that a managing body will exist to respond to any odour complaints), the Water Corporation has advised of a willingness to support the proposal on the basis of a formal management process being adopted and incorporated into the Village Management Plan. The intent is for any initial odour enquiries/concerns to be dealt with by the Facility Manager, and for them to act as a single conduit to communicate

any maintenance activities which may affect residents. If no formal statutory mechanism exists to execute this requirement to their satisfaction, then a section 70A Notification on Title is requested.

Site Amalgamation

Given that future residents off Lots 6 and 7 are completely reliant upon access to the communal facilities of the existing Lodge, there is an argument that the collective site should be amalgamated to preclude independent sale of Lots 6 and 7 with this accommodation after its establishment. Whilst this is a legitimate concern that can be addressed if necessary via a condition of Development Approval requiring Amalgamation or some form of Legal Agreement ensuring future resident access, this is not an uncommon situation for TWA accommodation and should only be applied if considered necessary by the Shire's Elected Members.

Time Limitation

Given the transportable nature of the buildings, consideration should also be given to the need (or otherwise) of imposing a time limitation on use of the buildings for this purpose. Typical benefits of imposing a time limitation include being able to ensure the facilities are improved (or otherwise brought up to code) periodically, as and when re-approval is required, or complete removal of the facility as and when needed to accommodate a higher order land use.

Given the relatively low demand for higher order development in Leonora, the long standing nature of the existing Lodge, and that the land is specifically zoned for Worker Accommodation purposes, a time limitation is not considered necessary in this instance.

POLICY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

A similar application for TWA accommodation has been submitted on adjacent Lot 5 (No. 115) and Lot 8 (No. 127) Kurrajong Street and Lot 10 (No. 1) Battery Place. The land involved in that application forms the subject of a conditional purchase contract with the Shire, meaning that it stands to benefit financially should that application be approved and the project proceed.

It is important to acknowledge that whilst this development is likely to compete with that future facility, Federal legislation specifically precludes the Shire from refusing an otherwise acceptable proposal on this basis.

STRATEGIC IMPLICATIONS

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

RECOMMENDATION

That Council approve the development of 'Mining Accommodation' on Lots 6 and 7 Kurrajong Street, subject to the following conditions:

1. Development Approval lapses if it is not substantially commenced by 17th October 2019.
2. Prior to commencement of the development, a plan is to be provided to the Shire detailing the location and type of fencing to be installed.
3. Prior to occupation of the development the following shall be undertaken to the requirements of the responsible authority, where once approved the arrangements shall form part to this Planning Approval:
 - i. Connection to the Town's reticulated water supply, gravity sewerage and stormwater drainage networks.
 - ii. The crossover, accessway and no less than 26 car bays being constructed, line marked and thereafter maintained.
 - iii. The site being fenced, landscaped and thereafter maintained to an appropriate standard.
 - iv. An Emergency Evacuation Plan.
 - v. Water Corporation acceptance of a Village Management Plan inclusive of a formal management process to respond to any odour complaints from residents in the accommodation attributable to its infrastructure, and facilitate communication of any maintenance activities which may affect residents.
 - vi. If Condition 3(v) cannot be achieved, a notification, pursuant to Section 70A of the Transfer of Land Act 1893 being placed on the parent lot certificate(s) of title to the satisfaction of the Water Corporation,

advising that the lots are situated within the vicinity of the Leonora Wastewater Treatment Plant, and therefore may be affected by odour.

Advice Notes

- a) You are reminded that this is a Planning Approval only and does not obviate the responsibility of the developer to comply with all relevant building, health and engineering requirements.
- b) The applicant is reminded to comply with the requirements of Worksafe Western Australia in the carrying out of any works associated with this approval.
- c) Prior to the commencement of works, the proponent should ensure the application is compliant with the Aboriginal Heritage Act 1972 in liaison with the Department of Aboriginal Affairs.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

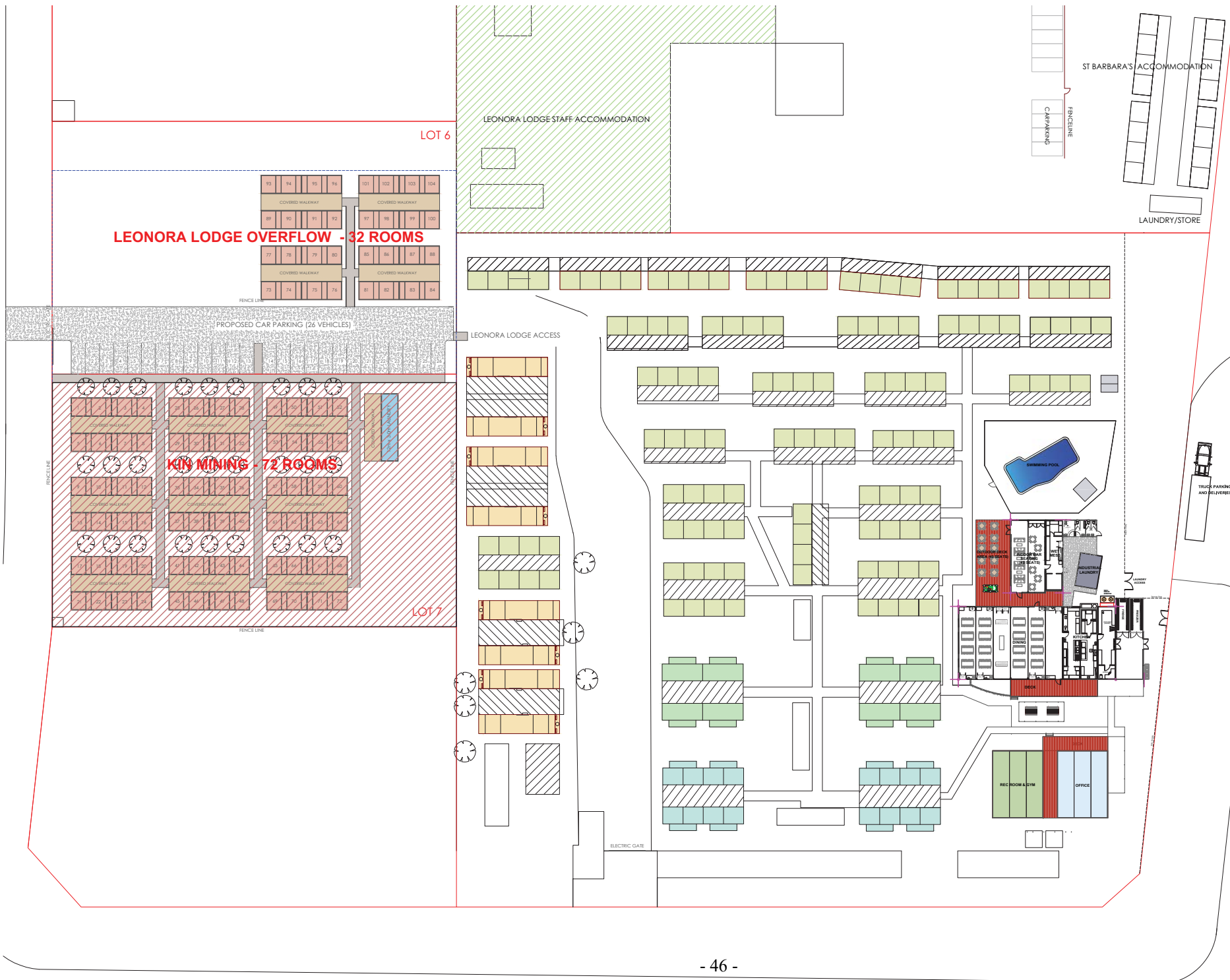
Moved Cr LR Petersen, Seconded Cr RM Cotterill that Council approve the development of 'Mining Accommodation' on Lots 6 and 7 Kurrajong Street, subject to the following conditions:

1. Development Approval lapses if it is not substantially commenced by 17th October 2019.
2. Prior to occupation of the development the following shall be undertaken to the requirements of the responsible authority, where once approved the arrangements shall form part to this Planning Approval:
 - i. Connection to the Town's reticulated water supply, gravity sewerage and stormwater drainage networks.
 - ii. The crossover, accessway and no less than 26 car bays being constructed, line marked and thereafter maintained.
 - iii. Lots 6 and 7 Kurrajong Street being fenced with 1.8m high colourbond boundary fences, landscaped and thereafter maintained to an appropriate standard.
 - iv. An Emergency Evacuation Plan.
 - v. Water Corporation acceptance of a Village Management Plan inclusive of a formal management process to respond to any odour complaints from residents in the accommodation attributable to its infrastructure, and facilitate communication of any maintenance activities which may affect residents.
 - vi. If Condition 2(v) cannot be achieved, a notification, pursuant to Section 70A of the Transfer of Land Act 1893 being placed on the parent lot certificate(s) of title to the satisfaction of the Water Corporation, advising that the lots are situated within the vicinity of the Leonora Wastewater Treatment Plant, and therefore may be affected by odour.

CARRIED (5 VOTES TO 0)

REASON FOR ALTERATION TO RECOMMENDATION

Recommendation was amended to correlate/comply with original conditions of the sale of land.



Building Design Criteria
 Load - in Accordance with AS.1170.2:2002
 Region A, Terrain Category 2
 Annual Probability of Exceedance 1:500
 Regional Wind Speed - V500 45m/s

DATE	REVISION DESCRIPTION	INT	REV
27/07/17	ISSUED FOR REVIEW	AM	1

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ADDITIONAL NOTES

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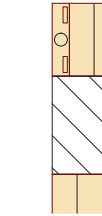
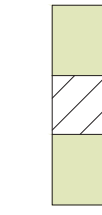
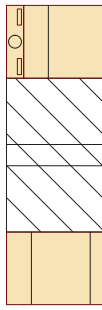
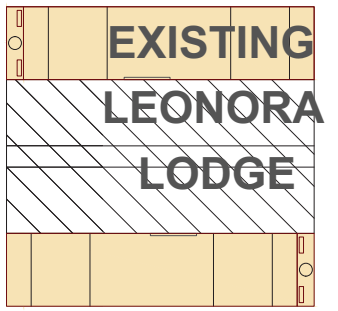
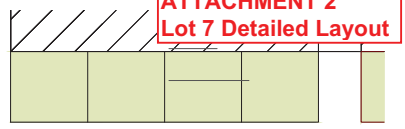
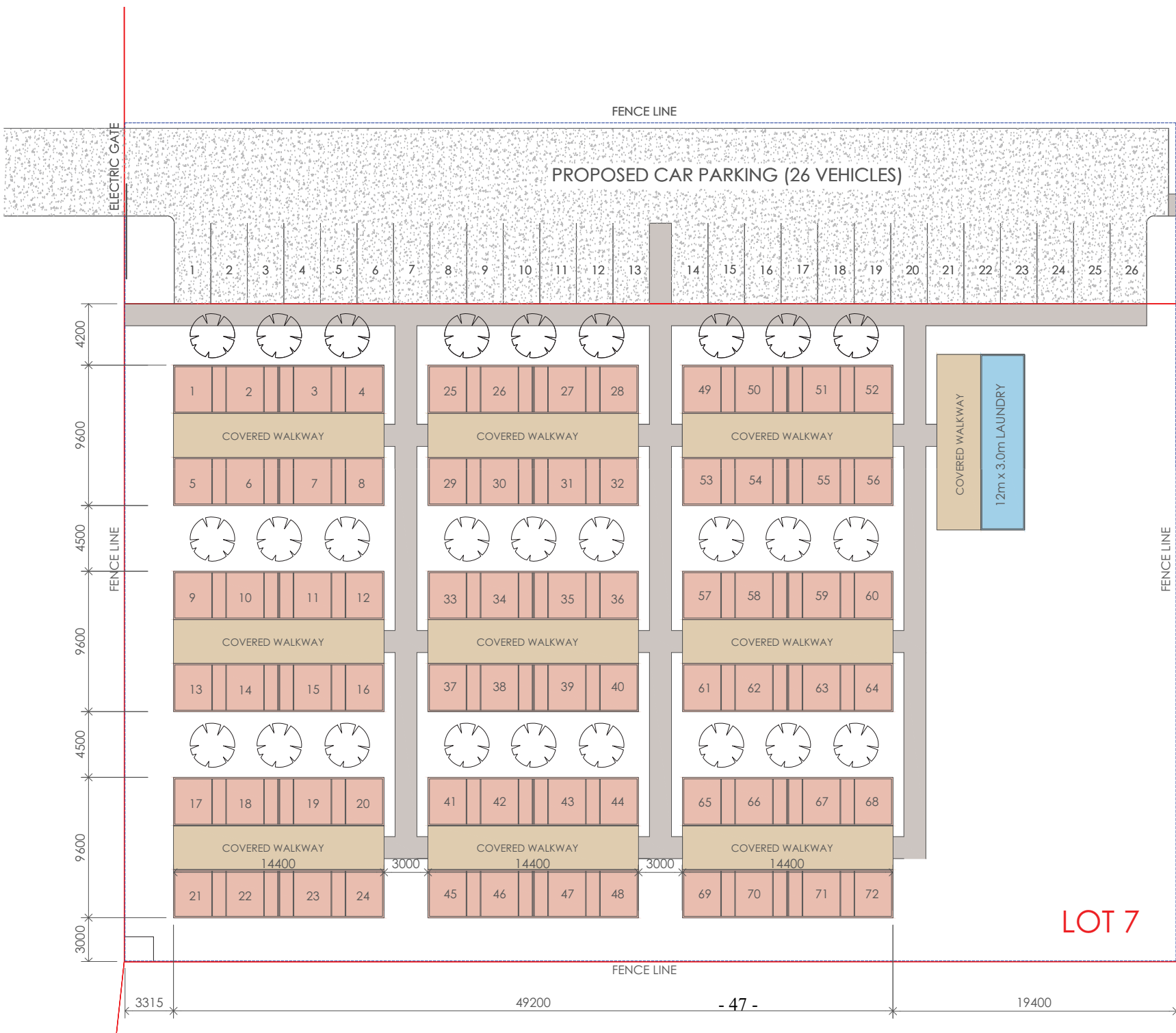


PH: 08 8953 7777
 5272 DALGETY ROAD
 ALICE SPRINGS NT 0870
 FAX: 08 8953 7885
 EMAIL: ntlink@ntlink.com.au
www.ntlink.com.au

PH: 08 8932 5000
 85-84 MCKINNON ROAD
 PINELANDS NT 0823
 FAX: 08 8932 5010
 email: ntlink@ntlink.com.au
www.ntlink.com.au

CLIENT: OPL
 DESCRIPTION: PROPOSED ACCOMMODATION VILLAGE
 KURRAJONG STREET
 LEONORA W.A.

DATE: 27/07/17	DRAWING No:
SCALE: @ A3	1374 - A02 of 1
DRAWN BY: A.Matthewson	SHEET TITLE: SITE LAYOUTS



Building Design Criteria
 Wind Load - in Accordance with AS.1170.2:2002
 Region A, Terrain Category 2
 Annual Probability of Exceedance 1:500
 Regional Wind Speed - V500 45m/s

DATE	REVISION DESCRIPTION	INT	REV
06/07/17	OFFICE LOCATION AMENDED	AM	15
16/02/17	REVISED SERVICE AREA LAYOUT	AM	14

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ntlink

PH: 08 8953 7777
 8272 DALGETY ROAD
 ALICE SPRINGS NT 0870
 FAX 08 8953 7955
 EMAIL: sales@ntlink.com.au
 www.ntlink.com.au

PH: 08 8932 5000
 8584 MCINNON ROAD
 PINELANDS NT 0828
 FAX 08 8932 5000
 sales@ntlink.com.au

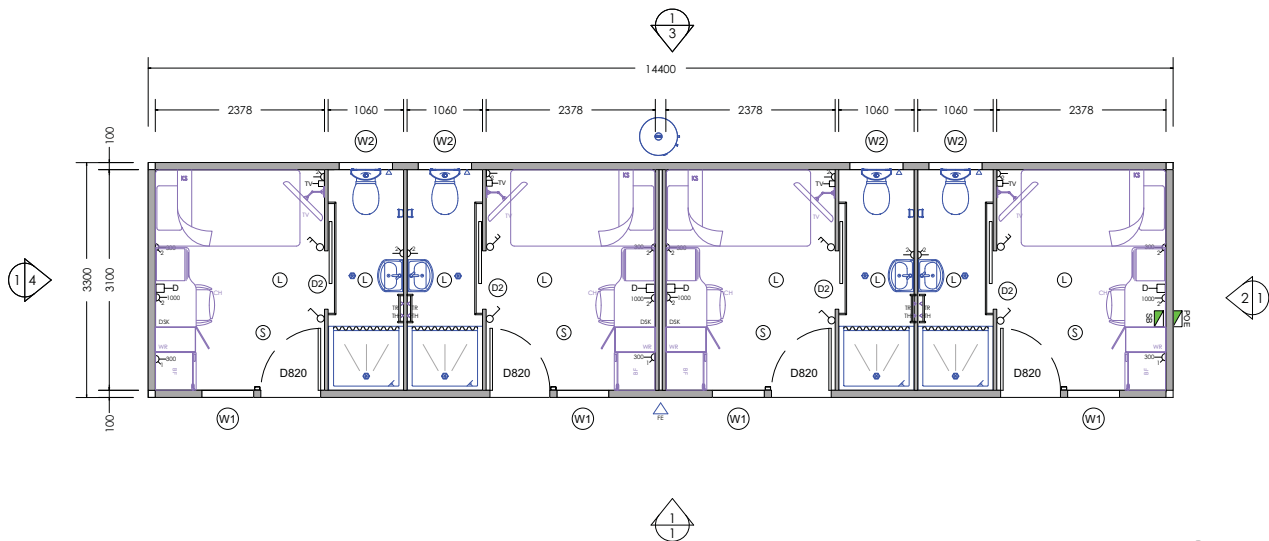
CLIENT: NT LINK Pty Ltd

DESCRIPTION: LEONORA LODGE
 LOT 1126 OTTERBURN ST
 LEONORA WA 4438

DATE: 16/02/17	DRAWING No: 1374 - A01 of 1
SCALE: @ A3	SHEET TITLE: KIN MINING PROPOSAL
DRAWN BY: A.Matthewson	



ELEVATIONS Scale 1:100



FLOOR PLAN Scale 1:100

BUILDING INFORMATION	
SERIAL #	T.B.A
CEILING HEIGHT	2400 mm
BUILDING HEIGHT	2965 mm
DESTINATION	T.B.A

Building Design Criteria
 Wind Load - in Accordance with AS.1170.2:2002
 Region C, Terrain Category 2
 Annual Probability of Exceedance 1:500
 Regional Wind Speed - V500 69m/s

