



ANNUAL REPORT

For the year ended 30th June 2021

ANNUAL REPORT 2020 -2021



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1.0 MESSAGE FROM THE PRESIDENT

To the Shire of Leonora Community

The year 2020/21 has seen the Shire of Leonora continue to navigate its way around the rapidly changing external environment put upon us by COVID-19. The leadership of Chief Executive Officer Jim Epis and Council have continued to ensure that the health and emergency management directives set by both State and Federal Government agencies are implemented. This has presented challenges to ensuring its community remains safe and that the economic and social aspects of the community are maintained.

Under the direction and leadership of Chief Executive Officer, Jim Epis, with the support of his Deputy Chief Executive Officer, Linda Gray and Works and Services Manager, John Oxley the Shire together with the Council have continued to fulfill the outcomes of the Strategic Community Plan 2017-2027. In doing so, the Shire's vision of being a proactive, sustainable, safe, friendly, and prosperous place to be, is being met.

Tourism growth has increased significantly as a positive result of the border closures, this being highlighted by the numbers visiting Gwalia Historic Precinct and fully booked accommodation at Hoover House. The number of RV vehicles parking at the free camping located at Gwalia also showed a sharp increase. In line with the Strategic Community Plan 2017-2027 the ongoing maintenance of our historical buildings, new and improved infrastructure and economic planning continue to contribute towards a positive future for the Shire of Leonora. The broad range of capital projects include; road reseals and upgrades, grid renewals, public toilets, playgrounds, airport lighting upgrades and others all adding to promote growth within the Shire.

I wish to acknowledge and thank Chief Executive Officer, Jim Epis for his continued commitment to Council, staff and community. Jim's ongoing proactive leadership is testament to his knowledge and understanding of his role and the community. I also acknowledge my fellow Councillors for their ongoing support and dedication to the Shire's community.

On behalf of Council and staff, I wish to extend my thanks to the community for their continued support throughout these challenging times.

**P J CRAIG
PRESIDENT**

ANNUAL REPORT 2020 -2021



2.0 MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

In accordance with section 7.9(1) of the *Local Government Act 1995* the Auditor General is required to issue an opinion on the financial statements of the shire for the year ended 30th June 2021. The Office of the Auditor General carried out the audit on the Annual Financial Statements that saw an increase in the scrutiny of previous audits. The interim audit was carried out at the end of June with the final audit of the Annual Financial Statements completed early December.

In line with the Strategic Community Plan 2017-2027 projects of 2020/21 focussed on improvements in infrastructure, supporting the community and providing essential infrastructure and services to promote growth. Throughout the financial year the Shire utilised external grants to fund capital projects for local road and community amenity infrastructure projects.

COVID-19 continues to bring challenges in keeping our communities safe with ongoing liaison between government departments to manage vaccination uptakes, border closures and applied restrictions. Pressure continues to be placed on local governments through the necessity to comply with public health and emergency directives from State Government to ensure the health and welfare of staff and the community. However, these restrictions have seen a positive growth within local tourism with increased visitor numbers to Leonora, and notable increase in visitors to the Gwalia Museum Precinct. The Shire continues to facilitate economic development through the ongoing support for the Leonora Early Learning Centre and its commitment to maintaining a Doctor in Leonora.

I would like to take the opportunity to thank Peter Craig, President and Councillors along with all staff for their continued efforts throughout 2020/21 in helping to meet the increasing required standards expected of local governments.

J G EPIS
CHIEF EXECUTIVE OFFICER

Councillor	Council Meetings		Audit Committee Meetings		% Attendance
	Convened	Attended	Convened	Attended	
P J Craig	12	12	5	5	100%
R A Norrie	12	10	5	5	88%
L R Petersen	12	12	5	5	100%
R M Cotterill	12	11	5	4	88%
A E Taylor	12	11	5	5	94%
A M Moore	12	11	5	4	88%
F Harris	12	9	5	2	64%

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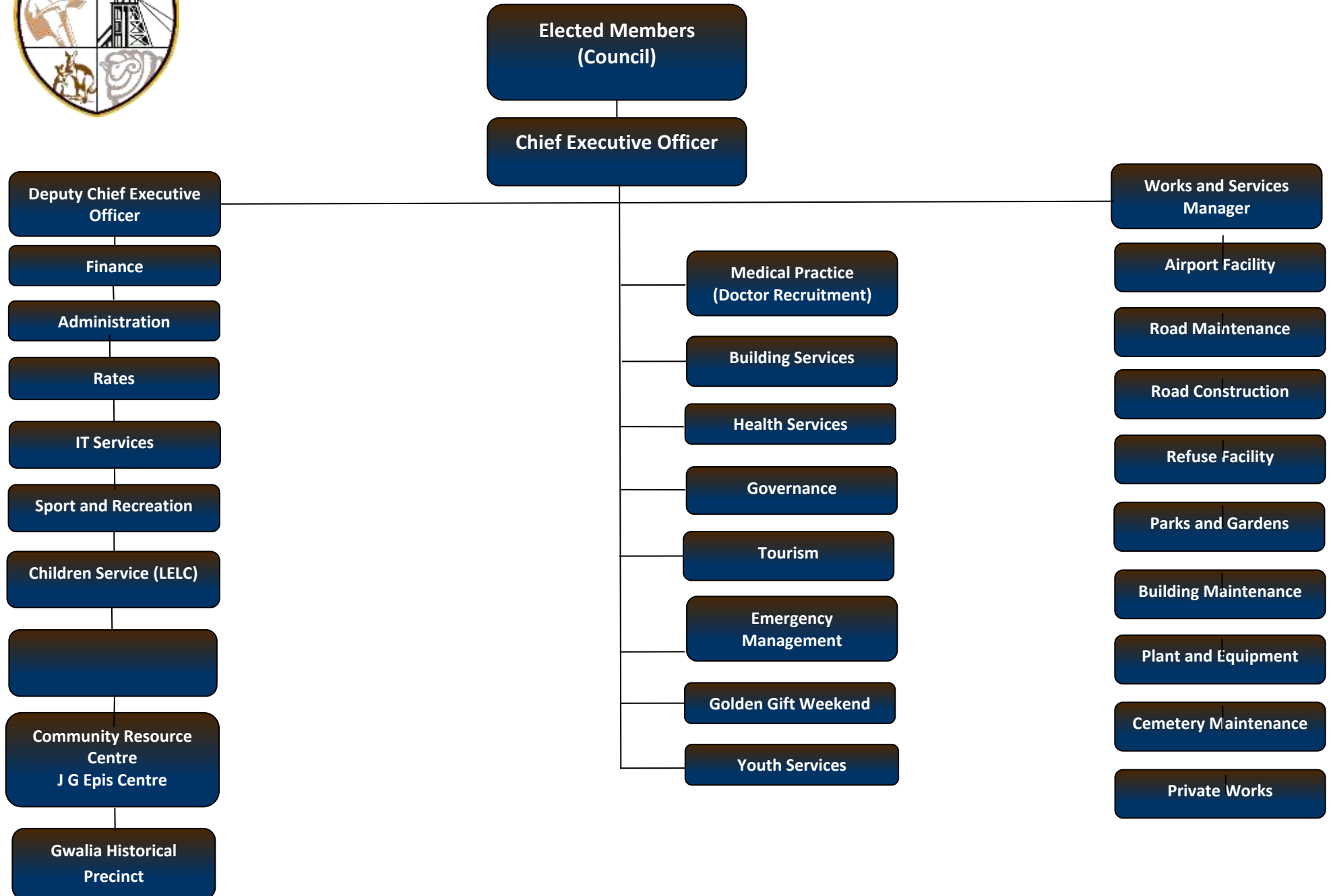