DATE	REVISION DESCRIPTION	INT	REV
22/11/2010	Issued for review	MN	A

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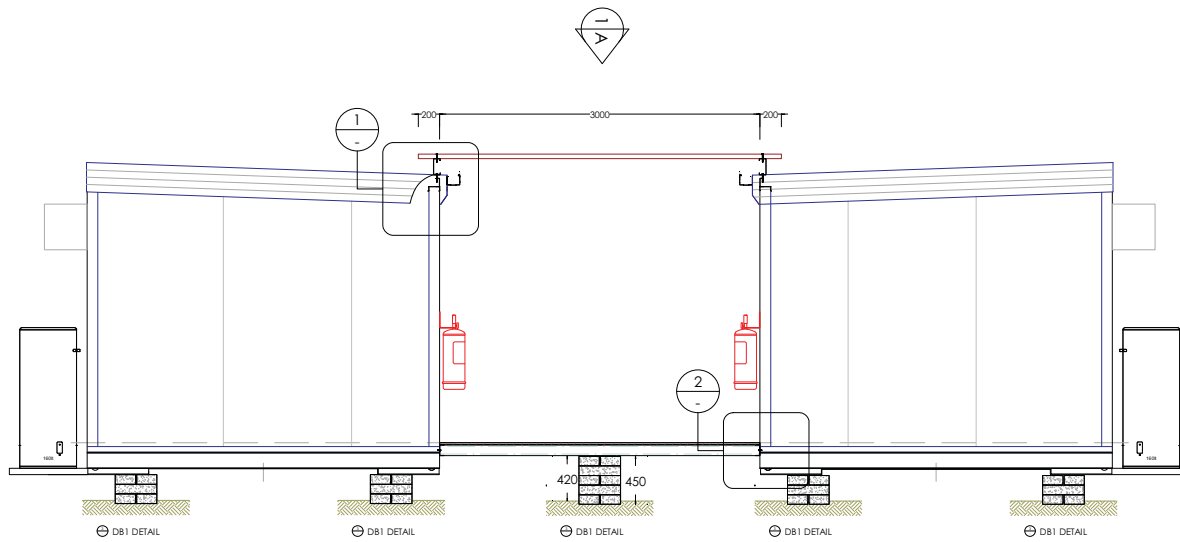
PH: 08 8953 7777
 LOT 10 040 DALGETY ROAD
 ALICE SPRINGS NT 0870
 FAX 08 8953 7765
 EMAIL: admin@ntlink.com.au

PH: 08 8932 5000
 83-84 MCKINNON ROAD
 PINELANDS NT 0828
 FAX 08 8932 1800
 donroadm@ntlink.com.au
www.ntlink.com.au

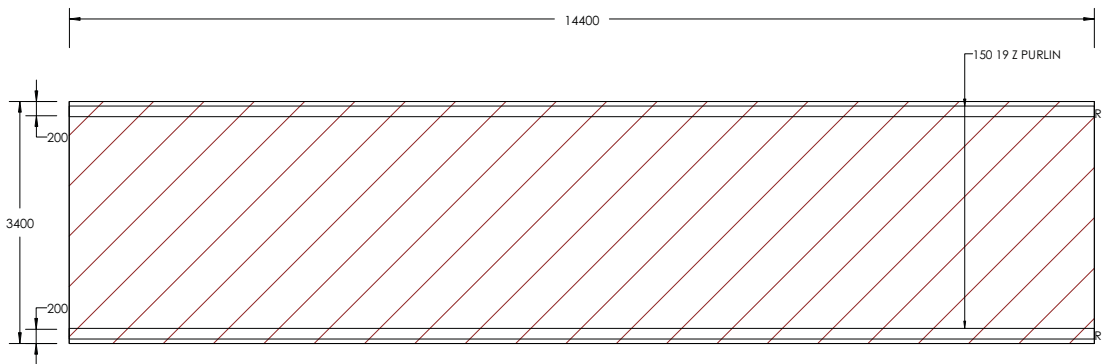
CLIENT: NT LINK Pty Ltd
 DESCRIPTION: 14.4 x 3.3m
 STANDARD
 4 man SPQ

DATE: 12/11/2010	DRAWING No: 1500- S01 of 9
SCALE: @ A3	SHEET TITLE: FLOOR / ELEVATION
DRAWN BY: Maddie Nicolson	

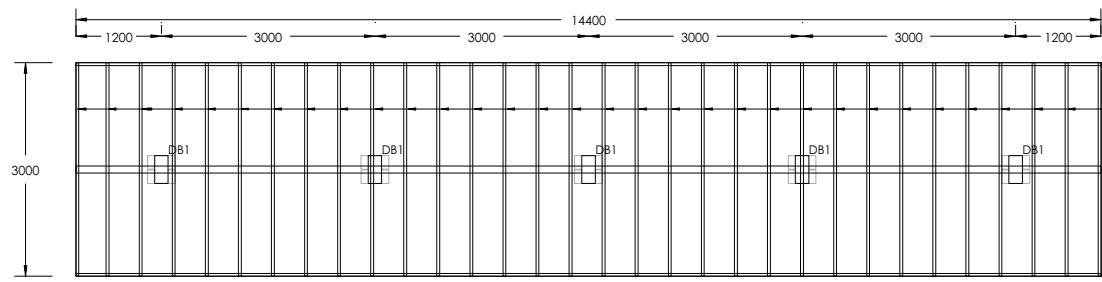
MATERIAL LIST		
RB	150 19 C PURLIN ROOF BATTEN	2
TP	75 X 40 X 1.6 TOP PLATE	2
CS	C 100 40 CENTRE SPREADER	1
J1	C 100 40 FLOOR JOISTS	32



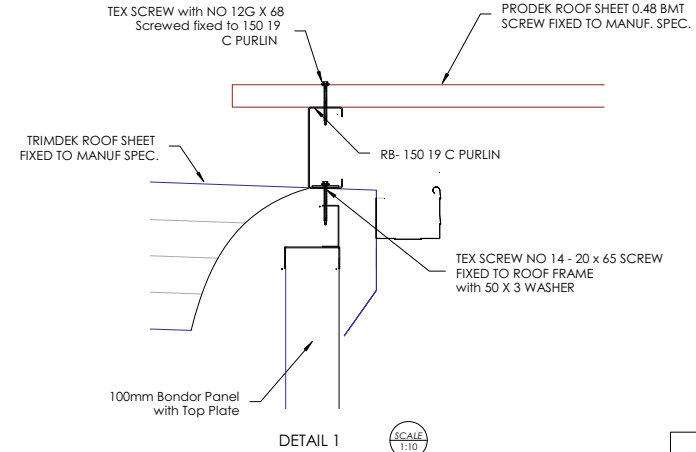
ELEVATION (SCALE 1:50)



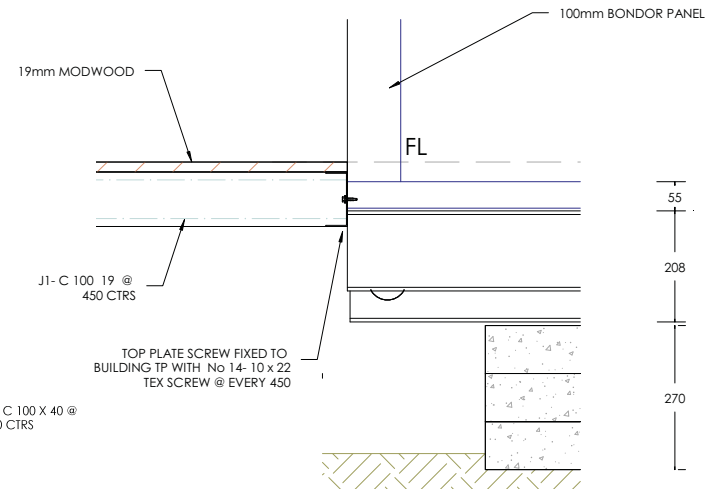
ROOF PLAN (SCALE 1:75)



DECK PLAN (SCALE 1:75)



DETAIL 1 (SCALE 1:10)



DETAIL 2 (SCALE 1:10)

BUILDING INFORMATION	
SERIAL #	T.B.A
CEILING HEIGHT	2400 mm
BUILDING HEIGHT	2964 mm
DESTINATION	T.B.A

DESIGN CRITERIA	
WIND LOAD - in Accordance with AS.1170.2:2002	
TERRAIN CATEGORY 2	
Annual Probability of Exceedance 1:500	
Regional Wind Speed - V500 45m/s	

DATE	REVISION DESCRIPTION	INT	REV
06/10/2014	Drawing Update	CS	E
03/10/2014	Drawing Update	CS	D
02/10/2014	Drawing Update	AG	C
04/03/2013	DRAWING UPDATE	ZM	B
22/11/2011	Issued for review	MN	A

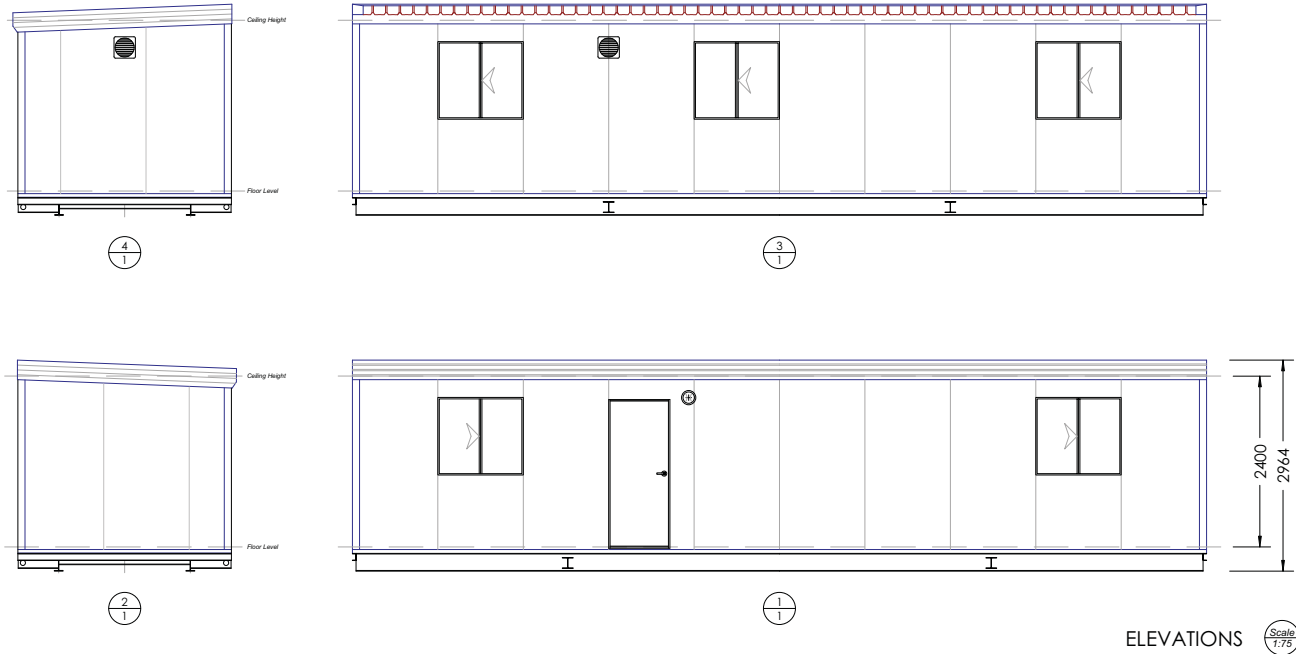
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 LOT 10 040 DALGETY ROAD
 ALICE SPRINGS NT 0870
 FAX 08 8953 7555
 EMAIL admin@ntlink.com.au
 www.ntlink.com.au

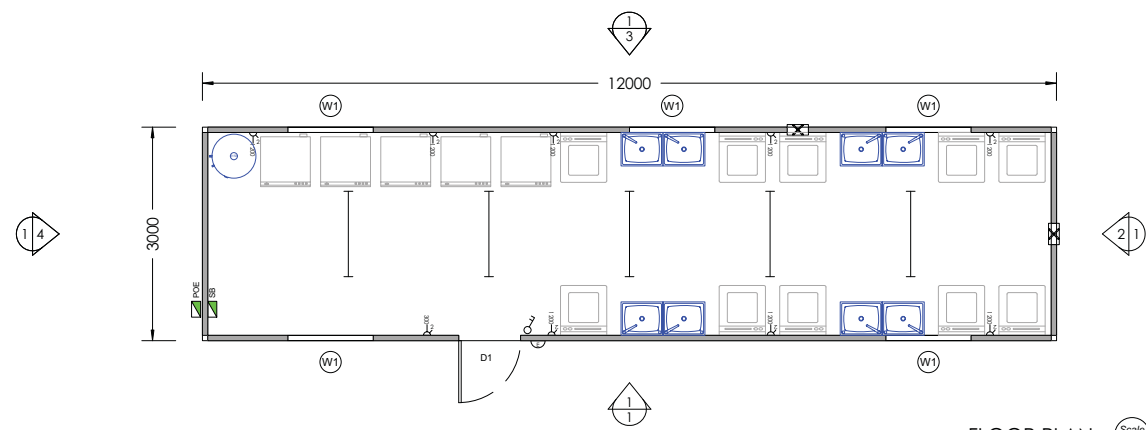
PH: 08 8932 5000
 85-84 MCILWAIN ROAD
 PHILLADELPHIA NT 0828
 FAX 08 8932 1800
 daniel@ntlink.com.au

CLIENT: VOYAGES STAFF ACCOMMODATION
 DESCRIPTION: 14.4 x 3.3m STANDARD 4 man SPQ

DATE: 02/10/2014	DRAWING No: 1500-3820 S04 of 7
SCALE: 1 : 100	SHEET TITLE: COVERWAY
DRAWN BY: Andreas Georgiou	



ELEVATIONS Scale 1/75



FLOOR PLAN Scale 1/75

BUILDING INFORMATION	
SERIAL #	T.B.A
CEILING HEIGHT	2400 mm
BUILDING HEIGHT	2965 mm
DESTINATION	T.B.A

Building Design Criteria
 Wind Load - in Accordance with AS.1170.2:2002
 Region C, Terrain Category 2
 Annual Probability of Exceedance 1:500
 Regional Wind Speed - V500 69m/s

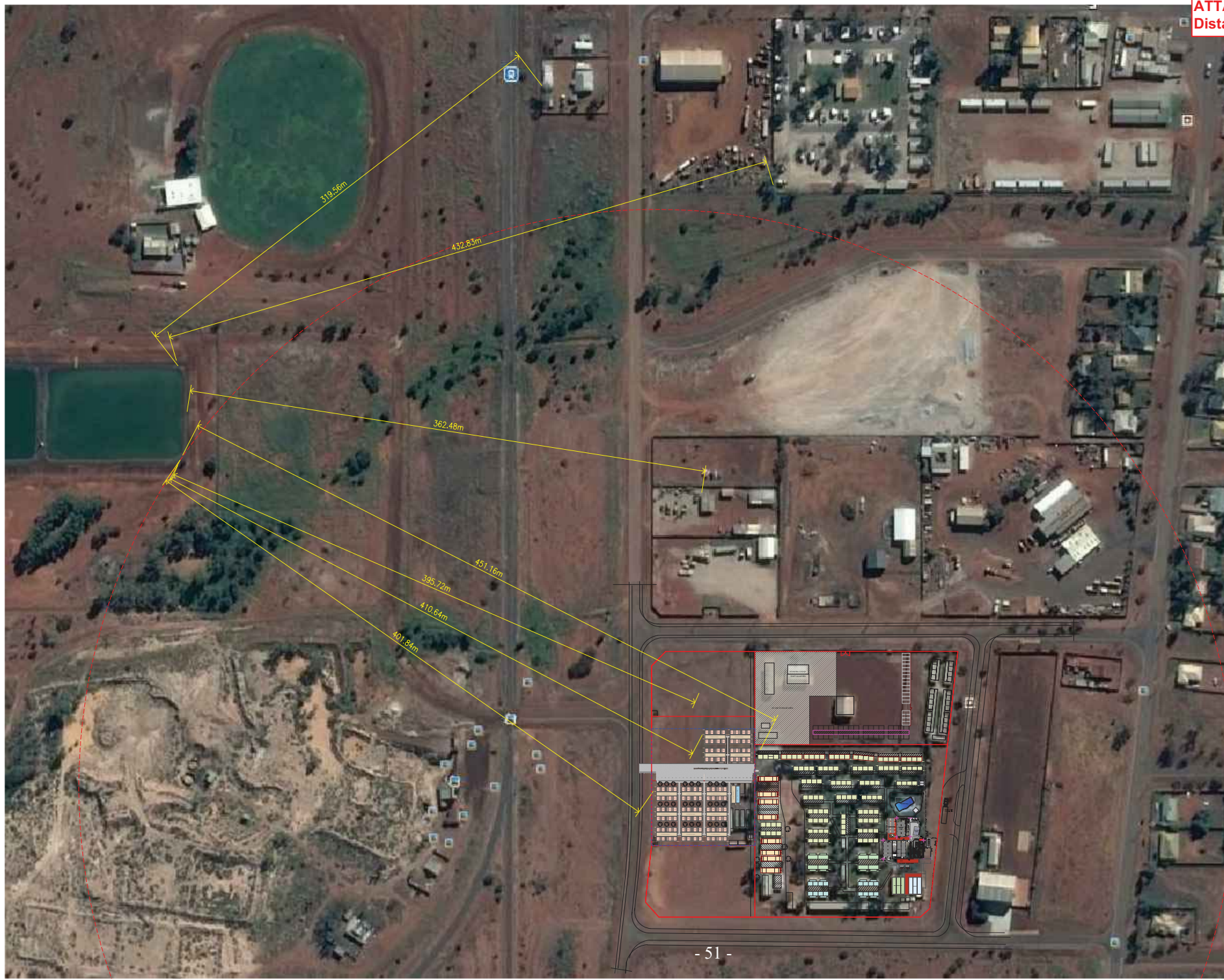
DATE	REVISION DESCRIPTION	INT	REV
18/4/2011	Issued for review	MN	A

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PH: 08 8953 7777 **PH: 08 8932 5000**
 LOT 10 040 DALGETY ROAD 8384 MCKINNON ROAD
 ALICE SPRINGS NT 08711 FINELANDS NT 0808
 FAX 08 8953 7855 FAX 08 8932 5800
 EMAIL: admin@ntlink.com.au dnmadmin@ntlink.com.au
 www.ntlink.com.au

CLIENT: NT LINK Pty Ltd
 DESCRIPTION: 12.0 x 3.0m LAUNDRY STANDARD

DATE: 18/4/2011	DRAWING No:
SCALE: @ A3	1335- S01 of 3
DRAWN BY: Maddie Nicolson	SHEET TITLE: Floor Plan/Elevations



Building Design Criteria
Wind Load - in Accordance with AS.1170.2:2002
Region A, Terrain Category 2
Annual Probability of Exceedance 1:500
Regional Wind Speed - V500 45m/s

DATE	REVISION DESCRIPTION	INT	REV
27/07/17	ISSUED FOR REVIEW	AM	1

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ADDITIONAL NOTES

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PH: 08 8953 7777
4072 DALGHEY ROAD
AULICE SPRINGS NT 0870
FAX 08 8953 7505
EMAIL: sales@ntlink.com.au

PH: 08 8932 5000
8384 MIDWIN ROAD
PINELANDS NT 0820
FAX 08 8932 5000
EMAIL: admin@ntlink.com.au

www.ntlink.com.au

CLIENT: OPL

DESCRIPTION: PROPOSED ACCOMMODATION VILLAGE
KURRAJONG STREET
LEONORA W.A.

DATE: 27/07/17	DRAWING No:
SCALE: @ A3	1374 - A01 of 1
DRAWN BY: A.Matthewson	SHEET TITLE: KIN MINING PROPOSAL

10.0 REPORTS OF OFFICERS

10.3 ENVIRONMENTAL HEALTH OFFICER/BUILDING SURVEYOR

10.3(B) PROPOSED MINING ACCOMMODATION

SUBMISSION TO: Meeting of Council
Meeting Date: 17th October, 2017

AGENDA REFERENCE: 10.3 (B) OCT 17

SUBJECT: Transient Workforce Accommodation

LOCATION / ADDRESS: Lots 5 and 8 Kurrajong Street and Lot 10 Battery Place, Leonora

NAME OF APPLICANT: Skycom Pty Ltd

FILE REFERENCE: 22.1.0

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: David Hadden

OFFICER: Environmental Health Officer

INTEREST DISCLOSURE: Nil

DATE: 29th September 2017

BACKGROUND

An application has been received from Skycom for the development of Mining/Transient Workforce Accommodation (TWA) to service increasing exploration activity within the Shire. Skycom is a third party supplier who will provide accommodation to workers involved in multiple mines in the area.