3.0 COUNCILLOR DETAILS

POSITION	RETIREMENT YEAR	CONTACT	NUMBER
PRESIDENT Mr P CRAIG 9B North Road (PO Box 118) LEINSTER WA 6437	2023	WK HM FAX MOB EMAIL	08 9037 9191 08 9037 9054 08 9037 9192 0418 950 572 peter.craig@bagden.com.au
DEPUTY PRESIDENT Mr R A NORRIE Lot 260 Queen Victoria (PO Box 397) LEONORA WA 6438	2023	WK HM FAX MOB EMAIL	08 9037 6777 08 9037 7389 08 9037 6788 0409 377 386 rossn@cbslaccountants.com
Ms L R PETERSEN Lot 1114 Gwalia Street (PO Box 69) LEONORA WA 6438	2025	WK HM FAX MOB EMAIL	08 9037 6400 08 9037 6404 0419 177 232 Butsonsbs@westnet.com.au
Mr A E TAYLOR 1 Pinnacle Place LEINSTER WA 6437	2025	WK HM FAX MOB EMAIL	08 9037 4050 08 9037 3125 08 9238 1387 0417 174 374 alex@northfields.com.au
Mr R M COTTERILL PO Box 8 LEONORA WA 6438	2025	WK HM FAX MOB EMAIL	08 9037 6167 08 9037 6167 0409 127 506 richardcotterill@live.com.au
Ms A M MOORE Lot 27 Tower Street (PO Box 197) LEONORA WA 6438	2025	WK HM FAX MOB EMAIL	08 9037 7546 0437 366 649 alexis_stein@hotmail.com
Ms F HARRIS Lot 42 Braemore Road (PO Box 129) LEONORA WA 6438	2023	WK HM FAX MOB EMAIL	0437 968 493 neilandfifi@bigpond.com



4.0 SHIRE OF LEONORA – ORGANISATIONAL CHART



5.0 Financial Report

SHIRE OF LEONORA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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COMMUNITY VISION

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

Principal place of business:
16 Tower Street
Leonora WA 6438

**SHIRE OF LEONORA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Leonora for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Leonora at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the SEVENTH day of DECEMBER 2021



Chief Executive Officer

JAMES G EPIS

Name of Chief Executive Officer



SHIRE OF LEONORA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	21(a)	6,924,847	6,903,219	6,448,237
Operating grants, subsidies and contributions	2(a)	2,154,070	1,443,953	1,973,896
Fees and charges	2(a)	2,037,872	1,717,206	1,768,964
Interest earnings	2(a)	2,652	44,000	47,359
Other revenue	2(a)	443,435	219,474	492,294
		<u>11,562,876</u>	<u>10,327,852</u>	<u>10,730,750</u>
Expenses				
Employee costs		(3,702,038)	(2,245,080)	(3,231,456)
Materials and contracts		(4,155,404)	(6,736,538)	(3,414,076)
Utility charges		(454,882)	(305,200)	(501,628)
Depreciation on non-current assets	9(b)	(3,230,492)	(1,774,091)	(3,166,491)
Insurance expenses		(243,590)	(241,690)	(252,724)
Other expenditure	2(b)	(153,713)	(116,314)	(177,885)
		<u>(11,940,119)</u>	<u>(11,418,913)</u>	<u>(10,744,260)</u>
		(377,243)	(1,091,061)	(13,510)
Non-operating grants, subsidies and contributions	2(a)	1,228,768	1,110,213	791,948
Profit on asset disposals	9(a)	3,209	0	5,897
(Loss) on asset disposals	9(a)	(59,688)	(146,627)	(80,373)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	35,160
(Loss) on revaluation of land and buildings	7(a)	0	0	(40,000)
		<u>1,172,289</u>	<u>963,586</u>	<u>712,632</u>
Net result for the period		795,046	(127,475)	699,122
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	0	0	2,802,560
Total other comprehensive income for the period		0	0	2,802,560
Total comprehensive income for the period		795,046	(127,475)	3,501,682

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 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
	2(a)			
Governance		187	1,530	26,302
General purpose funding		8,244,982	7,493,212	7,748,725
Law, order, public safety		9,477	9,950	10,248
Health		34,264	36,095	34,602
Education and welfare		359,274	300,800	302,278
Housing		39,818	44,795	42,754
Community amenities		436,895	423,146	422,136
Recreation and culture		387,026	310,746	294,672
Transport		915,266	776,870	963,746
Economic services		979,104	787,208	654,063
Other property and services		156,583	143,500	231,224
		<u>11,562,876</u>	<u>10,327,852</u>	<u>10,730,750</u>
Expenses				
	2(b)			
Governance		(670,694)	(702,267)	(573,402)
General purpose funding		(451,954)	(418,515)	(385,313)
Law, order, public safety		(192,010)	(209,030)	(170,174)
Health		(701,599)	(877,273)	(700,963)
Education and welfare		(877,205)	(777,829)	(722,300)
Community amenities		(355,974)	(361,499)	(297,911)
Recreation and culture		(1,567,364)	(1,704,445)	(1,283,995)
Transport		(4,650,882)	(3,363,518)	(4,495,292)
Economic services		(2,423,226)	(3,020,648)	(1,923,308)
Other property and services		(49,211)	16,111	(191,602)
		<u>(11,940,119)</u>	<u>(11,418,913)</u>	<u>(10,744,260)</u>
		<u>(377,243)</u>	<u>(1,091,061)</u>	<u>(13,510)</u>
Non-operating grants, subsidies and contributions	2(a)	1,228,768	1,110,213	791,948
Profit on disposal of assets	9(a)	3,209	0	5,897
(Loss) on disposal of assets	9(a)	(59,688)	(146,627)	(80,373)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	35,160
(Loss) on revaluation of land and buildings	7(a)	0	0	(40,000)
		<u>1,172,289</u>	<u>963,586</u>	<u>712,632</u>
Net result for the period		795,046	(127,475)	699,122
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	0	0	2,802,560
Total other comprehensive income for the period		0	0	2,802,560
Total comprehensive income for the period		795,046	(127,475)	3,501,682

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



SHIRE OF LEONORA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	9,365,146	7,545,391
Trade and other receivables	5	640,022	513,853
Inventories	6	89,621	89,353
TOTAL CURRENT ASSETS		10,094,789	8,148,597
NON-CURRENT ASSETS			
Inventories	6	358,831	411,345
Property, plant and equipment	7	24,850,526	24,449,233
Infrastructure	8	60,786,951	60,925,121
TOTAL NON-CURRENT ASSETS		85,996,308	85,785,699
TOTAL ASSETS		96,091,097	93,934,296
CURRENT LIABILITIES			
Trade and other payables	11	718,137	175,626
Other liabilities	12	830,207	80,000
Employee related provisions	14	286,312	228,633
TOTAL CURRENT LIABILITIES		1,834,656	484,259
NON-CURRENT LIABILITIES			
Employee related provisions	14	64,258	52,900
TOTAL NON-CURRENT LIABILITIES		64,258	52,900
TOTAL LIABILITIES		1,898,914	537,159
NET ASSETS		94,192,183	93,397,137
EQUITY			
Retained surplus		44,081,221	45,766,398
Reserves - cash backed	4	7,795,731	5,315,508
Revaluation surplus	10	42,315,231	42,315,231
TOTAL EQUITY		94,192,183	93,397,137

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



**SHIRE OF LEONORA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		47,052,161	3,330,623	39,512,671	89,895,455
Comprehensive income					
Net result for the period		699,122	0	0	699,122
Other comprehensive income	10	0	0	2,802,560	2,802,560
Total comprehensive income		699,122	0	2,802,560	3,501,682
Transfers to reserves	4	(1,984,885)	1,984,885	0	0
Balance as at 30 June 2020		45,766,398	5,315,508	42,315,231	93,397,137
Comprehensive income					
Net result for the period		795,046	0	0	795,046
Total comprehensive income		795,046	0	0	795,046
Transfers to reserves	4	(2,480,223)	2,480,223	0	0
Balance as at 30 June 2021		44,081,221	7,795,731	42,315,231	94,192,183

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

**SHIRE OF LEONORA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		7,024,863	6,903,219	6,421,820
Operating grants, subsidies and contributions		2,024,333	1,363,953	2,270,095
Fees and charges		2,037,872	1,717,206	1,768,964
Interest received		2,652	44,000	47,359
Goods and services tax received		324,108	673,654	305,681
Other revenue		443,435	219,474	492,294
		11,857,263	10,921,506	11,306,213
Payments				
Employee costs		(3,643,295)	(2,245,080)	(3,158,452)
Materials and contracts		(3,554,989)	(6,736,538)	(3,332,842)
Utility charges		(454,882)	(305,200)	(501,628)
Insurance paid		(243,590)	(241,690)	(252,724)
Goods and services tax paid		(395,920)	(673,654)	(256,498)
Other expenditure		(153,713)	(116,314)	(177,885)
		(8,446,389)	(10,318,476)	(7,680,029)
Net cash provided by (used in) operating activities	15	3,410,874	603,030	3,626,184
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	7(a)	(1,579,823)	(1,823,066)	(641,447)
Payments for construction of infrastructure	8(a)	(2,288,907)	(1,719,458)	(1,509,438)
Non-operating grants, subsidies and contributions		1,958,975	1,110,213	791,948
Proceeds from financial assets at amortised cost - term deposits		0	0	2,024,203
Proceeds from financial assets at fair values through profit and loss		0	0	35,160
Proceeds from sale of property, plant & equipment	9(a)	318,636	331,000	377,357
Net cash provided by (used in) investment activities		(1,591,119)	(2,101,311)	1,077,783
Net increase (decrease) in cash held		1,819,755	(1,498,281)	4,703,967
Cash at beginning of year		7,545,391	7,545,381	2,841,424
Cash and cash equivalents at the end of the year	15	9,365,146	6,047,100	7,545,391

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

**SHIRE OF LEONORA
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	22 (b)	2,577,463	2,683,641	2,270,579
		2,577,463	2,683,641	2,270,579
Revenue from operating activities (excluding rates)				
Governance		187	1,530	26,302
General purpose funding		1,322,135	589,993	1,300,488
Law, order, public safety		9,477	9,950	10,248
Health		34,264	36,095	38,259
Education and welfare		359,274	300,800	302,278
Housing		39,818	44,795	42,754
Community amenities		436,895	423,146	422,136
Recreation and culture		387,026	310,746	294,672
Transport		915,266	776,870	998,906
Economic services		980,313	787,208	656,303
Other property and services		156,583	143,500	231,224
		4,641,238	3,424,633	4,323,570
Expenditure from operating activities				
Governance		(670,694)	(702,267)	(573,402)
General purpose funding		(451,954)	(418,515)	(385,313)
Law, order, public safety		(192,010)	(209,030)	(170,174)
Health		(701,599)	(877,273)	(708,053)
Education and welfare		(877,205)	(777,829)	(725,542)
Community amenities		(355,974)	(361,499)	(297,911)
Recreation and culture		(1,567,364)	(1,704,445)	(1,283,995)
Transport		(4,708,805)	(3,479,034)	(4,559,620)
Economic services		(2,423,226)	(3,020,648)	(1,923,308)
Other property and services		(50,976)	(15,000)	(237,315)
		(11,999,807)	(11,565,540)	(10,864,633)
Non-cash amounts excluded from operating activities	22(a)	3,408,522	1,920,718	3,366,175
Amount attributable to operating activities		(1,372,584)	(3,536,548)	(904,309)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,228,768	1,110,213	791,948
Proceeds from disposal of assets	9(a)	318,636	331,000	377,357
Purchase of property, plant and equipment	7(a)	(1,579,823)	(1,823,066)	(641,447)
Purchase and construction of infrastructure	8(a)	(2,288,907)	(1,719,458)	(1,509,438)
Amount attributable to investing activities		(2,321,326)	(2,101,311)	(981,580)
FINANCING ACTIVITIES				
Transfers to reserves (restricted assets)	4	(2,480,223)	(1,515,360)	(1,984,885)
Transfers from reserves (restricted assets)	4	0	250,000	0
Amount attributable to financing activities		(2,480,223)	(1,265,360)	(1,984,885)
Surplus/(deficit) before imposition of general rates		(6,174,133)	(6,903,219)	(3,870,774)
Total amount raised from general rates	21(a)	6,924,847	6,903,219	6,448,237
Surplus/(deficit) after imposition of general rates	22(b)	750,714	0	2,577,463

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

SHIRE OF LEONORA
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FOR THE YEAR ENDED 30 JUNE 2021

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1. 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) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the financial report.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

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

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

- Employee expenses
- Land held for resale
- Property, Plant and Equipment
- Infrastructure
- Provisions
- Trade and other receivable

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.