Taylor Burrell Barnett (Town Planning Consultant) was contracted to provide this report to the Shire of Leonora.

Site Description

Address	Certificate of Title	Area	Proprietor
Lot 5 (No. 115) Kurrajong Street	2774-59	3,169m ²	John Sloan Pty Ltd
Lot 8 (No. 127) Kurrajong Street	2774-62	3,666m ²	Shire of Leonora
Lot 10 (No. 1) Battery Place	2774-70	2,500m ²	Shire of Leonora

The proposed development is located on Lot 5 (No.115), Lot 8 (No.127) Kurrajong Street and Lot 10 (No.1) Battery Place, straddling the proposed expansion of Leonora Lodge at the southern end of the Leonora townsite.

Detailed Proposal

The proposal involves the installation of predominantly newly pre-fabricated modular buildings on-site. 12 accommodation buildings are proposed on Lot 5 (arranged in rows and connected by covered verandahs), with a further 24 buildings arranged in a similar manner on Lot 8. Each building consists of 4 single bedroom units each with their own en-suite, providing capacity for up to 144 people to temporarily reside on-site.

In addition to the accommodation the proposal includes (refer *Attachment 1*):

- 5 x laundry units (47.5m² each), 2 x located on Lot 5 / 3 x located on Lot 8;
- 1 x office building (47.5m²) on Lot 5;
- 1 x kitchen, store, cool room and dining room (252m²) on Lot 5;
- 1 x linen and store room building with 2 toilets (47.5m²) on Lot 5;
- 2 x bin storage areas (1 on each lot);
- A 5 x bay car park on Lot 5; and
- A larger car park encompassing 42 car bays and 4 bus parking bays on Lot 10.

No time limitation is proposed on individual use. A minimum timeframe of 5 years has been requested for use of the buildings (although it is the applicant's preference is for the use to be approved in perpetuity).

STATUTORY ENVIRONMENT

Lots 5 and 8 are zoned 'Miners Accommodation' under the Shire of Leonora Town Planning Scheme No.1 (TPS1). The proposed use on these lots constitutes 'Mining Accommodation', which Schedule 1 defines as:

"transportable buildings or caravans provided by companies engaged in the mining industry for employees or persons connected with the industry which are permanently affixed to the site and which may include catering facilities for residents but does not include:

- (iii) A dwelling or residential building as defined in the Residential Planning Codes*
- (iv) A motel, hostel, or caravan located in a zoned caravan park.'*

Mining Accommodation is listed as a 'P' use in the Miners Accommodation zone, meaning a use that is permitted (and thus cannot be refused) provided:

"it complies with the relevant standards and requirements laid down in the Scheme and all conditions (if any) imposed by Council in granting Planning Approval."

Lot 10 is zoned 'Industrial' under TPS1. The proposed use constitutes a 'Car Park' which is listed as a 'P' use in the Industrial zone, meaning a use that is also permitted subject to compliance with TPS1 requirements.

TPS1 provides little specific guidance for either form of development, aside from Clause 4.5.1, which states:

"Development of land for mining accommodation is subject to the planning approval of Council and any conditions imposed by Council relating to standards including buildings, facilities, car parking and landscaping, and may include as a condition a time limit on development."

More generally, Clause 6.3 lists the matters Council shall take into consideration when determining a planning application. Matters of specific relevance to this application are discussed in the following sections.

Character and Amenity

The proposal involves raised, single-storey modular buildings constructed of colorbond panels with a zincalume roof, of a comparable standard to existing facilities within the Townsite (refer **Attachment 2**).

Development Siting and Setbacks

All buildings have been laid out in a rectilinear fashion, orientated in a manner that minimises solar gain on openings and allows for easy way finding and access through the site.

Accommodation has been predominantly located on Lot 8 and restricted to the eastern portion of Lot 5 (with the administration and communal facilities located on the western portion) to maximise the distance between sensitive areas the generic Water Corporation waste-water treatment plant discussed later in this report. The carpark is located on the opposite side of the road warranting the provision of dedicated a dedicated pedestrian footpath between the facilities.

Development on Lot 5 is setback a minimum of 12.2m from Kurrajong Street, 4.5m from Steel Street, 3m from the eastern side boundary and 3.6m from the southern side boundary. Development on Lot 8 is setback a minimum of 6.4m from Kurrajong Street, 4.5m from Court Street and 3m from both the eastern and northern side setbacks.

Clause 4.4.1 of TPS 1 requires a 9m street setback for all Industrial zoned development (i.e. north of Steel Street and south of Court Street), however a far lesser setback was previously accepted for Mining Accommodation located further along (north of Rochester).

In the absence of any established adjacent building line to match, and to ensure consistency with the Shire's determination of similar earlier proposals, the setbacks as proposed are considered acceptable in this instance.

Whilst its appearance will largely be masked by proposed solid boundary fencing, reorientation of the laundry units on Lot 8, such that they open out towards a verandah fronting Court Street is a relatively simple modification Council could impose via Condition of Approval, if concerned about local streetscape appeal.

Access and Car Parking

Primary access to all three lots is proposed via Kurrajong Street, inclusive of three new vehicle crossovers (one servicing a small short-term/visitor car park on Lot 5, and two servicing the main car park on Lot 10), all positioned in a manner that does not pose a concern to local traffic movements. Both carparks are proposed to be surfaced off compacted gravel, presumably with half-cut logs used to delineate each bay. The Shire's Environmental Health Officer/Building Surveyor has advised that this treatment is consistent with the provision of parking in similar circumstances within the Shire.

TPS1 does not specify a parking ratio for Mining Accommodation. Instead discretion is afforded to the Council to determine an appropriate level of service having regard to the manner in which the facility is intended to operate.

Workers residing at the site will predominantly be FIFO (fly-in, fly-out), transported to and from relevant mine sites and the Leonora Airport by bus, with a small portion of the workers (primarily those in Management roles) having access to private motor vehicles. Buses servicing the operation are proposed to pull up at designated bays within the large car park on Lot 10, on the opposite side of Kurrajong Street from the buildings it is intended to serve.

This arrangement is considered acceptable on the basis that the proposal includes the construction of pedestrian footpath along Kurrajong Street that will provide a direct connection from the remote accommodation on Lot 8 to both the primary communal facilities on Lot 5, and the large car park/bus laydown facility on Lot 10. Given local weather conditions and the relatively remote nature of the bus laydown area from communal facilities, in time the operator may wish to consider the merits of providing a small shelter for workers whilst they wait.

In comparison to similar facilities within the townsite, the provision of 47 car parking bays for use by temporary residents, service vehicles and the occasional visitor (equating to around 1 bay per 3 rooms) and 4 bus parking bays is considered sufficient for the proposed scale of development.

Landscaping

A small amount of notional landscaping is identified on the plans, typically along external setbacks fronting public streets. To ensure the provision of an appropriate level of resident amenity, it is recommended that this level of provision (as a minimum) be required as a condition of Development Approval.

Lighting

The applicant has advised external lighting shall be provided for all core facilities areas, footpaths and pedestrian areas through the site, and high level pole-mounted lights in the carparks. This is considered satisfactory to provide a safe walking environment within the development.

Security

The applicant has advised of a desire to erect a 2.1m high colorbond boundary fence around the perimeter of each lot with three 6 metre wide hinged security gates (that will be closed at 8:00pm). This height is considered to be excessive in particular adjacent public roads where in combination with a solid material is likely to have a negative impact on local streetscapes. It is recommended that a condition of approval limit boundary fencing height to no greater than 1.8m consistent with the fencing of nearby development.

Village Management Plan

The Village Management Plan provided (refer ***Attachment 3***) states that a facilities management company will be responsible for the day to day operation of the site, including administering site rules, cleaning, rubbish removal, and on-going maintenance. Included in the document are procedures for dealing with any complaints and enquires relating to operation, including odour issues associated with the waste-water treatment plant.

Waste Management

Two bin stores of an appropriate size in reasonably accessible locations are proposed to accommodate private waste collection.

Services

All the typical utilities are immediately available to the site or connection is possible via short extension within the surrounding public road network. Extension of the towns' reticulated sewerage network to service the site has formed the subject of detailed discussions with the Water Corporation. Connection to key utilities (inclusive of the Town's drainage system) is a standard condition of development approval.

Wastewater Treatment Plant Odour Buffer

The Water Corporation advise that approximately 70% of Lot 5 is located within the generic 500m odour buffer of the Leonora Wastewater Treatment Plant (WWTP – refer **Attachment 4**). Ordinarily, the Water Corporation would not support the creation of residential or other odour sensitive uses (such as dining) within the buffer.

Included with the proposal was a Desktop Odour Impact Assessment of the Leonora WWTP prepared by Talis' Air Quality Section, to determine the projected offsite odour impacts (if any) on adjacent sensitive land uses. The report concludes that nuisance odours do not impact the proposed development, as reflected by the absence of any registered complaints since commencement of its operation. The assessment also highlights the highly conservative nature of local regulations. A comparison of the

Rather than commit to a detailed review of odour analysis provided, having regard for the mitigating circumstances (being the accommodation is not permanent, its siting furthest away from the odour source, and that a managing body will exist to respond to any odour complaints), the Water Corporation has advised of a willingness to support the proposal on the basis of a formal management process being adopted and incorporated into the Village Management Plan. The intent is for any initial odour enquiries/concerns to be dealt with by the Facility Manager, and for them to act as a single conduit to communicate any maintenance activities which may affect residents. If no formal statutory mechanism exists to execute this requirement to their satisfaction, then a section 70A Notification on Title is requested.

Time Limitation

Given the transportable nature of the buildings, consideration should be given to the need (or otherwise) of imposing a time limitation on use of the buildings for this purpose. Typical benefits of imposing a time limitation include being able to ensure the facilities are improved (or otherwise brought up to code) periodically, as and when re-approval is required, or complete removal of the facility as and when needed to accommodate a higher order land use.

Given the relatively low demand for higher order development in Leonora, and that the land on which the accommodation is proposed is specifically zoned for Worker Accommodation purposes, a time limitation is not considered necessary in this instance.

POLICY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

Lot 8 Kurrajong and Lot 10 Battery Place forms the subject of a conditional purchased contract from the Shire, meaning that it stands to benefit financially should the application be approved and the project proceed.

STRATEGIC IMPLICATIONS

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

RECOMMENDATION

That Council approve the development of 'Mining Accommodation' on Lots 5 and 8 Kurrajong Street and a 'Car Park' on Lot 10 Battery Place, subject to the following conditions:

1. Development Approval lapses if it is not substantially commenced by 17th October 2019.
2. Prior to commencement of the development, a plan is to be provided to the Shire detailing the location and type of fencing to be installed.
3. Prior to occupation of the development the following shall be undertaken to the requirements of the responsible authority, where once approved the arrangements shall form part to this Planning Approval:
 - i. Connection to the Town's reticulated water supply, gravity sewerage and stormwater drainage networks.

- ii. The crossovers, access ways and no less than 47 car bays and 4 bus bays being constructed, line marked and thereafter maintained.
- iii. The site being fenced, landscaped and thereafter maintained to an appropriate standard.
- iv. An Emergency Evacuation Plan.
- v. Water Corporation acceptance of an updated Village Management Plan inclusive of a formal management process to respond to any odour complaints from residents in the accommodation attributable to its infrastructure, and facilitate communication of any maintenance activities which may affect residents.
- vi. If Condition 3(v) cannot be achieved, a notification, pursuant to Section 70A of the Transfer of Land Act 1893 being placed on the parent lot certificate(s) of title to the satisfaction of the Water Corporation, advising that the lots are situated within the vicinity of the Leonora Wastewater Treatment Plant, and therefore may be affected by odour.

Advice Notes

- a) You are reminded that this is a Planning Approval only and does not obviate the responsibility of the developer to comply with all relevant building, health and engineering requirements.
- b) The applicant is reminded to comply with the requirements of Worksafe Western Australia in the carrying out of any works associated with this approval.
- c) Prior to the commencement of works, the proponent should ensure the application is compliant with the Aboriginal Heritage Act 1972 in liaison with the Department of Aboriginal Affairs.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Moved Cr RM Cotterill, Seconded Cr AE Taylor that Council approve the development of 'Mining Accommodation' on Lots 5 and 8 Kurrajong Street and a 'Car Park' on Lot 10 Battery Place, subject to the following conditions:

- 1. Development Approval lapses if it is not substantially commenced by 17th October 2019.
- 2. Prior to occupation of the development the following shall be undertaken to the requirements of the responsible authority, where once approved the arrangements shall form part to this Planning Approval:
 - i. Connection to the Town's reticulated water supply, gravity sewerage and stormwater drainage networks.
 - ii. The crossovers, access ways and no less than 47 car bays and 4 bus bays being constructed, line marked and thereafter maintained.
 - iii. Lots 5, 8 and 10 Kurrajong Street being fenced with 1.8m high colourbond fence, landscaped and thereafter maintained to an appropriate standard.
 - iv. An Emergency Evacuation Plan.
 - v. Water Corporation acceptance of an updated Village Management Plan inclusive of a formal management process to respond to any odour complaints from residents in the accommodation attributable to its infrastructure, and facilitate communication of any maintenance activities which may affect residents.
 - vi. If Condition 2(v) cannot be achieved, a notification, pursuant to Section 70A of the Transfer of Land Act 1893 being placed on the parent lot certificate(s) of title to the satisfaction of the Water Corporation, advising that the lots are situated within the vicinity of the Leonora Wastewater Treatment Plant, and therefore may be affected by odour.

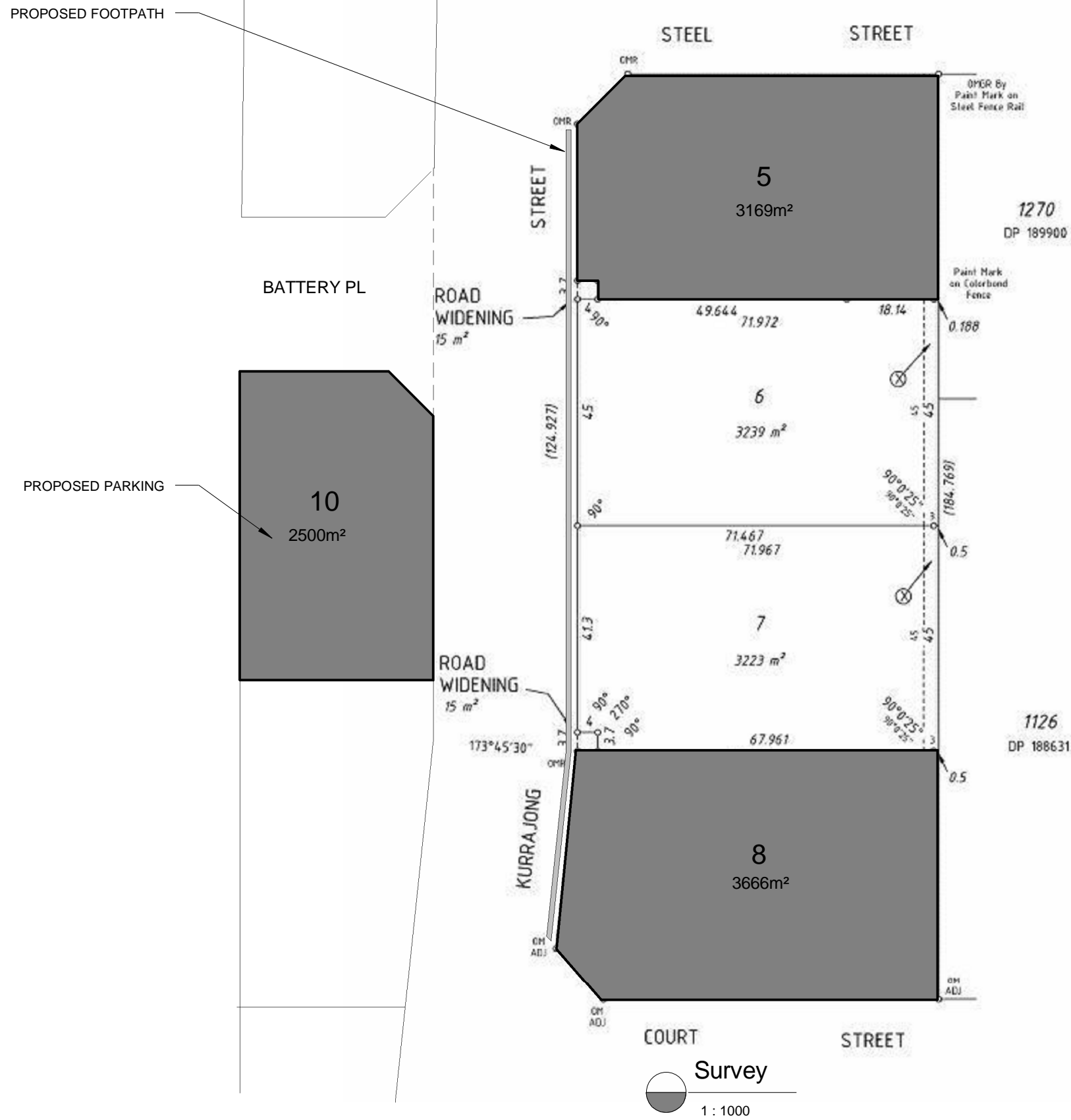
CARRIED (5 VOTES TO 0)

REASON FOR ALTERATION TO RECOMMENDATION

Recommendation was amended to correlate/comply with original conditions of the sale of land.

Mr Dave Hadden left the meeting at 10:36am

Cr PJ Craig adjourned the meeting at 10:36am for a morning tea break.



CLIENT APPROVED:	ENGINEER APPROVED:
DATE:	DATE:
REVISIONS:	
E	Revised Fire Separation 18/09/2017
D	Revised Lot Layout & Lot 10 Carpark 07/09/2017
C	Lot 5 Revisions 22/08/2017
Sheet:	Of:
SK01	05

J A Design & Drafting
50 Van Der Meer Drive
Burpengary East 4505
Ph: 0403 599 329
Email: janine@jadd.com.au
A.B.N. 31 662 585 807 QBSA Lic: 1261594

Skycom Pty Ltd
**Lot 5 & 8 Kurrajong Street & Lot 10
Battery Place,
Leonora WA**

ACCOMMODATION UNITS

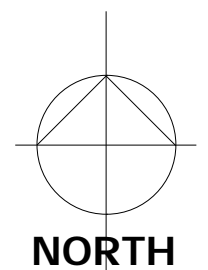
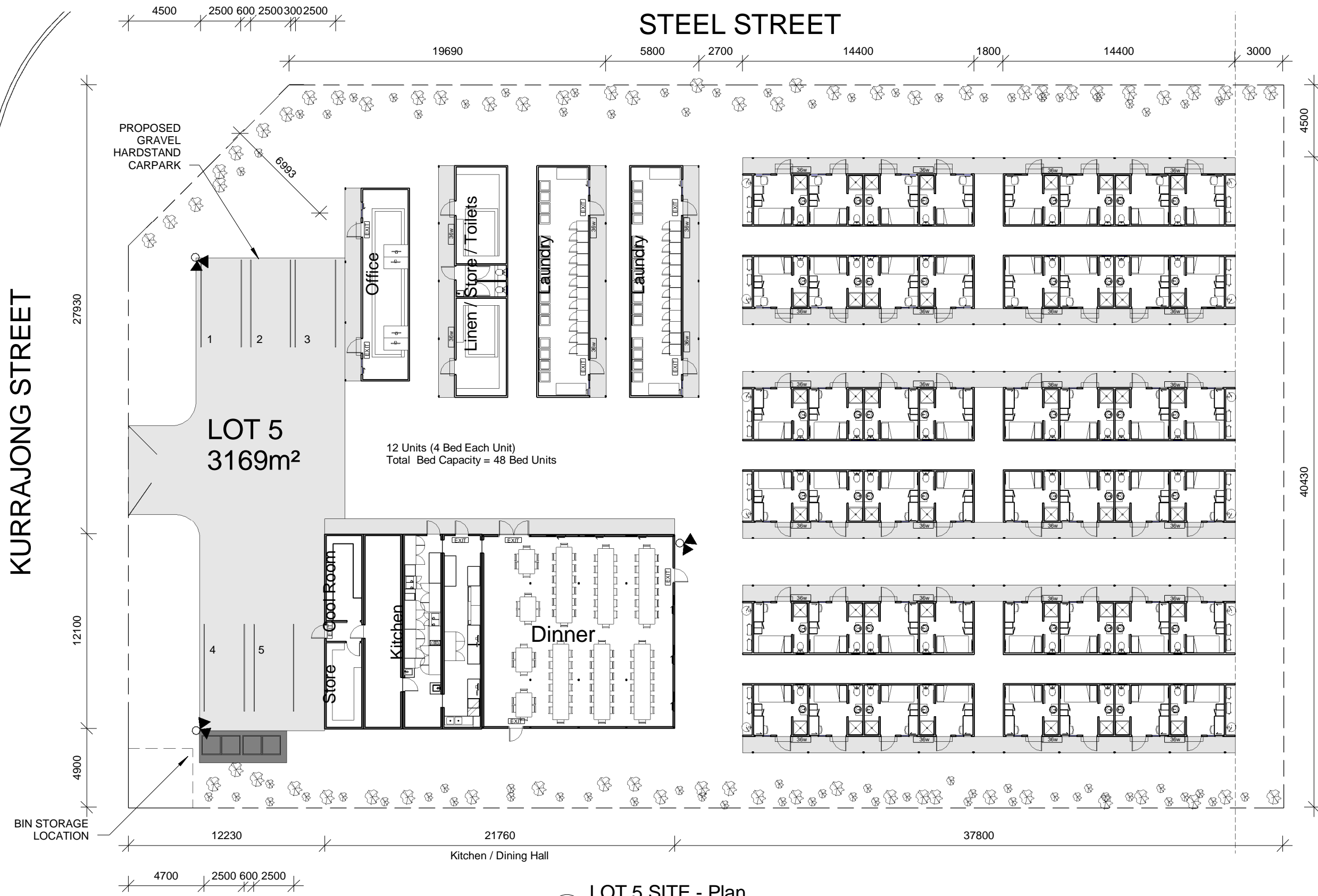
SHEET TITLE:
Site Layout

Project Number: 2017030
Drawn: Janine.A
Scale: 1 : 1000
Date: 18/09/2017

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KURRAJONG STREET

STEEL STREET



ELECTRICAL LEGEND

- ALUMINATED EXIT LIGHT
- 36w DOUBLE FLUORESCENT LIGHT
- POLE MOUNTED FLOOD LIGHT

CALCULATIONS:

Site Area: 3169m²

12 Units @ 47.52m² each

2 Laundry Units @ 47.52m² each

1 Linen/Store Unit @ 47.52m²

1 Office @ 47.52m²

1 Dinner @ 252.0m²

Floor Area: 1012.32m² (31.95%)

Covered Open Space: 243.20m² (7.67%)

Site Cover %: 1255.52m² (39.62%)

LOT 5 SITE - Plan
1 : 250

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J A Design & Drafting
50 Van Der Meer Drive
Burgpengary East 4505
Ph: 0403 599 329
Email: janine@jadd.com.au
A.B.N. 31 662 585 807 QBSA Lic: 1261594

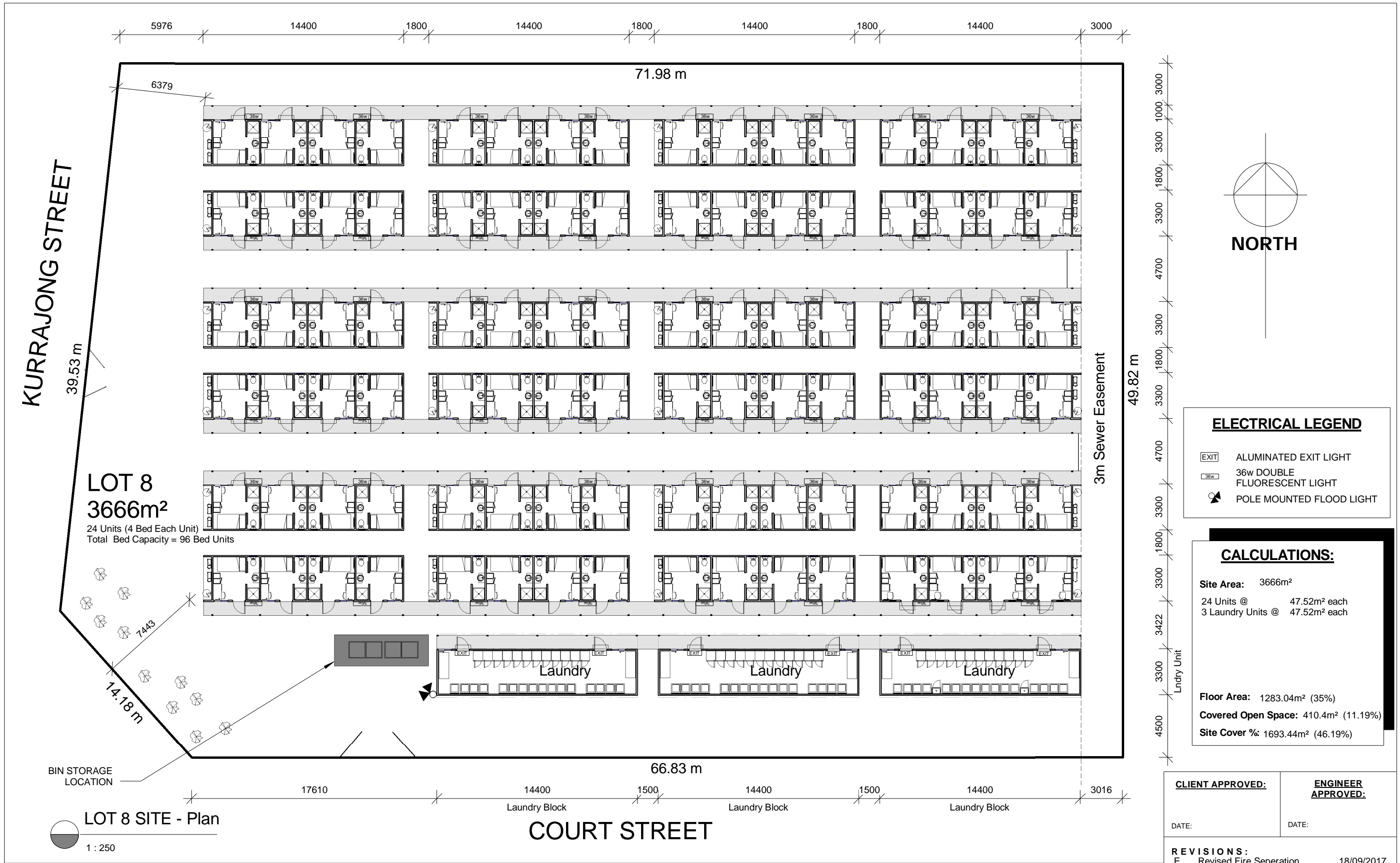
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Battery Place,
Leonora WA**

ACCOMMODATION UNITS

SHEET TITLE:
Lot 5 Site - Layout
- 58 - Sheet Size: A3

Project Number: 2017030
Drawn: Janine.A
Scale: 1 : 250
Date: 18/09/2017





J A Design & Drafting
 50 Van Der Meer Drive
 Burpengary East 4505
 Ph: 0403 599 329
 Email: janine@jadd.com.au
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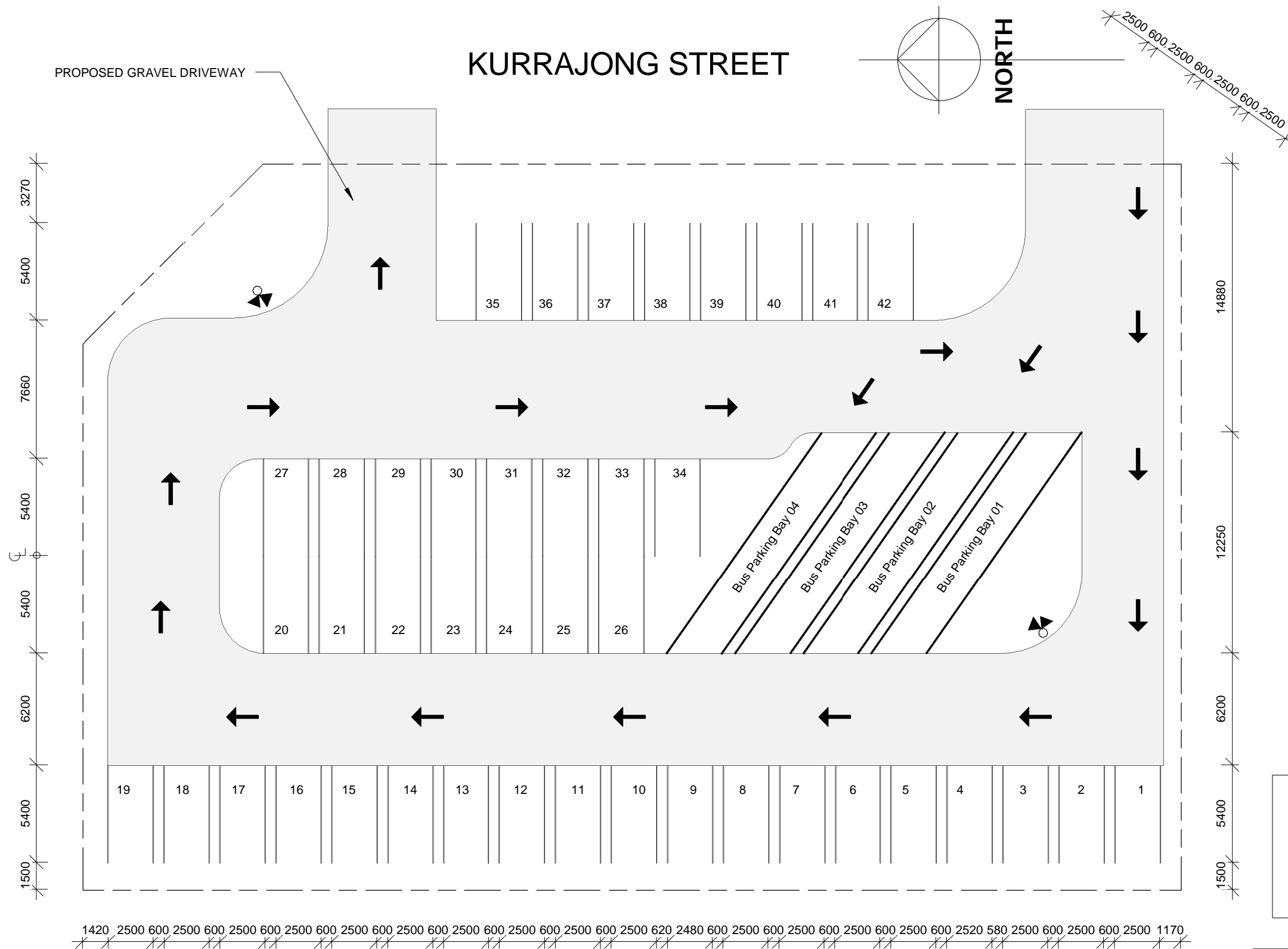
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ACCOMMODATION UNITS

SHEET TITLE:
 Lot 8 Site - Layout
 - 59 - Sheet Size: A3

Project Number: 2017030
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ELECTRICAL LEGEND	
	ALUMINATED EXIT LIGHT
	36w DOUBLE FLUORESCENT LIGHT
	POLE MOUNTED FLOOD LIGHT

LOT 10 SITE - Plan
 1 : 250

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 50 Van Der Meer Drive
 Burpengary East 4505
 Ph: 0403 599 329
 Email: janine@jadd.com.au
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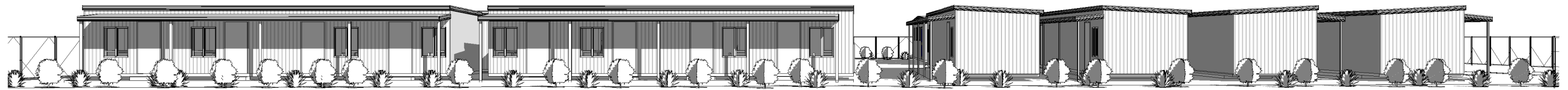
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ACCOMMODATION UNITS

SHEET TITLE:
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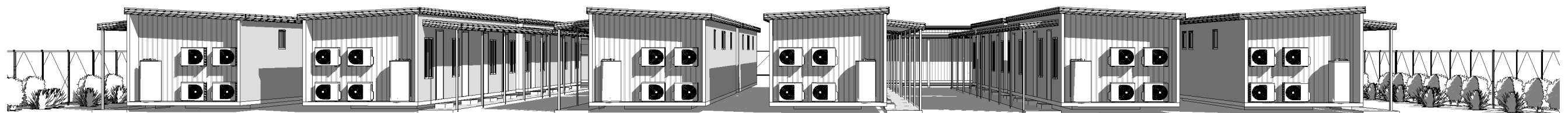
Lot 5 NORTH - Perspective



Lot 5 SOUTH - Perspective



Lot 5 WEST - Perspective



Lot 5 EAST - Perspective

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Sheet: SK05	Of: 09

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50 Van Der Meer Drive
Burdungary East 4505
Ph: 0403 599 329
Email: janine@jadd.com.au
A.B.N. 31 662 585 807 QBSA Lic: 1261594

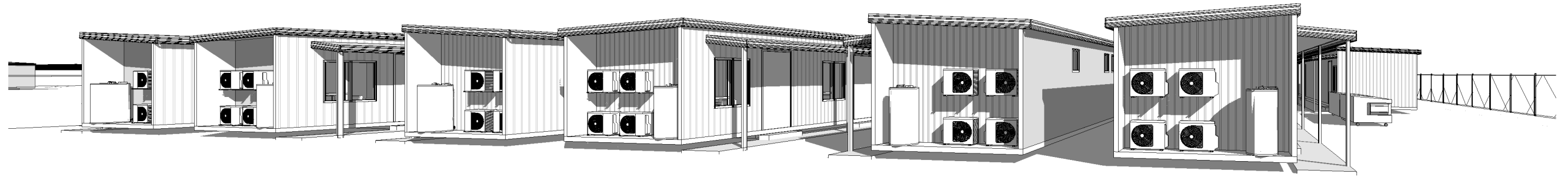
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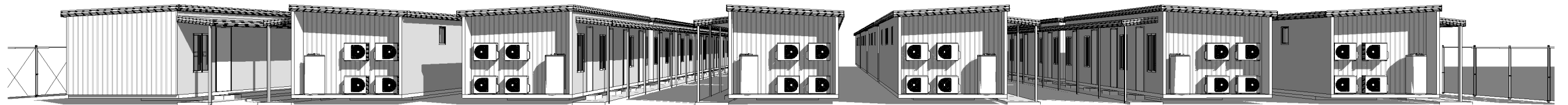
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Lot 5 Site Perspectives
- 61 - Sheet Size: A3

Project Number: 2017030
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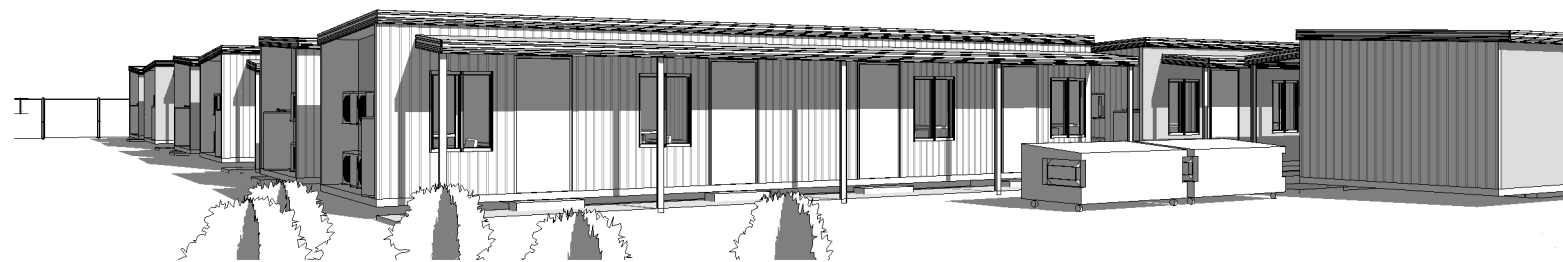
Lot 8 SOUTH WEST - Perspective



Lot 8 EAST - Perspective



Lot 8 NORTH - Perspective



Lot 8 SOUTH EAST - Perspective

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J A Design & Drafting
 50 Van Der Meer Drive
 Burpengary East 4505
 Ph: 0403 599 329
 Email: janine@jadd.com.au
 A.B.N. 31 662 585 807 QBSA Lic: 1261594

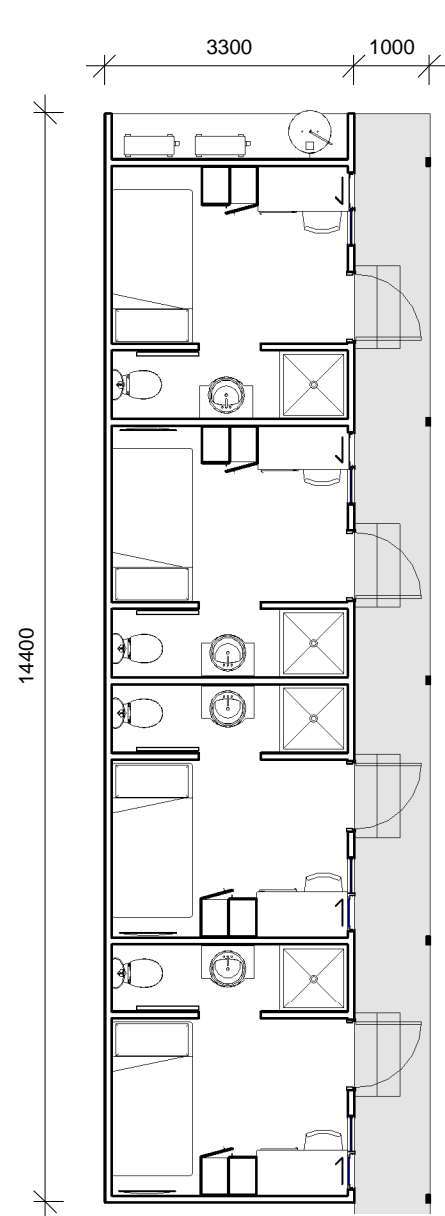
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ACCOMMODATION UNITS

SHEET TITLE:
 Lot 8 Site Perspectives
 - 62 - Sheet Size: A 3

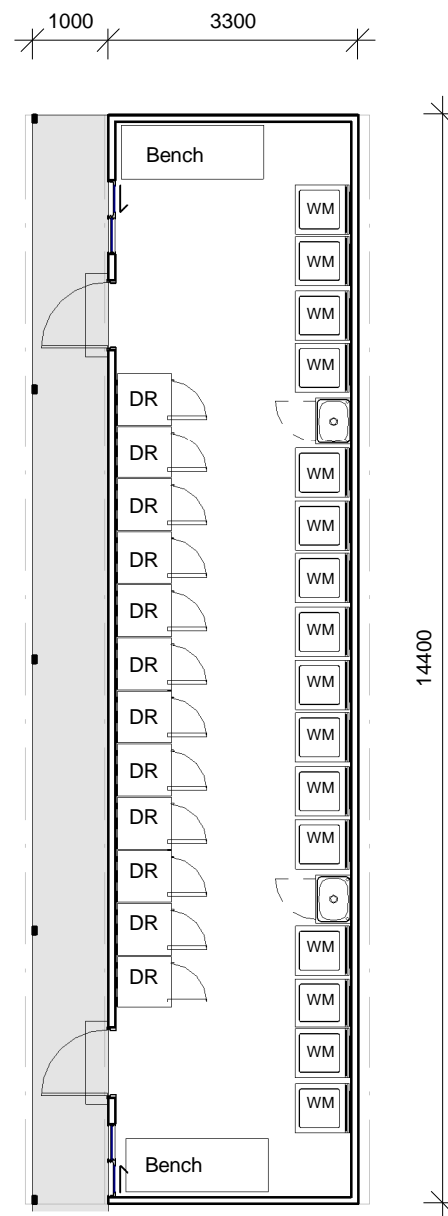
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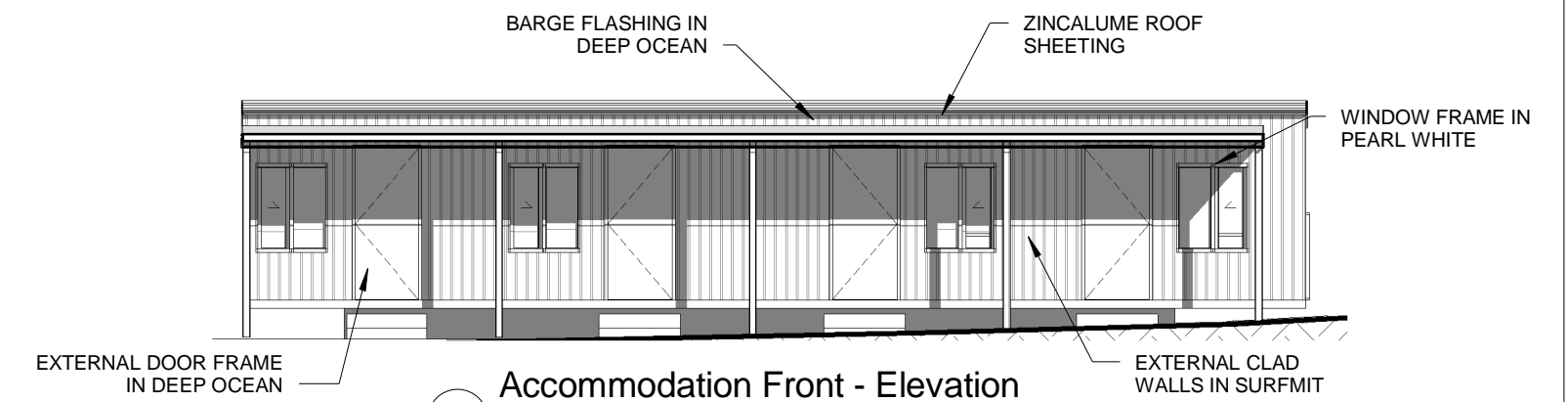
ACCOMMODATION FLOOR - Plan

1 : 100



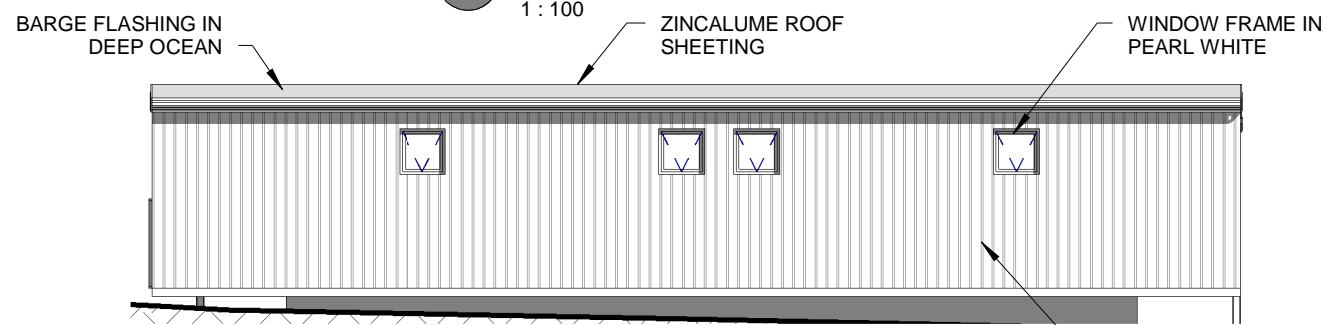
LAUNDRY FLOOR - Plan

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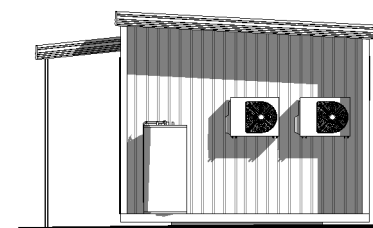
Accommodation Front - Elevation

1 : 100



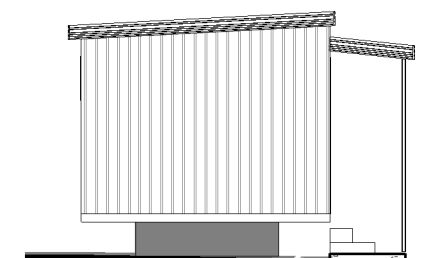
Accommodation Rear - Elevation

1 : 100



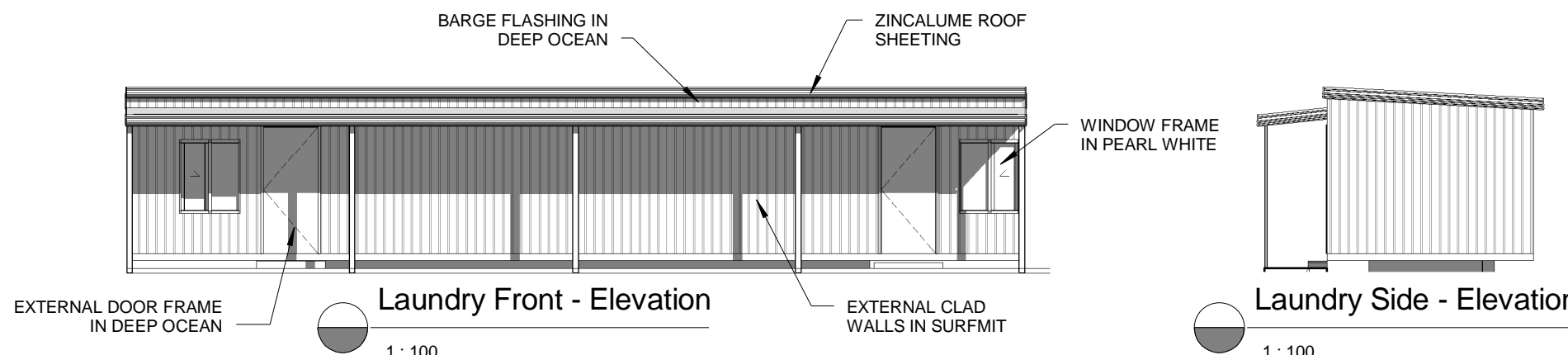
Accommodation Side - Elevation

1 : 100



Accommodation Side (2) - Elevation

1 : 100



Laundry Front - Elevation

1 : 100

Laundry Side - Elevation

1 : 100

J A Design & Drafting

50 Van Der Meer Drive
Burpengary East 4505
Ph: 0403 599 329
Email: janine@jadd.com.au

A.B.N. 31 662 585 807 QBSA Lic: 1261594

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Lot 5 & 8 Kurrajong Street & Lot 10
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ACCOMMODATION UNITS

SHEET TITLE:
Floor Plans & Elevations

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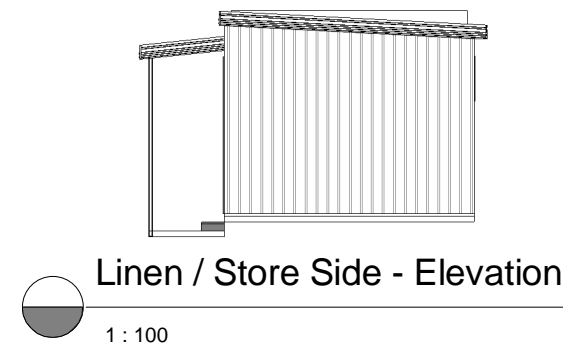
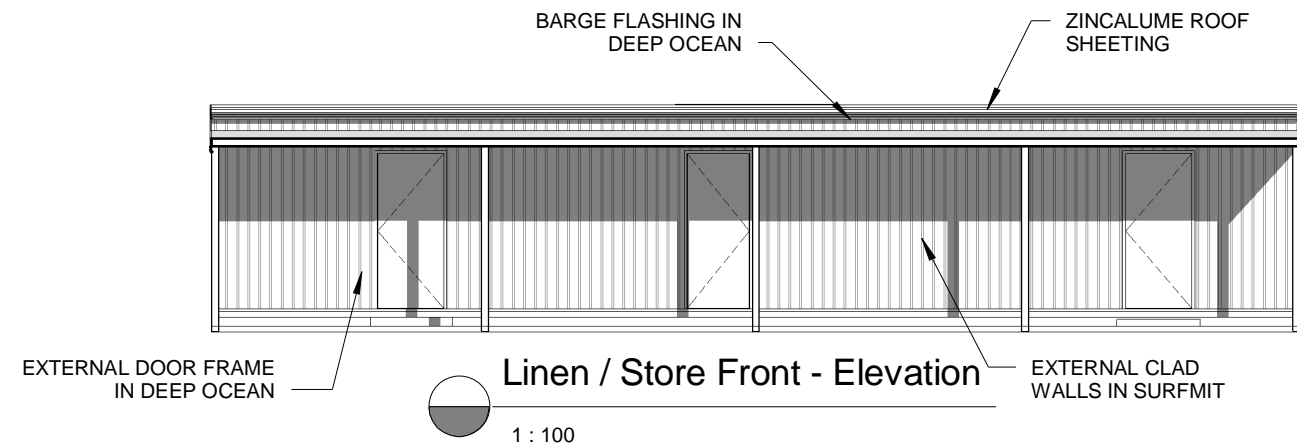
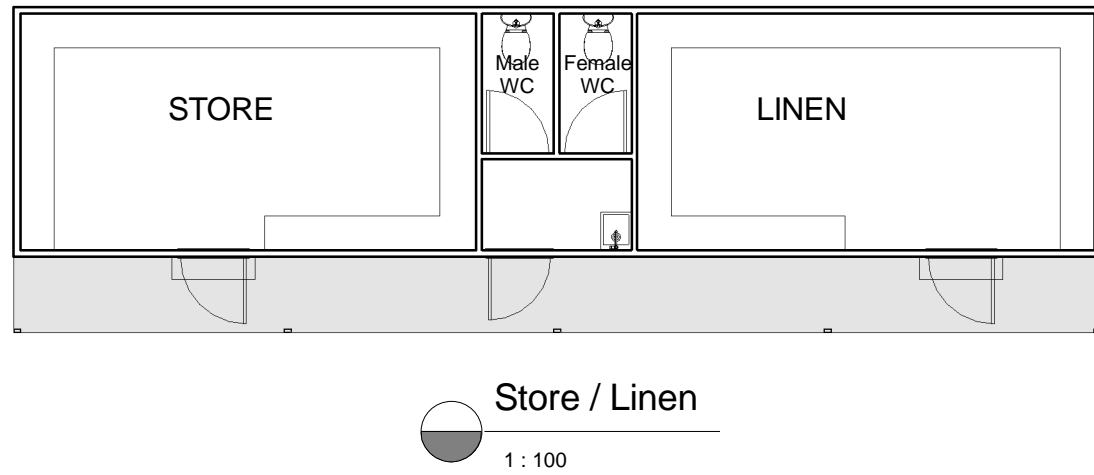
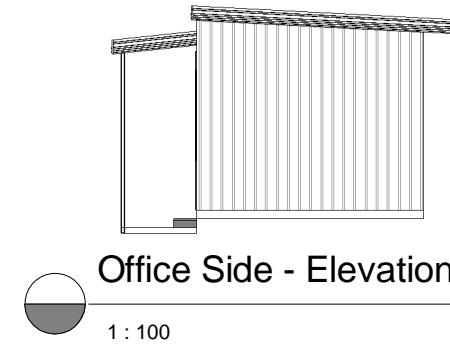
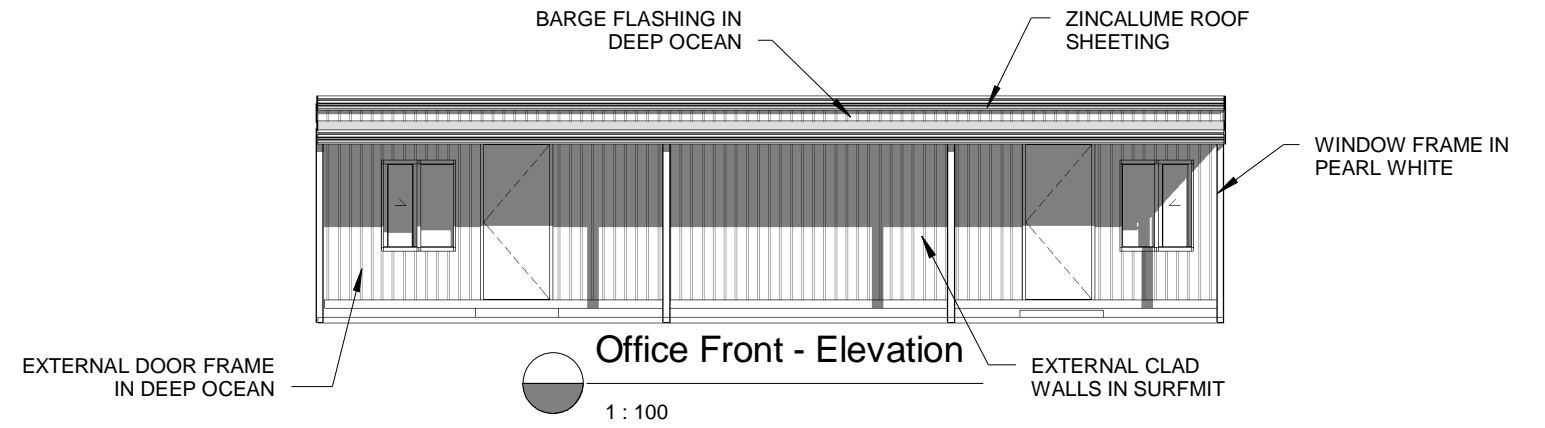
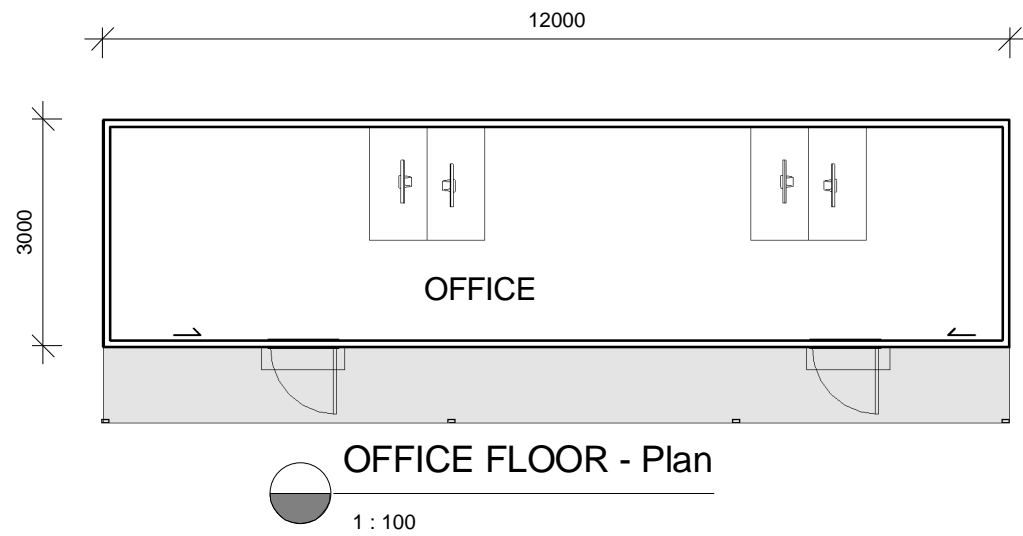
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C	Lot 5 Revisions	22/08/2017

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J A Design & Drafting

50 Van Der Meer Drive
Burpengary East 4505
Ph: 0403 599 329
Email: janine@jadd.com.au

A.B.N. 31 662 585 807 QBSA Lic: 1261594

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**Lot 5 & 8 Kurrajong Street & Lot 10
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ACCOMMODATION UNITS

SHEET TITLE:
Floor Plans & Elevations

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Sheet Size: A3

Project Number: 2017030

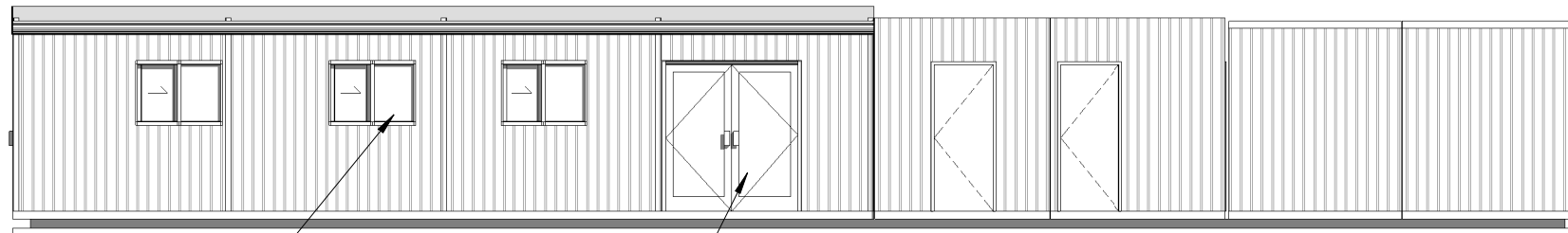
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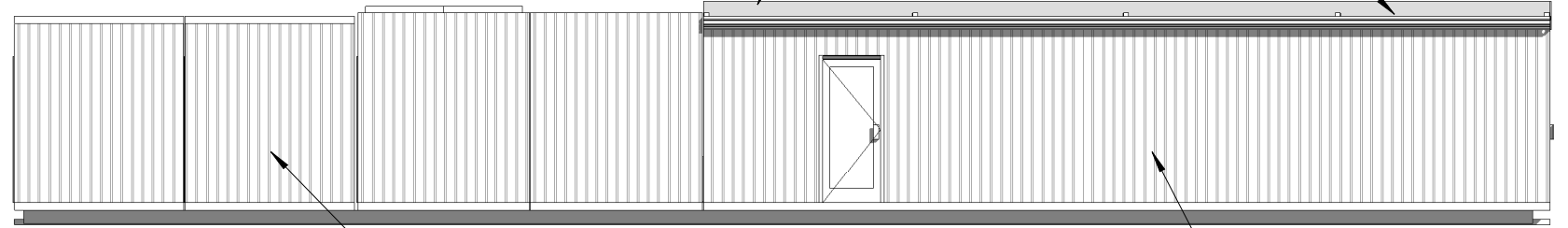
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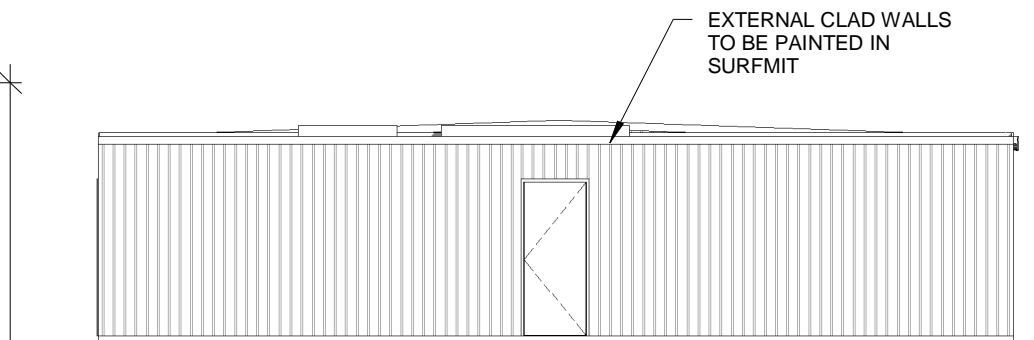
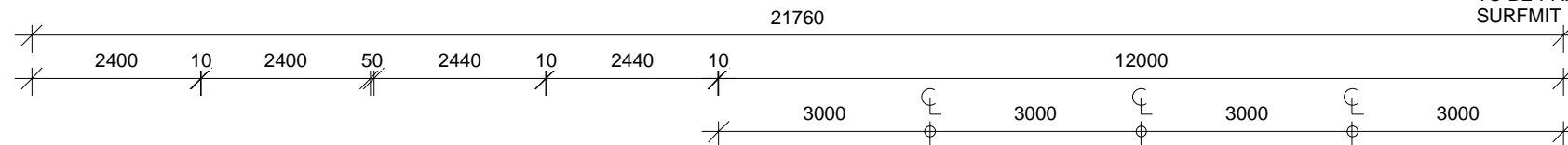
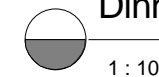
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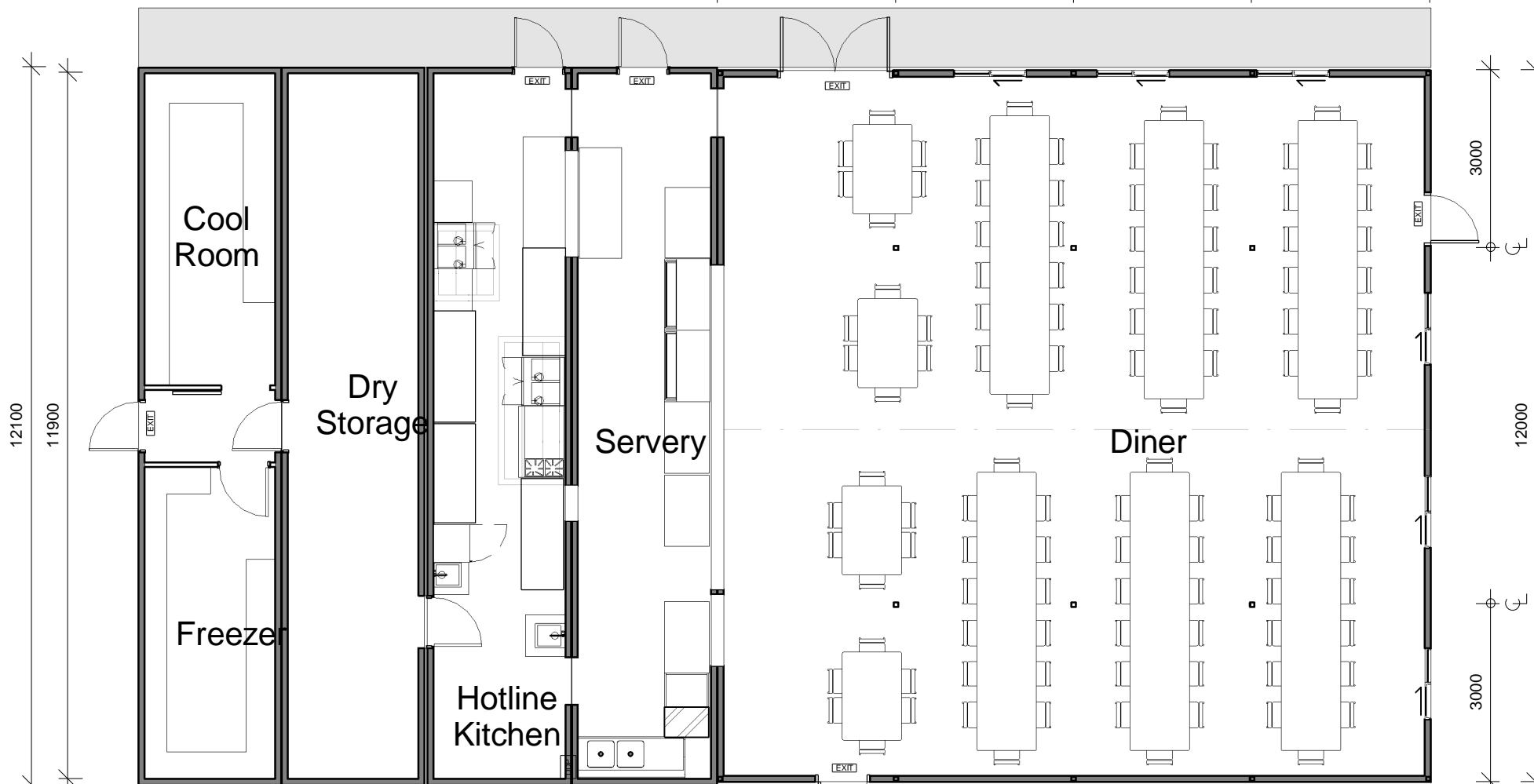
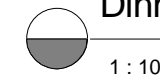
Dinner Front Side - Elevation



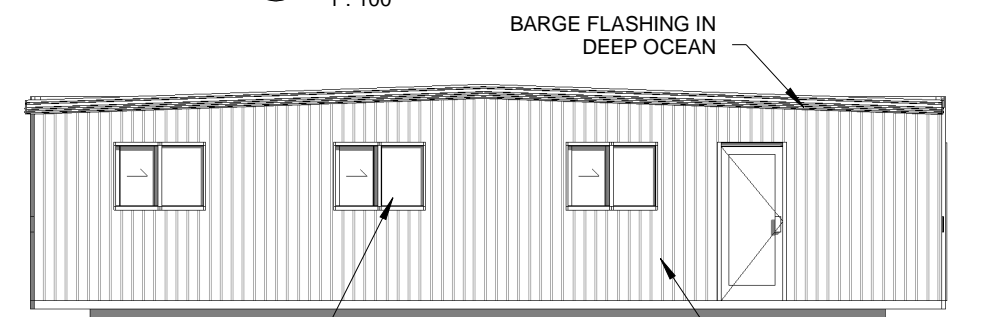
Dinner Side - Elevation



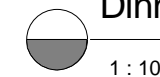
Dinner Rear - Elevation



DINNER FLOOR - Plan



Dinner Front - Elevation



CLIENT APPROVED:

ENGINEER APPROVED:

DATE:

DATE:

REVISIONS:

E	Revised Fire Separation	18/09/2017
D	Revised Lot Layout & Lot 10 Carpark	07/09/2017
C	Lot 5 Revisions	22/08/2017

Sheet:

Of:

C01

05

J A Design & Drafting

50 Van Der Meer Drive
Burgpengary East 4505
Ph: 0403 599 329
Email: janine@jadd.com.au

A.B.N. 31 662 585 807 QBSA Lic: 1261594

Skycom Pty Ltd

Lot 5 & 8 Kurrajong Street & Lot 10
Battery Place,
Leonora WA

ACCOMMODATION UNITS

SHEET TITLE:
Floor Plan & Elevations

- 65 -

Sheet Size: A3

Project Number: 2017030

Drawn: Janine.A

Scale: 1 : 100

Date: 20/09/2017

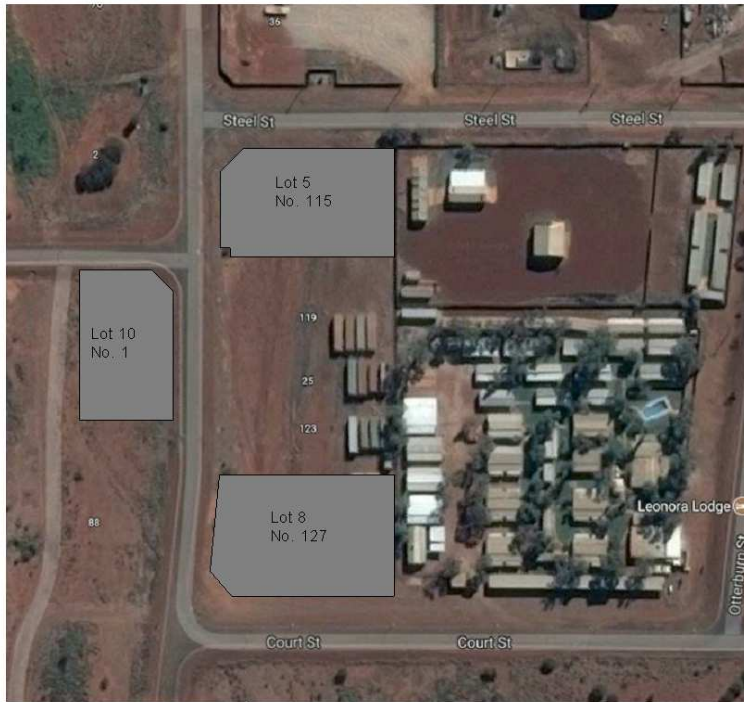


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Leonora 144 Person Mining Accommodation Village

Village Management Plan

1. Contents.....	* +
2. Site location.....	* ,
3. Introduction.....	* -
4.Overview of Proposal.....	+\$
5. Design Philosophy	+°/++&
6. Construction Phase.....	+'
7. Method of Operation	+(
8. Village Management.....	"")
9. Potable Water Supply.....	"_+*
10. Water for Fire Suppression.....	"_+*
11. Wastewater Disposal.....	"_+*
12. Stormwater.....	"_+*
13. Electricity.....	"_++
14. Communications.....	++
15. Lighting.....	++
16. Security.....	++
17. Approvals and Regulatory Support Required.....	"...+, -+
19.General Complaints Management.....	, \$
19. Odour Complaints Management Plan.....	, % , &



3.Introduction

Accommodation is required to house the workforce for three mining companies which will operate in close proximity to the town of Leonora.

Consequently, an Accommodation Village is proposed on Lot 5, Lot 8 Kurrajong street and Lot 10 Battery Place Leonora, to provide accommodation for the mining workforce.

The Accommodation, Kitchen, Dining, Laundry and Office component of the Leonora Village will be constructed on Lot 5 and Lot 8 Kurrajong Street Leonora. Lot 5 and Lot 8 are zoned " Mining Accommodation" under the current Town Planning Scheme. The proposed Bus and Light Vehicle parking will be located on Lot 10 Battery Place Leonora. Lot 10 Battery Place Leonora is zoned "Industrial" under the current Town Planning Scheme.

We anticipate that the residents of the Leonora village will utilise some of the town of Leonora leisure facilities and contribute to the local business and local economy.

As far as practicable, it is our intention to use local contractors and suppliers for the construction of the Leonora Village.

Preference will be given to local Leonora residents for the operational staff required for the day to day running of the Leonora village.

4. Overview of Proposal

The proposed Leonora Village Accommodation Village will provide accommodation for 144 mining personnel. This includes the operations and associated on-going maintenance of the 144 person village.

At this stage it is envisaged the Leonora village will be in operation for a period of at least five years.

The proposed mining accommodation village will be constructed on Lot 5, Lot 8 Kurrajong Street and Lot 10 Battery Place in the Shire of Leonora town site.

The proposed Leonora Village will connect to the existing, Water Corporation wastewater system (via two private sewage pump stations and rising mains), Water Corporation potable water metered mains and Horizon Power electricity Network and Telstra communications network.

The proposed Leonora Village of 144 rooms is to be occupied by three separate mining company personnel.

The proposed village will also provide dining, laundry, managers vehicle and bus parking for the residents.

The site will not be accessible to non-residents, other than persons associated with the three mining companies and any authorised/statutory persons for inspection or maintenance purposes.

5. Design Philosophy

The design philosophy behind the development of the Leonora Village has been to locate the accommodation village within the existing Leonora town site and to integrate the built form into the existing environment with as minimal disturbance as possible.

The proposed location of the Leonora village has been selected on suitably zoned land and to connect to available infrastructure and services.

The overall layout of the Leonora Village detailed on the drawings provide information on the range of core facilities to support the Leonora Village, consisting of:

Ensuite accommodation rooms

Central Facilities (Office, Dining, Kitchen)

Car/Bus parking

Laundry facilities and linen stores.

Design of wastewater pumping stations and rising mains

The Leonora Village will utilise the following infrastructure and services,

Water Corporation wastewater network

Water Corporation potable water supply

Horizon Power Electricity Network

Telstra communications

Shire of Leonora road network and Waste Refuse Site

All buildings will be of a pre-fabricated modular construction, transported to and installed on the site. The buildings will be finished in colourbond steel with zincalume roofing.

The Accommodation Units are prefabricated structures and comprise of groups of four ensuite rooms.

The Central Facilities Buildings are located on Lot 5 Kurrajong Street and provides administrative facilities for the operation of the Leonora Village, Dining and Kitchen, and laundries and linen storage. The Central Facilities Buildings provides kitchen and storage facilities for the overall Leonora Village, and dining room space capable of accommodating the number of workers present on the site at any point in time.

Deliveries to the Leonora Village will be to the unloading area adjacent to the kitchen.

Access to the Leonora Village will be gained from Kurrajong Street.

The laundries units are located at points within the layout of Accommodation Buildings on Lot 5 and Lot 8 Kurrajong street.

We propose to utilise natural vegetation types for the landscaping of the Leonora Village to minimise the use of the precious town water supply.

The entire Leonora Village shall have a 2.1 metre high colourbond fence and three off 6 metre wide hinged gates installed for security.

Concrete pedestrian foot paths are proposed throughout the Leonora Village, providing for movement between the accommodation areas and common facilities. It has been proposed (with the shire) to install a concrete foot path between Lot 5 and Lot 8 Kurrajong Street for pedestrian access.

All permanent vehicles (buses and managers vehicles) for the Leonora Village shall be parked in the designated parking area on Lot 10 Battery Place.

Five visitor parking bays have been provide on Lot 5 Kurrajong Street, these are to be used for visitors and short term parking only.

Refuse collection will be undertaken by the village management company. Refuse storage areas are provided on Lot 5. The refuse shall be taken to the Shire of Leonora refuse tip by the village management company.

6. Construction Phase

After all approvals are in place, we envisage a construction schedule of twelve weeks to complete the installation of the Leonora Village and all required services.

The construction works shall be carried out by a registered building company.

We propose to carry out the works during the following hours,

6am to 6pm Monday to Saturday (excluding Public Holidays)

All construction work is to be carried out in accordance with AS 2436-2010.

A Construction Management Plan (CMP) shall be submitted with the Building Permit application.

The CMP will address the aspects of the construction work, including,

Health and Safety procedures

Hours of operation

Project risk assessment

Compliance

Logistical information

Project works schedule

Project managerial procedures

Waste management

Traffic management

Amenity and Site Security

Disruption to adjoining properties

7.Method of Operation

The Leonora Village will operate on a permanent basis. The anticipated manner of operation is a rolling two week on/one week off roster.

The residents of the Leonora Village will fly in/out of Leonora via the Leonora Airport on commercial/charter flights. The residents will be delivered to and from the Leonora airport via a bus service provided by the Leonora Village.

Mining staff will generally work a 12-hour day, running 06:00 – 18:00 or 18:00 – 06:00. On-site facilities will operate as necessary to accommodate the operational patterns of the mine sites at any particular point in time.

The Leonora Village will be occupied by mine workers, project and mine management staff.

8. Village Management

The Leonora Village will be managed by a Facilities management company.

This company shall be responsible for, compliance with Health Department Regulations, compliance with Shire of Leonora Regulations, the day to day management of the village including,

liaison with regulatory authorities, administration of village rules, record keeping, management of staff and residents, making reservations, preparing meals, cleaning of the village, changing linen, rubbish removal, ongoing maintenance and complaint management.

9. Potable Water Supply

The Leonora village shall be supplied with potable water from the (Water Corporation) water main connected to Lot 5 and Lot 8 Kurrajong Street via water meters connected on each Lot.

10. Water for Fire Suppression

The Leonora village shall be supplied with Water for Fire Suppression from the (Water Corporation) water main connected to Lot 5 and Lot 8 Kurrajong Street via water meters connected on each Lot.

11. Wastewater Disposal

The wastewater from the Leonora village shall be connected to the Water Corporations waste water network (WWTP) via an approved system of two private waste water pumping stations and two private waste water rising mains.

The kitchen shall have an approved 2000 litre grease arrestor installed to collect F.O.G. (Fats, Oil and Grease).

The above approved system is subject to an agreement contract between the owners of the Leonora village and the Water Corporation.

12. Stormwater

The stormwater from the Leonora village shall be disposed off in a manner that is in compliance with the Shire of Leonora stormwater policy.

13. Electricity

Electricity shall be supplied to the Leonora village from Horizon Powers electricity generation network.

Lot 5 and Lot 8 are currently supplied by two Horizon Power pad mounted transformers.

14. Communications

Communications shall be supplied to the Leonora village via the existing Telstra communications infrastructure located on the property boundaries on Lot 5 and Lot 8 Kurrajong Street.

Foxtel cabling shall be connected to each accommodation room, dining room and the office.

15. Lighting

External lighting shall be provided for all core facilities areas, foot paths and pedestrian areas throughout the Leonora village and high level pole mounted lights in the car park area.

16. Security

The entire Leonora Village shall have a 2.1 metre high colourbond fence and three off 6 metre wide hinged gates installed for security. The security gates shall be closed after 8.00pm.

17. Approvals and Regulatory Support Required

a. Approval obtained from the Water Corporation to discharge the wastewater to the Water Corporations Waste Water Treatment Ponds via two private wastewater pump stations and rising mains.

The owner of the Leonora village shall sign an agreement with the Water Corporation and pay all associated fees and headwork's contributions.

b. Support from the Water Corporation to construct the Leonora village on Lot 5 Kurrajong Street inside the Water Corporations 500 metre Odour Buffer.

This support is conditional upon the owner of the Leonora village,

"Shall undertake to insert into the Management Statement of the building proposal a formal management process for any odour complaints from residents in the accommodation units attributable to the Water corporation infrastructure that will see any initial enquiries dealt with through the managing body. The managing body will then coordinate any liaison with the Water Corporation, if necessary, and provide the Water Corporation with contact details to allow communication of any maintenance activities which may affect the residents".

c. Planning Approval from the Shire of Leonora to construct the Leonora Village in compliance with Local Government regulations and planning bylaws.

d. Building Permit from the Shire of Leonora to construct the Leonora Village in compliance with Local Government regulations, NCC, BCA and Australian Standards.

e. Contract between the owner of the Leonora village and the Water Corporation for the payment of headwork's, connection and supply of potable water and water for fire suppression.

f. Contract between the owner of the Leonora village and Horizon Power for the payment of headwork's, connection and supply of electricity.

g. Contract between the owner of the Leonora village and Telstra Corporation for the payment of headwork's, connection and supply of communications.

h. Approval from the Department of Mines and Petroleum for a Dangerous Goods Licences for the LPG storage tank for the kitchen.

i. Occupancy Permit obtained from the Shire of Leonora to occupy the Leonora Village.

18. General Complaints Management

All enquiries and complaints with respect to the construction of the project can be directed to the registered builder through the mobile telephone number provided on the sign located on the main gate, (this is mandatory to comply with the Building Commission of Western Australia). All such enquiries and complaints will be directed to the owner of the Leonora Village for further action if required.

Any enquiries received out of business hours will be automatically directed to the owner of the Leonora Village whereupon management and delegated persons can be contacted to consider what, if any action is required.

All enquiries and complaints with respect to the operation of the Leonora village can be directed to the village manager through the mobile telephone number provided on the sign located on the main office door.

When the Leonora village is in the operational phase a Complaint Management system will be managed the Leonora village manager and the owner of the Leonora Village. This Complaint Management system will outline the procedures for dealing with complaints and inquiries. The system will be used for the following:

To track and close-out complaints and enquiries;

As an indicator of progress in fostering positive attitudes among the village residents.

To periodically review the list of current residents issues.

Specific details to be included on the register will include:

Date and time of complaint/inquiry;

Name, address, telephone number of complainant;

Nature of complaint/inquiry, and

Response/action taken and date.

All complaints will be made available to the residents, Shire of Leonora or other Statutory Bodies on request.

19. Odour Complaints Management Plan

A number of buildings on Lot 5 Kurrajong Street will be located inside the Water Corporation 500 metre "Odour Buffer".

The owners of the Leonora village undertake to implement the following "Odour Complaints Management Plan".

The "Odour Complaints Management Plan" shall be implemented and managed by the Leonora village manager and the owner of the Leonora village.

Upon booking into the Leonora village, all residents of the Leonora village shall be provided with a copy of the Leonora village rules and information booklet.

A section of this booklet shall outline the procedure for lodging a complaint.

All complaints shall be communicated to the Leonora village manager in writing using a "Complaint Form" supplied by the Leonora Village.

In the event that a resident from the Leonora village complains of an offensive odour emanating from the WWTP the following tasks will be undertaken by the Leonora village manager,

Contact the complainant to discuss the complaint.

Obtain information regarding the character of the odour,

Time of day the offensive odour was first noticed,

Obtain information regarding the frequency of the odour,

Obtain information regarding the duration of the odour,

Obtain information regarding the intensity of the odour,

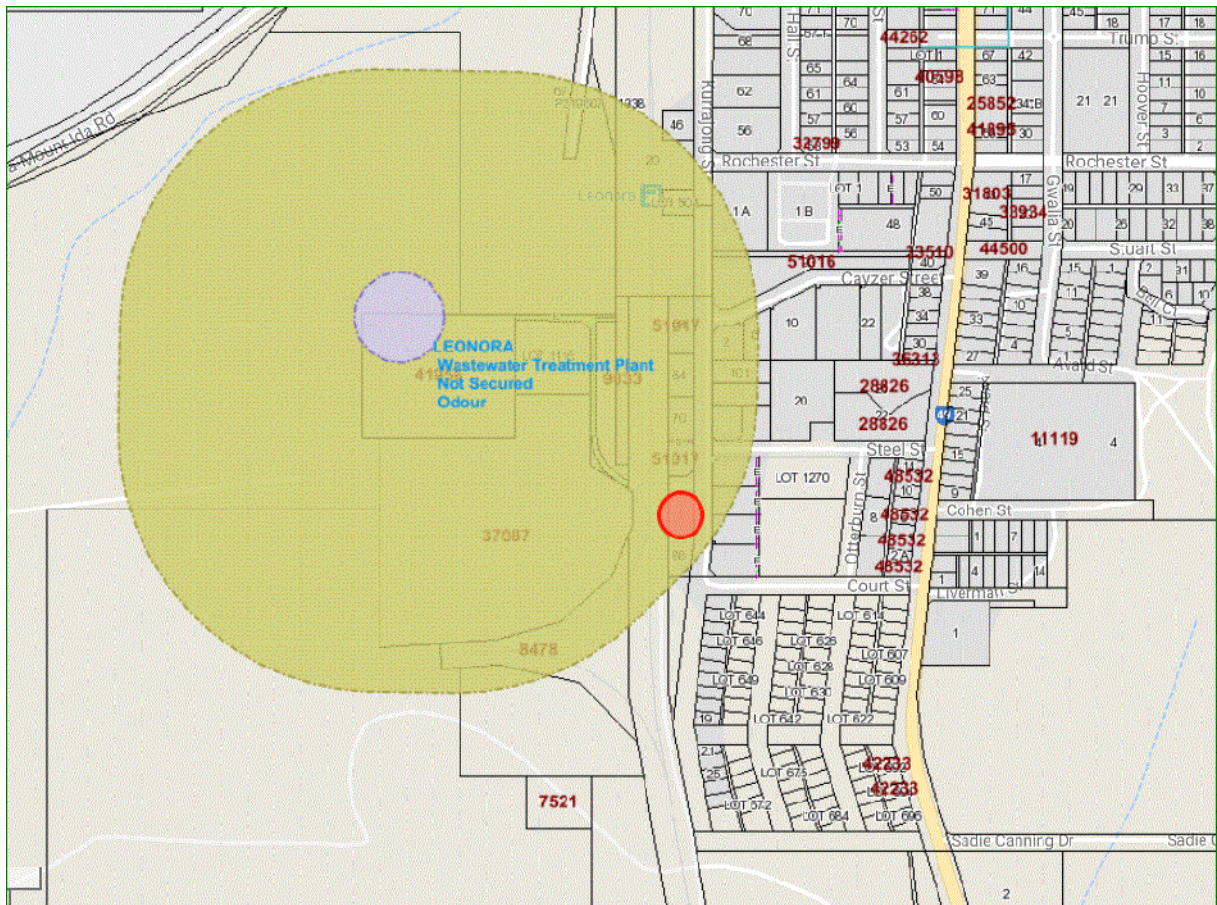
Observations of odour and whether impacts of offensive odours are currently occurring.

If it is found that odours are occurring, the owners of the Leonora village shall engage the services of Talis Environmental Consultants PTY LTD to carry out air quality monitoring in accordance with industry standards.

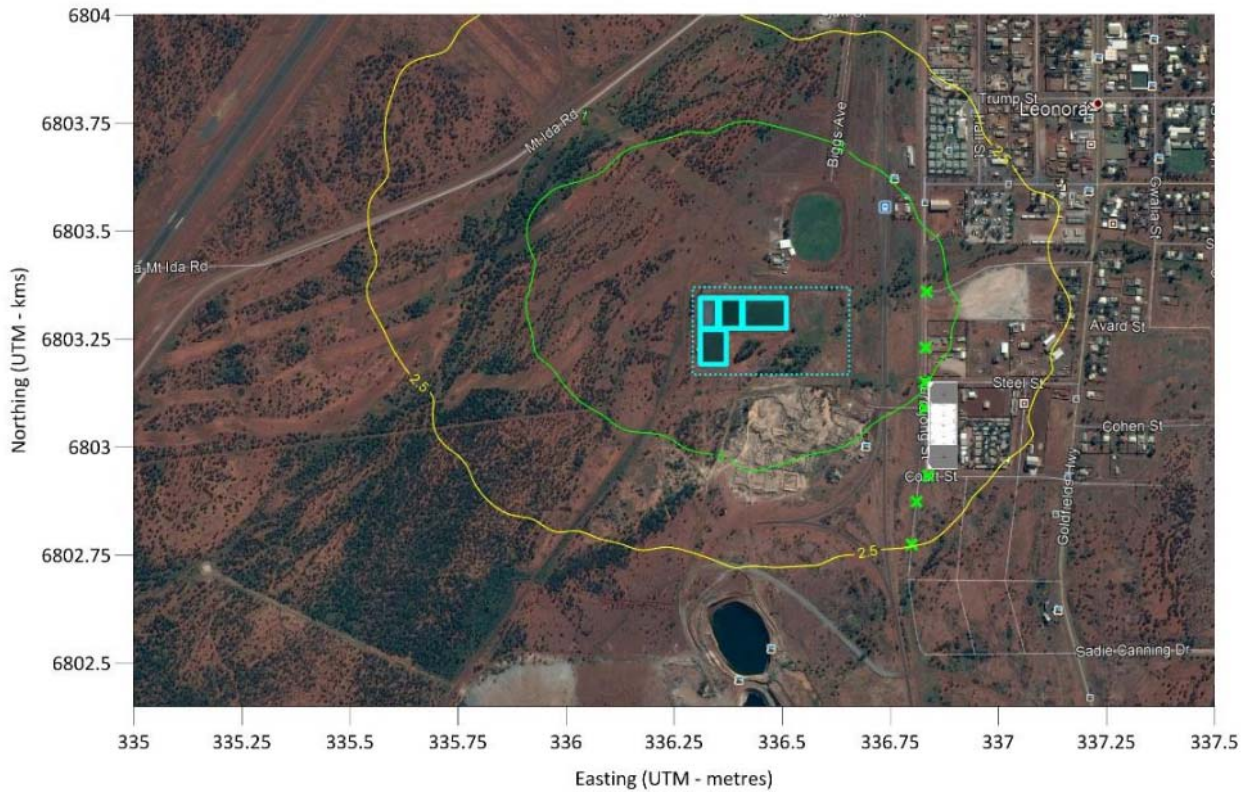
If after monitoring, it is found that air quality is adversely affected, the owner of the Leonora village shall contact the Water Corporation for further assistance with the matter.

The owners of the Leonora village undertake to record details of the odour complaint and subsequent investigation and make these records readily accessible to the complainant, regulatory authorities and the residents of the Leonora village.

EXTENT OF GENERIC WATER CORPORATION WASTEWATER TREATMENT PLANT BUFFER



TALIS PROPOSED – REVISED BUFFER EXTENT (GREEN LINE)



Cr PJ Craig reconvened the meeting at 10:54am, with all those previously listed in the record of attendance, present at the meeting.

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

A. ELECTED MEMBERS

Nil

B. OFFICERS

Moved Cr LR Petersen, Seconded Cr AE Taylor that late items 11.0(B)(i) and 11.0(B)(ii) be accepted for consideration by Council.

CARRIED (6 VOTES TO 0)

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

11.0(B) OFFICERS

11.0(B)(i) NATIONAL RADIOACTIVE WASTE MANAGEMENT FACILITY

SUBMISSION TO: Meeting of Council
Meeting Date: 17th October, 2017

AGENDA REFERENCE: 11.0(B)(i) OCT 17

SUBJECT: National Radioactive Waste Management Facility

LOCATION / ADDRESS: Leonora

NAME OF APPLICANT: Shire of Leonora

FILE REFERENCE: Developments Uranium 14.33

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: James Gregory Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 13th October, 2017

BACKGROUND

At the Meeting of Council on the 15th August, 2017, the following resolution was carried unanimously:

That the matter be deferred until a future meeting of Council after legal advice is sought and received with regard to the Heads of Agreements being presented to Council.

Since the August meeting I did request of Squire Patton Boggs (legal practitioners) that they provide advice in regards two matters of concern:

- whether Councillor Glenn William Baker (Councillor Baker) has a conflict of interest as a Councillor considering his interest in the Azark Project; and
- review the proposed Heads of Agreement prepared by Azark Project Pty Ltd

Squire Patton Boggs have responded with the following advice:

1. INTRODUCTION

1.1 We have prepared this report to inform the Council of the background and current status of this matter.

- 1.2 Azark Project Pty Ltd (**Azark**) seek to develop and operate a National Radioactive Waste Management Facility (**Azark Project**) in the Shire of Leonora (**Shire**).
- 1.3 Azark has approached the Shire to become involved in the Azark Project as part of a 'joint enterprise'.
- 1.4 Azark has identified an area of land it considers suitable for the Azark Project. This area being located over Clover Downs Station (Pastoral lease holder Goldfields Carbon Pty Ltd) and Melita Station (owned by Zenith Australia Investment Holding Pty Ltd (**Zenith Australia**)).
- 1.5 On 27th July, 2017, Goldfields Carbon Pty Ltd made an application for nomination of the site to the Department of Industry, Innovation and Science for a National Radioactive Waste Management Facility. This application process is continuing.
- 1.6 An exploration licence (E37/1255) (**EL**) exists over the potential site and is held by Mr Glenn Baker. This EL application was made 'on behalf of the Shire'. We are instructed that the Shire made this application to preserve its position, and that the Shire pays the rates and charges for the EL. However, the state of the EL and the capacity of the Shire to enforce its interests in the EL is not certain.
- 1.7 Mr Baker has been actively promoting the Azark Project within the Shire community and has recently become a Director of Azark.
- 1.8 Azark has provided a draft Heads of Agreement to the Shire, including potential obligations of the parties in relation to the Azark Project. We have provided initial advice on this agreement. To date, no substantive negotiations or communications have occurred with Azark on this document and no agreement has been signed.
- 1.9 We are also aware of a similar Heads of Agreement that has been prepared by Azark for Goldfields Carbon Pty Ltd. We are not aware of the status of this agreement.

2. LEGAL ADVICE PROVIDED

- 2.1 A copy of our legal advice provided to the Shire dated 8th September, 2017 follows this report.
- 2.2 In summary, our advice was:
 - a) (then) Councillor Baker would have a conflict of interest acting as both a Councillor and Director of Azark.
 - b) Cr Baker should be directed to cease from making public comment in relation to the Azark Project, and acknowledge his conflict and remove himself from any meetings or communications where the Azark Project and/or the disposal of hazardous materials is being discussed.
 - c) Cr Baker should be provided with an amended version of our advice.
 - d) The Heads of Agreement is currently inadequate and requires substantive re-drafting. A copy of the heads of agreement with our initial comments shown as tracked will be provided on meeting day.
 - e) It is important that the Shire act with transparency and good governance throughout this process. Critical to this will be undertaking thorough due diligence on the Azark Project and Azark and ensuring that the interests of the Shire and its residents are maintained and promoted through any agreement reached.

3. UPDATE SINCE LEGAL ADVICE PROVIDED

- 3.1 Since our legal advice was provided, we are instructed that:
 - a) Cr Baker has not sought re-election to the Shire Council.
 - b) Cr Baker has been appointed as a director to Azark.

- c) Further information has been sought about Project Azark from the Commonwealth Department of Industry, Innovation and Science including details of property ownership and interests, and community consultation. The Shire and Azark are working to provide this information to the Department.

4. NEXT STEPS

4.1 We consider that any substantive decisions on this matter should be deferred until the conclusion of the upcoming Shire elections. The following items will then require consideration and/or action by the Shire:

- a) Substantial amendments will need to be made to the draft Heads of Agreement with Azark before it would be satisfactory for the Shire to execute. We are currently instructed that all communications on this point are to occur between ourselves and Peter Rempta (Director of Azark).
- b) The EL is currently held by Mr Baker 'on behalf of the Shire'. This may need to be amended to reflect the parties' updated positions.
- c) Liaison with the various government agencies, seeking and obtaining the various statutory approvals, and negotiating the Heads of Agreement, is likely to cost the Shire substantial resources. Allocation of these costs should be agreed with Azark.
- d) It is currently unclear whether the Azark Project is a credible and genuine opportunity for the Shire. The Shire will need to consider carefully as the matter progresses and further information is obtained whether it wishes to enter into any agreement, and the form that any partnership with Azark will take. This will also contribute to the drafting of the Heads of Agreement (see (a) above).

STATUTORY ENVIRONMENT

In accordance with the National Radioactive Waste Management Act 2012 and other stringent requirements.

The regulatory approach to Naturally-Occurring Radioactive Material (NORM) issues within Australia is guided by the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA). The Commonwealth and each state and territory government has a regulatory system for radiation protection, including the use of radioactive materials. In each jurisdiction the regulations include exemption limits on, for example, the total activity and activity concentration of radioactive material to be regulated.

Waste rock, process tailings, and products containing elevated concentrations of naturally occurring radionuclides are covered by the ARPANSA Code of Practice and Safety Guide Radiation Protection and Radioactive Waste Management in Mining and Mineral Processing (2005).

The Code of Practice for the near-surface disposal of radioactive waste in Australia (NHRMC, 1992) (currently under revision) is applicable to bulk NORM residue disposal. Those seeking information on NORM can also consult the ARPANSA Safety Guide for Management of Naturally Occurring Radioactive Material (NORM)(2008).

The Facility to be established under the National Radioactive Waste Management Act 2012 is for the express purpose of managing waste arising from the beneficial medical, industrial and research uses of radioactive material in Australia.

POLICY IMPLICATIONS

At this point in time, there are no policy implications from the recommendation of this report.

FINANCIAL IMPLICATIONS

An amount of \$20,000.00 is included in the 2017/2018 Budget to enable independent qualified facilitators to address Council and the community on matters dealing with low level and intermediate level radioactive waste material and the safe storage of that material.

STRATEGIC IMPLICATIONS

Storage of waste – like any mining activity has a limited lifespan. Any facility in Australia, constructed for the management of radioactive waste would be permanent and an economic win-win for the recipients.

RECOMMENDATIONS

That Council:

- Accept the report of Squire Patton Boggs; and
- That any substantive decisions in regard the Azark Project be deferred until the conclusion of the upcoming local government elections; and
- That the proposed Heads of Agreement with Azark Pty Ltd be further considered once the new Council, following local government elections (21st October, 2017), has been determined.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Moved Cr AE Taylor, Seconded Cr RM Cotterill that Council:

- Accept the report of Squire Patton Boggs; and
- That any substantive decisions in regard the Azark Project be deferred until the conclusion of the upcoming local government elections; and
- That the proposed Heads of Agreement with Azark Pty Ltd be further considered once the new Council, following local government elections (21st October, 2017), has been determined.

CARRIED (5 VOTES TO 0)

8 September 2017

By email only: ceo@leonora.wa.gov.au

Mr Jim Epis
Chief Executive Officer
Shire of Leonora
PO Box 56
LEONORA WA 6438

Squire Patton Boggs (AU)
Level 21, 300 Murray Street
GPO Box A39
Perth WA 6837

O +61 8 9429 7444
F +61 8 9429 7666
squirepattonboggs.com

Lauren R. Barnett
T +61 8 9429 7530
lauren.barnett@squirepb.com

Partner: Margie Tannock
T +61 8 9429 7456
margie.tannock@squirepb.com

Our Ref 304606.00040

Dear Jim

Azark Project Pty Ltd – National Radioactive Waste Management Facility

We understand that Azark Project Pty Ltd (**Azark**) seek to develop and operate a facility for the disposal of hazardous waste within the Shire (**Azark Project**). Azark have invited the Shire to become involved in the Azark Project as a 'joint enterprise' and have provided the Shire with two heads of agreement documents, purporting to set out the terms of the 'joint enterprise' between the parties (**Heads of Agreement**).

In accordance with our instructions we have:

- a) considered whether Councillor Glenn William Baker (**Councillor Baker**) has a conflict of interest as a Councillor considering his interest in the Azark Project; and
- b) undertaken a review of the Heads of Agreement.

In summary:

- a) Councillor Baker has a conflict of interest under the *Local Government Act 1995 (WA) (LGA)* and the *Shire of Leonora Code of Conduct for Elected Members and Staff* (amended and adopted 21 March 2000) (**Code of Conduct**). We recommend that Councillor Baker be provided with an amended version of our advice, in light of his proposed nomination for council elections in October. In the intervening period we recommend Councillor Baker be directed to:
 - i. cease from making public comment in relation to the Azark Project, such as Facebook posts; and
 - ii. acknowledge his conflict of interest and remove himself from any council meetings and communications where Azark and/or the disposal of hazardous waste in the Shire is under consideration.

46 Offices in 21 Countries

Squire Patton Boggs (AU) is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities.

Please visit squirepattonboggs.com for more information.

017-8219-1967/1/AUSTRALIA

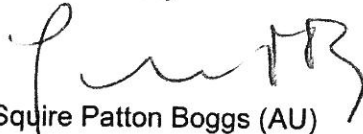
- b) The Heads of Agreement is currently inadequate and require substantive redrafting. We **enclose** a copy with our initial comments and recommended amendments shown as tracked.
- 1 Councillor Baker
- 1.1 Councillor Baker is recorded on the ASIC register as a director and shareholder of Azark (appointed on 11 August 2017). Councillor Baker is also recorded as the current holder of mining tenement E37/1255.
- 1.2 The LGA relevantly states:
- '5.65(1) A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest —'*
- '5.93 a person who is a council member must not make improper use of any information acquired in the performance of his functions to gain an advantage (directly or indirectly) for the councillor or any other person, or to cause detriment to the local government or any other person.'*
- 1.3 Therefore, at a minimum, Councillor Baker should be excluded from all council meetings and any council communications relating to Azark and its proposed activities.
- 1.4 The Code of Conduct relevantly states:
- '1.1(a) Members and staff will ensure that there is no actual (or perceived) conflict of interest between their personal interests and the impartial fulfilment of their professional duties.'*
- '1.1(e) Staff will refrain from partisan political activities which could cast doubt on their neutrality and impartiality in acting in their professional capacity.'*
- 1.5 Councillor Baker has competing interests, which on a practical basis will be difficult for him to manage and separate, irrespective of whether they are declared or not. Further, even if Councillor Baker is able to manage any actual conflict of interest, a perceived conflict is likely to remain. This is clear from his recent commentary in the Facebook threads provided to us.
- 1.6 In the interests of transparency and good governance, we recommend that Councillor Baker be provided with an amended version of our advice (which we can prepare for you). If Councillor Baker proceeds to run for re-election, we further recommend that the Minister for Local Government is briefed on the situation.

2 Heads of Agreement

- 2.1 The documents, as currently drafted, are very unclear. Substantial clarification is required as to the exact nature of the relationship intended to be captured by the agreements, including obligations and rights of each of the parties.
- 2.2 We have provided initial comments and recommended amendments on these documents (**enclosed**). Given Councillor Baker's continuing interest in the Azark Project and the uncertainty around the feasibility of the Project, it would be prudent to delay any substantive negotiations/communications with Azark until at least the finalisation of the upcoming Shire elections.
- 2.3 As you know it is critical for the Shire to undertake sound and thorough due diligence before entering into any agreement of this nature. We recommend that you instruct us to communicate with Azark on the Heads of Agreement as this will assist to establish whether the Azark Project is a genuine and credible opportunity for the Shire.

Once you have had an opportunity to consider our advice, we would welcome a discussion to plan the next steps.

Yours faithfully



Squire Patton Boggs (AU)

Enclosures

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 2017 & GENERAL ELECTORS' MEETING

SUBMISSION TO: Meeting of Council
Meeting Date: 17th October 2017

AGENDA REFERENCE: 11.0 (B) (ii) OCT 17

SUBJECT: Annual Report & General Electors' Meeting

LOCATION / ADDRESS: Leonora

NAME OF APPLICANT: N/A

FILE REFERENCE: 1.8

AUTHOR: Tanya Browning

OFFICER: Deputy Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 13th October 2017

COMMENT:

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

The draft Annual Report for the year ended 30th June, 2017 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 21st November 2017, 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 2017 be accepted and the General Meeting of Electors be scheduled for Tuesday 21st November 2017, at 2:00pm in the Shire of Leonora Council Chambers, Leonora.

VOTING REQUIREMENT

Simple majority required.

COUNCIL DECISION

Moved Cr RM Cotterill, Seconded Cr AE Taylor that the Annual Report as presented for the year ended 30th June 2017 be accepted and the General Meeting of Electors be scheduled for Tuesday 21st November 2017, at 2:00pm in the Shire of Leonora Council Chambers, Leonora.

CARRIED (5 VOTES TO 0)



ANNUAL REPORT

For the Year ended 30th June 2017

ANNUAL REPORT 2016-2017



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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 continued working hard to achieve the goals of the community identified within the Strategic Community Plan. During the reporting period, an extensive review of this plan was commenced, which included extensive community engagement and outreach through a variety of mediums, including social media, radio, online / paper surveys, face to face workshops and community forums. The community participation was noted to have increased significantly from previous instances where similar plans have been reviewed or constructed which is a positive progression.

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

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

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

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

Cr Peter Craig
President

ANNUAL REPORT 2016-2017



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

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

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

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

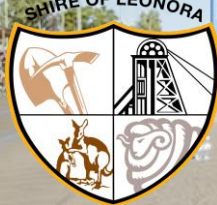
Dedication of the membership ensures the Shire of Leonora operates as one complete team. Council's support has remained steadfast and progressive throughout the year and is demonstrated by meeting attendances as highlighted below:

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

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

Jim Epis
Chief Executive Officer

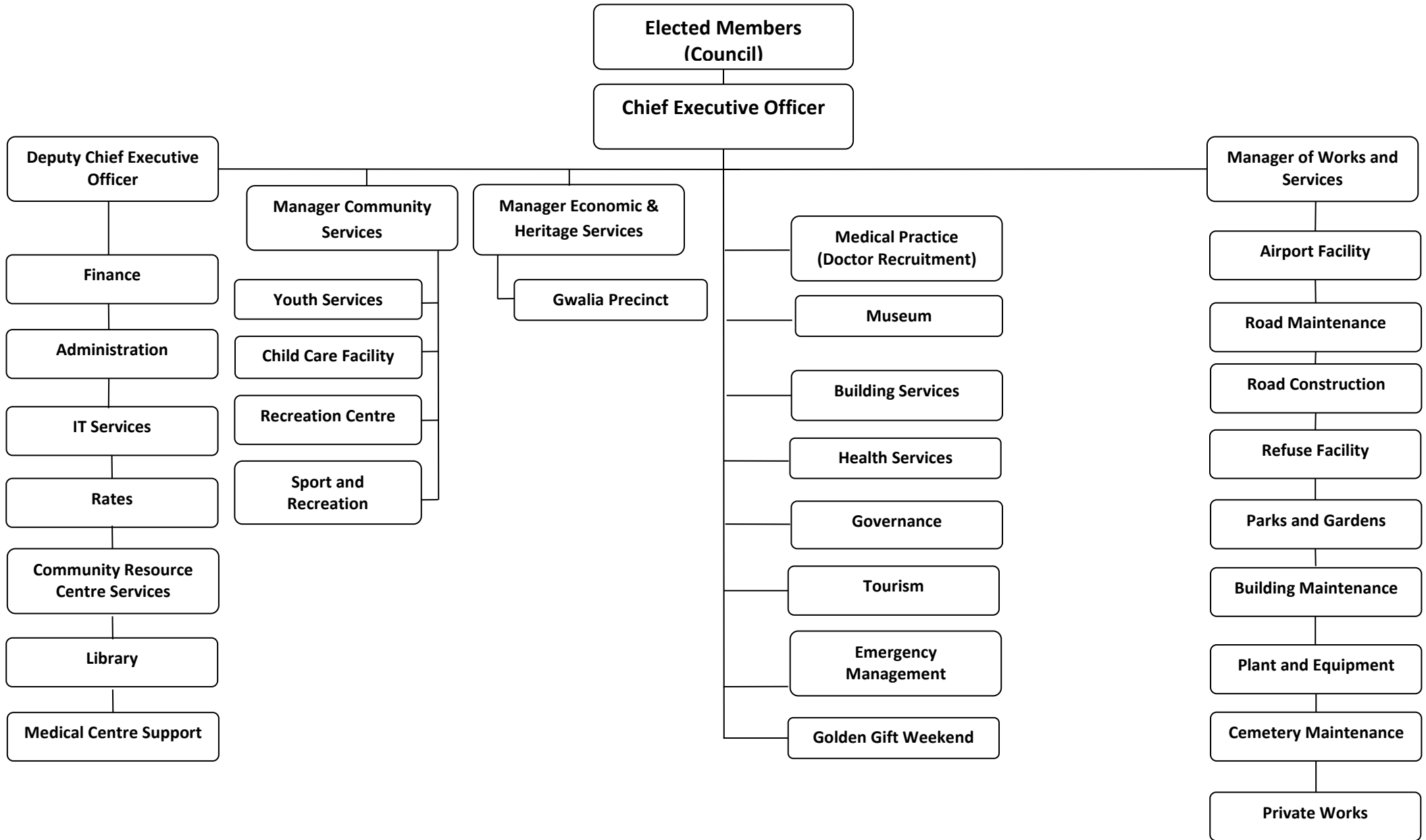
ANNUAL REPORT 2016-2017



COUNCILLOR DETAILS

POSITION	RETIREMENT YEAR	CONTACT	NUMBER
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 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
DEPUTY PRESIDENT (resigned March 2017) Mr M W V Taylor 10 Forrest Street (PO Box 226) LEONORA WA 6438		WK HM FAX MOB EMAIL	08 6314 4712 0417 976 169 matt@pmcc.com.au

SHIRE OF LEONORA – ORGANISATIONAL CHART



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

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Principal place of business:
16 Tower Street
Leonora WA 6438


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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed as authorisation of issue on the *11TH* day of *OCTOBER* 2017



Jim Epis
Chief Executive Officer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

(a) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

(b) Cash and Cash Equivalents

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Trade and Other Receivables

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

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

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

(d) Inventories

General

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

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

Land held for sale

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

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

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

(e) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Depreciation

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

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

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

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

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

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

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

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

Capitalisation threshold

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

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

(g) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(h) Impairment of Assets

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

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

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

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

(i) Trade and Other Payables

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(k) Borrowing Costs

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

(l) Provisions

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

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

(m) Leases

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Investment in Associates

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

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

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

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

(o) Interests in Joint Arrangements

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

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

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

(p) Rates, Grants, Donations and Other Contributions

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

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

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

(q) Superannuation

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Current and Non-Current Classification

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

(s) Rounding Off Figures

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

(t) Comparative Figures

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

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

(u) Budget Comparative Figures

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title	Issued / Compiled	Applicable ⁽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 2018	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted. Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

Notes:

⁽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 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Notes:

⁽¹⁾ Applicable to reporting periods commencing on or after the given date.

(w) Adoption of New and Revised Accounting Standards

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

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

- (i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

[AASB 10, 124 & 1049]

The objective of this Standard was to extend the scope of AASB 124 *Related Party Disclosures* to include not-for-profit sector entities.

The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.

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

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

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

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

GOVERNANCE

Objective:

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

Activities:

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

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

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

1. Rates

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

2. Grants

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

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

EDUCATION AND WELFARE

Objective:

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

Activities:

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

HOUSING

Objective:

To provide and maintain staff housing

Activities:

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

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

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

Provision of Christmas decorations in Leonora Town site.

Operation of the Leonora Cemetery.

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

RECREATION AND CULTURE

Objective:

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

Activities:

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

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

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

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

TRANSPORT

Objective:

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

Activities:

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

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

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

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control Shire's overheads operating accounts.

Activities:

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

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

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

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance ⁽¹⁾ \$	Received ⁽²⁾ 2016/17 \$	Expended ⁽³⁾ 2016/17 \$	Closing Balance 30/06/17 \$
General purpose funding							
Government Grant	5,213	0	0	5,213	0	0	5,213
CLGF	997	0	0	997	0	(997)	0
Workforce Planning Grant	16,210	0	0	16,210	0	(16,210)	0
Education and welfare							
SIHI Aged Care Grant	0	0	0	0	195,000	0	195,000
Recreation and culture							
Suicide Prevention Program	0	26,051	(25,786)	265	0	0	265
Shade sails Town Park	0	0	0	0	25,000	0	25,000
Economic services							
Northern Goldfields Regional Office and Administration	4,550,799	85,415	(2,159,089)	2,477,125		(2,477,125)	0
Total	<u>4,573,219</u>	<u>111,466</u>	<u>(2,184,875)</u>	<u>2,499,810</u>	<u>220,000</u>	<u>(2,494,332)</u>	<u>225,478</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 2017

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

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

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

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

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

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

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2017	Price per hectare / market borrowing rate
Land - vested in and under the control of Council	3	Improvements to land, valued using cost approach using depreciated replacement cost	Management valuation	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	2 & 3	Improvements to land, valued using cost approach method using depreciated replacement cost	Independent registered valuer	June 2017	Price per square metre / market borrowing rate
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	2 & 3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
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 2017

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

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	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	51,143,197	1,535,027	0	(2,875,000)	(1,781,047)	0	48,022,177
Improvements and infrastructure	6,854,080	1,945,498	0	0	(249,672)	(28,000)	8,521,906
Total infrastructure	<u>57,997,277</u>	<u>3,480,525</u>	<u>0</u>	<u>(2,875,000)</u>	<u>(2,030,719)</u>	<u>(28,000)</u>	<u>56,544,083</u>

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

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

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

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 2017	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 2017

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

9. PROVISIONS

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

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

10. RESERVES - CASH BACKED

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

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

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

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 liability to its employees.
Building reserve	2017-2027	- to be used for the construction and preservation of Council buildings and urgent repairs and maintenance.
Fire disaster reserve	2017-2027	- to be used to in the provision of emergency contingencies in the case of a fire disaster.
Plant purchase reserve	2017-2027	- to be used for the purchase of major plant.
Gwalia precinct reserve	2017-2027	- to be used for the restoration and historical projects in the Gwalia precinct.
Waste management reserve	2017-2018	- to be used for management and compliance works associated with the rubbish tip and liquid waste disposal sites.
Airport runway construction reserve	2018-2027	- to be used for the maintenance, renewal and upgrade works at the Leonora Airport.

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

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

11. REVALUATION SURPLUS

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

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

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

12. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

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

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

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

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

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

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

13. CONTINGENT LIABILITIES

There were no known contingent liabilities at the reporting date.

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

(b) Capital Expenditure Commitments

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

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

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

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

15. JOINT VENTURE ARRANGEMENTS

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

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

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

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

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

	2017	2016	2015
17. FINANCIAL RATIOS			
Current ratio	4.57	6.50	7.80
Asset sustainability ratio	1.33	0.82	0.34
Debt service cover ratio	0.00	0.00	0.00
Operating surplus ratio	(0.03)	0.05	(0.30)
Own source revenue coverage ratio	0.71	0.82	0.68

The above ratios are calculated as follows:

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

Notes:

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

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

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

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

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

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

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

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

18. TRUST FUNDS

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

19. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

The following assets were disposed of during the year.

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

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

20. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

The Shire had no borrowings as at 30 June 2017.

(b) New Debentures - 2016/17

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

(c) Unspent Debentures

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

(d) Overdraft

The Shire does not have an overdraft facility.

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

21. RATING INFORMATION - 2016/17 FINANCIAL YEAR

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

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

22. NET CURRENT ASSETS

Composition of net current assets

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

Difference

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

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

23. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

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

24. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

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

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

Rates Discounts

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

Waivers or Concessions

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

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

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

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

**Objects of the Waiver
or Concession**

**Reasons for the Waiver
or Concession**

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

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

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

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

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

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

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

28. GRANT REVENUE

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

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

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

28	28
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30. ELECTED MEMBERS REMUNERATION

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

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

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

31. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Entities subject to significant influence by the Shire

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

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

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

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

Transactions with related parties

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

The following transactions occurred with related parties:

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

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

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

32. MAJOR LAND TRANSACTIONS

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

(a) Expected Future Cash Flows

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

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

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

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

34. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

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

Fair value is determined as follows:

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

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

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

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

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

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

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

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

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

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 2017

34. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

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

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

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

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

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

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

Report on the Financial Report

Opinion

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

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

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

Basis for Opinion

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

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

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

Other Information

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

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

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

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

Council's Responsibility for the Financial Report

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

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

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

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

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

Emphasis of Matter

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

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

Reporting on Other Legal and Regulatory Requirements

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

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

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

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE
Director
Perth
Date: 11 October 2017

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

RATIO INFORMATION

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

	2017	2016	2015
Asset consumption ratio	0.97	0.99	0.83
Asset renewal funding ratio	0.84	1.07	0.39

The above ratios are calculated as follows:

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

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7.0 NATIONAL COMPETITION POLICY STATEMENT

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

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

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

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

In accordance with the requirements of the National Competition Policy the Shire of Leonora makes the following disclosure for 2016/2017.

7.1 COMPETITIVE NEUTRALITY

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

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

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

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

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

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

7.2 STRUCTURAL REVIEW OF PUBLIC MONOPOLIES

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

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

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

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

8.0 OVERVIEW OF THE PLAN FOR THE FUTURE

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

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

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

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

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

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

9.0 DISABILITY ACCESS INCLUSION PLAN (DAIP)

- (A) The Shire of Leonora is required to comply with the State Government imposed Disability Services Act (1993).
- (B) A Disability Access Inclusion Plan 2013-2018 has been approved with the following principal intent.
 - (i) Existing services are adapted to ensure they meet the needs of people with disabilities.
 - (ii) Access to buildings and facilities are improved.
- (C) The following delivery of services was implemented in the reporting year.
NIL

10.0 RECORD KEEPING PLAN

STATE RECORDS ACT 2000

- (A) The Shire of Leonora is required to comply with the abovementioned State Government imposed Legislation.
- (B) A Record Keeping Plan has been produced and approved by the State Records Commission for a period of 5 years to the 30th June, 2017. This plan resulted from a review of Council's previous plan prior to 8th October, 2012. The next review is due 8th October 2017 and had already commenced at the close of the reporting period.

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(C) In accordance with minimum compliance requirements of Principle 6 of the State Records Commission – Standard 2, the following has been implemented:

1. The efficiency and effectiveness of Councils Record Keeping Systems is evaluated not less than once every three years.
2. The Council conducts a Record Keeping Training program.
3. The efficiency and effectiveness of the Record Keeping Training program is reviewed from time to time.
4. The Council's induction program addresses employee roles and responsibilities in regard to their compliance with Council's Record Keeping Plan.

11.0 EMPLOYEES'S REMUNERATION

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

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

12.0 OFFICIAL CONDUCT – COMPLAINTS REGISTER

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

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

A. ELECTED MEMBERS

Nil

B. OFFICERS

Nil

12.0 NEXT MEETING

Tuesday 21st November, 2017

13.0 CLOSURE OF MEETING