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
General purpose funding	1,260,065	577,493	1,241,075
Law, order, public safety	3,377	2,000	2,031
Education and welfare	156,801	150,800	154,703
Recreation and culture	273,212	132,887	112,507
Transport	162,750	163,120	157,291
Economic services	297,865	417,653	306,289
	2,154,070	1,443,953	1,973,896
Non-operating grants, subsidies and contributions			
Law, order, public safety	10,000	0	0
Recreation and culture	123,400	0	0
Transport	1,095,368	1,110,213	791,948
	1,228,768	1,110,213	791,948
Total grants, subsidies and contributions	3,382,838	2,554,166	2,765,844
Fees and charges			
Governance	0	30	30
General purpose funding	9,418	10,500	12,054
Law, order, public safety	6,100	7,950	7,937
Health	34,264	36,095	34,602
Education and welfare	198,610	150,000	147,575
Housing	32,528	34,795	33,394
Community amenities	436,895	416,065	422,135
Recreation and culture	45,471	42,804	43,590
Transport	749,344	613,000	613,190
Economic services	485,457	335,967	330,030
Other property and services	39,785	70,000	124,427
	2,037,872	1,717,206	1,768,964

There were no changes to the amounts of fees or charges detailed in the original budget.

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

Revenue (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.

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	837,580	1,443,953	1,973,896
Fees and charges	2,004,959	1,663,686	1,757,827
Other revenue	333,143	0	492,294
Non-operating grants, subsidies and contributions	1,228,768	1,110,213	791,948
	<u>4,404,450</u>	<u>4,217,852</u>	<u>5,015,965</u>

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Revenue from contracts with customers included as a contract liability at the start of the period	80,000	80,000	2,261,258
Revenue from contracts with customers recognised during the year	3,095,682	3,027,639	1,962,759
Revenue from transfers intended for acquiring or constructing recognisable non financial assets held as a liability at the start of the period	0	1,110,213	791,948
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,228,768	0	0
	<u>4,404,450</u>	<u>4,217,852</u>	<u>5,015,965</u>

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Trade and other receivables from contracts with customers	0	0	275,500
Contract liabilities from contracts with customers	(100,000)	0	(80,000)
Financial assets held from transfers for recognisable financial assets	730,207	0	0
Grant liabilities from transfers for recognisable non financial assets	(730,207)	0	0

No impairment losses associated with contracts with customers.

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

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

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

SHIRE OF LEONORA
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2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

General rates	6,924,847	6,903,219	6,448,237
Statutory permits and licences	32,113	53,020	10,755
Fines	800	500	382
	6,957,760	6,956,739	6,459,374

Other revenue

Reimbursements and recoveries	110,292	219,474	327,992
Other	333,143	0	164,302
	443,435	219,474	492,294

Interest earnings

Interest on reserve funds	1,339	40,000	43,550
Other interest earnings	1,313	4,000	3,809
	2,652	44,000	47,359

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

Interest income is presented as operating income where it is earned from financial assets that are held for cash management purposes.

(b) Expenses

Auditors remuneration

Audit services	44,000	36,000	21,740
Disbursements	0	0	1,509
	44,000	36,000	23,249

Other expenditure

Impairment loss on trade and other receivables	0	0	(6,030)
Sundry expenses	153,713	116,314	183,915
	153,713	116,314	177,885

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
	\$	\$	\$

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. CASH AND CASH EQUIVALENTS

	NOTE	2021	2020
		\$	\$
Cash at bank and on hand		9,365,146	7,545,391
Total cash and cash equivalents		9,365,146	7,545,391
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents		8,625,938	5,395,508
		8,625,938	5,395,508
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	7,795,731	5,315,508
Contract liabilities from contracts with customers	12	100,000	80,000
Grants for transfers for recognisable non financial assets	12	730,207	0
Total restricted assets		8,625,938	5,395,508

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less 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.

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Annual leave reserve	165,344	42	0	165,386	165,344	0	0	165,344	163,629	1,715	0	165,344
(b) Long service leave reserve	134,561	34	0	134,595	134,561	960	0	135,521	133,500	1,061	0	134,561
(c) Building reserve	988,771	1,650,294	0	2,639,065	988,771	990,000	0	1,978,771	975,352	13,419	0	988,771
(d) Fire disaster reserve	39,922	10	0	39,932	39,922	460	0	40,382	39,424	498	0	39,922
(e) Plant purchase reserve	915,193	235	0	915,428	915,193	7,500	0	922,693	906,540	8,653	0	915,193
(f) Gwalia precinct reserve	488,650	125	0	488,775	488,650	0	0	488,650	485,627	3,023	0	488,650
(g) Waste management reserve	315,991	81	0	316,072	315,991	2,000	0	317,991	313,828	2,163	0	315,991
(h) Aerodrome reserve	286,443	200,010	0	486,453	286,443	203,400	(250,000)	239,843	252,723	33,720	0	286,443
(i) IT reserve	15,000	0	0	15,000	15,000	0	0	15,000	15,000	0	0	15,000
(j) Pool reserve	45,041	428,899	0	473,940	45,040	300,040	0	345,080	45,000	41	0	45,041
(k) Aged care reserve	1,920,592	493	0	1,921,085	1,920,592	11,000	0	1,931,592	0	1,920,592	0	1,920,592
(l) Heritage buildings reserve	0	200,000	0	200,000	0	0	0	0	0	0	0	0
	5,315,508	2,480,223	0	7,795,731	5,315,507	1,515,360	(250,000)	6,580,867	3,330,623	1,984,885	0	5,315,508

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

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

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

5. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
Trade and other receivables
GST receivable

2021	2020
\$	\$
100,035	195,415
425,237	275,500
114,750	42,938
640,022	513,853

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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.

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

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

6. INVENTORIES

Current

Fuel and materials

Non-current

Land held for resale - cost

Cost of acquisition

Development costs

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Write down of inventories to net realisable value

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	89,621	89,353
	89,621	89,353
	1,719	1,719
	357,112	409,626
	358,831	411,345
	500,698	575,093
	(213,076)	(235,644)
	0	(100,581)
	160,830	261,830
	448,452	500,698

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings	Total land and buildings	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$
Balance at 1 July 2019	785,000	19,266,372	20,051,372	3,252,900	23,304,272
Additions	0	8,720	8,720	632,727	641,447
(Disposals)	0	0	0	(451,833)	(451,833)
Revaluation increments / (decrements) transferred to revaluation surplus	0	1,766,995	1,766,995	0	1,766,995
Revaluation (loss) / reversals transferred to profit or loss	(40,000)	0	(40,000)	0	(40,000)
Depreciation (expense)	0	(400,467)	(400,467)	(371,181)	(771,648)
Balance at 30 June 2020	745,000	20,641,620	21,386,620	3,062,613	24,449,233
Comprises:					
Gross balance amount at 30 June 2020	745,000	20,641,620	21,386,620	3,408,126	24,794,746
Accumulated depreciation at 30 June 2020	0	0	0	(345,513)	(345,513)
Balance at 30 June 2020	745,000	20,641,620	21,386,620	3,062,613	24,449,233
Additions	48,000	664,839	712,839	866,984	1,579,823
(Disposals)	(48,000)	0	(48,000)	(327,115)	(375,115)
Depreciation (expense)	0	(412,832)	(412,832)	(390,583)	(803,415)
Balance at 30 June 2021	745,000	20,893,627	21,638,627	3,211,899	24,850,526
Comprises:					
Gross balance amount at 30 June 2021	745,000	21,306,459	22,051,459	3,884,490	25,935,949
Accumulated depreciation at 30 June 2021	0	(412,832)	(412,832)	(672,591)	(1,085,423)
Balance at 30 June 2021	745,000	20,893,627	21,638,627	3,211,899	24,850,526

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology.	Independent registered valuer	June 2020	Price per hectare / market borrowing rate.
Buildings	2	Improvements to land, using cost approach method using depreciated replacement cost.	Independent registered valuer	June 2020	Improvements to land using construction costs and current condition, residual values and remaining useful life assessments.
(ii) Cost					
Plant and equipment					
		N/A	At cost	June 2019	N/A

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

8. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - other	Total Infrastructure
	\$	\$	\$
Balance at 1 July 2019	51,927,635	8,847,326	60,774,961
Additions	1,384,969	124,469	1,509,438
Revaluation increments / (decrements) transferred to revaluation surplus	1,035,565	0	1,035,565
Depreciation (expense)	(1,857,852)	(536,991)	(2,394,843)
Balance at 30 June 2020	52,490,317	8,434,804	60,925,121
Comprises:			
Gross balance at 30 June 2020	68,324,188	9,497,011	77,821,199
Accumulated depreciation at 30 June 2020	(15,833,871)	(1,062,207)	(16,896,078)
Balance at 30 June 2020	52,490,317	8,434,804	60,925,121
Additions	1,295,033	993,874	2,288,907
Depreciation (expense)	(1,857,852)	(569,225)	(2,427,077)
Balance at 30 June 2021	51,927,498	8,859,453	60,786,951
Comprises:			
Gross balance at 30 June 2021	69,619,221	10,490,885	80,110,106
Accumulated depreciation at 30 June 2021	(17,691,723)	(1,631,432)	(19,323,155)
Balance at 30 June 2021	51,927,498	8,859,453	60,786,951

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8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost.	Management valuation	June 2020	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Infrastructure - other	3	Cost approach using depreciated replacement cost.	Management valuation	June 2019	Construction costs and current condition, residual values and remaining useful life assessments inputs.

9. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

Revaluation

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Revaluation (Continued)

At the end of each 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 land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

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

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

SHIRE OF LEONORA
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9. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Land - freehold land	\$ 48,000	\$ 50,000	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Plant and equipment	327,115	268,636	1,209	(59,688)	477,627	331,000	0	(146,627)	451,833	377,357	5,897	(80,373)
	375,115	318,636	3,209	(59,688)	477,627	331,000	0	(146,627)	451,833	377,357	5,897	(80,373)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Transport				
John Deere 670G Grader 2014	202,923	145,000	0	(57,923)
Other property and services				
2017 Nissan X trail	18,336	19,545	1,209	0
2019 Ford Everest	44,275	43,182	0	(1,093)
2019 Nissan Patrol	61,581	60,909	0	(672)
	327,115	268,636	1,209	(59,688)
Land				
Other Property and Services				
	48,000	50,000	2,000	0
	48,000	50,000	2,000	0
	375,115	318,636	3,209	(59,688)

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9. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings	412,832	400,467	400,467
Plant and equipment	390,583	393,748	371,181
Infrastructure - roads	1,857,852	442,885	1,857,852
Infrastructure - other	569,225	536,991	536,991
	3,230,492	1,774,091	3,166,491

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested 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.

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation pavement seal	not depreciated
- bituminous seals	50 years
- asphalt surfaces	20 years
Gravel roads formation pavement	25 years
Other infrastructure	not depreciated
	50 years
	20 years

Depreciation on revaluation

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

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

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10. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Buildings	1,766,995	0	0	0	1,766,995	0	1,766,995	0	1,766,995	1,766,995
Revaluation surplus - Plant and equipment	688,288	0	0	0	688,288	688,288	0	0	0	688,288
Revaluation surplus - Infrastructure - roads	34,329,804	0	0	0	34,329,804	33,294,239	1,035,565	0	1,035,565	34,329,804
Revaluation surplus - Infrastructure - other	5,530,144	0	0	0	5,530,144	5,530,144	0	0	0	5,530,144
	42,315,231	0	0	0	42,315,231	39,512,671	2,802,560	0	2,802,560	42,315,231

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors	
Prepaid rates	
Accrued salaries and wages	
ATO liabilities	
Credit cards	
Deposits held	
Accrued expenses	

2021	2020
\$	\$
356	10,095
8,231	3,595
23,730	87,574
118,193	64,643
19,326	9,719
75,000	0
473,301	0
718,137	175,626

SIGNIFICANT ACCOUNTING POLICIES

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

Prepaid rates

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

12. OTHER LIABILITIES

Current

Contract liabilities
 Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

2021	2020
\$	\$
100,000	80,000
730,207	0
830,207	80,000

Liabilities
 under
 transfers to
 acquire or
 construct non-
 financial
 assets to be
 controlled by
 the entity

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
100,000	730,207

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Grant liabilities represent the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

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13. INFORMATION ON BORROWINGS

	2021	2020
	\$	\$
(a) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	35,000	35,000
Credit card balance at balance date	19,326	0
Total amount of credit unused	54,326	35,000

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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.

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.

Risk

Information regarding exposure to risk can be found at Note 23.

14. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	154,386	74,247	228,633
Non-current provisions	0	52,900	52,900
	154,386	127,147	281,533
Additional provision	214,622	41,431	256,053
Amounts used	(187,016)	0	(187,016)
Balance at 30 June 2021	181,992	168,578	350,570
Comprises			
Current	181,992	104,320	286,312
Non-current	0	64,258	64,258
	181,992	168,578	350,570

	2021	2020
	\$	\$
Less than 12 months after the reporting date	286,312	0
More than 12 months from reporting date	64,052	281,533
Expected reimbursements from other WA local governments	206	0
	350,570	281,533

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees.

Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

Long-term employee benefits 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

Other long-term employee benefits (Continued)

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.

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.

15. NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	9,365,146	6,047,100	7,545,391

Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	795,046	(127,475)	699,122
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	0	0	(35,160)
Depreciation on non-current assets	3,230,492	1,774,091	3,166,491
(Profit)/loss on sale of asset	56,479	146,627	74,476
Decrease in net realisable value of inventory	0	0	100,581
Loss on revaluation of fixed assets	0	0	40,000
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(126,169)	0	235,370
(Increase)/decrease in inventories	52,246	0	(26,186)
Increase/(decrease) in payables	542,511	0	4,586
Increase/(decrease) in employee provisions	69,037	0	0
Increase/(decrease) in other provisions	0	0	78,852
Increase/(decrease) in other liabilities	750,207	(80,000)	80,000
Non-operating grants, subsidies and contributions	(1,958,975)	(1,110,213)	(791,948)
Net cash from operating activities	3,410,874	603,030	3,626,184

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
General purpose funding	100,035	195,415
Law, order, public safety	125,103	110,352
Health	223,194	233,429
Education and welfare	68,420	56,756
Housing	1,615,432	1,441,730
Community amenities	5,586,782	5,537,807
Recreation and culture	8,156,275	7,598,264
Transport	61,773,061	61,849,835
Economic services	12,059,047	11,795,799
Other property and services	4,866,845	2,992,026
Unallocated	1,516,903	2,122,883
	<u>96,091,097</u>	<u>93,934,296</u>

17. CONTINGENT LIABILITIES

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

Details of those sites are:

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

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Environment Regulation on the need and criteria for remediation with a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Environment Regulation guidelines.

18. LEASING COMMITMENTS

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

Payable:

- not later than one year
- later than one year but not later than five years
- later than five years

	2021	2020
	\$	\$
	0	12,500
	0	0
	0	0
	0	12,500

SIGNIFICANT ACCOUNTING POLICIES

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 of 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.

Leases (Continued)

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

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

19. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Elected member - President PJ Craig			
President's annual allowance	20,891	20,891	20,891
Meeting attendance fees	10,535	10,300	8,742
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	9,545	8,000	7,822
	44,471	42,691	40,955
Elected member - Deputy President RA Norrie			
Deputy President's annual allowance	5,223	5,223	5,223
Meeting attendance fees	5,575	6,300	6,922
Annual allowance for ICT expenses	3,500	3,500	3,500
	14,298	15,023	15,645
Elected member 1 AE Taylor			
Meeting attendance fees	6,021	6,300	6,244
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	2,974	4,000	3,208
	12,495	13,800	12,952
Elected member 2 AM Moore			
Meeting attendance fees	5,352	6,300	6,244
Annual allowance for ICT expenses	3,500	3,500	3,500
	8,852	9,800	9,744
Elected member 3 R Cotterill			
Meeting attendance fees	5,798	6,300	6,244
Annual allowance for ICT expenses	3,500	3,500	3,500
	9,298	9,800	9,744
Elected member 4 F Harris			
Meeting attendance fees	4,683	6,300	6,244
Annual allowance for ICT expenses	3,500	3,500	3,500
	8,183	9,800	9,744
Elected member 5 LR Petersen			
Meeting attendance fees	6,467	6,300	5,575
Annual allowance for ICT expenses	3,500	3,500	3,500
	9,967	9,800	9,075
	107,564	110,714	107,859
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	20,891	20,891	20,891
Deputy President's allowance	5,223	5,223	5,223
Meeting attendance fees	44,431	48,100	46,215
Annual allowance for ICT expenses	24,500	24,500	24,500
Travel and accommodation expenses	12,519	12,000	11,030
	107,564	110,714	107,859

20. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
The total of remuneration paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	763,490	619,244
Post-employment benefits	76,436	68,889
Other long-term benefits	69,187	62,403
	909,113	750,536

Short-term employee benefits

These amounts include all salary, 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 above.

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.

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20. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Purchase of goods and services	49,609	16,636
Amounts outstanding from related parties:		
Trade and other receivables	0	2,620
Amounts payable to related parties:		
Deposits held	75,000	0

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. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

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21. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
General	0.0706	586	15,222,674	1,074,721	127,065	0	1,201,786	1,074,721	134,000	0	1,208,721	1,131,774
Unimproved valuations												
General	0.155	1,415	34,965,661	5,419,677	68,563	0	5,488,240	5,419,677	40,000	0	5,459,677	5,069,045
Sub-Total		2,001	50,188,335	6,494,398	195,628	0	6,690,026	6,494,398	174,000	0	6,668,398	6,200,819
Minimum payment												
Gross rental valuations												
General	323	91	120,189	29,393	0	0	29,393	29,393	0	0	29,393	28,747
Unimproved valuations												
General	323	636	720,994	205,428	0	0	205,428	205,428	0	0	205,428	218,671
Sub-Total		727	841,183	234,821	0	0	234,821	234,821	0	0	234,821	247,418
Total amount raised from general rate Totals		2,728	51,029,518	6,729,219	195,628	0	6,924,847	6,729,219	174,000	0	6,903,219	6,448,237
							6,924,847				6,903,219	0

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

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

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21. RATING INFORMATION (Continued)

(b) Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$
Landing fees	Waiver	100.00%		8,799	3,000	12,312
Rate write off	Waiver	n/a		1,550	15,000	1,950
Housing rental	Waiver	100.00%		5,200	5,200	5,200
Landing fee write off	Waiver	n/a		7,590	0	0
				23,139	23,200	19,462
Total discounts/concessions				23,139	23,200	19,462

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Landing fees	Royal Flying Doctor Service (RFDS) has been granted a continuous waiver on landing fees at the Leonora airport.	To assist the operation and work of the RFDS.	Recognition of valuable community service the RFDA provides to the district.
Rate write off	Write off bad debts where debts cannot be recovered or the cost of recovery is more than the debt.		The Local Government Act provides for the Council to be able to write off any amount of money which is owed to the local government.
Housing rental Landing fee write off	Doctor servicing Leonora has a house provided by Council at no charge.	To support the retention of a doctor to provide medical services to the Shire of Leonora.	Rent is waived as per agreement with Council.

21. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	10/09/2020	0.00	0.00%	0.00%
Option Two				
First instalment	10/09/2020	0.00	0.00%	0.00%
Second instalment	12/11/2020	8.00	0.00%	0.00%
Third instalment	18/01/2021	8.00	0.00%	0.00%
Fourth instalment	19/03/2021	8.00	0.00%	0.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Charges on instalment plan	8,568	10,000	11,544
	8,568	10,000	11,544

22. RATE SETTING STATEMENT INFORMATION

	2020/21 (30 June 2021 Carried Forward)	2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	9(a) (3,209)	0	(5,897)
Less: Movement in liabilities associated with restricted cash	57,679	0	(10,767)
Movement in employee benefit provisions (non-current)	11,358	0	(4,606)
Movement of inventory (non-current)	52,514		
Add: Loss on disposal of assets	9(a) 59,688	146,627	80,373
Add: Loss on revaluation of fixed assets	8(a) 0	0	40,000
Add: Decrease in net realisable value of inventory	0	0	100,581
Add: Depreciation on non-current assets	9(b) 3,230,492	1,774,091	3,166,491
Non cash amounts excluded from operating activities	3,408,522	1,920,718	3,366,175
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserves - cash backed	4 (7,795,731)	(6,580,867)	(5,315,508)
Add: Current liabilities not expected to be cleared at end of year - Employee benefit provisions	286,312	145,175	228,633
Total adjustments to net current assets	(7,509,419)	(6,435,692)	(5,086,875)
Net current assets used in the Rate Setting Statement			
Total current assets	10,094,789	6,668,580	8,148,597
Less: Total current liabilities	(1,834,656)	(232,888)	(484,259)
Less: Total adjustments to net current assets	(7,509,419)	(6,435,692)	(5,086,875)
Net current assets used in the Rate Setting Statement	750,714	0	2,577,463

23. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	0.006%	9,365,146	0	9,348,876	16,270
2020					
Cash and cash equivalents	0.025%	7,545,391	0	7,544,121	1,270

Sensitivity

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

	2021	2020
Impact of a 1% movement in interest rates on profit and loss and equity*	\$ 93,489	\$ 75,441

* Holding all other variables constant

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. 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 level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices, the level of mining and exploration activity linked to price of minerals and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

No expected loss was forecast on 30 June 2020 or 30 June 2021 for rates receivable as properties associated with unpaid rates maybe disposed of to recover rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	63,737	24,856	4,152	7,290	100,035
Loss allowance	0	0	0	0	0

30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	121,024	50,704	18,573	5,114	195,415
Loss allowance	0	0	0	0	0

No expected loss was forecast on 30 June 2020 or 30 June 2021 for trade receivables

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	223,066	136,654	54,735	10,783	425,238
Loss allowance	0	0	0	0	0

30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	164,173	83,237	465	27,624	275,499
Loss allowance	0	0	0	0	0

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables

Payables are subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 13(a).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2021</u>					
Payables	599,944	0	0	599,944	599,944
Contract liabilities	830,207	0	0	830,207	830,207
	1,430,151	0	0	1,430,151	1,430,151
<u>2020</u>					
Payables	110,983	0	0	110,983	110,983
Contract liabilities	80,000	0	0	80,000	80,000
	190,983	0	0	190,983	190,983

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24. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

25. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE</p> <p>To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>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 allowances, 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.</p>
<p>GENERAL PURPOSE FUNDING</p> <p>To collect revenue to allow for the provision of services.</p>	<p>1. Rates.</p> <p>(a) GRV (gross rental value) refers to property rates for Leonora, Gwalia, Leinster and Agnew town sites and operational mines and associated infrastructure.</p> <p>(b) UV (Unimproved value) refers to mining properties and tenements (other than mines and other associated infrastructure) and prospecting licenses, exploration licenses and mining leases. It also refers to broad acre rural pastoral properties.</p> <p>(c) Additional rates and rates written back refer mainly to mining rates where tenements are granted or surrendered following the adoption of the budget.</p> <p>(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.</p> <p>(e) Administration costs allocated are the costs of maintaining records, levying and collecting all rates.</p> <p>2. Grants</p> <p>(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.</p> <p>(b) Roads Grant - An unimproved road grant allocated by the Federal Government and again distributed by the Grants Commission utilising a pre-determined formula.</p> <p>(c) Administration costs allocated to grants refers to the costs associated in the collection of Federal Government grants including provision and updating of data used in grants commission formula.</p>
<p>LAW, ORDER, PUBLIC SAFETY</p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Costs and revenues associated with animal control within the Shire and also include fire insurance, dog control and registration.</p>
<p>HEALTH</p> <p>To provide an operational framework for environmental and community health.</p>	<p>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, notification and management of disease, contribution to doctor's expenses, Royal Flying Doctor donation and an ageing in place facility.</p>
<p>EDUCATION AND WELFARE</p> <p>To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>To provide services to disadvantaged persons, the elderly, children and youth.</p>
<p>HOUSING</p> <p>To provide and maintain staff housing.</p>	<p>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.</p>

**SHIRE OF LEONORA
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FOR THE YEAR ENDED 30 JUNE 2021**

25. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>COMMUNITY AMENITIES To provide service required by the community.</p>	<p>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 is included on rate assessment notices. Costs associated with review and administration of Council's Town Planning Scheme. Provisions of Christmas decorations in Leonora townsite. Operation of the Leonora Cemetery.</p>
<p>RECREATION AND CULTURE To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.</p>	<p>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 courts, two squash courts, kitchen, gymnasium and associated facilities and revenues collected from the public for use of these facilities.</p>
<p>TRANSPORT To provide safe, effective and efficient transport services to the community.</p>	<p>Maintenance and improvements of 1,300 kilometres of Council controlled unsealed roads, townsite footpaths and streets, drainage control, street cleaning and provision and maintenance of street trees. Costs of providing electricity for street lights in the Leonora/Gwalia townsites 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.</p>
<p>ECONOMIC SERVICES To help promote the Shire and its economic wellbeing.</p>	<p>Costs associated with tourism promotion throughout the Shire including employment of a Curator/Promotion Officer at the Gwalia Museum and historic precinct.</p>
<p>OTHER PROPERTY AND SERVICES To monitor and control the Shire's overheads operating accounts.</p>	<p>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.</p>

26. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.75	8.63	13.72
Asset consumption ratio	0.81	0.83	0.83
Asset renewal funding ratio	0.97	0.97	0.98
Asset sustainability ratio	0.59	0.56	0.76
Debt service cover ratio *	N/A	N/A	N/A
Operating surplus ratio	(0.05)	(0.01)	(0.05)
Own source revenue coverage ratio	0.76	0.81	0.74

* Debt service ratio is not applicable as there is no debt

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 consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

6.0 Independent Audit Report



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Leonora

To the Councillors of the Shire of Leonora

Report on the audit of the annual financial report

Opinion

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

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Shire of Leonora:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a) The Asset Sustainability Ratio as reported in Note 26 of the financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the past three financial years.
 - b) The Operating Surplus Ratio as reported in Note 26 of the financial report is below the Department of Local Government, Sport and Cultural Industries' basic standard for the past three financial years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other matter

The financial ratios for 2019 in Note 26 of the financial report were audited by another auditor when performing their audit of the Shire for the year ended 30 June 2019. The auditor expressed an unmodified opinion on the financial report for that year.

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Leonora for the year ended 30 June 2021 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
8 December 2021

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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 2020/2021.

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

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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.

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.

7.3 LEGISLATION REVIEW

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

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

The Shire of Leonora is currently reviewing their local laws.

8.0 OVERVIEW OF THE PLAN FOR THE FUTURE

The Strategic Community Plan 2017-2027 was prepared through engagement and consultation with the local community, and sets out the vision, aspirations and objectives of the community in the district. It should be noted that the Strategic Community Plan was reviewed in November 2019.

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

The table below sets out to provide an overview of achievements to date made during the 2020/2021 reporting period, as well as initiatives that are proposed to commence and/or continue into the next financial year.

PLAN FOR THE FUTURE STRATEGIC PERFORMANCE INDICATORS	2020/2021 ACHIEVED / CONTINUING 2021/22	PLANNED / COMMENCING 2021/22
Social media activity (increase posts and engagement rates)	A review of Local Government engagement by <i>SHUNT</i> in the first half of 2020 identified the Shire of Leonora as ranking 5 th in terms of Facebook engagement in the State for all Local Governments. Shire of Leonora scored	Working within the upgraded websites for improved integration with social media platforms through better connectivity eg; Facebook, Instagram. Continue to improve engagement across all social media activity.

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PLAN FOR THE FUTURE STRATEGIC PERFORMANCE INDICATORS	2020/2021 ACHIEVED / CONTINUING 2021/22	PLANNED / COMMENCING 2021/22
	<p>highest <i>share and share alike</i> in WA's regional charge.</p> <p>Instagram Insights Overview: Account Reach – 1,698 Interaction – 732</p> <p>Facebook Page Reach – 214,461 (89.2%)</p>	
<p>Community participation levels in recreation activities and events <i>(increase number of participants / attendees)</i></p>	<p>New initiatives introduced continued during 2020/21 and have been well received. The participation figures are;</p> <ul style="list-style-type: none"> ✓ Pool – 5,911 ✓ Gym – 1613 ✓ Adult Sports – 208 ✓ Kids Sport – 484 ✓ Aust Day Event – 20 	<p>Increased resourcing through staffing to encourage and work at enhancing community engagement through recreation activities and events.</p>
<p>Population statistics <i>(stable / increasing population base)</i></p>	<p>Australian Bureau of Statistics (ABS) 2011 Census shows the population of Leonora as 1,216, whilst this has dropped to 781 in the 2016 Census. Population of mining camps still excluded despite impact on service delivery, this also includes the town of Leinster. ABS 2016 shows an estimated resident population of 1,411</p>	<p>Lack of suitable housing has been linked to difficulties in the attraction of professional services and the correlation between lack of services and decreased population. Planning and calling for tenders for the building of the Aged Care Village to take place in first half of 2021/22 financial year. Strategies will continue to be developed during 2021/22 to address the housing crisis.</p>
<p>No. of development approvals <i>(increase)</i></p>	<p>One development approvals were processed in the 2020/21 period</p>	<p>N/A</p>
<p>Assessed vacancy rates (business and residential) <i>(decrease)</i></p>	<p>No official mechanisms in place to capture data, however anecdotal evidence suggests that vacancy rates (particularly residential) are low.</p>	<p>Consideration to how these rates can be measured and reported/Meetings with relevant agencies re improved housing/Increased Shire housing.</p>
<p>No. of building approvals <i>(increase)</i></p>	<p>Fifteen building approvals were processed in the 20/21 period which equated to collection of \$20,377.91 in building permit fees with a total value of construction work being \$9,241,764.10</p>	<p>N/A</p>

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PLAN FOR THE FUTURE STRATEGIC PERFORMANCE INDICATORS	2020/2021 ACHIEVED / CONTINUING 2021/22	PLANNED / COMMENCING 2021/22
<p>Visitor statistics (<i>increase</i>) 2019-20 financial year Visitor Centre Numbers: 3,282 Gwalia Precinct Numbers: 7,995 Hoover House Accommodation Numbers: 543</p> <p>Visitor statistics (<i>increase</i>) 2020-21 financial year Visitor Centre Numbers: 4,911 Gwalia Precinct Numbers: 12,479 Hoover House Accommodation Numbers: 1256</p>	<p>Visitor statistics are captured by the Information Centre, and Gwalia Historic Precinct. These figures have positively impacted the local tourism by COVID-19 hard borders, resulting in an increase of visitor and guest numbers to the facilities.</p> <p>Increased of visitor numbers by; Visitor Centre Numbers: 1,629 Gwalia Precinct Numbers: 4,484 Hoover House Accommodation Numbers: 713</p>	<p>The State Government border restrictions has seen a boost to the local tourism, significantly increasing visitors to Leonora. This is expected to flow into the new financial year until travel restrictions are eased or lifted.</p> <p>The decrease of some interstate and overseas visitors' numbers to the Gwalia Historic Precinct and Information Centre in 2020/21 year was expected and will continue into the new financial year due to COVID-19 travel restrictions.</p>
<p>Statutory asset management ratios (<i>maintain healthy ratios</i>)</p>	<p>The Asset Sustainability Ration in Note 26 of the financial report is below the Department of Local Government Sport & Cultural Industries' standards</p>	<p>To allow better measurements of assets the Shire intends for future renewal and replacement of assets to be in accordance with integrated planning and reporting plans to reflect replacement/renewal requirements against depreciation expenditure over 15 years.</p>
<p>Compliance with statutory reviews required by the Local Planning Framework (<i>maintain compliance</i>)</p>	<p>No instances of non-compliance noted</p>	<p>N/A</p>
<p>Statutory financial ratios (<i>maintain healthy ratios</i>)</p>	<p>Operating Surplus Ratios in Note 26 is below Department of Local Government Sport & Cultural Industries' standards.</p>	<p>The Shire will continue to review the operating surplus ratio and financial performance through monitoring of depreciation expenses and financial reports including budget reviews and month financial statements.</p>
<p>Employee retention rates (<i>maintain / increase</i>)</p>	<p>During 2021/22 adoption of revised Workforce Plan is to be undertaken to assist with initiatives and strategies to maintain good retention rates.</p>	<p>Continuation of implementation of initiatives within revised Workforce Plan</p>
<p>Volunteer levels (<i>increase</i>)</p>	<p>Re-activation of Sporting Clubs, e.g. Leonora Bowling Club has been successful in response to community needs.</p>	<p>Consideration to how these rates can be measured and reported</p>

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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 2018-2023 has been approved with the following principal intent.
 - (i) Existing services are adapted to ensure they meet the needs of people with disabilities.
 - (ii) Access to buildings and facilities are improved.
- (C) The following delivery of services was implemented in the reporting year.
NIL

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

10.0 FREEDOM OF INFORMATION STATEMENT (FOI)

FREEDOM OF INFORMATION ACT 1992

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

This Information Statement is available on the Shire of Leonora website. The Freedom of Information Act 1992 and associated regulations can be found on the State Law Publisher website at www.slp.wa.gov.au where a full copy of all State legislation is available. Further information about Freedom of Information can also be found on the Freedom of Information Commissioner's website <http://foi.wa.gov.au/>. During the 2020-2021 financial year there were no Freedom of Information applications received or processed by the Shire.

11.0 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.
- (C) In accordance with minimum compliance requirements of Principle 6 of the State Records Commission – Standard 2, the following has been implemented:

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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.

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

12.0 EMPLOYEE'S REMUNERATION

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

Salary Range (\$)	Number of Employees
150,000 – 160,000	1
170,000 – 180,000	1
310,000 – 320,000	1

The remuneration paid to the CEO during the financial year was \$315,507

13.0 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 2021, no complaints were recorded, therefore no action was required to deal with complaints.

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Adopted	Date: