



Annual Report

2018-19



Natural | Connected | Prosperous



Acknowledgement of Country

Pibelman country whose ancestors and their descendants are the traditional owners of this country.

The shire is home to one of Australia's most significant archaeological and anthropological sites at Devil's Lair which shows that human occupation of the area began around 48,000 years ago making it one of the earliest sites in Australia and an important source of information about the timing and character of the first human colonisers of Australia.

We acknowledge that the Wadandi and Pibelman have been custodians since the land was soft (creation times) and continue to perform age-old ceremonies of celebration, initiation and renewal. We acknowledge their living culture and their unique role in the life of this region.

The shire is committed to Aboriginal Australians sharing fairly and equitably in the Shire's cultural, social, environmental and economic future.

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Augusta Margaret River is our community.
We are passionate about our place and future.

This Annual Report shares with you the progress we
have made over the 2018-19 financial year to achieve
our shared community vision for the year 2036.



Our community

Our approach:

- Honesty
- Commitment
- Respect
- Courage

Our community is diverse in people, place and activity. Here is a snapshot of your Shire over the last year.

Population	Families	Median age	Volunteers	Local jobs
14,687*	3,678*	39*	21%	7,349*

Total area	Coastline	Schools	largest employer*	Businesses
2,123km²	120km	10	Agriculture, Forestry and Fishing	2,009*

Rated properties	Community groups	\$84,431,690	531km Sealed roads
9781	130+	Value of Building Permits	395km Unsealed roads
			155km Pathways & trails
			144km Stormwater pipes

188 Shire community buildings	30 Playgrounds
3 Camping grounds	3,750ha reserves, parks & playgrounds
2 Libraries	
2 Recreation Centres	
1 HEART Cultural Centre	

2,745m
New or renewed footpaths, trails or cycle ways

22 Road bridges
22 Jetties & boat ramps

19%
Waste diverted from landfill

189 Shire strategic projects
171 Full time Shire employees

\$21,430,382
Total rates income

\$8,910,389
Grants received

\$19,121,550
Shire capital projects

Message from Shire President

I am pleased to present our Annual Report for 2018-19, which details a wide range of Councillor and Shire staff achievements from throughout the year.

The Shire has greatly improved in community consultation over recent years, especially the increased participation of young people. This was evident through the innovative engagement for the major review of the Local Planning Strategy this year, and also through the Climate Action Summit held on 28 May 2019. The summit showed true partnership between Shire and community members to form a plan to reduce greenhouse gases emitting from our Shire, and has supported the mainstreaming of climate change mitigation and adaptation into Shire policy and decision making.

This Council has achieved increased funding for the protection, rehabilitation and revegetation of Shire reserves with habitat for wildlife, as well as the implementation of the three bin system for waste collection.

The Shire also recently won an award for our Access and Inclusion policies and actions, with social justice now a major driver in policy formulation. A Sustainable Economy Committee and dedicated Sustainable Economy Officer was also achieved this year.

Councillors completed recruitment of a highly competent new CEO in 2019, Ms Stephanie Addison-Brown; her leadership offering a breath of fresh air!

I have been proud to be part of a Council with a majority of women and note more women are represented as Mayors and Shire Presidents in Western Australia now, than ever before. I pay tribute to my fellow Councillors and the staff in the Shire - most people don't understand the dedication and commitment that we show each and every day.

Pam Townsend, Shire President







Message from CEO

This Annual Report provides an overview of our good progress and performance against the Shire's Corporate Plan.

I would like to acknowledge the dedication and contribution of Dr Dale Putland who was the Acting CEO for the majority of 2018-19, and commend the Shire's highly competent team of skilled staff who supported him throughout the year.

Some key achievements during the year included:

- Implementation of the new three bin FOGO system
- Adoption of the Lower Margaret River Foreshore Action Plan and the Sediment and Erosion Control Local Law
- Major upgrade of the Ellis Street Jetty in Augusta and major maintenance of the Gnarabup Jetty
- Reconstruction of sections of Carters Road, Warner Glen Road, Surfers Point Road, Boodjidup Road and other key road maintenance projects
- Planting of nearly 30,000 tube stock and over 200 new verge trees to improve ecosystem health and capture carbon dioxide
- Completion of stage one of the Margaret River HEART
- Construction of the Margaret River Lower Western Playing Fields, and
- Major review of the Shire's Local Planning Strategy and Scheme.

As a Shire we continue to embrace strong values of community and sustainability, and this is reflected in the work which has been so diligently and thoughtfully carried out by the Shire's team of staff who each care deeply about the community in which they live and work.

It has been an honour and a privilege to have been appointed to the role of CEO of this wonderful Shire, and I look forward to working with staff and community alike to deliver a range of positive outcomes which will lead to a sustainable future for our region.

Stephanie Addison-Brown, CEO



Elected members

Councillors form the governing body of the Shire and are elected by the community for a four-year term.

They represent the community's interests, provide leadership, facilitate communication between the Council and community, establish policy, and participate a decision-making process outlined in the Local Government Act 1995.

Elections are held every two years under a "No Wards" system. This means one electoral ward covers the whole Shire rather than having a number of smaller wards.



Shire President
Cr Pamela Townshend
TERM EXPIRES 2019



Deputy President
Cr Julia Meldrum
TERM EXPIRES 2021



Cr Ian Earl
TERM EXPIRES 2021



Cr Naomi Godden
TERM EXPIRES 2021



Cr Peter Lane
TERM EXPIRES 2019



Cr Pauline McLeod
TERM EXPIRES 2021



Cr Mike Smart
TERM EXPIRES 2019



Ordinary Meetings of Council (OCM) are held on the second and fourth Wednesdays of each month (with the exception of school holidays) and all are open to the public. The majority of the meetings are held in Margaret River, with three meetings held in Augusta each year. One meeting was held at 2pm this year to enable the attendance of young people.

Special Meetings of Council are held as they are needed and are open to the public, unless confidential matters are being discussed.

Members of the public attending meetings are allocated time at the commencement of public meetings to ask questions of the Council or to make a deputation on an agenda item for that meeting. Agendas are published two weeks prior to the meeting and are made available for public viewing on the Shire website amrshire.wa.gov.au

19
OCMs

32
Deputations

3
Special
meetings

7
Committees
of Council

10
External
committees

Meeting Attendance

Meeting	Elected member	Cr Townshend	Cr Meldrum	Cr Earl	Cr Lane	Cr McLeod	Cr Godden	Cr Smart
Ordinary Council Meeting	All	18/19	19/19	17/19	18/19	18/19	18/19	19/19
Special Council Meeting/s	All Topics: Main Street Redevelopment, CEO Recruitment and CEO Commencement.	3/3	3/3	3/3	3/3	2/3	3/3	2/3
General Electors Meeting	All Topic: Annual Report and Financial Report 2017-18	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Audit and Risk Management Committee	All	3/3	3/3	3/3	3/3	3/3	2/3	3/3
Bush Fire Advisory Committee	Cr Earl Cr Meldrum	N/A	4/4	2/4	N/A	N/A	N/A	N/A
CapeROC (voluntary governance structure between the Shire of Augusta Margaret River and City of Busselton)	Shire President Cr Townshend Cr Godden Cr Smart	3/3	N/A	N/A	N/A	N/A	3/3	2/3
Local Emergency Management Committee	Shire President Cr Townshend Cr Meldrum (Deputy)	4/4	0/4	N/A	N/A	N/A	N/A	N/A
Planning Advisory Committee	All	0/0	0/0	0/0	0/0	0/0	0/0	0/0
Sports and Recreation Advisory Committee	Cr Earl Cr Meldrum	N/A	2/2	2/2	N/A	N/A	N/A	N/A
Sustainability Advisory Committee	Cr Godden Cr Lane Cr McLeod Cr Meldrum (Deputy)	N/A	0/3	N/A	2/3	3/3	3/3	N/A
Sustainable Economy Advisory Committee	Cr McLeod Shire President, Cr Townshend	2/2	N/A	N/A	N/A	2/2	N/A	N/A

External Committees

Committee	Cr Representative
Augusta Margaret River Industry Leaders Group	Cr Townshend Cr Meldrum (Deputy)
Housing Advocacy Project Steering Committee	Cr McLeod
Lower Blackwood Land Conservation District Committee	Cr Meldrum Cr Smart (Deputy)
Margaret River HEART Redevelopment Working Group	Cr McLeod Cr Godden (Deputy)
Margaret River Perimeter Road Community Reference Group	Cr Earl Cr McLeod (Deputy)
South West Joint Development Assessment Panel	Cr Earl Cr Smart Cr Godden (alternate nominee) Cr McLeod (alternate nominee)
South West Regional Road Group	Cr Meldrum Cr Earl (Deputy)
Trails Community Reference Group	Cr Lane Cr Godden (Deputy)
Wadandi Track Steering Committee	Cr Lane Cr Earl (Deputy)
WALGA Zone Committee	Cr Townshend Cr Meldrum (Deputy)



Executive Team



Stephanie Addison-Brown
Chief Executive Officer



Dr Dale Putland
Director Sustainable Development

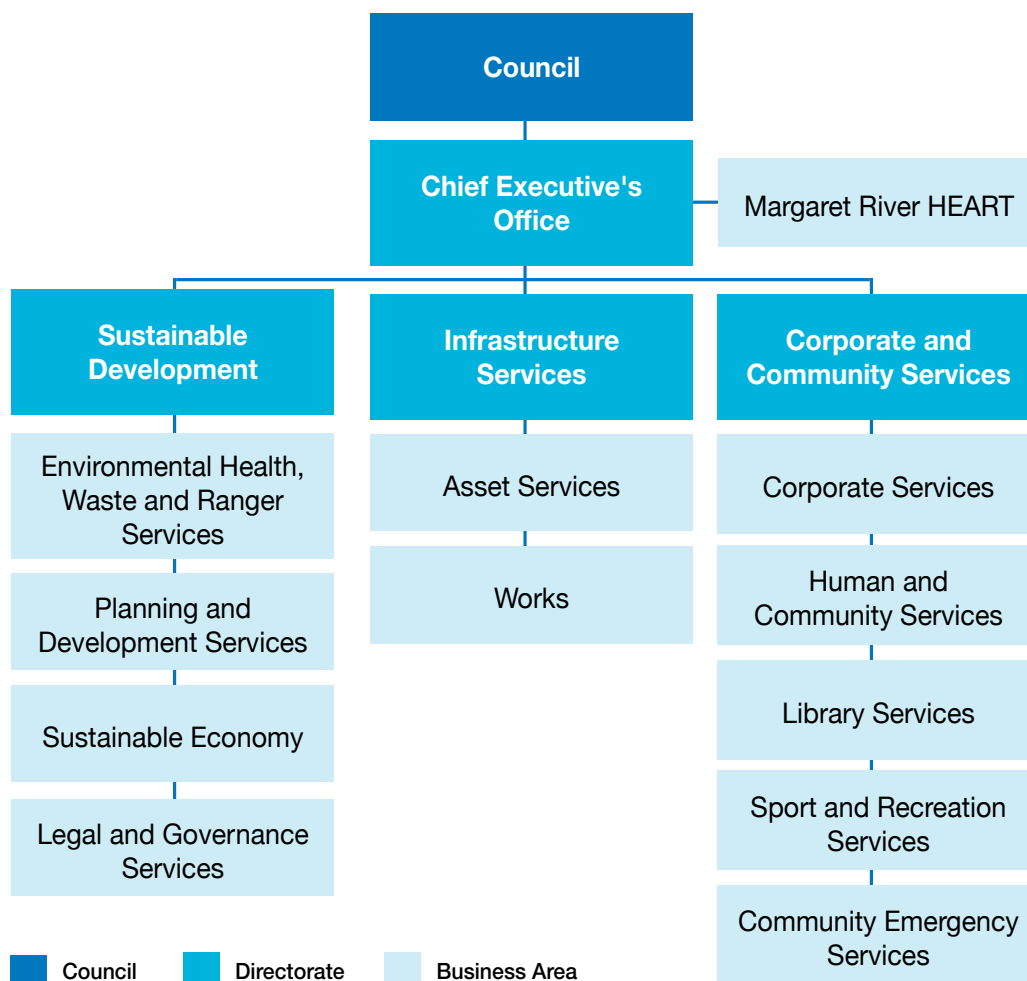


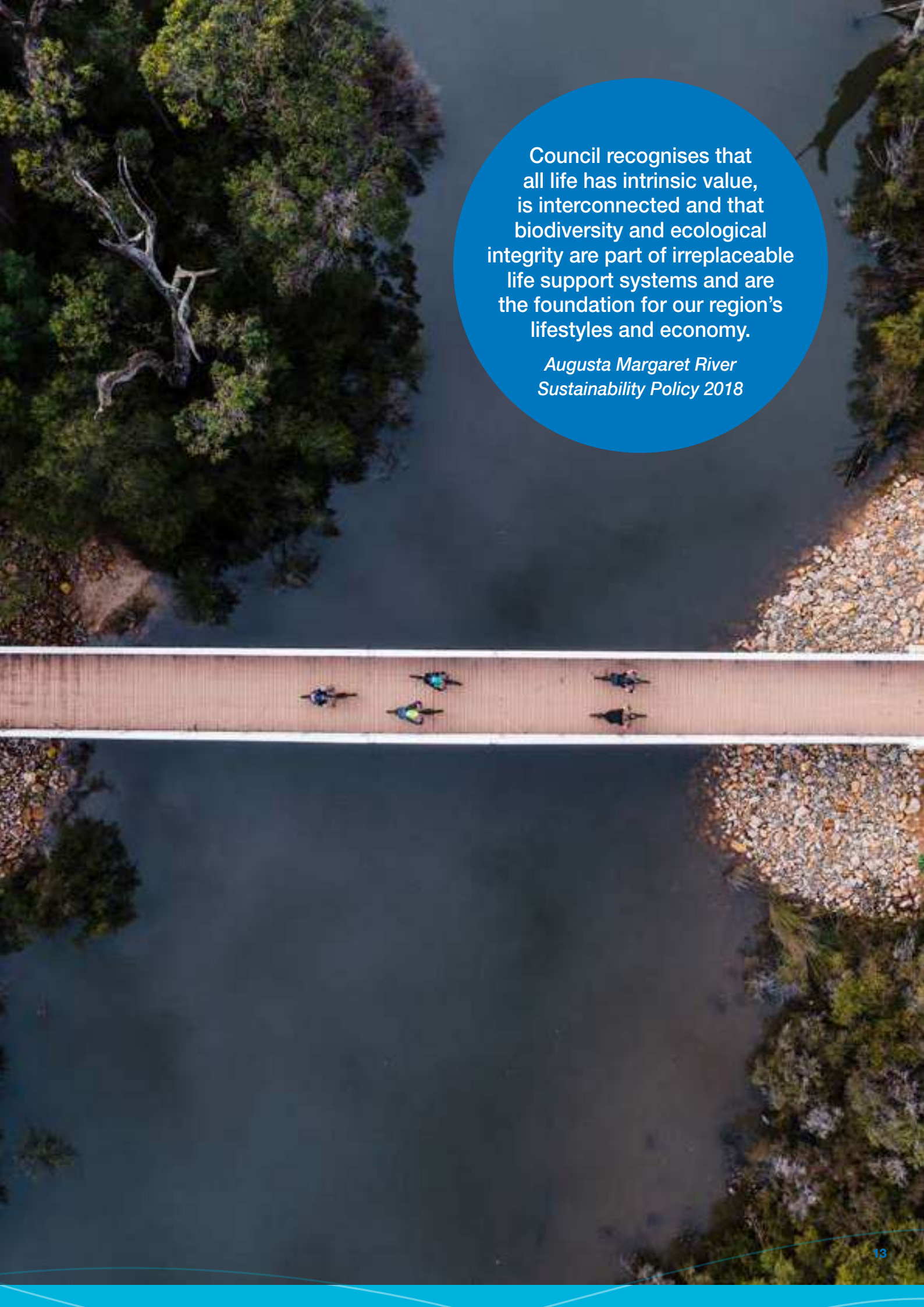
Dr Markus Botte
Director Infrastructure Services



Andrew Ross
Acting Director Corporate & Community Services

Service delivery structure



An aerial photograph of a wide, calm river. A long, narrow wooden bridge spans the river. Several people are walking across the bridge. The riverbanks are lined with dense green trees and vegetation. The water is dark and still, reflecting the surrounding landscape. A large blue circle is overlaid on the right side of the image, containing white text.

Council recognises that
all life has intrinsic value,
is interconnected and that
biodiversity and ecological
integrity are part of irreplaceable
life support systems and are
the foundation for our region's
lifestyles and economy.

*Augusta Margaret River
Sustainability Policy 2018*

Community Strategic Plan 2036

Our vision: “Adapt to changing climate, environment and social dynamics and celebrate a sense of place for our local Indigenous culture and our multicultural and creative community.”

Key principles:

- Access and equity
- Financial viability
- Sustainability
- Technology and innovation
- Social justice
- Climate change



Strategic overview:

	Key result area	Outcomes
	Key result area 1: Valuing, protecting and enhancing the natural environment	<ol style="list-style-type: none"> 1. Ecology and biodiversity protection 2. Healthy waterways and their foreshores 3. Healthy forests and natural landscapes 4. Continued unique and iconic coastal landscapes 5. Ecological resilience in the face of changing climate
	Key result area 2: Welcoming, inclusive and healthy communities	<ol style="list-style-type: none"> 1. Evolving cultural values are respected and adopted 2. Sustainable community groups, networks and facilities 3. Equal opportunities for all 4. Lifelong learning in the community 5. Active, healthy and safe lifestyles 6. Community health, safety and social justice in the face of changing climate
	Key result area 3: Ensuring sustainable development	<ol style="list-style-type: none"> 1. Clearly defined areas for growth, renewal and protection 2. Liveable, sustainable and well-designed places that are inclusive for all cultures and demographics 3. Climate change mitigation and response 4. Sustainable resource use and waste management 5. Sustainable water and energy management 6. Connected and safe transport network
	Key result area 4: Vibrant and diverse economy	<ol style="list-style-type: none"> 1. Strong agriculture and viticulture sectors 2. Sustainable tourism and other local industries 3. Infrastructure for economic growth 4. Competitive and sustainable business environment 5. Opportunities arising from climate change adaptation and innovation
	Key result area 5: Effective leadership and governance	<ol style="list-style-type: none"> 1. Responsible ownership of outcomes 2. Effective and integrated strategy, planning, financial and asset management 3. Highly capable and engaged people 4. Community and customer focus 5. A culture of innovation, quality and continuous improvement 6. Measure and report on success and sustainability 7. Leadership in climate change mitigation and adaptation

The Community Strategic Plan 2036 was endorsed in September 2016 and is required to undergo a minor review over the 2019-20 financial year.

Service delivery

The Shire has continued to achieve an ongoing commitment to delivering core services and community services, alongside working towards the community's wider aspirations for the future.

Strategic Processes



Legislative Core Services

- Asset and Land Management Planning
- Aboriginal heritage approvals
- Community building maintenance
- Community Emergency Preparedness
- Corporate planning, reporting and community engagement
- Disability Access and Inclusion Plan and reporting
- Environmental Health risk assessments and compliance
- Governance and permits
- Human Services and OSH
- Media and communications
- Planning applications and Building permits
- Ranger Services
- Records Management
- Environmental approvals
- Roads, drainage, paths, parks gardens construction & maintenance
- SAT appeals and mediation
- Waste Management
- Policy Development
- Finance and Rating

Community Services

- Affordable housing
- Age friendly initiatives
- Community Engagement
- Beach lifeguards
- Caravan parks and camp grounds
- Community group and volunteerism support
- Community Safety initiatives
- Customer Services
- Cultural awareness
- Environmental sustainability
- Event sponsorship and approvals
- Landcare services
- Major infrastructure upgrades
- Outside Hours School Care
- Place making
- Recreation and Aquatic Centres
- Strategy Development
- Support for local Art and Culture
- Sustainable Economy
- Youth initiatives
- Library Services

Organisational Support Services

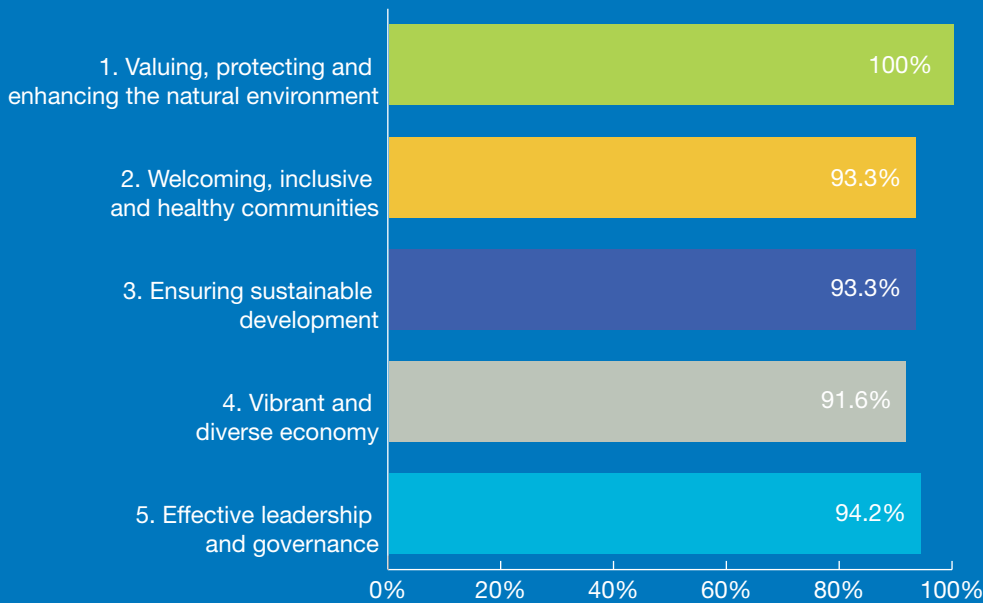
- Council Administration and Risk Management
- Information Technology and Communications
- Legal Services
- Purchasing and procurement



A year in view

The organisation has achieved total progress of 93.83% against the targets set in Corporate Plan 2018-22 throughout the year, with a total of 189 strategic actions completed.

Progress Against Targets



Strategic Projects



124
access and inclusion initiatives completed



470
planning applications processed with 79% meeting service requirement for response time



19,390m
of Shire roads renewed



5,049
community engagement submissions received via Your Say



Completed Monitor Off Target

Budget spend

The audited Annual Financial Report for 2018-19 shows a net result of a surplus of \$3,998,433, which is lower than the previous year's net result of a surplus of \$4,780,828.

The main reason for this decrease is a reduction in the value of grants for capital projects. From a cash flow perspective the Shire increased the amount of cash and cash equivalents at the end of the year by \$2,094,327 to \$11,337,056.

The Shire's balance sheet at 30 June 2019 shows net assets have increased by almost \$4 million compared to the previous year. The Shire is now responsible for the management of net assets valued at over \$470 million. Of this total, over \$451 million represents the value of fixed or capital assets.

The Shire's closing financial position for the year of \$3,804,165 was an improvement on the budgeted break even position. However this improvement is attributed to the number and value of projects being carried forward to the 2019-20 budget as well as the advance payment by the Federal Government of the 2019-20 Financial Assistance Grant.

Financial ratios are calculated to help guide the financial sustainability of local government over the long term.

Key Financial Indicator	2018-19	2017-18	2016-17
Financial Health Indicator Score A measurement of a local government's overall financial health, calculates from the below seven financial ratios. An FHI result of 70 and above indicates sound financial health. The maximum result achievable is 100.	N/A	73	70
Operating Surplus Ratio A measure of a local government's ability to cover its operational costs and have money left for capital projects and other purposes. Industry benchmark is between 0% and 15%.	-7%	-12%	-1%
Own Source Revenue Coverage Ratio A measure of a local government's ability to cover its operating costs through revenue it generates itself. Industry benchmark is greater than 60%	86%	88%	89%
Current Ratio A measure of the ability of a local government to meet its short-term financial obligations with funds it can access quickly (also known as 'liquidity'). Industry benchmark is greater than 100%	122%	137%	134%
Debt Service Cover Ratio A measure of a local government's ability to repay its debt based on how much cash it can access compared to the total of its debt obligations. Industry benchmark is greater than 5	5.44	5.64	8.11
Asset Sustainability Ratio A measure of the extent to which assets managed by a local government are being replaced as they reach the end of their useful lives. Industry benchmark is between 90% and 110%	88%	88%	81%
Asset Consumption Ratio A measure of the condition of a local government's physical assets, by comparing their age with their replacement cost. The ratio highlights the aged condition of a local government's stock of physical assets. Industry benchmark is between 50% and 75%	78%	99%	97%
Asset Renewal Funding Ratio A measure of a local government's ability to fund asset renewal and replacements in the future. Industry benchmark is between 75% and 105%	117%	121%	136%

Read the full Annual Financial Report at the end of this report.

Priority project: Margaret River HEART



A major project over 2018-19 has been the redevelopment of the Shire's 35-year-old former cultural centre building.

The redevelopment will deliver a new entertainment and arts precinct to accommodate the growing needs of residents and visitors to the region. This multi-purpose, highly flexible entertainment and business events complex is known as the Margaret River HEART which stands for Hub of Entertainment, Arts and Regional Tourism.

BGC Construction Ltd completed Stage 1 and 90% of Stage 2 over 2018-19. This included the main auditorium, foyer, offices, toilets, parent rooms, bar facilities and servery, sound shell and commercial kitchen. The project is now into its final stage of construction, which will complete the variations for compliance throughout September 2019. The staged construction enabled commencement of cinema events from March 2019.

Significant work was also undertaken to finalise a plan for venue management and operations of the HEART, with the aim to ensure community access is affordable and equitable. The venue will deliver a range of expanded programs, activities and events, including attraction of business tourism opportunities. The Shire also aims to build social capacity through a range of volunteering opportunities, traineeships, and partnerships with organisations like TAFE and other educational institutions.

A tender process for venue management commenced in September 2018, inviting experienced parties to apply to manage the venue and expanded suite of service offerings from 1 January 2020. Negotiations with Arts Margaret River followed from December 2018 to June 2019, after a Councillor decision on 12 December 2018 to pursue a mutual agreement which meets the Shire's legislative requirements and ensure value for money. Negotiations ceased after the maximum timeframe allowed was reached under Local Governments (Functions and General) Regulations 1996. Funds for interim HEART operations were subsequently reviewed through the 2019-20 budget setting process.

The launch of the HEART venue and its operations will remain a Shire priority project moving into 2019-20, with options for HEART's future governance and management a matter for immediate resolution.



Councillors are given a tour of construction in November 2018.



The Margaret River HEART in July 2019.

The project is supported by



Australian Government

BUILDING OUR FUTURE



Government of Western Australia

Department of Local Government, Sport and Cultural Industries
Department of Primary Industries and Regional Development



Visit yoursay.amrshire.wa.gov.au/cultural-centre-redevelopment to view a time lapse of construction.

Priority project: Margaret River Main Street Redevelopment

The Margaret River Main Street Redevelopment Project commenced in 2012 as part of the Super Town program with a focus on improving safety and amenity.

A plan for the redevelopment has since evolved through various rounds of stakeholder and community engagement and funding arrangements; with the project receiving \$5.5 million of Royalties for Regions funding and a \$2 million contribution from the Shire. The project is now moving towards the construction phase following the completion of Perimeter Road by Main Roads Western Australia (WA) in December 2018 and future hand over of the Margaret River main street to the Shire.

Activity over 2018-19 has focused on finalising design drawings, exploring the construction schedule through the construction tender process, and progressing public art features. Previously held up by delays to the completion of the Perimeter Road and a funding shortfall, the project was revised in 2019 to be delivered in stages. The proposed staging ensures the funding could be used effectively for keenly sought pedestrian and public amenity, road safety and infrastructure improvements.

The outcome of the tender process was presented at a Special Council Meeting on 30 January 2019 (SM2019/01), and the revised staging and additional funding endorsed by Council at their meeting on 26 June 2019 (OM2019/110). The redevelopment will deliver major improvements with construction scheduled to commence in early 2020, featuring:

- Civil, electrical and landscaping works on Bussell Highway between Tunbridge Street and Fearn Avenue, drainage and pathway improvements to Higgins Street and construction of Fearn Avenue Square (the Festival Precinct)
- Construction of two roundabouts; at the intersection of Bussell Highway and Wallcliffe Road, and at the intersection of Bussell Highway and Tunbridge Street/Churchill Avenue
- Ongoing pursuit of state and national funding opportunities to ensure full project delivery, and
- Ongoing engagement with Main Street traders, The Margaret River Chamber of Commerce and Industry and broader community to ensure the Main Street remains vibrant during the construction period.



Extent of works for the redevelopment of the Margaret River Main Street.



Illustrator image of the Festival Precinct on Fearn Ave.

The project is supported by



Government of Western Australia

Department of Local Government, Sport and Cultural Industries
Department of Primary Industries and Regional Development



Visit yoursay.amrshire.wa.gov.au/margaret-river-main-street-development to stay updated on construction.



The Shire is responsible for managing over 300 reserves, containing over 3,000 hectares of native vegetation.



Key result area 1

Valuing, protecting and enhancing the natural environment

Objective: The unique natural environment and biodiversity of the region is protected and enhanced for current and future generations. The Shire takes responsibility for protection of the environment through planning, partnerships and proactive responses to key environmental issues.

100%

Progress against 22 strategic projects in this area

100%

Compliance with aboriginal heritage legislation

1.1ha

vegetated foreshore buffers implemented to support good river health

139.8ha

% increase in hectares of land under active management by Shire, community or other agencies

1,320

support hours to local fire Brigades

Legislative Core Services

Asset and Land Management Planning	Aboriginal heritage approvals
Policy development and advocacy	Community Emergency Preparedness
Planning development services	Environmental approvals

Community Services

Community group and volunteerism support	Community Engagement
Environmental sustainability	Landcare services
Major infrastructure upgrades	Strategy Development

Key results

Environmental management

The Shire facilitated a total of \$107,218 external funding in 2018-19 through the Environmental Management Fund (EMF). Councillors endorsed the following community projects at their meeting on 14 November 2018 (OM2018/278):

- Heritage preservation at Mokidup (Ellensbrook) - Stage One - Undalup Association Inc (\$7,200)
- Feral pig control - Lower Blackwood Landcare Committee (\$11,569);
- Dieback wash-down - Riverglens Chalets (\$3,800);
- Wild Margaret River Water Education - Transition Margaret River in association with Giant Light Step Environmental Stewardship Alliance (\$5,100);
- A plan for fire management and biodiversity - Margaret River Independent School (\$5,800);
- Donovan Street bushland protection – Environmental Research Group Augusta (\$10,888 – with additional \$1,215 donated to the Augusta Community Development Association for associated GST costs);
- Our Patch - Nature Conservation Margaret River (\$11,226);
- Environmental volunteering - Nature Conservation Margaret River (\$27,730); and
- Western Ringtail Possum project - Nature Conservation Margaret River (\$22,700).

This decision resulted in \$7,218 over the allocated budget due to the strength of the projects submitted. This extra cost was absorbed and in line with Council's stated objective of continuing to grow the EMF.

The Shire delivered 50 dedicated Landcare initiatives throughout the year, including community planting activities, stormwater education sessions with local primary schools and on ground works and costing a total of \$93,000. Activity focused on weed control actions to protect the biodiversity values of Shire reserves, management plans for various bio retention basins along the Margaret River including an upgrade to the bypass channel of the rain garden. Other environmental achievements over 2018-19 included:

- Review of the Shire's Overarching Sustainability Policy on 8 August 2018 (OM 2018/190), endorsing a complete revision by the Sustainable Advisory Committee (SAC) of the previous policy, bringing it in line with current international Sustainable Development Goals, Intergovernmental Panel on Climate Change reports and the Shire's Community Strategic Plan 2036

- Lower Margaret River Foreshore Reserve Action Plan – Nature Conservation Margaret River Region was engaged to prepare the plan following a competitive request for quotation process. A draft plan was presented to Council on 23 January 2019 (OM2019/8) following a number of community workshops. The draft plan recognised ecological, social and cultural values, proposed wilderness zones and addressed water harvesting from the river foreshores. Council endorsed the final plan on 22 May 2019 (OM2019/86) following consideration of 28 submissions from the community
- Establishment of a Local Law for Erosion and Sediment Control, with the draft adopted by Council on 27 February 2019 (OM2019/32) and again on 22 May 2019 (OM2019/87) following statutory referral to the Joint Standing Committee on Delegated Legislation. The local law was developed to encourage builders and developers to implement strategies to prevent and mitigate erosion, specifically from construction sites within the Shire in order to reduce environmental harm
- Improvements scoped for the Gnarabup boat ramp and coastal pathway in accordance with the Coastal Hazard Risk Management Plan (CHRMP) following continual erosion along this area of the coast. Draft plans have been prepared for staged realignment of the coastal pathway in consultation with Gnarabup residents. The project will include the establishment of deep-rooted coastal plants to help stabilise the dunes and protect future infrastructure.



Landcare community activities in June 2019.

Local Energy Action Plan

The Local Energy Action Plan (LEAP) is a comprehensive plan for reducing corporate and community carbon emissions and contributing to a cleaner and more sustainable planet, through living smart, energy audits, carbon offsets and community education. It has been one of the primary focuses for the Shire in addressing climate change in recent years.

A review of the plan was endorsed on 14 November 2018 (OM2018/280), alongside Councillors direction for Shire officers to progress a Climate Action Summit to support its implementation. The review of the LEAP repositioned the plan to:

1. Encourage the community to source 25% of its energy from renewable energy sources by 2022, and
2. Assist community to reduce emissions by 20% below 2006-07 emission levels by 2022.

Progress against the LEAP in 2018-19 saw 10 strategic actions completed at a total spend of \$65,000:

- Installation of commercial heat pumps at Flinders Caravan Park, replacing an inefficient system
- Installation of 60kW solar panels at the Margaret River HEART
- Engagement with Planet Footprint to better manage the Shire's energy and vehicle fleet.

Procurement of hybrid vehicles for the Shire vehicle fleet per the schedule for asset renewal

- Engagement with an electricity broker to negotiate new electricity contract, potential savings to be used on sustainability initiatives
- Purchasing offsets through tree planting to offset current corporate emissions (largely fleet related)
- Support provided to the Augusta Margaret River Clean Community Energy (AMRCCE) renewable energy project.

- Implementation of Living Smart and Low Impact Living program
- Administrative support and expertise towards Transition/Curtin University events and seminars
- Design and implementation of a Climate Action Summit in early 2019, through collaboration with community.

LEAP actions for the next financial year will focus on the continued implementation of solar panels on Shire facilities which will focus on the Augusta Civic Centre and the Shire depot, investigation of community wide carbon offsetting as part of the Gondwanalink project, and a review the Shire's Sustainable Design Policy. This review will include sustainable design and solar installations for commercial buildings and residential subdivisions (to occur alongside the Shire's Local Planning Scheme review). Councillors also endorsed the WALGA Climate Change Policy Statement at their meeting on 12 December 2018 (OM2018/337), requiring the Shire to give due consideration of the five pillars set out in the policy as part of strategic decision-making.



Solar panels installed on the Margaret River HEART as part of the LEAP program for 2018-19.

Climate Action Summit

On the 28 May 2019, the Shire allied with the community as represented by the 'Climate Action Augusta Margaret River' group, hosted a one-day Climate Action Summit. The summit was held in partnership with Surfing WA and the World Surf League, who provided the site for the event which overlooks Margaret River's iconic 'surfers point' break.

The purpose of the summit was to raise awareness regarding the climate change realities for our community and to arrive at a consensus regarding appropriate actions, which can be taken at the local level (the Climate Action Plan). The summit's focus was on 'climate change mitigation', with a second summit planned for 2020 dealing with climate change adaptation.

Preparation for the summit involved workshops engaging 170 community members across urban and rural areas of the Shire. The summit itself attracted more than 130 attendees, representing all facets of the community including youth, all manner of community groups, local and state politicians and subject matter experts. An interview with summit participant Ben Elton was syndicated over 150 times across the country, including in all the major papers.

Protection strategy for the Margaret River

The Shire supported establishment of the Margaret River collaborative working group which developed a draft Margaret River Protection Strategy. This was released for community comment in July 2018. The working group included representation from Aboriginal elder Wayne Webb from the Undalup Association, Department of Water and Environmental Regulation, Department of Biodiversity, Conservation and Attractions, and Department of Planning, Lands and Heritage, Nature Conservation Margaret River Region and the Shire. The purpose of the process was to support partnerships, sharing information and coordination of future management to protect and enhance ecological and community values of the Margaret River. The draft document is now complete and is due to be launched at an event in November 2019.

Bushfire risk management

2018-19 saw a five year burning program continue into its third year, where the Shire guided and coordinated a tenure blind, multi-agency bushfire risk management program. Strategic firebreaks and hazard reduction burns were conducted throughout 2018-19 by the Shire, DFES and Department of Biodiversity Conservation and Attractions. A special focus this year was building greater cohesion with Landcare services.

Other highlights through the year included:

- Over 1,320 officer hours dedicated to supporting over 400 volunteer firefighters across the Shire
- Fire evacuation centre set up 6 June 2019 for the Forest Grove fires, accommodating evacuation of the Margaret River Independent School, with Shire Brigades attending to 14 fires in the area on the one day as well as providing significant resources to the Jarrahwood Complex of fires in the City of Busselton
- Review of the Bushfire Volunteer Services Policy, endorsed by Council on 10 October 2018 (OM2018/253)
- Engagement with all Bushfire Brigades to develop consensus regarding the proposal for transfer of brigades to the Department of Fire and Emergency Services. This was initially presented to Council on 10 October 2018 (OM2018/254) at the suggestion of some brigades with several engagement workshops following this in 2019.



Community members participating at the Climate Action Summit in May 2019.

Our community has over 130 interest or peer support groups, and 21% of our population are active volunteers.





Key result area 2

Welcoming, inclusive and healthy communities

Objective: Strong communities are welcoming, safe and enjoy quality lifestyles that celebrate their local identities, diversities, cultures and histories. The Shire fosters community resilience, connection and wellbeing through its social planning, recreation, safety, education, preventative health and social justice strategies.

93%

progress against 42 strategic projects in this area

124

accessibility and inclusion actions

49

community-led events with Shire officer support

1,408

completed requests for Ranger services

Legislative Core Services

Asset and Land Management Planning	Community building maintenance
Community Emergency Preparedness	Corporate planning, reporting and community engagement
Disability Access and Inclusion Plan and reporting	Environmental Health risk assessments and compliance
Library Services	Policy Development and advocacy
Roads, drainage, paths, parks and gardens construction	

Community Services

Community group and volunteerism support	Community Engagement
Age friendly initiatives	Community Safety initiatives
Cultural awareness	Outside of School Care Services
Place making	Event sponsorship and approvals
Recreation and Aquatic Centres	Support for local Art and Culture
Youth initiatives	

Key results

Working with our Aboriginal Community

The Shire of Augusta Margaret River has worked closely with the Wadandi Traditional Owners, Cultural Custodians and our local Aboriginal community throughout 2018-19.

Some highlights of the period include:

- 2019 Djeran Youth Week Festival - a partnership between the Shire and Undalup Association to develop a youth festival that celebrated culture, art and healthy activities for young people and featured a Welcome to Country and traditional dance, Aboriginal hip hop artist Shannon Hart Cole and bush food tastings alongside skateboarding workshops, art workshops and live music that was attended by over 500 people in April 2019
- Delivery of Cultural Awareness Training by the Undalup Association to Shire staff and Councillors throughout the year
- Presentation of the Connection of Country Film Screening and Cultural Event for National Reconciliation Week in May 2019
- Development of a partnership with Margaret River Senior High School to support 'Yeah the Boyz', a project for young Aboriginal men in our community.

The Shire is committed to working with our Aboriginal community to develop strong relationships and consultation processes for the future.

Community resilience and capacity building

The Shire has continued to prioritise community resilience, volunteerism, capacity building, and addressing disadvantage over the 2018-19 year.

This has included working across the Shire to support over 130 community groups and peer support groups.

Ten local community, volunteer and service-based organisations were awarded a total of nearly \$10,000 in funding as part of the 2017-18 Community Development Grant program. The program is aimed at promoting welcoming and inclusive communities, by contributing to the well-being of the local community, enhancing the functioning of community groups, upskilling volunteers or creating accessible opportunities for people with culturally and linguistically diverse backgrounds and people living with disability.

The successful recipients and range of projects included:

- Margaret River Camera Club - Upgrade of digital photograph projector (\$899)
- Augusta Community Development Association - Yearly Volunteer Night (\$1000)
- Australian Breastfeeding Association - Funded place on breastfeeding educating class (\$1000)
- Margaret River Community Garden - Food Forest Beginnings (\$840)
- Margaret River Uniting Church - Key singer/songwriter for Stories from the Edge event (\$1000)
- Artzability Inc. - Alter Ego photographic exhibition (\$1000)
- Wallcliffe Bushfire Brigade - Red Tubes on Sticks (\$1000)
- Mirrambeena Margaret River - Sound Therapy for residents living with dementia (\$1000)
- Augusta Community Resource Centre Inc.- 2018 Summer Outdoor Movie Festival (\$1000)
- Augusta Playgroup - Augusta Playgroup Development Activities (\$1000)



Undalup Association deliver cultural training for Shire staff in February 2019.



Volunteer of the Year for 2018, Hockey Club President and Suicide Prevention champion Colin Fox.



Community members at a healing walk event for community resilience in May 2019.

Shire officers have progressed development of a four-year plan for community resilience and capacity building, to be finalised in 2019-20 following the endorsement of the Shire's first Public Health Plan.

A special focus has been on community resilience over 2018-19, with the Shire implementing a recovery program through partnership with a community recovery sub group following the Osmington familicide in 2017. The program was presented to Council on 12 December 2018 (OM2018/332) detailing over \$19,000 from the Foundation for Rural & Regional Renewal grant fund. The program will be completed in the first half of 2019-20.

Other community project highlights include:

- A partnership with GP Down South and the WA Primary Health Alliance to conduct a 12 month service mapping process for mental health services in the Shire. This was done alongside collaborating with the Lishman Health Foundation for the University of Newcastle's Centre for Remote and Regional Mental Health to conduct an independent assessment of mental health and wellbeing needs in the Shire
- A major refurbishment of the Cowaramup Hall, with works to be completed by the end of the 2019 calendar year. The detailed plans and funding arrangements were presented to Councillors on 12 December 2018 (OM2018/329) and a variation to the tender on 26 June 2019 (OM2019/109)
- A series of minor upgrades to the Margaret River Youth Precinct Zone Room and Stage 1 of the Margaret River Youth Precinct (Scout) Hall upgrades completed with Stage 2 ready to commence in 2019-20. Soggybones also opened their Deli and skate shop as part of a focus on new partnerships for the Margaret River Youth precinct.
- Augusta Historical Society and Museum digital upgrades were implemented with funding from Lotterywest and the Shire to enable digitisation of their library and purchase of digital display units.
- Ongoing partnership for the Just Home Housing Advocacy program, with the results of year one presented on 10 October 2018 (OM2018/252), as well as quarterly reporting to Council throughout the year. Regular meetings with the Homelessness and Affordable Housing Working Group to progress local action.
- Community Sporting and Recreation Facilities Fund Grant and Shire funding for the Cowaramup BMX Club development, presented to Council on 22 August 2018 (OM2018/213) and an interest free loan provided for the Margaret River Bowling Club endorsed by Council on 10 April 2019 (OM2019/72).
- Arts and Cultural Advisory Group have progressed review of the Shire's Public Art Policy and Creative Blueprint Plan, to be finalised in 2019-20. The group also guided public art for the Margaret River HEART and Margaret River Main Street Redevelopment.

Strengthening Youth

The Shire's youth program focused on building partnerships for youth mental health over 2018-19. This resulted in the successful launch of Lamp services from the Margaret River Youth Precinct. The program has seen:

- Over 200 young people engaged in school holiday activities hosted at the Zone Room with a dedicated Youth Worker
- Over 250 young people engaging in the afterschool youth support program throughout the year
- Service mapping completed for youth mental health within the region.

The Lamp program has been reviewed to continue into 2019-20, with added outreach to Augusta and Cowaramup.



Left: YAC members volunteer at the Augusta River Festival in March 2019.

Below: The Margaret River YAC at a Leadership Camp in January 2019, hosted by mental health non-for-profit Zero-to-Hero.

Other highlights for the youth program and Youth Advisory Council (YAC) have included:

- A wide range of YAC hosted events over the year, including the YAC leadership camp hosted by mental health specialists Zero-to-Hero in January 2019
- Partnership with South West Regional TAFE visual arts students to create a Mental Health Week 2018 public art mural at the Margaret River Youth Precinct Zone Room.
- Djeran Youth week festival held on 13 April 2019
- Health Habitz event, a Surfing WA, Healthway and Shire partnership undertaken for Margaret River Surf Pro activation attracting over 500 youth in May 2019
- Climate Action Summit and Youth Councillor for a Day program attended by 42 youth from Margaret River Senior High School, Margaret River Primary School, Thomas Moore Primary School and Rapids Landing Primary School on 7 May 2019
- Opening of the Soggy Bones Deli and Skate Shop at the Margaret River Youth Precinct.



Access and inclusion

The Shire is committed to the delivery of the Access and Inclusion Plan 2018-22 (AIP), which is focused on improving accessibility and inclusion for all Shire facilities, community spaces and information services. Overall, 124 out of 137 actions have progressed in this financial year, alongside regular engagement with community through the Community Access and Inclusion Reference Group (CAIRG) and Aged Care Advisory Group.

The Shire received an award in 2019 for the second year running for being the 'Most Accessible Regional Shire/Town in WA.' This was supported by 17 positive testimonials from community members who have benefited from projects like the 'Behind the Scenes' event at the Margaret River Pro, ACROD awareness month, Socially Inclusive Communities WA workshops and mentoring sessions as well as inclusive services at the Shire Recreation Centres and libraries. Another significant program implemented throughout the year was a partnership with Alzheimer's WA and local community members on the 'Dementia Friendly Margaret River' project. This has focused on raising awareness about Dementia, reducing the stigma of dementia in the community and educating staff on Dementia Enabling Environments, through various workshops and project-specific involvement for improved infrastructure, like the Margaret River Main Street Redevelopment.

Environmental Health

The Shire's Environmental Health team delivers a range of services to the community focused on public health and safety. This includes health assessments and approvals (over 500 registered health premises are regularly inspected), responding to enquiries and complaints, water sampling, communicable disease surveillance and providing event approvals and support. A total of 327 public health applications were received for approval over 2018-19.

Development of the Shire's Public Health Plan has been a priority project for this team over 2018-19, with a draft advanced through internal officers and ratified through briefings with Council. The plan was 70% complete at the end of the financial year, to be finalised in the first half of 2019-20.

Rangers

Shire rangers responded to 133 urgent jobs this year within the 1 day response time, which are generally emergency situations including dog attacks and wandering livestock. Rangers also responded to 1,275 other jobs within 3 days.

A review of dog exercise areas was completed and presented to Council on 12 September 2018 (OM2018/235), which involved 270 community responses and resulted in changes to Flinders Bay Dog Exercise Area, a trial for Nippers Oval in Margaret River, and improved dog facilities at several sites.

Two separate Shark Warning Systems were also trialled this year to ensure community safety. Shire alarms were installed at Surfers Point and Huzzas in Gracetown as a three month trial (10 October 2018 OM2018/245) at a cost of just under \$8,000; providing a quicker local response with a focus on modifying human behaviour by immediately alerting swimmers. The Shire worked closely with the Department of Primary Industries and Regional Development (DPIRD) who initiated a regional trial of shark drum lines; with 10 drum lines located off Gracetown to cover popular surfing breaks such as North Point, Gallows, Guillotines, South Point, Cobblestones, Lefthanders and Ellenbrook. At completion of the Shire's trial, Council decided to relocate the Huzza's alarm to Gas Bay to complement the DPIRD installed shark alarms, supporting their drumline trial.



The Shire's Dementia Friendly working group who implemented 36 actions.



The Shire Shark Warning System was implemented in October 2018.



Transforming our approach to waste has been a major priority over recent years for sustainable development in our shire.



Key result area 3

Ensuring sustainable development

Objective: The community's environmental, economic, cultural and social values are maintained to ensure vibrant, sustainable townships which maintain their distinctive country character within a healthy, managed environment.

93%

progress against 39 strategic projects in this area

19%

Waste diverted from landfill



Minimum of 5 years residential land supply, zoned, structure planned and available for release

100%

New residential buildings compliant for energy efficiency

Legislative Core Services

Asset and Land Management Planning	Governance and permits
Policy Development and advocacy	Waste Management
SAT appeals and mediation	Planning development services

Community Services

Community group and volunteerism support	Community Engagement
Strategy Development	Affordable housing
Landcare services	Major infrastructure upgrades
Sustainable Economy	

Key results

Waste services review

A major project over 2018-19 has been the development and implementation of a new service model for waste services; which involves long term planning and strategy for waste facilities in the shire.

This involved a detailed Waste Feasibility Study in 2018-19 which examined waste behaviours in the community and potential options going forward. The study included community sessions held in October across Augusta, Cowaramup and Margaret River, where Shire officers presented findings, recommendations and answered public questions. The overall results of this study were presented to Council on 14 November 2018 (OM2018/282).

Through this process Council agreed to move to a sustainable model of managing waste through implementation of a mandatory three-bin Food Organics/ Garden Organics (FOGO) system from 1 July 2019. This change involved a substantial implementation program, including establishment of a new funding model for the service and a detailed community education program. The campaign was launched at the Margaret River Surf Pro in May 2019, with community communications focused through social media and local newspapers from May 2019.



Above: The Shire launched "The Best We've Ever Bin" waste campaign in May 2019 for the new FOGO bin roll-out in July 2019.

Right: Youth Trainee Ladiel Hackett receives one of two Shire Tidy Town awards in September 2018.

Long term plan for waste facilities

This new service model has committed the Shire to plan for transition of the existing Davis Road Waste Management Facility from primarily a landfill operation into an integrated, community-friendly waste transfer station and resource recovery centre. This includes the establishment of a local FOGO management facility over 2019-20, with specific monitoring of micro plastics in processing organics as the new service matures in the shire. Options for the future of the Cowaramup, Rosa Brook and Alexandra Bridge Transfer Stations and East Augusta bulk bin service will also be a focus over the next year.

Waste results

Overall, a total of 17,467 tonnes of waste was received over 2018-19, a decrease of 2,717 tonnes from the previous financial year. Diversion of waste from landfill in the kerbside collection was 3,307 tonnes resulting in a 19% diversion rate.

Additional waste highlights included:

- Community bag workshops complimenting the bag ban in July 2018
- The Shire was successful in receiving two Tidy Town Awards in September 2018
- Kudardup Waste Transfer Station improvements, presented to Council in September 2018 (OM2018/233).



Major review of the Local Planning Scheme and Strategy

A Local Planning Strategy is a document which sets a vision for the size, look and feel of the Shire's neighbourhoods, towns and natural areas over a 10 to 15 year period. The strategy sets a direction for future planning to manage population growth, and establishes policy positions that flow through to day-to-day decision making.

This strategy is required to be reviewed every 10 years; which commenced in July 2018 for the Shire. Over the year Shire officers developed a draft strategy, informed by an extensive consultation process undertaken over 12 months. This included six public workshops with an average of 30 community members attending each session. These workshops focused on specific town planning issues, with specialist speakers at each session to present on best practice and innovative approaches the Shire could embrace.

A special emphasis through this work was engaging with local youth through a partnership with the Coordinator of Humanities and Social Sciences at Margaret River Senior High School, where youth feedback was facilitated through students course work. Councillors were kept well briefed over the pre-consultation process and attended public workshops where ever possible.

Affordable housing

The Shire has had a special focus in recent years on accelerating the development of smaller houses in the shire to enable affordable housing. The Small House Policy 2017 is an example of a measure that will be strengthened through the development and implementation of the new scheme and strategy.

The Short Stay Accommodation Policy was reviewed in 2018-19 to enable greater equity across the tourism industry as well as to ensure some small houses can be utilised on the rental market. The process for the policy review involved three public workshops and a total of 73 community submissions. Councillors final determination on the policy occurred on 12 September 2018 (OM2018/230).

At this meeting Councillors reallocated \$15,000 of budget funds to progress compliance in this area with a focus on unauthorised holiday homes as well as several other actions for improvement. This was initiated over late 2018 and will progress into next financial year. Councillors also endorsed a Shire submission to the State Inquiry into Short Stay Accommodation, at their meeting on 23 January 2019 (OM2019/7).

Margaret River Senior High School Students with their course work showing their ideas for future town planning in our shire.



Planning and development services

A total of 470 planning applications were processed over 2018-19, compared with 507 in 2017-18. An average of 79% of planning approvals were completed within the 90-days service requirement for major planning applications and 60-days for minor. In addition to this, 234 building applications were processed over 2018-19, with an average of 72% of building approvals completed within the 25-day service requirement.

Other achievements include:

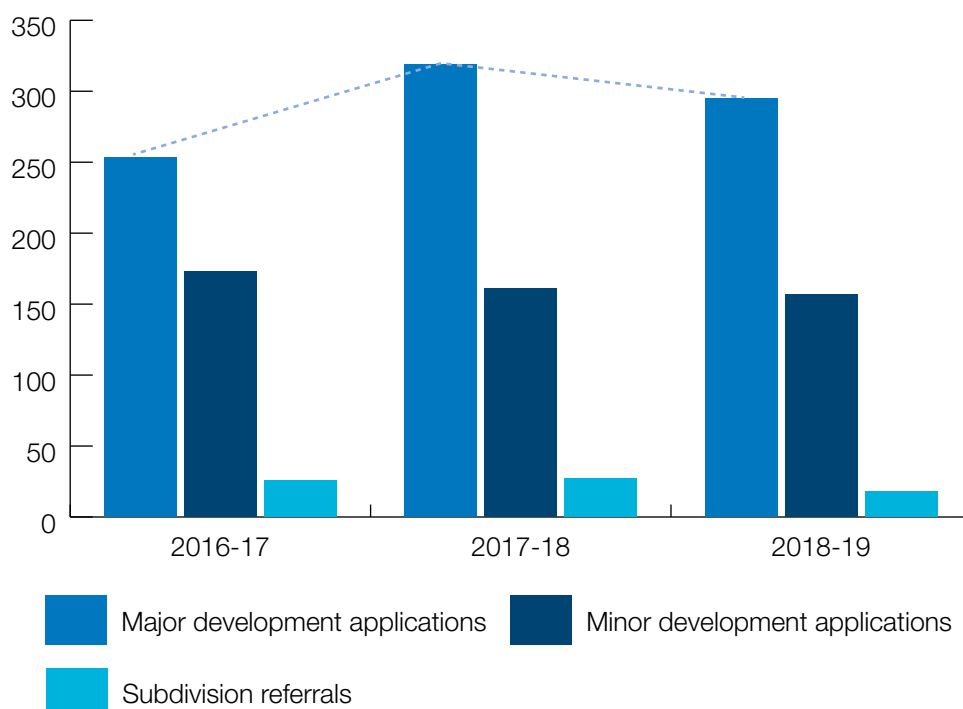
- Endorsement of Planning Guidelines on 24 October 2018 (OM2018/268), designed to increase the awareness of the Shire's rural community of nearby development proposals, and greater scope for community input in the planning decision making process
- Local municipal heritage listing of Caves Road (27 February 2019 OM2019/37) and 13 March 2019 (OM2019/51)
- Amendment to Kudardup Local Structure Plan was presented at the Council meeting on 12 December 2018 and again 13 February 2019 (OM2018/22)

Trails and shared pathways

Planning has been underway for several years for a coastal pathway from Flinders Bay to Cape Leeuwin and several options have been considered by Council. During 2018-19 a consultant was appointed to determine the alignment and then design the section of path from Augusta Boat Harbour to Dead Finish Road. A flora and fauna survey was conducted to ensure the alignment avoided rare flora and endangered fauna habitat. The design has been completed, a clearing permit obtained and the path will be constructed prior to summer 2019. Other highlights for 2018-19 included:

- A total of 260m of existing pathways renewed
- 2.5km of new pathways constructed in Margaret River, Prevelly and Gracetown
- A 2km extension of the Wadandi Track from Forest Grove Road to Sebbes Road
- Development of a draft Margaret River Trails Strategy through a Community Reference Group
- Working closely with the Department of Transport to deliver the Leeuwin Naturalist 2050 Cycling Strategy, which was adopted by Council on 10 October 2018 (OM2018/247).

Planning Applications Approved





*The new Ellis Street Jetty
completed in November 2018.*

Margaret River Precinct Plan

Over the last two years, the Shire has been working with a dedicated 20 member Community Reference Group to progress a community-led plan for trails management in Margaret River. This year the group worked specifically on a broader precinct plan for the area that includes Rotary Park and surrounds, the Old Settlement, A Class Reserve, Barrett Street Reserve, the weirs, Margaret River Bridge and also traffic management strategies for Bussell Hwy Carters Road. The engagement plan was presented to Council on 23 January 2019 (OM2019/9), with the group then meeting twice in early 2019 to workshop the plan and key issues. The plan will be completed in early 2019-20, with the group to then finalise a Margaret River Off-Road Walk and Cycle Trails Strategy for presentation to Council.

Ellis Street Jetty

A new universal access floating finger jetty was constructed at Ellis Street in Augusta in November 2019. The new jetty is located next to the existing boat ramp where it will aid boat launching. It was funded through a state government Recreational Boating Facilities Scheme grant (75%) and by the Shire (25%).

Gnarabup Finger Jetty

The jetty received extensive repair and maintenance work as well as retrofit of an intertidal corrosion prevention system to the steel structure to ensure the community can enjoy the launching of boats from this popular jetty for many more years to come.



The shire has
over 2000 local
businesses, with
Agriculture, Forestry
and Fishing the
largest employer.



Key result area 4

Vibrant and diverse economy

Objective: The local community is resilient and independent, based on self-sufficiency in food, energy and services. The Shire's economic development framework is built on natural environment, tourism, viticulture, agriculture, retail, knowledge and creative sectors, that provide a sustainable range of business and job opportunities.

91%

Progress against 29 strategic projects in this area

127

Number of strategic sustainable economy engagements

\$14,934,910

Total spend on infrastructure maintenance and capital improvements

99,712

Total participation at icon events

19,390m

of Shire roads renewed

Legislative Core Services

Policy Development and advocacy

Community Services

Community group and volunteerism support

Community Engagement

Place making

Caravan parks and camp grounds

Major infrastructure upgrades

Sustainable Economy

Event sponsorship and approvals

Key results

Sustainable Economy

Sustainable Economy has continued to be a focus for the Shire this year. This concentrated on the recruitment of a dedicated Sustainable Economy Officer and establishment of a new committee, to progress development of a strategy for a local circular economy.

Highlights included:

- Recruitment of the Sustainable Economy Officer in January 2019
- Formation of the Sustainable Economy Committee, with membership directed by Council in September 2018 (OM 2018/222) to include the two Chambers of Commerce, Cowaramup Retailers Association and a range of environment groups with 12 members in total. The committee met a total of three times over the financial year with one informal workshop
- Strategy development has included extensive research and ongoing engagement with industry experts including Michael Shuman, US Economist and Practitioner, and Chief Economist of the CSIRO to help guide development of a local approach
- Community engagement has featured the launch of a Your Say page to communicate each stage of the project and targeted engagement over June 2019, which included several industry surveys and face to face forums based on locality

The strategy will continue to be drafted over the next financial year and finalised through the committee. Development of a Choose-Local campaign has occurred in early 2019. Over the next year, Shire officers will collaborate with the Margaret River Chamber of Commerce and Industry and Transition Margaret River to deliver a series of workshops, marketing collateral and an independent website to inform and inspire a local cultural shift in economic behaviour.

Tourism visitation

Tourism Research Australia data for 2018 indicates the annual estimated visitors to the Shire has increased by 13% over the last two years, from 969,000 (average 2016) to 1,118,000 (average 2018). The data details:

- Singapore, United Kingdom and Malaysia are the top international markets for the Margaret River region
- The Shire has a total of 309 tourism businesses as of 2018, with 115 being 'non-employing' and 107 employing 1 to 4 people
- Average visitor stay is three nights and average spend per trip is \$424.



The Shire hosting a 'Sustainability for small business' seminar in June 2019.

The Shire became a member of the Australian Tourism Councils Advocacy Group in early 2019, with Cr Townshend nominated to represent the Shire as agreed by Council on 23 January 2019 (OM2019/4).

Business Friendly Shire

Small Business Friendly Charter was endorsed by Council on 10 April 2019 (OM2019/68), which has been developed by the Small Business Corporation for local governments. This charter commits the Shire to supporting local small business by:

- offering enhanced customer service
- reducing red tape
- making on-time payments
- having a process in place to handle disputes
- introducing other activities to improve the operating environment for small businesses in their area.

Over 2018-19 the Shire has implemented a simplified and streamlined procurement policy, for the benefit of local businesses engaging in tender or quotation processes. In April 2019, the Shire hosted a local procurement workshop in conjunction with WALGA which saw more than 20 local suppliers attend. The Shire's website has also been updated with specific information and resources on support for starting a small business and to create a communication channel with the Shire.

Scott River Region Study

The Shire has been supporting this work over the last two years. The purpose of this project is to conduct an economic study and evaluation of the Scott River area to better understand opportunities and barriers for growth. The Shire has continued to fund and support this work over the year through the Project Control Group and engagement with local farmers, the South West Development Commission, plantation and dairy industry, and the Shire of Nannup.

Event sponsorship

A total of \$200,500 has been spent in 2018-19 on event sponsorship, which is comprised of \$124,500 for icon events and \$76,000 for community events.

Event	2018-19 Sponsorship	Participation estimates
Cabin Fever Festival	\$15,000.00	7500
Cinefest OZ Film Festival	\$30,000.00	18000
Readers and Writers Festival	\$14,000.00	7977
WA Circus Festival	\$7,500.00	2,260
Margaret River Region Open Studios	\$12,500.00	25000
Cape to Cape MTB	\$7,500.00	1300
Gold Event -Margaret River Golf Club Inc	\$2,500.00	250
Margaret River Ultra Marathon	\$8,000.00	2440
Augusta Adventure Fest	\$7,500.00	3985
Margaret River Pro	\$20,000.00	31,000
TOTAL	\$124,500.00	99,712

Community events in 2018-19 included:

Event name	Amount
ANZAC Day – Margaret River	\$1,500
ANZAC Day – Augusta	\$1,500
Arts Margaret River Sunday Sundowners	\$2,000
Augusta Christmas Carols	\$2,000
Augusta River Festival	\$8,000
Augusta Yacht Club Regatta	\$1,000
Australia Day – Augusta	\$909.09
Australia Day – Cowaramup	\$1,000
Australia Day – Margaret River	\$909.90
Boogie Down South 2018	\$2,000
Carols in the Park	\$4,000
Deja Moo 2019	\$1,000
Fair Harvest Festival of No Waste	\$1,363.64
Gnarabup Swim	\$1,000
Gracetown Easter Swim 2019	\$1,000
Margaret River Agricultural Show	\$30,000
Margaret River Cricket Clinics	\$2,000
Surf Rescue	\$5,000
Tennis West	\$7,200
Undalup Djeran Youth Festival	\$2,000
TOTAL	\$76,000



*The Augusta Adventure Festival in November 2018.
Photo credit "The Matt Image".*



The Shire achieved 82% of its road reconstruction program over 2018-19.

Road reconstruction

The Shire manages 531 kilometres of sealed roads and 395 kilometres of unsealed roads. Bussell Highway, Brockman Highway, Caves Road and Sues Road are managed by Main Roads Western Australia. Roads and tracks within national parks are managed by the Department of Biodiversity Conservation and Attractions.

The \$2.7 million road reconstruction program continued this year, with 82% of scheduled projects completed and two remaining projects currently deferred pending aboriginal heritage approvals. Total spend as of 30 June 2019 was \$2,127,437, this compares with \$2,409,440 for the previous year.

Highlights include:

- Warner Glen Road reconstruction
- Rosa Brook Road second seal
- Carters Road reconstruction
- Boodjidup Road reconstruction
- Surfers Point Road asphalt overlay
- Wallcliffe Road reconstruction works

Additionally, the works included the following projects

- Mitchell Drive pedestrian pathway improvements
- Leeuwin Road reconstruction – design only, construction to start in 2019-20
- Ashton Street reconstruction – design only, works to follow in 2019-20
- Cowaramup Hall carpark redesign.

The Shire is working with the City of Busselton (through CapeROC) to prepare a new tourist and directional signage strategy, focusing on Bussell Hwy and Caves Road. This has included collaboration with Main Roads WA and the Margaret River Busselton Tourism Association. The primary aim is to improve both wayfinding and road safety, by reducing the clutter signage at intersections on high-speed roads and establishing mini information bays on side roads.

Rural road planning

As part of prioritising Shire expenditure and communicating services levels, a road hierarchy and road management policy has been drafted over 2018-19. This is part of long term planning for roads which will be finalised in 2019-20 and inform review of the Shire's forward capital works program. Funds have been requested in the 2019-20 budget specifically for renewal of low volume rural roads, which has required work to ensure an accurate asset inventory, detailed project scoping and field verification. The Shire's new asset management software is now up and running and assisting in this detailed planning.

With limited funds and increasing costs, priority is given to maintaining the roads where the greatest road safety and optimum cost benefits will be achieved. Opportunities for improvements to roads are also identified through road safety audits. The Shire is reviewing maintenance practices as part of a suite of risk mitigation strategies.

Caravan Parks

The Shire is committed to providing alternative accommodation for visitors in the Shire; with Alexandra Bridge Campground, Turner Caravan Park and Flinders Bay Caravan Park retaining their visitation rates throughout the year.

11,302

Total bookings
at Caravan
Parks over
2018-19

\$1.92m

Total revenue
from Caravan
Parks over
2018-19

64%

Average
occupancy
rate of Turner
Caravan Park
Chalets



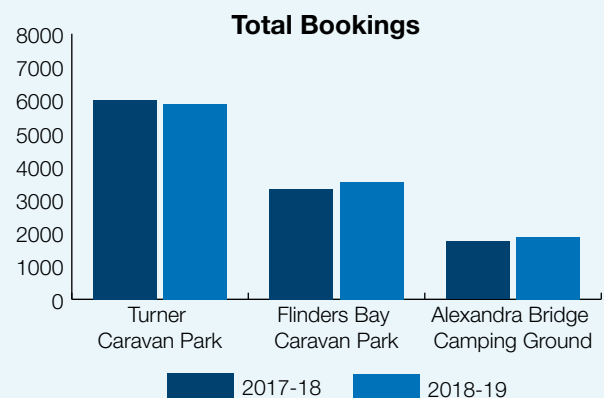
Above: Flinders Bay Caravan Park is Augusta's only beachfront holiday park, open from 1 September to 31 May each year

A masterplan for Turner Caravan Park continued as a priority project for the Shire this year. Council resolved in 2017 to develop a masterplan for Turner Caravan Park, to focus on future infrastructure upgrades including chalet development. Innoviv was the successful consultancy engaged to develop a concept plan. This was completed in 2018 through partnership with a design team which included two Councillor Representatives.

The draft concept plan was released for community consultation in November 2018, which invited comments from 500 active users of the park and received 90 submissions. This was then presented to Council 28 November 2018 (OM2018/295) where in-principle support was given for the concept plan to proceed. The next steps involve obtaining approval of the location and number of chalets, renewal of infrastructure and the future of short-stay and other holiday sites.



Above: The draft concept plan for Turner Caravan Park.



A woman with long brown hair, wearing a dark jacket over a maroon top and a blue lanyard, is sitting at a desk in an office. She is smiling broadly and looking towards the left. In front of her is a large white computer monitor. The background shows a modern office environment with glass partitions and other desks.

The Shire delivers
a wide range of
legislative, community
and organisational
support services across
four directorates and
35 service teams.



Key result area 5

Effective leadership and governance

Objective: Council leadership is visionary, effective, transparent and trustworthy. The local government actively engages and consults the community to understand their aspirations for the future, drives positive change and diversity, and adds measurable value.

94%

progress against 57 strategic projects in this area

5,049

Submissions received through Your Say

121.6

hours of external Councillor training

106

Compliance actions completed

Legislative Core Services

Policy development and advocacy	Infrastructure and assets management
Governance, legislative and compliance	Integrated planning and reporting
Human services and health and safety	Records management
Media and communications	

Other Community Services

Council administration and Risk Management	Information Technology and Communications
Legal services	Purchasing and procurement

Key results

Council decision making

Councillors form the governing body of the Shire and work closely with Shire Executive to provide leadership, facilitate communication between the Shire and community, establish policy, and participate a decision-making process outlined in the *Local Government Act 1995*. Councillor activity over 2018-19 included:

- A total of 193 Councillor Resolutions (compared to 256 in 2017-16). 179 of these resolutions have been completed by staff or require no further action, and 14 items are in progress
- Two Councillor strategic planning sessions in November 2018 and February 2019, where priority projects, long term financial, asset and workforce plans were explored
- Supporting the retirement of previous CEO Gary Evershed and acknowledgement of his 10 years of service to the Shire
- Recruitment of new Shire CEO Stephanie Addison-Brown, which involved an independent consultant and review of CEO key performance measures over the year.
- The final recruitment decision was endorsed at a Special Council Meeting on 5 April 2019 (SM2019/02)
- Professional development for Councillors included five Councillors attending a total of 15 courses collectively over 2018-19. Cr Meldrum progressed a Diploma in Local Government, which was acknowledged by Council on 14 November 2018 (OM2018/273).

Briefings for Council are held before every Ordinary Meeting of Council, and as required, and provide an opportunity for Councillors and staff to discuss specific topics. In November 2018, changes were implemented to this process which enabled different types of formal and informal information sessions for Council in order to better support communication with subject matter experts throughout the year. A total of 95 briefings were held with Council over 2018-19.

There were 7 Shire policies reviewed and 1 new policy created over 2018-19, including:

- Overarching Sustainability Policy (OM 2018/190)
- Management of Vegetation on Shire Lands (OM2018/191)
- Bushfire Volunteer Services Policy (OM2018/196 and OM2018/253)
- Purchasing Policy and Regional Price Preference Policy (OM2018/315 and OM2018/316)
- Review of Physically Active Communities Policy (OM2019/25)



Above: Shire officer implemented 179 Councillor resolutions and provided 95 briefings to Council over 2018-19.

- Complaint Handling Policy (OM2019/33)
- Credit Card Policy (OM2019/61)
- Community Group and Sporting Club Communication Policy – new (OM2018/320 and OM2019/43)

Other significant governance projects over 2018-19 included:

- Cleaning Contract for Shire buildings, reserve tables, BBQs and public amenities – presented to Council on 24 October 2018 (OM2018/271) and 28 November 2018 (2018/308)
- Department of Local Government Sport and Cultural Industries Integrity Audit presented to Council on 14 November 2018 (OM2018/274) with seven recommendations for improvement
- Submissions to State Government on the Local Government Act Review
- Preparation for Local Government Elections 2019 presented to Council on 23 January 2019 (OM2019/3)
- Compliance Audit Return 2018 - 13 March 2019 (OM2019/42) which showed the Shire achieved full compliance to 95 questions across 9 categories, with exemption of 1 relating to disclosure of interest which saw remedial action to correct.
- A review of Delegations was completed and presented to Council 26 June 2019 (OM2019/104)
- Audit Regulation 17 review of legislative, compliance, internal controls and financial systems was completed and provided to Council in June 2019.



Above: The Shire's financial management continued on track this year with 5 of the 7 statutory ratios exceeding, or being close to the advanced benchmark for 2018-19 (read more on page 19).

Planning for the future

The Shire continued implementation of the Integrated Planning and Reporting (IPR) program over 2018-19, including quarterly reporting against the Corporate Plan to Council. The IPR program is implemented by the Department of Local Government, Sports and Cultural Industries with a set of best practice guidelines for strategic planning and reporting to Council and community.

This process set the direction for the organisation and guides development of all other strategies and plans in the Shire. Activity over 2018-19 included:

- Review of the Long Term Financial Plan, deferred for 2018-19 and a major review to occur over 2019-20
- Major review of the Workforce Plan, to be completed in 2019-20
- Major review of the Asset Management Plan, to be completed in 2019-20
- A scheduled review of service levels across the organisation was also deferred, with efforts placed into building regional collaboration in the South West through the Local Government Professionals Association Peer Support Program and a special focus on strengthening service reviews in regional local governments
- Annual Report 2017-18 presented to Council 28 November 2018 (2018/314) with quarterly reporting occurring against the Corporate Plan throughout the financial year.

Annual budget

Work to prepare the Annual Budget occurs from February to June each year. This is an important process to balance affordability and various priorities. Activity for 2018-19:

- The final Annual Budget 2018-19 and Corporate Plan 2018-22 endorsed in July
- The draft Annual Budget 2019-20 and Corporate Plan 2019-23 presented to Council 26 June 2019 (OM2019/112-113).

The Annual Financial Report (AFR) is prepared annually for the Shire's contracted external auditors in the month of August. Following audit adjustments and an unqualified Audit Opinion, a copy of the AFR including the Auditor's Report was forwarded to the Department of Local Government, Sport and Cultural Industries in October and provided to the Shire's internal Audit and Risk Management Committee for review and discussion, before being presented in the Shire's Annual Report.

Community engagement

The Shire's Community Consultation and Stakeholder Engagement Policy is based on Asset Based Community Development and the IAP2 International Association for Public Participation model. Major projects over 2018-19 included:

- In-house training scheduled for Shire staff on IAP2 Community Engagement Design, to occur in late 2019
- 17 projects hosted on the Shire's Your Say online engagement platform with a wide variety of workshops and community meetings for various topics
- Innovative design and long term support for priority projects including Local Planning Strategy, Climate Action, Margaret River Precinct Masterplan, Public Health Plan, Margaret River Main Street Redevelopment, and mental health and wellbeing.

Human Resources

The Shire's organisation structure is comprised of four directorates and a total of 170.90 full time equivalent staff. Changes to the organisational structure over 2018-19 included the following changes:

Business Unit	Services	Workforce
Governance	To provide support to SAC and SEAC	Increase of 0.26 FTE to the Governance Officer – Council Support role (formerly Minutes and Agenda Officer)
CEO/ Sustainable Economies	Progress key actions and strategies contained in the Sustainable Economy Strategy	New business unit created called 'Sustainable Economies'
Marketing	Marketing and Events Officer	Reallocation to Corporate and Community Services directorate to have greater support in role
Community Buildings	Needed to supervise cleaning of Shire assets	Fixed term secondment of 0.44 FTE for a period of 6 months
Community Development	Osmington disaster recovery	Grant funded 0.4 FTE until February 2019
HEART	Create marketing collateral, brand and marketing process for HEART	Extension of Marketing Project Officer until end of financial year at 0.4 FTE. Reallocation of FTE from vacant Digital Officer
Caravan Parks and Ground	Cleaning of newly built chalets at Turner Caravan Park	Increase of 0.1 FTE
Infrastructure Services Directorate/ Community Buildings	Deliver asset maintenance services, including program	0.1 FTE reallocated from EA to Admin Officer position in Community Buildings unit
Infrastructure Services Directorate	Deliver Main Street Redevelopment project	0.3 FTE increase to Project Manager Main Street Redevelopment due to moving into construction phase of project
Legal and Governance/ Sustainable Development Directorate	Deliver legal and governance support services to the organisation	Reallocation of Legal and Governance staff from Sustainable Development Directorate unit to newly created business unit 'Legal and Governance'
Planning	Review into short term accommodation with AMR Shire	0.4 FTE fixed term 6 months Compliance Officer
Human Resources	Recruitment and Selection	Increase of 0.28 FTE to Advisor Human Resources to meet increased vacancy rate
Communication and Events	Media and events support for the organisation	1.0 FTE Marketing and Events Officer reallocated to newly created business unit created
Revenue and Customer Services	Address increased revenue service demand	Restructure, resulting in reallocation of 0.6 FTE from CS to Revenue

A major review of the Shire's Workforce Plan was scheduled for 2018-19 however was deferred until the 2019-20 financial year to coincide with the new CEO, Stephanie Addison-Brown taking over the leadership position. During the 2018-19 financial year a significant consultation process was completed with 7 workshops held across all business units within the Shire. The workshops were tasked with gathering valuable information on workforce planning requirements to meet current and future service delivery demands.

Recruitment and development of staff has included:

- The Shire's full time equivalents (FTE's) budgeted and actual for 2018-19 were respectively 174.45 and 172.94, with a difference of 1.52. This was due to the absence of the Bushfire Planning Coordinator and Compliance Officer within the structure.
- The Shire achieved an actual workforce cost ratio of 70.78%, compared with 72.9% in 2017-18.
- The average length of service at the Shire for 2018-19 was 7.125 years.
- The Shire had a total of 55 job vacancies in 2018-19, of which 16 were advertised externally, 21 advertised internally and 18 direct appointments
- Recruitment expenditure for 2018-19 was \$73,976, compared with \$41,070 in 2017-18. *Please note that \$43,790 was CEO recruitment agency spend.*
- The Shire's voluntary staff turnover for 2018-19 was 10.19%, compared with 11.75% for 2017-18 and lower than the industry average of 19.5%
- 205 staff performance reviews (PES) were completed throughout 2018-19. Training and development expenditure accounted for 1.63% of the Shire's total workforce cost over 2018-19
- 40 peer recognition awards, 25 service recognition awards and 4 safety awards were given throughout the year.
- 12 work experience placements across 7 service areas, and two recurring 12 month traineeships in Community Development and Parks & Gardens.



Above: The Shire's trainee Gardener Kate Keightley in 2019.

Key workforce changes within the 2019-20 budget are as follows:

Unit	Detail	Workforce change
Outside School Hours Care	Administration to deliver this service	Increase of 0.25 FTE to address administration workload risk
HEART	Ongoing marketing and events work required to deliver HEART precinct programs and events	New role create 1.0 FTE – 0.4 FTE reallocated from Digital Officer + 0.6 FTE addition to budget
Landcare	Meet increase in service demand, due to Environmental Management Fund and other projects	Increase of 1.0 FTE to Senior Environment/Landcare Officer position
HEART	Ongoing regular cleaning of HEART precinct	New role created – 1.0 FTE for a cleaner
Community Emergency Services	Fire emergency preparation and management	0.4 FTE addition to reduce workload stress risk

Health and safety at the Shire

The Shire has continued to strive towards improving its occupational safety and health (OSH) performance, completing delivery of the OSH plan in 2018-19 which included inspections and audits, safe act observations, health and wellbeing programs, emergency and evacuations drills and training. The Shire was awarded the LGIS Tier 3 Gold and Worksafe Platinum award in October 2019.

Health and safety results for 2018-19 included:

- 100% of employees inducted within five days of starting at the Shire, with 122 contractors inducted and 55 comprehensive inductions (four sessions of 3 hours) completed for employees, volunteers and work place students
- Major high-risk facilities evacuation drills completed with emergency response volunteers which included the main administration buildings, Recreation Centre, Caravan Parks and Libraries staff, with training completed for 52 voluntary roles emergency evacuation wardens
- Over 41 hazards were identified by staff over 2018-19, which includes hazard reports, hazards from inspections and near misses. This compares to 73 in 2017-18. 34.42% of identified risks in 2018-19 rated as either high or significant, resulting in immediate attention required
- The Shire had 53 incident reports and 7 (1 pending) workers compensation claims over 2018-19, maintaining a low level of claims against the industry benchmark of 16 and equating a total lost injury time of 4 days, and
- 62 stand up desks implemented throughout the organisation this year as an injury preventative measure.

Equal Opportunities

The local government Equal Opportunity Survey in 2019 identified the Shire's workforce breakdown as follows:

Workforce Group	Representation %	
	Indoor	Outdoor
Women	72.94%	7.93%
People from culturally diverse backgrounds	5.88%	1.58%
Aboriginal Australians	0%	1.58%
People with disability	2.94%	4.76%
Youth	7.64%	1.58%
Mature employees	47.05%	61.9%
Women in tier 2 management	0%	N/A
Women in tier 3 management	30%	N/A



Human Resources Statutory Information

Regulation 19B of the Local Government (Administration) Regulations 1996 requires the Shire to include the number of Shire employees entitled to an annual salary of \$100,000 or more; and the number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000, in its Annual Report.

Salary Package Range (\$)	Number of employees 2018-19
100,000 – 109,999	3
110,000 – 119,999	1
120,000 – 129,999	1
130,000 – 139,999	5
140,000 – 149,999	0
150,000 – 159,999	0
160,000 – 169,999	1
170,000 – 179,999	0
180,000 – 189,999	1
190,000 – 199,999	0
200,000 – 209,999	1
210,000 – 219,999	0
220,000 – 229,999	0
230,000 – 239,999	0
240,000 – 249,999	0
250,000 – 259,999	0
260,000 – 269,999	0
Total	13

Risk management

The Risk Management Register is reported regularly to the Executive at the Shire, with a Dashboard Report presented to Shire's Audit and Risk Committee in October 2018, March and June 2019. The Audit and Risk Management Committee considered several topics through their meetings this year including:

- Auditor's Report for 2017-18
- Annual Financial Report for 2017-18
- Internal Audit Review to comply with the requirements of Audit Regulation 17
- Report on Legislative Compliance
- Integrity Audit Report, Department Local Government, Sport and Cultural Industries in March, 2018
- Risk Dashboard Reports
- Compliance Audit Return for 1 January 2018 to 31 December 2018.

Community buildings

The Shire owns 188 buildings across the Shire, which are used for a wide variety of activities. The asset renewal program is based on the cost, importance, and frequency of use by the public; which comprises a final priority score for each building. Asbestos management across Shire buildings continued to be a key focus in 2018-19, being year two of a 15 year replacement program which will transform ten Shire buildings.

Projects this year included:

- Asbestos removal at the Augusta Recreation Centre and Augusta Bowling Club were completed in November 2018 at cost of \$277,000. Asbestos containing materials were removed from the basketball court and the junior football and cricket clubrooms. The Shire replaced the roof, ceilings and some flooring
- Major transformation of the Margaret River HEART and Recreation Centre (refer page XX), and
- A major refurbishment of the Cowaramup Hall and toilets commenced, with important structural improvements and cladding replacement completed in 2018-19 and further works to be completed by the end of the 2019 calendar year. The detailed plans and funding arrangements were presented to Council on 12 December 2018 (OM2018/329) and a variation to the tender approved on 26 June 2019 (OM2019/109), including a full reconstruction of the rear lean-to addition to the building
- Public toilet improvements at Gnarabup beach.

Customer requests

The Shire received 2,650 general customer service requests over 2018-19, which are enquiries which range from Ranger to Waste services.

In addition to this the Shire received 1,486 works service requests during the same period, which relate to actions required in the community like tree pruning and removal and road grading and repairs. This is an increase of 48% from the previous year.

A total of 24,035 customer service transactions were also completed in 2018-19, which includes planning, building, health, rates, animal registrations and TransWA services.

Customer services	Margaret River	Augusta
Number of Shire transactions	7,285	2,222
Value of Shire and Department of Transport transactions	\$9,026,767	\$1,672,809
Number of Department of Transport transactions	11,785	2,743
Value of Department of Transport commissions	\$147,633	\$30,432

The Shire recorded a total of 59,214 incoming and outgoing documents over 2018-19, in comparison to 37,661 in 2017-18. These are managed per the *State Records Act 2000*.

Complaints

The Shire received a total of 69 registered complaints over 2018-19, categorised by Directorate as follows:

- Office of CEO - 5
- Directorate Corporate and Community Services - 7
- Directorate Infrastructure Services - 26
- Directorate Sustainable Development - 31

Technology at the Shire

The ICT Team manages the Shire's servers, desktops, laptops, switches, routers, telephone systems, mobiles, communication links and software applications spread across nine separate sites within the Shire. The four sites in Margaret River have been interconnected with fibre, providing high speed (Gigabit) connections to the main administration site.

Work over 2018-19 has focused on a major hardware maintenance program, specifically replacement of production servers resulting in a doubling in storage. Review of the ICT Strategic Framework also commenced this year.

Competitive Neutrality

Local Governments are required to report annually on the implementation, application and effects of the National Competition Policy (NCP) with regard to three significant areas being: competitive neutrality; legislation review; and structural reform. The Shire did not acquire any new entities or privatise any activities during 2018-19, and therefore there was no additional requirement for competitive neutrality testing. Local laws and policies do not contain anticompetitive provisions and no complaints were received during the period.

Recreation Services

Margaret River and Augusta Recreation Centres continue to be used actively by the community. Services include aquatic, fitness and active lifestyle programs including DanceAblity, GymAblity and MoveAbility.

Recreation services also manages all sporting precincts in the Shire and facilitate \$44,000 of funding to support KidSport in the community through sporting clubs and partnerships with disability groups such as Western Australia Disabled Sport Association.

Quick stats 2018-19:

123,353

Total admissions to
Recreation Centres

44,959

Total aquatic
admissions

\$145,044

Sporting facility
revenue

+40%

Teen gym and
youth group fitness
participation

Highlights for the year include:

- Refurbishment of the Augusta Recreation Centre completed which included the removal of asbestos containing materials and replacing the roof, ceilings and some flooring.
- Completion of the Lower Western Playing Field at the Margaret River Gloucester Park delivering a new \$1.1m playing field suitable for a range of sporting activities including soccer, hockey and rugby
- Facilitating improvements for kid sport funding delivering online system for application and acquittal
- Provision of daily beach lifeguard services December to April at Rivermouth Beach in Prevelly
- Ongoing facilitation of the Sport and Recreation Advisory Committee representing sports clubs throughout the shire.



Above: View of the Margaret River Recreation Centre and Gloucester Park.

Margaret River Recreation Centre upgrades

Maintenance improvements to the centre over the year has focused on basketball floors, change-rooms newly renovated showers, changing cubicles and a new members log in system.

Long term planning for major infrastructure upgrades to the centre will commence in 2019-20 and will inform the next review of the Long Term Financial Plan, to include significant roof repairs and new liner in the next 1 to 2 years pending structural engineer findings.



Above: The completed Lower Western Playing Field at the Margaret River Gloucester Park.

Outside School Hours Care (OSHC) services

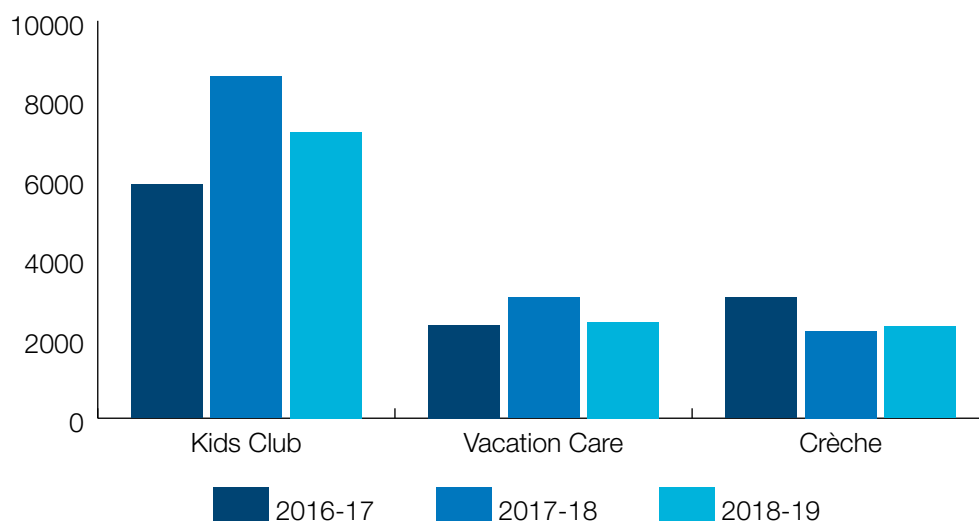
Margaret River Recreation Centre OSHC offers a vast range of services for the community to access including crèche, vacation care, before and after school care (Kids Club). Usage statistics shows continual growth in use over the last four years. There is also a high volume of unmet demand due to this service being the only one of its kind in the region.

2018-19 has required a change in service and enrolment numbers due to licensing regulations and the construction of the Margaret River HEART impacting the rear of the Margaret River Recreation Centre. Overall 11,926 participated in the service this year, compared with 13,847 the previous year. A review of this service

model is planned to be completed over 2019-20, to include detailed analysis of community need and scoping of Shire facilities as the Margaret River HEART is launched.

OSHC is run in line with Department of Local Government, Sport and Cultural Industries, Australian Children's Education and Care Quality Authority and Childcare Australia regulations. Strong partnerships have been developed with Margaret River Primary School, the principal of the new school in Rapids Landing, Community Health Nurses of Margaret River, National Disability Scheme, Department of Community Services and Communicare inclusion support teams for children at risk within the area.

Outside School Hours Care (OSHC) services



Libraries

Library Services in Margaret River and Augusta offer a vast range of services to entertain, educate, connect and inform the community. These services are a part of the State Library of Western Australia network of public libraries, with access to a state-wide collection through inter-library loans.

Quick stats 2018-19:

95,999

Total visitors to libraries

3,174

Participants children's programs

+40%

Increase in number of online and mobile print jobs

+67%

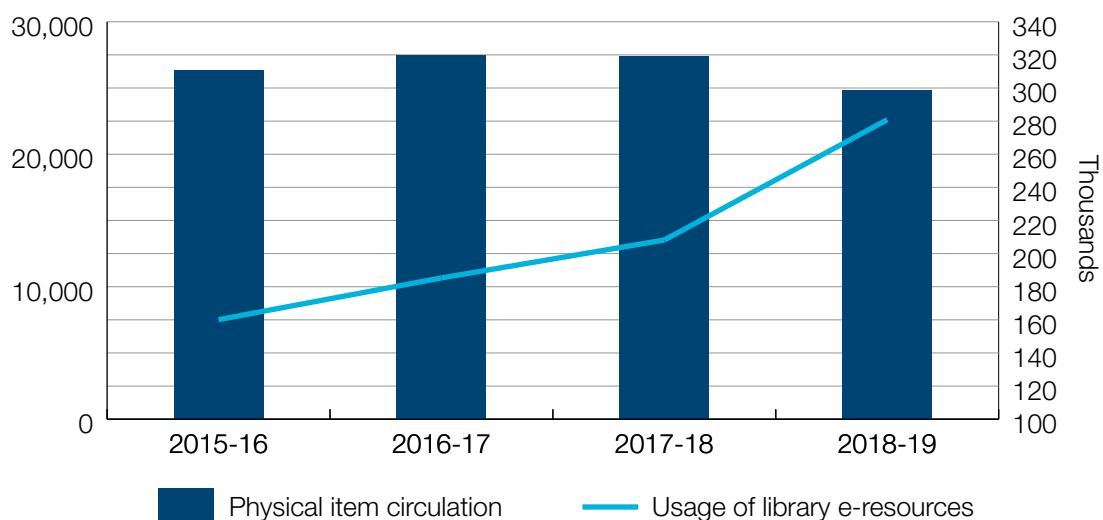
Increase in use of online resources including e-books, e-audiobooks, movie streaming & e-learning resources.

The Shire had 6,558 active library members over 2018-19 which shows a slight increase on the previous period of 3%. The service had 2,273 new members this year which is 500 less than new members the previous year. Online services like internet access, continue to rise.

Augusta Library renovation

Renovation works on Augusta Library were completed in October 2018 and new shelving was installed throughout the Library in June 2018.

Physical item circulation & e-resource use trends





Left: Authors Rachael Johns and Anthea Hodgson at the Margaret River Library in October 2018.
Right: The newly renovated Augusta Library.



Library events for adults

The Libraries' Lifelong Learning events program included 264 adult lifelong learning events with 1,014 attendees throughout the year. This included author talks, writing workshops, Be Connected tutoring sessions, Cinefest Oz community screenings and celebrations of Chinese New Year, Harmony Week, Seniors Week, Plastic Free July, and the Margaret River Readers and Writers Festival.

Outcomes from the year include:

- Partnership with the Noongar Boodjar Language Centre to deliver a Noongar language course
- Hosting the informal Auslan Chat Group for those interested in chatting in Auslan, learning more about the language or practicing their skills
- Partnership with the Undalup Association to celebrate the National Reconciliation Week theme 'Grounded in Truth: walk together with courage' with a screening of their film 'Connection of Country'
- Installation of textile artwork 'Touched' by Britta Sorensen and 6 exhibitions hosted in the Cocoon gallery for emerging artists at Margaret River Library
- Establishing an ongoing partnership with Alzheimer's WA, working towards a Dementia Friendly Margaret River. Margaret River Library launched a special collection provided to the community by Alzheimer's WA.
- Ongoing engagement with state government to develop a tiered model for public library service delivery in Western Australia, including streamlining of funding and service delivery.

Children's services and events


A total of 165 programs were run this year at the Shire Libraries for children, with 3174 children and young people attending. Key results included:

- Regular programs Better Beginnings Family Literacy program, Reading Rabbits year one reading rewards program, Baby Rhyme Time, Storytime, Toddler Tales, CoderDojo and Book Chat Club with new initiative Book Bandicoots reading rewards for kids over 7. School holiday activities included Reptile Awareness and Snake Safety presentations, Library bag decorating, a Maker Space morning and Lego Club
- 457 children and adults attended regular CoderDojo sessions at the Margaret River Library
- The first sensory storytime by Sensorium Theatre commenced at Margaret River Library in October 2018
- Book Bandicoots reading rewards initiative for 7-18 year olds launched in May 2019. Made possible through partnership with Rotary Club of Margaret River, The Shire of Augusta Margaret River libraries and supported by the Margaret River Bookshop

Technology in libraries

Every year Library Services reviews current library technologies to ensure that services are cost-efficient and meet the needs of our diverse community. Highlights over 2018-19 included:

- A second 'Be Connected: Building Digital Skills' grant was successfully obtained, enabling the seniors program to continue through 2019, with *Get Online Week* promotional events held to encourage digital participation.
- Computer reservation service and Smartshelf automatic returns were installed at Augusta Library
- CloudLink was launched, enabling sharing of locally-purchased e-book and e-audiobook resources across several libraries in WA
- Community use of e-resources increased this year by 67%, and usage of online printing services increased by 40%.

An aerial photograph of a coastal park. In the foreground, there is a large wooden playground with multiple levels, slides, and climbing structures, situated on a sandy area. To the left of the playground is a covered picnic shelter with a grey roof. Several people are visible in the park, some sitting at picnic tables and others walking. The park is bordered by a green lawn and some trees. In the background, there is a wide sandy beach leading to a calm body of water under a cloudy sky.


The Shire is committed to providing services and working within a diverse community, including people with disability, their families and carers, people from culturally and linguistically diverse backgrounds, refugees, Aboriginal Australians, the elderly, women, LGBTQIA+ people, and people experiencing financial hardships. The Shire strives to continually improve access and inclusion for all.





































*Augusta Margaret River
Access & Inclusion Policy 2018*


Four-year focus



The Shire's Corporate Plan 2019-23 details the four year focus for the organisation, in line with the Community Strategic Plan 2036 and Long Term Financial Plan.

Priority projects 2019-23

	Project	Key principles	Who	2019-20	2020-21	2021-22	2022-23
Key Result Area 1 	1.1.1.1 Coordinate and implement the delivery of the Environmental Management Fund to deliver improved environmental outcomes including community delivery through grants	Sustainability Climate change	Environment and Landcare Services	▼	▼	▼	▼
	1.2.1.1 Collaborate with local natural management groups to implement and regularly review the Margaret River Protection Strategy in collaboration with the community	Sustainability Climate change	Environment and Landcare Services	▼	▼	▼	🔍
	1.5.2.1 Implement the Bushfire Risk Management Plan, including the bushfire risk treatment schedule through consultation with Landcare services and review every four years (due 2020-21)	Sustainability Climate change	Environment and Landcare Services	▼	🔍	▼	▼
	1.5.3.1 Assist the Sustainability Advisory Committee and broader community to develop and implement the 'mitigation' component of the Climate Action Plan, utilising outcomes from the Climate Action Summit	Sustainability Climate change	Environment and Landcare Services	🔍	▼	▼	▼

	Project	Key principles	Who	2019-20	2020-21	2021-22	2022-23
Key Result Area 2 	2.1.3.1 Scope, develop and implement the Shire's Aboriginal Engagement Program/ Reconciliation Action Plan and supporting policy	Access and equity	Community Planning and Development				
	2.2.2.1 Develop and implement a plan for community resilience	Access and equity	Community Planning and Development				
	2.3.1.7 Develop a concept plan for a changing places Adult Change Facility in Margaret River	Access and equity	Community Buildings and Maintenance				
	2.5.4.1 Develop a long term plan with Council for the Shire's Outside School Hours Care which details service levels and infrastructure requirements, utilising local data and professional services	Social justice	Recreation Services				
	2.6.1.1 Develop and implement the Public Health Plan to include the core principles of the Community Strategic Plan 2036	Social justice	Environmental Health and Events				
Key Result Area 3 	3.1.1.1 Review the Shire's Local Planning Scheme and Strategy	Sustainability Climate change	Planning and Development Services				
	3.3.1.1 Identify opportunities and implement renewable energy initiatives	Sustainability Climate change	Planning and Development Services				
	3.4.2.1 Develop and implement long term waste plans, a Masterplan and Waste Management Strategy, supported by Waste Management Plans for Shire waste facilities	Sustainability Climate change	Waste Services				
	3.6.2.1 Secure funding and deliver the Margaret River Town Centre Revitalisation Project (main street and Fearn Avenue)	Sustainability	Infrastructure Services				
	3.6.2.2 Develop a Margaret River Precinct Masterplan with the community reference group and in conjunction with the Margaret River Walking and Off-Road Cycling Strategy, to include Rotary Park, bridge, the weirs and traffic mangement strategies for Carters Road, and commence implementation	Sustainability	Asset Services				

 = Review

	Project	Key principles	Who	2019-20	2020-21	2021-22	2022-23
Key Result Area 4 	4.2.1.2 Design and implement a Recreational Vehicles (RV) dump point in Cowaramup, as well as RV parking and wayfinding signage in Margaret River, Augusta and Cowaramup	Access and equity	Works Administration	▼	▼	▼	▼
	4.2.4.1 Undertake detailed design, costing and approaches for priority areas identified within the Turner Caravan Park Concept Masterplan	Financial viability Sustainability	Caravan Parks	▼	▼		
	4.3.1.1 Complete redevelopment of the Margaret River Cultural Centre and launch operations for the Margaret River HEART	Financial viability	Margaret River HEART	▼	▼		
	4.4.4.1 Finalise and commence implementation of the Sustainable Economy Strategy, and review every four years	Financial viability Sustainability	Sustainable Economy	🔍	▼	▼	▼
Key Result Area 5 	5.2.3.1 Conduct a minor review of the Workforce Plan every year, and a major review every four years (due 2019-20) including implementation of outcomes from the review	Financial viability Sustainability	Human Resources	🔍	▼	▼	▼
	5.2.3.2 Conduct a minor review of the Long Term Financial Plan every year, and a major review every two years (due 2019-20)	Financial viability Sustainability	Finance Services	🔍	▼	🔍	▼
	5.7.1.2 Develop the ICT Strategic Framework to include consideration of all platforms across the organisation, and review every four years	Technology and innovation	Information Communication Technology	🔍	▼	▼	▼

Focus for the next financial year

The Shire's annual budget reflects the wide range of services and facilities benefitting the Shire's community and its many visitors. The 2019-20 balanced budget includes two significant and transformational community projects at opposite ends of the construction timeframe. The completion of the Margaret River HEART (Hub for Entertainment, Art, Recreation and Tourism) complex is scheduled for the first quarter of the financial year and the commencement of the Margaret River Main Street Redevelopment (MRMSR) project is expected to commence during the second quarter of the financial year.

Margaret River HEART

When completed the HEART will provide a multi-purpose venue and activity space with a main theatre catering for 453 people and overall venue capacity of 1100 people. With ample space for exhibitions and performances, including an outdoor soundshell, the facility will truly become a hub for entertainment and the arts. Funds have been allocated for the operation of this facility and to maximise revenue opportunities to offset these costs as well as for the opening in October 2019.

For 2019-20, \$1.078 million has been allocated for the completion of the HEART facility and is funded by the \$0.720 million final instalment of the National Stronger Regions Fund grant, \$0.328 million of unspent reserve transfers from 2018-19 and a \$0.030 million rebate for the installation of solar cells. This project included asset renewal and upgrade components with the majority of expenditure incurring in 2018-19.

Margaret River Main Street Redevelopment (MRMSR)

The redevelopment of the Margaret River main street will remain a major asset upgrade and renewal project over 2019-20 and beyond, with \$8.74 million of total funding available for the project. This has been funded by the balance of a Royalties for Region's grant of \$5.290 million and Shire funds and reserves of \$3.45 million, inclusive of interest earned. To date, the Shire has expended \$0.2 million of the Royalties for Regions grant on project planning and design phase of the project.

The redevelopment will deliver major improvements with construction now scheduled to commence in early 2020, featuring:

- Civil, electrical and landscaping works between Tunbridge Street and Fearn Avenue, plus drainage and pathway improvements to Higgins Street, and construction of Fearn Avenue Square (the Festival Precinct)
- Construction of two roundabouts; at the intersection of Bussell Highway and Wallcliffe Road, and the intersection of Bussell Highway and Tunbridge Street/Churchill Avenue
- Ongoing pursuit of state and national funding opportunities to ensure full project delivery to include the currently unfunded stage between Fearn Avenue and Wallcliffe Road, and
- Ongoing engagement with Main Street traders, The Margaret River Chamber of Commerce and Industry and the broader community to ensure the Main Street remains vibrant during the construction period.

Other priority projects

In addition to the two major projects other highlights of the 2019-20 budget include:

- contributions to community groups of \$0.154 million as well as contributions to assist lessees of Shire property such as the Regional Environment Centre, Community Centre and Men's Shed to maintain or develop buildings/facilities
- community development expenditure of \$0.317 million for youth, capacity building, community resilience, access and inclusion, arts and culture, age friendly and community grants programs
- \$0.135 million towards major (iconic) events and \$0.079 million for local events
- continued financial support for the Shire's 10 volunteer bushfire brigades and the SES unit
- community and recreation services including outside school hours care, libraries, recreation and fitness centres, the aquatic centre, sporting fields, playgrounds, etc
- the introduction of the 3 bin waste collection system at a reduced total waste collection and disposal charge
- continued investment in sustainability initiatives and commitment to a Climate Action Summit focussing on adaptation
- specific environmental related project expenditure of \$0.444 million as well as \$0.090 million in contributions to environmental groups
- over \$2 million to renew and upgrade community buildings including the Cowaramup Hall project funded by a \$0.405 million Lotterywest grant and the Developer Contributions Plan reserve
- purchase of land to support the alignment for the Cape to Cape winter diversion trail
- expenditure of \$0.100 million to complete the lower western playing field with an official opening planned for September
- roads, paths and drainage upgrade works of \$1.545 million (excluding the main street project) and renewal works of \$5.458 million, and
- \$0.963 million to replace heavy plant and light vehicles.

Capital works

A total of \$23.474 million has been allocated for capital works in the community over 2019-20. The majority of this expenditure is to upgrade capital assets as opposed to renewing assets or acquiring new assets. This is largely due to the MRMSR project, as the scheduled works have the objective of restoring service levels. This impacts on the Shire's 100% target for the Asset Sustainability Ratio, which compares asset renewal expenditure against depreciation. This result is influenced by the categorisation of proposed capital expenditure, which is an improvement area for asset management processes.

Other asset expenditure for 2019-20 includes:

- installation of a fire detection system for the Margaret River Recreation Centre is budgeted to cost \$0.100 million
- an allocation of \$0.100 million to construct paths and complete the carpark for the new lower western playing field
- purchase of land for the Cape to Cape winter diversion trail along the Margaret River of \$0.158 million has been carried over from last year, and
- construction of chalets at Turner Caravan Park (\$0.500 million) is funded from reserves.
- landfill site fencing, leachate pond upgrade and construction of a waste cell at the Davis Road landfill site

- various upgrades to caravan park infrastructure
- path projects including the Flinders Bay to Cape Leeuwin Lighthouse pathway and the next stage of the Wadandi track
- carpark works for the Margaret River Youth Precinct/ Gloucester Park, and
- improvements to the Flinders Bay area.

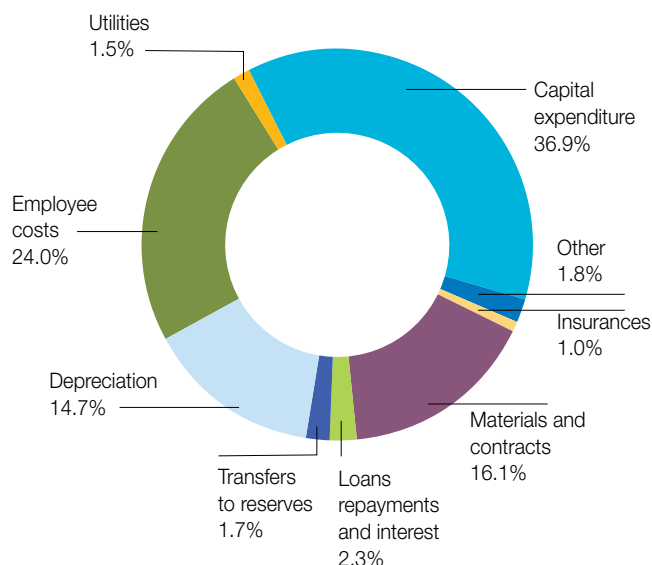
Details of each capital project and their proposed funding source are included in the Capital Works Expenditure and Funding Schedule included within the budget.

Operating costs

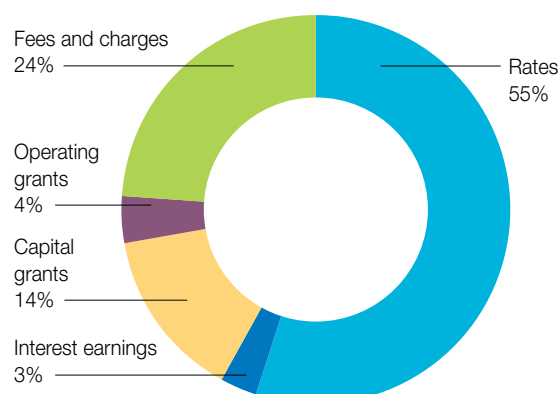
The 2019-20 budget includes total operating expenditure of \$38.145 million to ensure delivery of core services and priority projects. This requires a budgeted workforce of 175.1 full time equivalent (FTE) staff in 2019-20, which is compared to 170.9 FTE budgeted last year. The increase of 4.2 FTEs is due to a number of new positions required for the HEART and to respond to community requests for increased service levels for areas such as landcare and emergency services, address pressures on meeting statutory compliance requirements and provide for increased resourcing for service areas such as human resources. There has also been some minor changes to the organisational structure, largely moving positions from the CEO's business unit to other areas.



Projected spend 2019-20



Projected income 2019-20



The main employee changes for 2019-20 include:

- Community Emergency Services (0.4 FTE) added to provide relief and increased support for mitigation activities
- Outside School Hours Care (0.25 FTE) included for administrative support
- Landcare 0.4 FTE increase in hours for current staff member and 0.6 FTE increase for an additional staff member in order to deliver projects and programs, particularly those funded through the Environmental Management Fund
- Marketing resource (1 FTE) and a cleaner (1 FTE) for the HEART are partly offset by the reallocation of 0.4 FTE digital officer position that was not filled last year.

Shire income

Shire income for 2019-20 is budgeted to include:

- a total of \$22.124 million to be obtained from property rates (including interim and back rates of \$0.145 million)
- a total of \$9.757 million to be obtained from Shire fees and charges
- a total of \$7.137 million of operating and capital grants and contributions

Property rates and Shire fees and charges are an important part of the Shire's financial position and ongoing financial sustainability.

Council agreed to increase rates by 2.5% in order to deliver the 2019-20 budget, which was similar to the increase proposed in the Shire's Long Term Financial Plan and lower than the increase that has been applied

for the past three years. The variables considered when determining the rating approach for the financial year include:

- change in property valuations
- expenditure and revenue forecast in the Shire's Long Term Financial Plan
- the perceived affordability within the community of rate increases
- increases in State Government charges
- the demand for services and whether the level of these services has changed
- changes in the cost incurred by the Shire for expenditures including labour, materials, utilities, contractors and insurance
- various indices and forecasts used to measure changes in costs
- legislative compliance requirements, and
- the shortfall in funding required to ensure a budget deficit is not recorded.

Fees and charges were also reviewed to ensure improved cost recovery and in many cases have been increased by up to 2% to match the consumer price index (CPI). Statutory changes to fees and charges for items such as planning fees have also been included. Council approved the fees and charges for advertising at their meeting on 22 May 2019 and following the statutory public notice period the new fees and charges were implemented on 1 July 2019. Total fees and charges for 2019-20 are budgeted to be \$9.757 million.



The own source revenue coverage ratio compares own source operating revenue to operating expenses and measures the ability to cover operating expenses from own source revenue. The standard benchmark set by the Department of Local Government, Sport and Cultural Industries is 90%. The Shire's ratio has declined in recent years due to annual rate increases reducing and for the 2019-20 budget the ratio is calculated to be 86%.

Operating grants for 2019-20 include:

- Emergency Services Levy (ESL) grants of \$0.271 million for the voluntary SES and Bushfire Brigade services
- Contributions of \$0.060 million for the Community Emergency Services Manager
- Community Planning and Development grants of \$0.026 million
- A Regional Airports Development Scheme grant of \$0.041 million will be transferred to St Johns Ambulance Augusta, and
- Various other grants and contributions for specific projects and activities for business units.

Capital grants and contributions for 2019-20 include:

- the final instalment of \$0.720 million from the National Stronger Regions Fund for the HEART project
- an expected rebate of \$0.030 million for the installation of solar cells as part of the HEART project

- \$1.275 million for replacement of bushfire brigade vehicles including appliances for the Rosa Brook, Wallcliffe and Witchcliffe brigades, as well as grants and contributions for building works for the Alexandra Bridge and Karridale brigades
- \$2.080 million from Main Roads WA through the Regional Roads Group for road works for Leeuwin Road, Warner Glen Road, Wallcliffe Road, Rosa Brook Road, Rosa Glen Road and Boodjidup Road
- Roads to Recovery grants of \$0.519 million for rural road reseals and asphalt overlays
- \$0.116 million from the South West Development Commission for the Cape to Cape winter diversion trail
- \$0.405 million from Lotterywest for Cowaramup Hall building works, and
- \$0.204 million in developer contributions are to be transferred to the Developer Contributions reserve to fund future works.

Visit the Shire website to download and view the full 2019-20 Budget.

Get involved in your Shire

Attend a Council meeting

Ordinary Meetings of Council (OCM) are open to the public and you are encouraged to attend. All meetings are open to the public, except confidential items which are considered in a closed session excluding press and public. OCM's are held on the second and fourth Wednesdays of each month (with the exception of school holidays). Most meetings are held in Margaret River. Agendas are published two weeks prior to the meeting and are made available for public viewing on the Shire website **amrshire.wa.gov.au**. Minutes are uploaded as soon as possible following the meetings.

All Ordinary Council Meetings and Committee Meetings are conducted in accordance with Shire's *Code of Conduct*. Members of the public attending meetings are allocated time at the commencement of public meetings to ask questions of the Council or to make a deputation on an agenda item for that meeting. The Shire's *Standing Orders Local Law 2011* details the procedures for this which you can view at **amrshire.wa.gov.au**.

Make an appointment

To meet with the Shire President or Councillors, visit amrshire.wa.gov.au/council/your-council/your-councillors. To meet with the Shire CEO or Directors, email amrshire@amrshire.wa.gov.au or phone 9780 5255.

Join an advisory group

Community advisory groups are administered by Shire officers through agreed Terms of Reference for a specific timeframe, project or topic. Contact amrshire@amrshire.wa.gov.au to enquire about membership for any the following advisory groups:

- Augusta Interpretation Plan Advisory Group
- AMR Climate Action
- AMR Local Drug Action Group
- AMR Liquor Forum (local liquor licensees and Police)
- AMR Sport and Recreation Advisory Committee
- AMR Sustainability Advisory Committee
- AMR Sustainable Economy Advisory Committee
- Art and Culture Advisory Group
- Community Health Network Group
- Community Access & Inclusion Group
- Homelessness and Affordable Housing Working Group
- Off-Road Trails Community Reference Group
- Margaret River Main Street Traders (Main street makeover project)
- Youth Advisory Council (YAC – young people aged 12-25 years)
- Youth Stakeholder Group (agencies working with local young people)

Attend a public meeting

Public meetings, forums or workshops on specific issues are routinely held by the Shire throughout the year. To stay in the loop of these opportunities to engage register on the Shire's Your Say website www.yoursay.amrshire.wa.gov.au to receive email updates, or keep an eye on the Shire's Community Consultation section of the local newspaper.

Talk or write to the Shire

You can also write or phone the Shire about issues important to you. Phone 9780 5255, or write to amrshire@amrshire.wa.gov.au by email and to PO Box 61, Margaret River WA 6285 by post.

A photograph of a community event, likely a fair or festival, held outdoors on a grassy area. In the foreground, a stone wall runs across the frame. Behind it, several people are walking and standing. A man in a black t-shirt with a yellow 'M' logo is walking towards the left. A woman in a light blue jacket and yellow top is walking towards the right. A child in a pink shirt is walking away from the camera. In the background, there are trees, a white tent, and a blue banner with the 'lotterywest' logo. A large blue circle is overlaid on the top right of the image, containing the text 'Attachment: Annual Financial Report'.

Attachment: Annual Financial Report

SHIRE OF AUGUSTA MARGARET RIVER
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

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COMMUNITY VISION

In 2036, the Augusta Margaret River community will continue to *adapt to changing climate, environment and social dynamics and celebrate a sense of place for our local indigenous culture and our multicultural and creative community*. The Shire will be resilient and independent through self sufficiency of food, energy, services and strong governance. The local economy will be vibrant and diverse. Though it has increased its resident population, the Shire has adjusted to an ageing demographic, become a premier ecologically and culturally sustainable accredited tourism destination on a world basis. In 2036, the region will be truly sustainable and prosperous.

Principal place of business:
41 Wallcliffe Road
Margaret River WA 6285

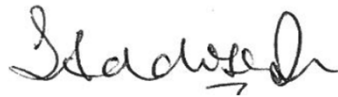
**SHIRE OF AUGUSTA MARGARET RIVER
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Augusta Margaret River for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Augusta Margaret River at 30 June 2019 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 11th day of October 2019



Stephanie Addison-Brown, Chief Executive Officer

SHIRE OF AUGUSTA MARGARET RIVER
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
Rates	21(a)	21,430,382	21,400,660	20,522,452
Operating grants, subsidies and contributions	2(a)	2,522,596	1,281,929	2,412,186
Fees and charges	2(a)	9,792,002	9,822,552	9,678,816
Service charges	21(b)	4,000	4,333	4,333
Interest earnings	2(a)	1,113,897	943,421	1,009,731
Other revenue	2(a)	137,375	27,700	193,206
		35,000,252	33,480,595	33,820,724
Expenses				
Employee costs		(15,167,709)	(14,686,312)	(14,258,895)
Materials and contracts		(8,706,843)	(9,326,709)	(7,984,402)
Utility charges		(936,391)	(1,019,146)	(1,031,636)
Depreciation on non-current assets	11(d)	(9,379,885)	(9,146,640)	(9,114,195)
Interest expenses	2(b)	(527,510)	(529,642)	(485,860)
Insurance expenses		(628,242)	(615,473)	(592,577)
Other expenditure		(735,306)	(758,636)	(542,066)
		(36,081,886)	(36,082,558)	(34,009,631)
		(1,081,634)	(2,601,963)	(188,907)
Non-operating grants, subsidies and contributions	2(a)	6,387,793	7,664,592	8,374,650
Profit on asset disposals	11(a)	76,174	2,000	47,536
(Loss) on asset disposals	11(a)	(1,421,682)	(149,042)	(1,598,134)
Assets written off	9(a)	(44,794)	0	0
(Loss) on sale of land held for resale	6	(3,182)	0	0
(Loss) on valuation of land held for resale	6	(1,818)	0	0
Fair value adjustments to financial assets at fair value through profit or loss	8	87,586	0	0
(Loss) on revaluation of Infrastructure - Waste Management Facilities	10(a)	0	0	(587,309)
(Loss) on revaluation of Infrastructure - Public Utilities	10(a)	0	0	(1,267,008)
		5,080,077	7,517,550	4,969,735
Net result for the period		3,998,443	4,915,587	4,780,828
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	57,186,093
Total other comprehensive income for the period		0	0	57,186,093
Total comprehensive income for the period		3,998,443	4,915,587	61,966,921

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

SHIRE OF AUGUSTA MARGARET RIVER
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue	2(a)			
Governance		274,218	303,158	451,044
General purpose funding		24,324,986	23,262,379	23,217,515
Law, order, public safety		812,940	517,149	823,093
Health		134,824	123,915	121,961
Education and welfare		545,885	463,300	456,838
Community amenities		5,251,908	5,270,400	5,171,926
Recreation and culture		1,059,049	990,300	962,714
Transport		90,075	105,600	172,043
Economic services		2,486,674	2,424,394	2,415,578
Other property and services		19,693	20,000	28,012
		35,000,252	33,480,595	33,820,724
Expenses	2(b)			
Governance		(6,644,606)	(7,373,991)	(6,423,382)
General purpose funding		(959,296)	(924,086)	(1,018,985)
Law, order, public safety		(1,664,627)	(1,941,723)	(1,945,644)
Health		(542,974)	(570,020)	(499,846)
Education and welfare		(446,900)	(438,968)	(443,311)
Community amenities		(4,147,300)	(4,565,010)	(3,724,271)
Recreation and culture		(8,469,617)	(8,485,683)	(8,422,284)
Transport		(11,632,284)	(9,665,395)	(9,509,582)
Economic services		(29,656)	(1,522,230)	(1,450,187)
Other property and services		(1,017,116)	(65,810)	(86,279)
		(35,554,376)	(35,552,916)	(33,523,771)
Finance Costs	2(b)			
Governance		(329,553)	(330,210)	(346,508)
Community amenities		(2,373)	(2,556)	(5,257)
Recreation and culture		(155,500)	(156,430)	(88,444)
Economic services		(40,084)	(40,446)	(45,651)
		(527,510)	(529,642)	(485,860)
		(1,081,634)	(2,601,963)	(188,907)
Non-operating grants, subsidies and contributions	2(a)	6,387,793	7,664,592	8,374,650
Profit on disposal of assets	11(a)	76,174	2,000	47,536
(Loss) on disposal of assets	11(a)	(1,421,682)	(149,042)	(1,598,134)
Assets written off	9(a)	(44,794)	0	0
(Loss) on sale of land held for resale	6	(3,182)	0	0
(Loss) on valuation of land held for resale	6	(1,818)	0	0
Fair value adjustments to financial assets at fair value through profit or loss	8	87,586	0	0
(Loss) on revaluation of Infrastructure - Waste Management Facilities	10(a)	0	0	(587,309)
(Loss) on revaluation of Infrastructure - Public Utilities	10(a)	0	0	(1,267,008)
		5,080,077	7,517,550	4,969,735
Net result for the period		3,998,443	4,915,587	4,780,828
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	57,186,093
Total other comprehensive income for the period		0	0	57,186,093
Total comprehensive income for the period		3,998,443	4,915,587	61,966,921

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

SHIRE OF AUGUSTA MARGARET RIVER
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	3	11,337,056	9,242,729
Trade receivables	5	1,690,764	1,831,364
Other financial assets	8	20,519,615	25,012,655
Inventories	6	185,380	671,349
Other current assets	7	458,858	424,854
TOTAL CURRENT ASSETS		34,191,673	37,182,951
NON-CURRENT ASSETS			
Trade receivables	5	46,686	44,491
Other financial assets	8(b)	153,917	50,106
Property, plant and equipment	9	93,360,133	85,399,089
Infrastructure	10	358,004,594	358,663,291
TOTAL NON-CURRENT ASSETS		451,565,330	444,156,977
TOTAL ASSETS		485,757,003	481,339,928
CURRENT LIABILITIES			
Trade and other payables	13	3,770,563	3,267,157
Borrowings	14	924,549	853,729
Employee related provisions	15	2,157,223	1,754,713
TOTAL CURRENT LIABILITIES		6,852,335	5,875,599
NON-CURRENT LIABILITIES			
Borrowings	14	8,471,996	8,896,778
Employee related provisions	15	301,252	434,574
TOTAL NON-CURRENT LIABILITIES		8,773,248	9,331,352
TOTAL LIABILITIES		15,625,583	15,206,951
NET ASSETS		470,131,420	466,132,977
EQUITY			
Retained surplus		205,801,614	199,742,510
Reserves - cash backed	4	25,969,301	28,029,962
Revaluation surplus	12	238,360,505	238,360,505
TOTAL EQUITY		470,131,420	466,132,977

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

SHIRE OF AUGUSTA MARGARET RIVER
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2017		198,014,443	24,977,201	181,174,412	404,166,056
Comprehensive income					
Net result for the period		4,780,828	0	0	4,780,828
Other comprehensive income		0	0	57,186,093	57,186,093
Total comprehensive income		4,780,828	0	57,186,093	61,966,921
Transfers from/(to) reserves	12	(3,052,761)	3,052,761	0	0
Balance as at 30 June 2018		199,742,510	28,029,962	238,360,505	466,132,977
Comprehensive income					
Net result for the period		3,998,443	0	0	3,998,443
Other comprehensive income		0	0	0	0
Total comprehensive income		3,998,443	0	0	3,998,443
Transfers from/(to) reserves	12	2,060,661	(2,060,661)	0	0
Balance as at 30 June 2019		205,801,614	25,969,301	238,360,505	470,131,420

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

SHIRE OF AUGUSTA MARGARET RIVER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		21,341,036	21,400,660	20,413,582
Operating grants, subsidies and contributions		2,749,791	1,981,929	1,893,790
Fees and charges		9,792,002	9,822,552	9,678,816
Service charges		4,000	4,333	4,333
Interest received		1,113,897	943,421	1,009,731
Goods and services tax received		1,005,599	0	1,217,558
Other revenue		137,375	27,700	193,206
		36,143,700	34,180,595	34,411,016
Payments				
Employee costs		(14,876,371)	(14,605,312)	(14,174,212)
Materials and contracts		(8,166,804)	(9,026,709)	(7,272,049)
Utility charges		(936,391)	(1,019,146)	(1,031,636)
Interest expenses		(527,510)	(529,642)	(371,640)
Insurance paid		(628,242)	(615,473)	(592,577)
Goods and services tax paid		(1,005,043)	0	(1,195,887)
Other expenditure		(735,306)	(758,636)	(542,066)
		(26,875,667)	(26,554,918)	(25,180,067)
Net cash provided by (used in) operating activities	16	9,268,033	7,625,677	9,230,949
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(11,869,086)	(13,787,785)	(6,163,497)
Payments for construction of infrastructure		(7,252,464)	(12,840,213)	(9,641,389)
Net proceeds for financial assets at amortised cost		4,500,000	0	(5,000,000)
Non-operating grants, subsidies and contributions		6,387,793	7,664,592	8,374,650
Advances to community groups		(40,000)	0	(18,815)
Proceeds from self supporting and interest free loans		16,815	11,317	12,701
Proceeds from sale of property, plant & equipment		1,049,016	1,217,182	350,461
Proceeds from sale of infrastructure		0	0	233,500
Proceeds from sale of land held for resale		388,182	0	0
Net cash provided by (used in) investment activities		(6,819,744)	(17,734,907)	(11,852,389)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings		(853,962)	(853,729)	(578,281)
Proceeds from new borrowings		500,000	500,000	2,450,000
Net cash provided by (used in) financing activities		(353,962)	(353,729)	1,871,719
Net increase (decrease) in cash held		2,094,327	(10,462,959)	(749,721)
Cash at beginning of year		9,242,729	34,242,729	9,992,450
Cash and cash equivalents at the end of the year	16	11,337,056	23,779,770	9,242,729

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

SHIRE OF AUGUSTA MARGARET RIVER
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	22 (b)	5,254,476	5,103,678	4,331,506
		5,254,476	5,103,678	4,331,506
Revenue from operating activities (excluding rates)				
Governance		274,218	303,158	452,382
General purpose funding		2,931,398	1,861,719	2,730,729
Law, order, public safety		812,940	517,149	828,094
Health		134,824	123,915	121,961
Education and welfare		545,885	463,300	456,838
Community amenities		5,251,908	5,270,400	5,173,744
Recreation and culture		1,081,326	990,300	975,835
Transport		118,972	107,600	198,301
Economic services		2,486,674	2,424,394	2,415,578
Other property and services		132,279	20,000	28,012
		13,770,424	12,081,935	13,381,474
Expenditure from operating activities				
Governance		(6,978,616)	(7,704,200)	(6,778,169)
General purpose funding		(959,296)	(924,086)	(1,018,985)
Law, order, public safety		(1,672,081)	(1,941,723)	(1,945,775)
Health		(542,974)	(570,020)	(499,846)
Education and welfare		(446,900)	(438,968)	(443,311)
Community amenities		(4,152,611)	(4,567,566)	(3,738,951)
Recreation and culture		(8,694,546)	(8,642,113)	(10,021,199)
Transport		(13,019,482)	(9,814,437)	(9,521,146)
Economic services		(69,740)	(1,562,676)	(1,554,104)
Other property and services		(1,017,116)	(65,810)	(1,940,596)
		(37,553,362)	(36,231,599)	(37,462,082)
Non-cash amounts excluded from operating activities	22(a)	10,552,084	9,293,682	12,550,223
Amount attributable to operating activities		(7,976,378)	(9,752,304)	(7,198,879)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		6,387,793	7,664,592	8,374,650
Proceeds from disposal of assets	11(a)	1,049,016	1,217,182	583,961
Proceeds from sale of land held for resale		388,182	240,000	0
Proceeds from self supporting and interest free loans	14(b)	16,815	11,317	12,701
Purchase of property, plant and equipment	9(a)	(11,869,086)	(13,787,785)	(6,163,497)
Purchase and construction of infrastructure	1(a)	(7,252,464)	(12,840,213)	(9,641,389)
Advances to community groups		(40,000)	0	(18,815)
Amount attributable to investing activities		(11,319,744)	(17,494,907)	(6,852,389)
FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(853,962)	(853,729)	(578,281)
Proceeds from borrowings	14(c)	500,000	500,000	2,450,000
Transfers to reserves (restricted assets)	4	(3,826,936)	(3,044,817)	(5,715,267)
Transfers from reserves (restricted assets)	4	5,887,597	9,245,097	2,662,506
Amount attributable to financing activities		1,706,699	5,846,551	(1,181,042)
Surplus/(deficit) before imposition of general rates		(17,589,423)	(21,400,660)	(15,232,310)
Total amount raised from general rates	21	21,393,588	21,400,660	20,486,786
Surplus/(deficit) after imposition of general rates	22(b)	3,804,165	0	5,254,476

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

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 (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of *AASB 1051 Land Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 24 to these financial statements.

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	67,952	58,196	121,685
General purpose funding	1,561,532	697,084	1,432,925
Law, order, public safety	626,816	320,449	621,007
Education and welfare	95,724	98,000	15,664
Community amenities	22,348	25,000	77,931
Recreation and culture	66,819	63,200	88,257
Transport	2,500	0	6,860
Economic services	36,709	0	26,827
Other property and services	42,196	20,000	21,030
	2,522,596	1,281,929	2,412,186
Non-operating grants, subsidies and contributions			
Governance	0	0	1,435,323
Law, order, public safety	549,244	818,078	746,412
Community amenities	661,111	200,000	409,009
Recreation and culture	3,403,232	4,487,475	2,537,030
Transport	1,774,206	2,159,039	3,246,876
	6,387,793	7,664,592	8,374,650
Total grants, subsidies and contributions	8,910,389	8,946,521	10,786,836

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over

Grants, donations and other contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 20.

That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Other revenue			
Other	137,375	27,700	193,206
	137,375	27,700	193,206
Fees and Charges			
Governance	197,373	217,262	229,366
General purpose funding	214,002	216,881	245,546
Law, order, public safety	186,123	196,700	207,086
Health	134,824	123,915	121,961
Education and welfare	450,161	365,300	441,174
Community amenities	5,229,561	5,245,400	5,095,813
Recreation and culture	988,070	927,100	887,525
Transport	77,575	105,600	143,930
Economic services	2,314,313	2,424,394	2,306,415
	9,792,002	9,822,552	9,678,816
There were no changes during the year to the amount of the fees or charges detailed in the original budget.			
Interest earnings			
Loans receivable - clubs/institutions	26	21	316
Reserve accounts interest	559,012	520,000	468,386
Rates instalment and penalty interest (refer Note 21(d))	276,234	223,000	253,449
Other interest earnings	278,625	200,400	287,580
	1,113,897	943,421	1,009,731

**SHIRE OF AUGUSTA MARGARET RIVER
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2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Assistance with the finalisation of Annual Financial Report
- Audit of Grants Reports and Acquittals

Interest expenses (finance costs)

Borrowings (refer Note 14(b))

Rental charges

- Operating leases

3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		5,809,056	3,793,289
Other cash - OCDF		5,528,000	5,449,440
		11,337,056	9,242,729
Financial assets at amortised cost - term deposits	8(a)	20,500,000	25,000,000
		31,837,056	34,242,729
Comprises:			
- Unrestricted cash and cash equivalents		4,731,738	4,577,022
- Restricted cash and cash equivalents		27,105,318	29,665,707
		31,837,056	34,242,729
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Leave Reserve	4	413,052	404,880
Margaret River CBD Redevelopment Reserve	4	7,643,734	6,803,128
Public Open Space Reserve	4	91,462	89,653
Caravan Parks Upgrade Reserve	4	1,236,480	1,123,150
Limesand Pits Reserve	4	64,918	63,634
Cemeteries Reserve	4	10,990	10,774
Community Loan Reserve	4	142,988	162,924
Cedarvale Reserve	4	234,584	229,943
Waste Management Reserve	4	10,301,368	9,281,316
Parking Reserve	4	181,390	154,575
Infrastructure Contributions Reserve	4	1,460,952	1,548,690
Biodiversity Reserve	4	166,355	55,391
Community Facilities Reserve	4	319,527	4,622,682
Plant Reserve	4	999,481	1,225,169
Affordable Housing Fund Reserve	4	62,694	61,454
Gravel Pits Reserve	4	565,303	455,933
Self Insurance Reserve	4	304,352	298,330
Recreation Centres Reserve	4	20,292	18,106
Old Settlement Reserve	4	65,607	30,436
Developer Contributions Reserve	4	1,306,016	1,175,089
Community Grants Reserve	4	23,011	22,555
Emergency Services Reserve	4	195,995	192,150
Youth Facilities Reserve	4	8,750	0
Gloucester Park Reserve	4	150,000	0
		25,969,301	28,029,962
Other restricted cash and cash equivalents			
Unspent grants/contributions	20	223,716	322,833
Unspent loans	14(d)	272,069	1,312,912
Bonds and Deposits Held	24	640,232	0
Total restricted cash and cash equivalents		27,105,318	29,665,707

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

Cash and cash equivalents (Continued)

and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

SHIRE OF AUGUSTA MARGARET RIVER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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		2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Transfer (from)	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance
4. RESERVES - CASH BACKED		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a)	Leave Reserve	404,880	8,172	0	413,052	404,880	6,502	0	411,382	396,869	8,011	0	404,880
(b)	Margaret River CBD Redevelopment	6,803,128	840,606	0	7,643,734	6,803,128	879,257	(2,550,000)	5,132,385	6,697,946	105,182	0	6,803,128
(c)	Public Open Space Reserve	89,653	1,809	0	91,462	89,653	1,440	0	91,093	225,567	4,086	(140,000)	89,653
(d)	Caravan Parks Upgrade Reserve	1,123,150	222,820	(109,490)	1,236,480	1,123,150	218,038	(647,490)	693,698	1,518,141	25,009	(420,000)	1,123,150
(e)	Limesand Pits Reserve	63,634	1,284	0	64,918	63,634	1,022	0	64,656	62,375	1,259	0	63,634
(f)	Cemeteries Reserve	10,774	216	0	10,990	10,774	173	0	10,947	10,558	216	0	10,774
(g)	Community Loan Reserve	162,924	20,064	(40,000)	142,988	162,924	13,934	0	176,858	170,805	10,934	(18,815)	162,924
(h)	Cedarvale Reserve	229,943	4,641	0	234,584	229,943	3,693	0	233,636	225,393	4,550	0	229,943
(i)	Waste Management Reserve	9,281,316	1,390,052	(370,000)	10,301,368	9,281,316	999,055	0	10,280,371	7,133,988	2,147,328	0	9,281,316
(j)	Parking Reserve	154,575	26,815	0	181,390	154,575	2,482	0	157,057	151,517	3,058	0	154,575
(k)	Infrastructure Contributions Reserve	1,548,690	79,262	(167,000)	1,460,952	1,548,690	24,872	(283,000)	1,290,562	1,478,615	70,075	0	1,548,690
(l)	Biodiversity Reserve	55,391	110,964	0	166,355	55,391	890	0	56,281	10,187	45,204	0	55,391
(m)	Community Facilities Reserve	4,622,682	104,845	(4,408,000)	319,527	4,876,702	74,239	(4,408,000)	542,941	3,390,521	2,566,161	(1,334,000)	4,622,682
(n)	Plant Reserve	1,225,169	224,312	(450,000)	999,481	1,225,169	219,676	(530,000)	914,845	1,810,035	135,134	(720,000)	1,225,169
(o)	Affordable Housing Fund Reserve	61,454	1,240	0	62,694	61,454	987	(45,000)	17,441	60,238	1,216	0	61,454
(p)	Gravel Pits Reserve	455,933	109,370	0	565,303	455,933	7,322	(50,000)	413,255	368,365	87,568	0	455,933
(q)	Self Insurance Reserve	298,330	6,022	0	304,352	268,330	4,309	0	272,639	263,021	35,309	0	298,330
(r)	Recreation Centres Reserve	18,106	2,186	0	20,292	18,106	2,791	0	20,897	15,784	2,322	0	18,106
(s)	Old Settlement Reserve	30,436	35,171	0	65,607	30,436	33,489	0	63,925	29,834	602	0	30,436
(t)	Developer Contributions Reserve	1,175,089	474,034	(343,107)	1,306,016	1,195,380	219,198	(431,607)	982,971	753,453	451,327	(29,691)	1,175,089
(u)	Community Grants Reserve	22,555	456	0	23,011	22,555	6,362	0	28,917	15,641	6,914	0	22,555
(v)	Emergency Services Reserve	192,150	3,845	0	195,995	192,150	3,086	(20,000)	175,236	188,348	3,802	0	192,150
(w)	Augusta Revitalisation Reserve	0	0	0	0	0	320,000	(280,000)	40,000	0	0	0	0
(x)	Youth Facilities Reserve	0	8,750	0	8,750	0	2,000	0	2,000	0	0	0	0
(y)	Gloucester Park Reserve	0	150,000	0	150,000	0	0	0	0	0	0	0	0
		28,029,962	3,826,936	(5,887,597)	25,969,301	28,274,273	3,044,817	(9,245,097)	22,073,993	24,977,201	5,715,267	(2,662,506)	28,029,962

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Margaret River CBD Redevelopment	Ongoing	To be used for funding capital projects in the Margaret River townsite.
(c) Public Open Space Reserve	Ongoing	To be used to fund future public open space requirements.
(d) Caravan Parks Upgrade Reserve	Ongoing	To be used for the upgrading of Caravan Parks and Camping Grounds.
(e) Limesand Pits Reserve	Ongoing	Rehabilitation and development of the Boranup, Redgate and any other Shire limesand pits.
(f) Cemeteries Reserve	Ongoing	To be used for the upgrade of Cemeteries.
(g) Community Loan Reserve	Ongoing	Interest free funding for eligible groups associated with sporting and cultural activities.
(h) Cedarvale Reserve	Ongoing	To meet obligations in respect of the Cedarvale agreement for the Gnarabup site and future foreshore rehabilitation at Prevelly and Gnarabup.
(i) Waste Management Reserve	Ongoing	To fund future waste facility and plant requirements.
(j) Parking Reserve	Ongoing	To be used to fund future car parking requirements.
(k) Infrastructure Contributions Reserve	Ongoing	To be used to fund future road and drainage maintenance and construction requirements.
(l) Biodiversity Reserve	Ongoing	To be used for the funding of biodiversity initiatives
(m) Community Facilities Reserve	Ongoing	To be used for the construction and major maintenance of community buildings and facilities.
(n) Plant Reserve	Ongoing	To be used for the purchase of plant, vehicles and equipment.
(o) Affordable Housing Fund Reserve	Ongoing	Infrastructure and capital improvements within the Cowaramup townsite and area covered by the West Cowaramup townsite strategy.
(p) Gravel Pits Reserve	Ongoing	Rehabilitation and development of the Shire's gravel and other related resource reserves.
(q) Self Insurance Reserve	Ongoing	To fund self insurance, workers compensation performance risk, risk management and other related employee and organisational activities.
(r) Recreation Centres Reserve	Ongoing	Income from advertising signs is reserved for future improvements to facilities.
(s) Old Settlement Reserve	Ongoing	Income from the lease of the Old Settlement site is reserved for future improvements to facilities.
(t) Developer Contributions Reserve	Ongoing	Funds received and used in accordance with the Developer Contributions Plan.
(u) Community Grants Reserve	Ongoing	Funds received from sale of special services vehicle registration plates and other initiatives are provided as community grants.
(v) Emergency Services Reserve	Ongoing	To be used to support the provision of emergency services in the Shire.
(w) Augusta Revitalisation Reserve	Ongoing	To be used for funding capital projects in Augusta.
(x) Youth Facilities Reserve	Ongoing	To be used to renew and develop youth facilities in the Shire.
(y) Gloucester Park Reserve	Ongoing	To be used for development of Gloucester Park

5. TRADE RECEIVABLES

Current

Rates receivable
Sundry receivables
GST receivable

Non-current

Pensioner's rates and ESL deferred

2019	2018
\$	\$
856,862	769,711
514,638	741,833
319,264	319,820
1,690,764	1,831,364
46,686	44,491
46,686	44,491

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.

Previous accounting policy: Impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

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
Land held for resale - fair value

2019	2018
\$	\$
53,562	146,349
131,818	525,000
185,380	671,349
671,349	677,790
(175,692)	(261,858)
(1,818)	(61,000)
(391,364)	0
82,905	316,417
185,380	671,349

The following movements in inventories occurred during the year:

Carrying amount at 1 July

Inventories expensed during the year
Write down of inventories to net realisable value
Sale of land held for resale
Additions to inventory

Carrying amount at 30 June

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. OTHER ASSETS

Other current assets

Prepayments
Accrued Income
Accrued Interest Receivable

2019	2018
\$	\$
102,193	75,356
28,178	15,943
328,487	333,555
458,858	424,854

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

SHIRE OF AUGUSTA MARGARET RIVER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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8. OTHER FINANCIAL ASSETS

	NOTE	2019 \$	2018 \$
(a) Current assets			
Other financial assets at amortised cost		20,519,615	25,012,655
		20,519,615	25,012,655
Other financial assets at amortised cost			
- Financial assets at amortised cost - term deposits	3	20,500,000	25,000,000
- Loans receivable - clubs/institutions		19,615	12,655
		20,519,615	25,012,655
(b) Non-current assets			
Other financial assets at amortised cost		66,331	50,106
Financial assets at fair value through profit and loss		87,586	0
		153,917	50,106
Other financial assets at amortised cost			
- Loans receivable - clubs/institutions		66,331	50,106
		66,331	50,106
Financial assets at fair value through profit and loss			
Units in Local Government House Trust		87,586	0
		87,586	0
During the year, the following gains/(losses) were recognised in profit and loss:			
Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services			
		87,586	0
		87,586	0

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 14(b) as self supporting loans.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Previous accounting policy: available for sale financial assets

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

Previous accounting policy: Loans and receivables

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and are subsequently measured at amortised cost, using the effective interest rate method.

Refer to Note 25 for explanations regarding the change in accounting policy and reclassification of available for sale financial assets to financial assets at fair value through profit and loss.

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	11,092,000	5,092,300	16,184,300	59,452,555	59,452,555	75,636,855	1,520,969	6,698,893	83,856,717
Additions	0	0	0	3,735,500	3,735,500	3,735,500	87,420	2,340,577	6,163,497
(Disposals)	(65,700)	0	(65,700)	(1,566,163)	(1,566,163)	(1,631,863)	(882)	(268,314)	(1,901,059)
Depreciation (expense)	0	0	0	(1,450,313)	(1,450,313)	(1,450,313)	(209,244)	(1,060,509)	(2,720,066)
Carrying amount at 30 June 2018	11,026,300	5,092,300	16,118,600	60,171,579	60,171,579	76,290,179	1,398,263	7,710,647	85,399,089
Comprises:									
Gross carrying amount at 30 June 2018	11,026,300	5,092,300	16,118,600	61,551,187	61,551,187	77,669,787	1,811,873	9,649,049	89,130,709
Accumulated depreciation at 30 June 2018	0	0	0	(1,379,608)	(1,379,608)	(1,379,608)	(413,610)	(1,938,402)	(3,731,620)
Carrying amount at 30 June 2018	11,026,300	5,092,300	16,118,600	60,171,579	60,171,579	76,290,179	1,398,263	7,710,647	85,399,089
Additions	13,864	0	13,864	8,720,712	8,720,712	8,734,576	930,806	2,203,704	11,869,086
(Disposals)	(700,000)	0	(700,000)	0	0	(700,000)	(14,365)	(305,759)	(1,020,124)
Depreciation (expense)	0	0	0	(1,416,100)	(1,416,100)	(1,416,100)	(206,692)	(1,204,445)	(2,827,237)
Assets written off	0	0	0	0	0	0	(24,144)	(20,650)	(44,794)
Transfers	0	0	0	(15,887)	(15,887)	(15,887)	0	0	(15,887)
Carrying amount at 30 June 2019	10,340,164	5,092,300	15,432,464	67,460,304	67,460,304	82,892,768	2,083,868	8,383,497	93,360,133
Comprises:									
Gross carrying amount at 30 June 2019	10,340,164	5,092,300	15,432,464	70,255,612	70,255,612	85,688,076	2,594,279	11,290,674	99,573,029
Accumulated depreciation at 30 June 2019	0	0	0	(2,795,308)	(2,795,308)	(2,795,308)	(510,411)	(2,907,177)	(6,212,896)
Carrying amount at 30 June 2019	10,340,164	5,092,300	15,432,464	67,460,304	67,460,304	82,892,768	2,083,868	8,383,497	93,360,133

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	Level 2 and Level 3	Market approach using recent observable market data for similar properties.	Independent Registered Valuers and Management Valuation	June 2017	Price per hectare, with reference to current zoning of land. Market values were used unless there were some restrictions or other factors associated with the land.
Land - vested in and under the control of Council	Level 3	Cost approach using depreciated replacement cost.	Independent Registered Valuers	June 2017	Improvements to land using estimated construction costs.
Buildings - specialised	Level 3	Cost approach using depreciated replacement cost.	Independent Registered Valuers	June 2017	Construction costs based on recent contract prices and current condition, residual values and remaining useful life assessments
Furniture and equipment	Level 2 and Level 3	Market approach using recent observable market data for similar assets. Cost approach using depreciated replacement cost	Management Valuation	June 2016	Market price per item, purchase costs of similar assets adjusted for condition and comparability, residual values and remaining useful life assessments.
Plant and equipment	Level 2 and Level 3	Market approach using recent observable market data for similar assets. Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2016	Market price per item, purchase costs of similar assets adjusted for condition and comparability, residual values and remaining useful life assessments.

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

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

Freehold land that is the location of the the Augusta Museum has been valued on a highest and best use basis, which differs from its current use, as the possible relocation of the museum will allow the land to be sold for commercial purposes.

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10. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Road Bridges	Infrastructure - Car Parks	Infrastructure - Paths	Infrastructure - Drainage	Infrastructure - Caravan and Camping	Infrastructure - Parks and Reserves	Infrastructure - Aerodromes	Infrastructure - Boat Ramps and Jetties	Infrastructure - Waste Management Facilities	Infrastructure - Public Utilities	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	211,649,733	6,279,645	4,903,984	10,424,695	38,676,052	1,864,523	18,817,815	2,307,109	1,117,806	1,276,468	2,999,925	300,317,755
Additions	3,977,014	597,583	217,195	582,477	202,614	228,859	3,700,430	10,320	64,347	41,134	19,416	9,641,389
(Disposals)	0	0	0	0	0	0	(233,500)	0	0	0	0	(233,500)
Revaluation increments / (decrements) transferred to revaluation surplus	55,683,693	1,338,492	(951,809)	2,705,817	(9,755,866)	(606,605)	7,418,568	521,170	929,613	(36,288)	(60,692)	57,186,093
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	0	0	0	0	0	0	(587,309)	(1,267,008)	(1,854,317)
Depreciation (expense)	(3,584,784)	(183,220)	(127,819)	(418,243)	(770,054)	(47,785)	(956,959)	(110,979)	(112,670)	(39,131)	(42,485)	(6,394,129)
Carrying amount at 30 June 2018	267,725,656	8,032,500	4,041,551	13,294,746	28,352,746	1,438,992	28,746,354	2,727,620	1,999,096	654,874	1,649,156	358,663,291
Comprises:												
Gross carrying amount at 30 June 2018	267,725,656	8,032,500	4,041,551	13,294,746	28,352,746	1,438,992	28,746,354	2,727,620	1,999,096	654,874	1,649,156	358,663,291
Carrying amount at 30 June 2018	267,725,656	8,032,500	4,041,551	13,294,746	28,352,746	1,438,992	28,746,354	2,727,620	1,999,096	654,874	1,649,156	358,663,291
Additions	2,682,358	131,144	249,424	732,113	342,918	325,185	2,337,120	0	217,707	199,035	35,460	7,252,464
(Disposals)	(1,034,363)	(170,625)	(37,910)	(1,202)	(91,475)	0	(38,825)	0	0	0	0	(1,374,400)
Depreciation (expense)	(3,762,474)	(223,810)	(79,388)	(476,672)	(641,238)	(34,209)	(955,280)	(118,917)	(133,617)	(24,613)	(102,430)	(6,552,648)
Transfers	0	0	0	0	0	0	15,887	0	0	0	0	15,887
Carrying amount at 30 June 2019	265,611,177	7,769,209	4,173,677	13,548,985	27,962,951	1,729,968	30,105,256	2,608,703	2,083,186	829,296	1,582,186	358,004,594
Comprises:												
Gross carrying amount at 30 June 2019	269,324,525	7,988,128	4,251,182	14,025,611	28,601,864	1,764,177	31,057,045	2,727,620	2,216,803	853,909	1,684,616	364,495,480
Accumulated depreciation at 30 June 2019	(3,713,348)	(218,919)	(77,505)	(476,626)	(638,913)	(34,209)	(951,789)	(118,917)	(133,617)	(24,613)	(102,430)	(6,490,886)
Carrying amount at 30 June 2019	265,611,177	7,769,209	4,173,677	13,548,985	27,962,951	1,729,968	30,105,256	2,608,703	2,083,186	829,296	1,582,186	358,004,594

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10. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments.
Infrastructure - Road Bridges	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments.
Infrastructure - Car Parks	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments.
Infrastructure - Paths	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments.
Infrastructure - Drainage	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments.
Infrastructure - Caravan and Camping	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments.
Infrastructure - Parks and Reserves	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments.
Infrastructure - Aerodromes	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments.
Infrastructure - Boat Ramps and Jetties	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments.
Infrastructure - Waste Management Facilities	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments.
Infrastructure - Public Utilities	Level 3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments.

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

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

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

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

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, 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 fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. 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 property, plant and equipment 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.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control

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

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

Land under roads

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

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

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

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

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

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11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(a) Disposals of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	700,000	725,000	25,000	0	1,020,000	1,020,000	0	0	65,700	65,700	0	0
Buildings - specialised	0	0	0	0	0	0	0	0	1,566,163	0	0	(1,566,163)
Furniture and equipment	14,365	2,000	0	(12,365)	0	0	0	0	882	909	27	0
Plant and equipment	305,759	322,016	51,174	(34,917)	344,224	197,182	2,000	(149,042)	268,314	283,852	47,509	(31,971)
Infrastructure - Roads	1,034,363	0	0	(1,034,363)	0	0	0	0	0	0	0	0
Infrastructure - Road Bridges	170,625	0	0	(170,625)	0	0	0	0	0	0	0	0
Infrastructure - Car Parks	37,910	0	0	(37,910)	0	0	0	0	0	0	0	0
Infrastructure - Paths	1,202	0	0	(1,202)	0	0	0	0	0	0	0	0
Infrastructure - Drainage	91,475	0	0	(91,475)	0	0	0	0	0	0	0	0
Infrastructure - Parks and Reserves	38,825	0	0	(38,825)	0	0	0	0	233,500	233,500	0	0
	2,394,524	1,049,016	76,174	(1,421,682)	1,364,224	1,217,182	2,000	(149,042)	2,134,559	583,961	47,536	(1,598,134)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Plant and Equipment				
Community amenities				
Tri Axle Dog Trailer	14,752	22,180	7,428	0
DAF Hooklift Truck	54,545	69,394	14,849	0
Transport				
AU29096 Ford PX Ranger XL Crewcab	16,363	12,487	0	(3,876)
Howard Procut Mower P100722	1,000	541	0	(459)
Charterhouse Turf Tidy P16011	5,590	275	0	(5,315)
Kubota M9540D Tractor P28505	26,324	19,866	0	(6,458)
John Deere Tractor P13901	9,091	9,508	417	0
Mitsubishi Canter Tip Truck P14863	16,364	15,282	0	(1,082)
Multipac Multi Tired Roller	21,937	15,600	0	(6,337)
Ford Ranger Crewcab AU29112	14,799	19,819	5,020	0
Toyota Rave 4 AU29215	14,485	12,456	0	(2,029)
Toyota Camry AU29216	9,255	7,274	0	(1,981)
Ford Ranger Ute AU29046	15,000	18,365	3,365	0
Isuzu D-Max AU30072	14,594	18,139	3,545	0
P29047 Ford Ranger	15,000	16,456	1,456	0
P31367 Isuzu Dmax (Insurance write-off)	47,186	61,725	14,539	0
P051244 Howard Port PTO Mower - Rumens	9,274	1,894	0	(7,380)
P869 2003 Ransomes 5 Reel - Rumens	200	755	555	0
	305,759	322,016	51,174	(34,917)
Furniture and Equipment				
Recreation and culture				
Envisionware Bill & Coin Acceptor	1,894	0	0	(1,894)
Retractable Tiered (Raked) Seating - Cultural Centre	12,471	2,000	0	(10,471)
	14,365	2,000	0	(12,365)
Land				
Other Property and Services				
Lot 134 (95) Bussell Hwy (Cnr Churchill Ave)	700,000	725,000	25,000	0
	700,000	725,000	25,000	0
Infrastructure - Roads				
Transport				
Infrastructure - IR - Unsealed Roads - Pavement	271,828	0	0	(271,828)
Infrastructure - IR - Sealed Roads - Seal	321,819	0	0	(321,819)
Infrastructure - IR - Sealed Roads - Pavement	434,952	0	0	(434,952)
Infrastructure - IR - Sealed Roads - Kerbing	5,764	0	0	(5,764)
	1,034,363	0	0	(1,034,363)
Infrastructure - Road Bridges				
Transport				
Infrastructure - IRB - Road Bridges (Miami Bridge to MRWA)	170,625	0	0	(170,625)
	170,625	0	0	(170,625)
Infrastructure - Carparks				
Transport				
Infrastructure - IC - Car Parks - Seal	37,910	0	0	(37,910)
	37,910	0	0	(37,910)
Infrastructure -Paths				
Transport				
Infrastructure - IF - Paths	1,202	0	0	(1,202)
	1,202	0	0	(1,202)
Infrastructure - Drainage				
Transport				
Infrastructure - ID - Drainage - Culverts	91,475	0	0	(91,475)
	91,475	0	0	(91,475)
Infrastructure - Parks & Reserves				
Recreation & Culture				
Infrastructure - IP - Play Equipment	27,767	0	0	(27,767)
Infrastructure - IP - Park Assets	11,058	0	0	(11,058)
	38,825	0	0	(38,825)
	2,394,524	1,049,016	76,174	(1,421,682)

(b) Fully Depreciated Assets in Use

The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown below.

	2019 \$	2018 \$
Furniture and equipment	7,155	34,478
Plant and equipment	27,155	41,737
	34,310	76,215

(c) Temporarily Idle Assets

The Shire did not have any idle assets as at 30 June 2019.

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(d) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - specialised	1,416,100	1,400,000	1,450,313
Furniture and equipment	206,692	200,000	209,244
Plant and equipment	1,204,445	1,100,000	1,060,509
Infrastructure - Roads	3,762,474	3,664,640	3,584,784
Infrastructure - Road Bridges	223,810	224,000	183,220
Infrastructure - Car Parks	79,388	80,000	127,819
Infrastructure - Paths	476,672	475,000	418,243
Infrastructure - Drainage	641,238	640,000	770,054
Infrastructure - Caravan and Camping	34,209	34,000	47,785
Infrastructure - Parks and Reserves	955,280	955,000	956,959
Infrastructure - Aerodromes	118,917	115,000	110,979
Infrastructure - Boat Ramps and Jetties	133,617	133,000	112,670
Infrastructure - Waste Management Facilities	24,613	24,000	39,131
Infrastructure - Public Utilities	102,430	102,000	42,485
	9,379,885	9,146,640	9,114,195

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
Land	Not Depreciated
Buildings	up to 50 years
Furniture & Equipment	up to 10 years
Plant & Equipment	up to 20 years
Bridges	up to 50 years
Carparks	up to 40 years
Drainage	up to 80 years
Paths	up to 40 years
Roads	up to 50 years
Jetties & Boatramps	up to 30 years
Waste Management	up to 40 years
Public Utilities	up to 40 years
Parks	up to 50 years

Depreciation (Continued)

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:

- 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
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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12. REVALUATION SURPLUS

	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluaton surplus - Land and buildings	50,280,930	0	0	0	50,280,930	50,280,930	0	0	0	50,280,930
Revaluation surplus - Plant and equipment	2,346,679	0	0	0	2,346,679	2,346,679	0	0	0	2,346,679
Revaluation surplus - Infrastructure - Roads	135,586,900	0	0	0	135,586,900	79,903,207	55,683,693	0	55,683,693	135,586,900
Revaluation surplus - Infrastructure - Road Bridges	6,848,977	0	0	0	6,848,977	5,510,485	1,338,492	0	1,338,492	6,848,977
Revaluation surplus - Infrastructure - Car Parks	2,634,044	0	0	0	2,634,044	3,585,853	0	(951,809)	(951,809)	2,634,044
Revaluation surplus - Infrastructure - Paths	7,053,064	0	0	0	7,053,064	4,347,247	2,705,817	0	2,705,817	7,053,064
Revaluation surplus - Infrastructure - Drainage	20,725,741	0	0	0	20,725,741	30,481,607	0	(9,755,866)	(9,755,866)	20,725,741
Revaluation surplus - Infrastructure - Caravan and Camping	566,865	0	0	0	566,865	1,173,470	0	(606,605)	(606,605)	566,865
Revaluation surplus - Infrastructure - Parks and Reserves	8,224,262	0	0	0	8,224,262	805,694	7,418,568	0	7,418,568	8,224,262
Revaluation surplus - Infrastructure - Aerodromes	2,594,433	0	0	0	2,594,433	2,073,263	521,170	0	521,170	2,594,433
Revaluation surplus - Infrastructure - Boat Ramps and Jetties	1,498,610	0	0	0	1,498,610	568,997	929,613	0	929,613	1,498,610
Revaluation surplus - Infrastructure - Waste Management Facilities	0	0	0	0	0	36,288	0	(36,288)	(36,288)	0
Revaluation surplus - Infrastructure - Public Utilities	0	0	0	0	0	60,692	0	(60,692)	(60,692)	0
	238,360,505	0	0	0	238,360,505	181,174,412	68,597,353	(11,411,260)	57,186,093	238,360,505

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued salaries and wages
ATO liabilities
Accrued interest on long term borrowings
Bonds and Deposits Held (refer to Note 24)

2019	2018
\$	\$
2,588,898	2,739,284
404,113	390,648
14,265	12,202
123,055	125,023
640,232	0
3,770,563	3,267,157

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

Trade and other payables (Continued)

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.

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

14. INFORMATION ON BORROWINGS

	2019	2018
	\$	\$
Current	924,549	853,729
Non-current	8,471,996	8,896,778
	9,396,545	9,750,507

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual Principal	30 June 2019 Actual New Loans	30 June 2019 Actual Principal repayments	30 June 2019 Actual Interest repayments	30 June 2019 Actual Principal outstanding	Budget Principal	30 June 2019 Budget New Loans	30 June 2019 Budget Principal repayments	30 June 2019 Budget Interest repayments	30 June 2019 Budget Principal outstanding	Actual Principal	30 June 2018 Actual New Loans	30 June 2018 Actual Principal repayments	30 June 2018 Actual Interest repayments	30 June 2018 Actual Principal outstanding
				1 July 2018					1 July 2018					1 July 2017				
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance																		
Civic and Administration Building	191	WATC *	5.15%	5,842,643	0	300,441	329,553	5,542,202	5,842,640	0	300,440	330,210	5,542,200	6,058,096	0	215,453	346,508	5,842,643
Community amenities																		
Augusta Town Toilets	184	WATC *	5.46%	11,350	0	11,350	360	0	11,349	0	11,349	458	0	22,100	0	10,750	1,040	11,350
Margaret River Memorial Toilet Block	186	WATC *	5.97%	23,164	0	23,164	932	0	23,164	0	23,164	1,010	0	44,995	0	21,831	2,414	23,164
Augusta Water Wheel Toilets	188	WATC *	6.12%	19,935	0	11,132	1,081	8,803	19,936	0	11,132	1,088	8,804	30,411	0	10,476	1,803	19,935
Recreation and culture																		
Aquatic Centre	164	WATC *	7.05%	206,755	0	87,891	11,911	118,864	206,755	0	87,891	13,527	118,864	288,714	0	81,959	18,446	206,755
Cowaramup Recreation Centre	174	WATC *	6.36%	212,224	0	31,603	13,754	180,621	212,224	0	31,603	14,027	180,621	241,895	0	29,671	15,881	212,224
MR Recreation Centre Solar Power	185	WATC *	5.46%	8,828	0	8,828	280	0	8,827	0	8,827	356	0	17,189	0	8,361	809	8,828
MR Recreation Centre Stage 1	187	WATC *	6.68%	248,138	0	34,821	17,298	213,317	248,138	0	34,821	17,204	213,317	280,727	0	32,589	19,737	248,138
MR Recreation Centre Stage 2	189	WATC *	6.12%	131,354	0	73,346	7,123	58,008	131,354	0	73,346	7,165	58,008	200,378	0	69,024	11,880	131,354
Cultural Centre Redevelopment	192	WATC *	3.48%	1,100,000	0	56,900	44,799	1,043,100	1,100,000	0	56,900	44,143	1,043,100	0	1,100,000	0	5,755	1,100,000
Margaret River Youth Precinct	193	WATC *	2.97%	334,850	0	30,981	11,742	303,869	334,850	0	30,981	11,611	303,869	0	350,000	15,150	7,681	334,850
Asbestos Removal & Reinstatement	194	WATC *	3.20%	1,000,000	0	86,276	37,063	913,724	1,000,000	0	86,276	36,972	913,724	0	1,000,000	0	7,925	1,000,000
Cultural Centre Redevelopment	195	WATC *	3.58%	0	500,000	12,951	11,504	487,049	0	500,000	12,720	11,396	487,280	0	0	0	0	0
Economic services																		
173, Augusta Rural Transaction Cen	173	WATC *	6.36%	323,884	0	47,074	21,180	276,810	323,884	0	47,075	21,479	276,809	368,074	0	44,190	24,728	323,884
179, Gnarabup Café	179	WATC *	6.39%	176,120	0	24,905	11,629	151,215	176,121	0	24,905	11,722	151,216	199,495	0	23,375	12,925	176,120
181, Gnarabup Café	181	WATC *	6.22%	109,924	0	10,961	7,275	98,963	109,924	0	10,961	7,245	98,963	120,229	0	10,305	7,998	109,924
				9,749,169	500,000	852,624	527,484	9,396,545	9,749,166	500,000	852,391	529,613	9,396,775	7,872,303	2,450,000	573,134	485,530	9,749,169
Self Supporting Loans																		
Recreation and culture																		
Augusta Bowling Club	183	WATC *	6.37%	1,338	0	1,338	26	0	1,338	0	1,338	21	0	6,485	0	5,147	330	1,338
				1,338	0	1,338	26	0	1,338	0	1,338	21	0	6,485	0	5,147	330	1,338
				9,750,507	500,000	853,962	527,510	9,396,545	9,750,504	500,000	853,729	529,634	9,396,775	7,878,788	2,450,000	578,281	485,860	9,750,507

* WA Treasury Corporation
 Self supporting loans are financed by payments from third parties. These are shown in Note 8 as other financial assets at amortised cost.
 All other loan repayments were financed by general purpose revenue.

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14. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2018/19

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2019 Actual	2019 Budget	2019 Actual	2019 Budget		
				%	\$	\$	\$	\$	\$	\$
Cultural Centre Redevelopment	WATC	Debenture	15	3.35%	500,000	500,000	500,000	500,000	138,150	0
					500,000	500,000	500,000	500,000	138,150	0

(d) Unspent Borrowings

Particulars	Date Borrowed	Unspent Balance 1 July 2018	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2019
		\$	\$	\$	\$
Cultural Centre Redevelopment (L192)	16 May 18	764,157	0	(764,157)	0
Asbestos removal and reinstatement (L194)	18 Apr 18	548,755	0	(276,686)	272,069
		1,312,912	0	(1,040,843)	272,069

(e) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2019	2018
	\$	\$
Credit card limit	40,000	40,000
Credit card balance at balance date	(9,419)	(4,483)
Total amount of credit unused	30,581	35,517

Loan facilities

Loan facilities - current	924,549	853,729
Loan facilities - non-current	8,471,996	8,896,778
Total facilities in use at balance date	9,396,545	9,750,507

Unused loan facilities at balance date	272,069	1,312,912
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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.

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Personal Leave Reward Scheme	Total \$
Opening balance at 1 July 2018				
Current provisions	1,168,614	411,680	174,419	1,754,713
Non-current provisions	0	434,574	0	434,574
	1,168,614	846,254	174,419	2,189,287
Additional provision	1,147,915	474,645	0	1,622,560
Amounts used	(1,044,948)	(301,802)	(6,622)	(1,353,372)
Balance at 30 June 2019	1,271,581	1,019,097	167,797	2,458,475
Comprises				
Current	1,271,581	717,845	167,797	2,157,223
Non-current	0	301,252	0	301,252
	1,271,581	1,019,097	167,797	2,458,475

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date	
More than 12 months from reporting date	
Expected reimbursements to/(from) other WA local governments	

2019	2018
\$	\$
1,517,360	1,579,242
958,692	642,433
(17,577)	(32,388)
2,458,475	2,189,287

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

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

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

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.

16. 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:

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	11,337,056	23,779,770	9,242,729
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	3,998,443	4,915,587	4,780,828
Non-cash flows in Net result:			
Adjustments to fair value of financial assets	(87,586)	0	0
Depreciation	9,379,885	9,146,640	9,114,195
(Profit)/loss on sale of asset	1,345,508	147,042	1,550,598
Assets written off	44,794	0	0
Loss on sale of land held for resale	3,182	0	0
Loss on revaluation of fixed assets	0	0	1,854,317
(Gain)/Loss on revaluation of land held for resale	1,818	0	61,000
Changes in assets and liabilities:			
(Increase)/decrease in receivables	138,405	700,000	(588,171)
(Increase)/decrease in other assets	(34,004)	0	41,605
(Increase)/decrease in inventories	92,787	0	(54,560)
Increase/(decrease) in payables	503,406	300,000	776,678
Increase/(decrease) in provisions	269,188	81,000	69,109
Grants contributions for the development of assets	(6,387,793)	(7,664,592)	(8,374,650)
Net cash from operating activities	9,268,033	7,625,677	9,230,949

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	31,553,385	35,264,931
General purpose funding	5,339,546	5,905,000
Law, order, public safety	3,261,311	3,104,290
Health	59,078	63,064
Education and welfare	1,361,824	1,274,072
Housing	0	95,866
Community amenities	24,102,178	23,545,381
Recreation and culture	80,284,733	71,340,654
Transport	330,184,389	331,307,278
Economic services	9,572,392	9,345,204
Other property and services	38,167	94,188
	485,757,003	481,339,928

18. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

2019	2018
\$	\$
762,378	8,737,009
166,671	267,705
929,049	9,004,714
929,049	9,004,714

Payable:

- not later than one year

The capital expenditure projects outstanding at the end of the current reporting period are associated with the redevelopment of the Cultural Centre.

The plant and equipment purchases are contracts for 2 items of plant.

The prior year commitment includes the redevelopment of the Cultural Centre, electrical works at Turner Caravan Park and the removal and reinstatement of asbestos at the Augusta Recreation Centre and Augusta Bowling Club. The plant and equipment purchases were contracts for 4 items of plant.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:

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

2019	2018
\$	\$
238,095	334,300
165,396	243,501
7,858	0
411,349	577,801

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 payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over 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. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	135,539	135,539	132,234
President's allowance	39,360	39,360	38,400
Deputy President's allowance	9,840	9,840	9,497
Travelling expenses	20,350	24,200	20,020
Telecommunications allowance	24,500	24,500	24,499
	229,589	233,439	224,650

Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the Shire during the year are as follows:

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	775,786	756,039
Post-employment benefits	96,190	72,140
Other long-term benefits	64,010	62,957
Termination benefits	13,935	0
	949,921	891,136

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.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

19. 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:	2019	2018
	Actual	Actual
	\$	\$
Purchase of goods and services	16,575	111,189

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*
The associate person of KMP was employed by the Shire under normal employment terms and conditions.
- iii. Entities subject to significant influence by the Shire*
An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

SHIRE OF AUGUSTA MARGARET RIVER
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20. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/17	Received ⁽²⁾ 2017/18	Expended ⁽³⁾ 2017/18	Closing Balance ⁽¹⁾ 30/06/18	Received ⁽²⁾ 2018/19	Expended ⁽³⁾ 2018/19	Closing Balance 30/06/19
	\$	\$	\$	\$	\$	\$	\$
Governance							
Regional Youth Collaboration Project	2,777	0	(2,777)	0	0	0	0
DLGSC - Cowaramup Community Garden	0	8,700	0	8,700	0	(8,700)	0
CLGF - Community Development Scholarships	0	12,117	(9,155)	2,962	0	(2,962)	0
FRRR - In a good place	0	0	0	0	17,526	(8,027)	9,499
Law, order, public safety							
DFES - Treatment works, Bushfire Risk Management Planning	3,804	0	(3,804)	0	0	0	0
DFES - Bushfire Risk Planning Coordinator	43,378	0	(43,378)	0	0	0	0
DFES - SES and BFB Operating Grants	0	81,817	0	81,817	91,523	(81,817)	91,523
Education and welfare							
CCCF - Community Support Grant	0	0	0	0	37,500	(347)	37,153
CCCF - Sustainability Support Grant	0	0	0	0	45,000		45,000
Community amenities							
Tourism WA Grant for Cowaramup Waste Transfer Station	26,450	0	0	26,450	0	0	26,450
Recreation and culture							
Rotary Club - Nature play playground design	15,000	0	(15,000)	0	0	0	0
Culture and the Arts - Regional Venues Improvement Fund grant	500,000	0	0	500,000	0	(500,000)	0
Royalties for Regions Growing the South grant for Cultural Centre	0	2,500,000	0	2,500,000	0	(2,500,000)	0
Department of Sports & Recreation - Kidsport grant	11,597	7,000	(18,597)	0	0	0	0
Building Digital Skills grant	0	0	0	0	5,000	0	5,000
Transport							
Bridge grant	500,000	0	(500,000)	0	0	0	0
Royalties for Regions grant for Main Street project	5,290,000	0	0	5,290,000	0	0	5,290,000
Friends of the Cape to Cape Track - Boardwalk	20,000	0	(20,000)	0	0	0	0
Friends of the Southwest Communities - Winter Diversion Trail	9,091	0	0	9,091	0	0	9,091
Department of Education - Cowaramup Primary School carpark	0	60,830	0	60,830	0	(60,830)	0
Roads to Recovery - various roads	304,000	912,857	(1,083,874)	132,983	0	(132,983)	0
Total	6,726,097	3,583,321	(1,696,585)	8,612,833	196,549	(3,295,666)	5,513,716

Notes:

(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

(4) - For the closing balance at 30/6/18, the unspent balance of \$5,290,000 pertaining to the Royalties for Regions grant was held in the Margaret River CBD Redevelopment reserve and the unspent balance of \$500,000 pertaining to the Regional Venues Improvement Fund grant was transferred to the Margaret River CBD Redevelopment reserve. The unspent balance of \$2,500,000 pertaining to the Royalties for Regions grant for the Cultural Centre redevelopment project was transferred to the Margaret River CBD Redevelopment reserve. The balance of unspent grants of \$322,833 is shown as restricted funds in Note 3.

(5) - For the closing balance at 30/6/19, the unspent balance of \$5,290,000 pertaining to the Royalties for Regions grant was held in the Margaret River CBD Redevelopment reserve. The balance of unspent grants of \$223,716 is shown as restricted funds in Note 3.

SHIRE OF AUGUSTA MARGARET RIVER
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 FOR THE YEAR ENDED 30TH JUNE 2019

21. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19 Actual Rateable Value \$	2018/19 Actual Rate Revenue \$	2018/19 Actual Interim Rates \$	2018/19 Actual Back Rates \$	2018/19 Actual Total Revenue \$	2018/19 Budget Rate Revenue \$	2018/19 Budget Interim Rate \$	2018/19 Budget Back Rate \$	2018/19 Budget Total Revenue \$	2017/18 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
Residential GRV	0.104957	4,892	81,652,710	8,572,629	38,625	(654)	8,610,600	8,499,378	150,000	20,000	8,669,378	7,643,964
Residential GRV Vacant	0.201062	279	3,552,570	714,287	50,496	9,240	774,023	720,427	0	0	720,427	816,928
Rural Residential GRV	0.100541	645	13,199,732	1,327,114	5,424	(585)	1,331,953	1,327,854	0	0	1,327,854	1,251,998
Rural Residential GRV Vacant	0.195707	150	1,731,450	338,857	8,343	206	347,406	340,589	0	0	340,589	321,976
Commercial, Industrial & Tourism	0.124319	1,086	39,046,223	4,854,187	32,278	50	4,886,515	4,828,987	0	0	4,828,987	4,436,149
Unimproved valuations												
UV Rural	0.004590	782	518,657,000	2,380,636	(5,031)	(6,868)	2,368,737	2,375,802	0	0	2,375,802	2,306,460
Rural Strate Titled Vineyard	0.004590	0	0	0	0	0	0	0	0	0	0	0
UV 1 (one non rural use)	0.005737	111	71,555,000	410,511	(657)	117	409,971	418,560	0	0	418,560	415,858
UV 2 (two non rural uses)	0.006885	22	13,358,000	91,970	0	0	91,970	91,433	0	0	91,433	105,654
UV 3 (over two non rural uses)	0.008032	16	13,431,000	107,878	0	0	107,878	107,878	0	0	107,878	104,735
UV Conservation	0.004486	71	59,109,000	265,163	6,810	(135)	271,838	267,608	0	0	267,608	258,016
Sub-Total		8,054	815,292,685	19,063,232	136,288	1,371	19,200,891	18,978,516	150,000	20,000	19,148,516	17,661,738
Minimum \$												
Gross rental valuations												
Residential GRV	1,302	393	4,132,569	511,686	0	0	511,686	514,290	0	0	514,290	1,065,552
Residential GRV Vacant	1,302	648	2,847,320	843,696	0	0	843,696	893,172	0	0	893,172	870,896
Rural Residential GRV	1,585	143	2,008,710	226,655	0	0	226,655	228,240	0	0	228,240	213,921
Rural Residential GRV Vacant	1,585	26	177,360	41,210	0	0	41,210	41,210	0	0	41,210	44,631
Commercial, Industrial & Tourism	1,399	203	1,572,843	283,997	0	0	283,997	285,396	0	0	285,396	323,204
Unimproved valuations												
UV Rural	1,461	155	35,810,570	226,455	0	0	226,455	230,838	0	0	230,838	248,150
Rural Strate Titled Vineyard	858	37	2,700,000	31,746	0	0	31,746	31,746	0	0	31,746	30,821
UV 1 (one non rural use)	1,461	6	1,218,000	8,766	0	0	8,766	8,766	0	0	8,766	9,926
UV 2 (two non rural uses)	1,461	0	0	0	0	0	0	0	0	0	0	0
UV 3 (over two non rural uses)	1,461	0	0	0	0	0	0	0	0	0	0	0
UV Conservation	1,406	15	3,764,000	21,090	0	0	21,090	21,090	0	0	21,090	20,475
Sub-Total		1,626	54,231,372	2,195,301	0	0	2,195,301	2,254,748	0	0	2,254,748	2,827,576
		9,680	869,524,057	21,258,533	136,288	1,371	21,396,192	21,233,264	150,000	20,000	21,403,264	20,489,314
Discounts/concessions (refer Note 21(c))							(2,604)				(2,604)	(2,528)
Total amount raised from general rate							21,393,588				21,400,660	20,486,786
Rates paid in advance							36,794				0	35,666
Totals							21,430,382				21,400,660	20,522,452

SIGNIFICANT ACCOUNTING POLICIES

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

21. RATING INFORMATION (Continued)

(b) Service Charges

Service Charges	Amount of Charge	2018/19 Actual Revenue Raised	2018/19 Actual Charges Applied to Costs	2018/19 Actual Charges Set Aside to Reserve	2018/19 Actual Reserve Applied to Costs	2018/19 Budget Revenue	2018/19 Budget Charges Applied to Costs	2018/19 Budget Charges Set Aside to Reserve	2018/19 Budget Reserve Applied to Costs	2017/18 Total Actual Revenue
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cowaramup Underground Power	333	4,000	4,000	0	0	4,333	4,333	0	0	4,333
		4,000	4,000	0	0	4,333	4,333	0	0	4,333

Nature of the Service Charge	Objects of the Charge	Reasons for the Charge	Area/Properties Charge Imposed
Cowaramup Underground Power	Properties in the defined area are charged an equal annual amount for 10 years from 2011-12.	To recover the cost of the service from the rateable properties benefiting from the improved service.	12 rateable properties located on Bussell Hwy between Peake Street and 30 metres south of Bottrill Street

(c) Discounts, Incentives, Concessions, & Write-offs

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2019 Actual	2019 Budget	2018 Actual
		%	\$	\$	\$	\$
Residential rate	Concession	100.00%	0	2,604	2,604	2,528
				2,604	2,604	2,528

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
Residential rate	A full concession of the minimum payment for residential properties is provided for 2 properties owned by the Riverslea Community Group and Brookfield Estate Pty Ltd and used as the location of satellite facilities for providing television broadcasting services.	To acknowledge the role these properties play in providing services to the community.	To ensure the community is not disadvantaged by not being able to receive television services.

21. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	14 Sep 2018	0.00	0.00%	11.00%
Option Two				
First instalment	14 Sep 2018	0.00	5.50%	11.00%
Second instalment	16 Nov 2018	8.00	5.50%	11.00%
Third instalment	18 Jan 2019	8.00	5.50%	11.00%
Fourth instalment	22 Mar 2019	8.00	5.50%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	121,092	90,000	110,402
Interest on instalment plan	149,340	130,000	138,163
Charges on instalment plan	88,488	80,000	80,598
Pensioner Deferred Interest	1,166	1,000	858
ESL Penalty Interest	4,636	2,000	4,026
	364,722	303,000	334,047

22. RATE SETTING STATEMENT INFORMATION

		2018/19 Budget	2018/19
		(30 June 2019)	(1 July 2018)
		Carried Forward)	Brought 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	11(a)	(76,174)	(47,536)
Less: Fair value adjustments to financial assets		(87,586)	0
Movement in pensioner deferred rates (non-current)		(2,195)	(5,295)
Movement in employee benefit provisions (non-current)		(133,322)	(24,592)
Add: Loss on disposal of assets	11(a)	1,421,682	1,598,134
Add: Assets written off	9(a)	44,794	0
Add: Loss on revaluation of fixed assets	10(a)	0	1,854,317
Add: (Gain)/Loss on revaluation of land held for resale		0	61,000
Add: Depreciation on assets	11(d)	9,379,885	9,114,195
Add: Loss on sale of land held for resale	6	3,182	0
Add: Loss on valuation of land held for resale	6	1,818	0
Non cash amounts excluded from operating activities		10,552,084	12,550,223
(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 - restricted cash	3	(25,969,301)	(28,029,962)
Less: - Loans receivable - clubs/institutions	8(a)	(19,615)	(12,655)
Less: Land held for resale		(131,818)	(525,000)
Add: Borrowings	14(a)	924,549	853,729
Add: Leave component backed by cash reserve		413,052	404,880
Add: Leave component not required to be funded		1,247,960	1,256,132
Total adjustments to net current assets		(23,535,173)	(26,052,876)
Net current assets used in the Rate Setting Statement			
Total current assets		34,191,673	37,182,951
Less: Total current liabilities		(6,852,335)	(5,875,599)
Less: Total adjustments to net current assets		(23,535,173)	(26,052,876)
Net current assets used in the Rate Setting Statement		3,804,165	5,254,476

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
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
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	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

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

(a) Interest rate risk

Cash and cash equivalents

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

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents 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
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents	1.45%	11,337,056	0	11,320,556	16,500
Financial assets at amortised cost - term deposits	2.46%	20,500,000	20,500,000	0	0
2018					
Cash and cash equivalents	1.45%	9,242,729	0	9,225,239	17,490
Financial assets at amortised cost	2.16%	25,000,000	25,000,000	0	0

Sensitivity

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

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	113,371	92,427

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 14(b).

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade 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 Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

The Shire 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 2018 or 1 July 2019 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 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. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	164,861	416,176	141,624	134,201	856,862
Loss allowance	0	0	0	0	0

01 July 2018					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	127,667	418,019	110,743	113,282	769,711
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 following a detailed analysis by management.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	477,447	19,711	3,772	13,708	514,638
Loss allowance	0	0	0	0	0

01 July 2018					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	613,298	120,819	2,495	5,221	741,833
Loss allowance	0	0	0	0	0

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 14(e).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2019					
Payables	3,770,563	0	0	3,770,563	3,770,563
Borrowings	1,274,076	4,276,311	6,516,134	12,066,521	9,396,545
	5,044,639	4,276,311	6,516,134	15,837,084	13,167,108
2018					
Payables	3,267,157	0	0	3,267,157	3,267,157
Borrowings	1,300,753	4,592,941	7,005,603	12,899,297	9,750,507
	4,567,910	4,592,941	7,005,603	16,166,454	13,017,664

24. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2018	Amounts Received	Amounts Paid	Reclassification to Restricted Cash	30 June 2019
	\$	\$	\$	\$	\$
Unclaimed Monies	2,486	172	0	0	2,658
BCITF Levy	4,705	54,348	(55,334)	0	3,719
DPI Licencing	58,100	2,697,750	(2,696,686)	0	59,164
BRB Levy	16,122	124,128	(128,424)	0	11,826
ESL Levy	(1,063)	940,069	(941,341)	0	(2,335)
Community Arts Events	3,308	0	0	0	3,308
TRANSWA Agency	389	7,814	(8,203)	0	0
Public Open Space	138,274	0	0	0	138,274
Unspent Grants	26,450	0	0	0	26,450
Bonds	1,152,496	206,480	(718,744)	(640,232)	0
	1,401,267	4,030,761	(4,548,732)	(640,232)	243,064

25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Shire applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in accumulated surplus/(deficit).

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	Adjustments	01 July 2018
		\$
Assets		
Trade receivables	(a),(b)	0
Loans and advances	(a)	0
Total Assets		0
Total adjustments on Equity		
Accumulated surplus/(deficit)	(a),(b)	0
		0

The nature of these adjustments are described below:

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Shire's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Shire's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

The classification and measurement requirements of AASB 9 did not have a significant impact on the Shire. The following are the changes in the classification of the Shire's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The Shire did not designate any financial assets as at fair value through profit and loss.

In summary, upon the adoption of AASB 9, the Shire had the following required (or elected) reclassifications as at 1 July 2018:

AASB 139 category	AASB 139 value	AASB 9 category amortised cost	Fair value through OCI	Fair value through P/L
	\$	\$	\$	\$
Loans and receivables				
Trade receivables*	1,831,364	1,831,364	0	0
Loans and advances	62,761	62,761	0	0
	<u>1,894,125</u>	<u>1,894,125</u>	<u>0</u>	<u>0</u>

* The change in carrying amount is a result of additional impairment allowance. See the discussion on impairment below.

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, the Shire has not recognised an impairment on the Shire's Trade receivables.

26. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

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

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*.

These standards are applicable to future reporting periods and have not yet been adopted.

(a) Revenue from Contracts with Customers

The Shire will adopt AASB 15 *Revenue from Contracts with Customers* (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments are expected to be made to the amounts recognised in the balance sheet at the date of initial application (1 July 2019):

	AASB 118 carrying amount		AASB 15 carrying amount
Note	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Contract liabilities - current			
Unspent grants, contributions and reimbursements	0	5,513,716	5,513,716
Contract liabilities non-current			
Developer contributions	0	1,306,016	1,306,016
Cash in lieu of parking	0	181,390	181,390
Adjustment to retained surplus from adoption of AASB 15	26(d)	(7,001,122)	

(b) Leases

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. In applying the AASB 16 under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

On adoption of AASB 16, the Shire will recognise lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. On adoption of AASB 16, the Shire will recognise a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is to be measured as if 'AASB 16 had been applied since its commencement date by the carrying amount but discounted using the lessee's incremental borrowing rate as on 1 July 2019. The Shire has completed a detailed analysis and concluded that the impact will not be material.

On adoption of AASB 16 *Leases* (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.

- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

26. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (Continued)

(c) Income For Not-For-Profit Entities

The Shire will adopt AASB 1058 *Income for Not-for-Profit Entities* (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes will occur to the following financial statement line items by application of AASB 1058 as compared to AASB 1004 Contributions before the change:

		AASB 1004 carrying amount		AASB 1058 carrying amount
	Note	30 June 2019	Reclassification	01 July 2019
		\$	\$	\$
Trade and other payables		3,770,563	36,794	3,807,357
Adjustment to retained surplus from adoption of AASB 1058	26(d)		(36,794)	

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates will be recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurs the financial liability will be extinguished and the Shire will recognise income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

Volunteer Services will not be recognised in revenue and expenditure as the fair value of the services can't be reliably estimated.

(d) Impact of changes to Retained Surplus

The impact on the Shire of the changes as at 1 July 2019 is as follows:

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019			205,801,614
Adjustment to retained surplus from adoption of AASB 15	26(a)	(7,001,122)	
Adjustment to retained surplus from adoption of AASB 1058	26(c)	(36,794)	(7,037,916)
Retained surplus - 01 July 2019			198,763,698

27. 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 regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

28. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE	
To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific Council services.
GENERAL PURPOSE FUNDING	
To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	
To provide services to help ensure a safer and environmentally conscious community	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH	
To provide an operational framework for environmental and community health	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
EDUCATION AND WELFARE	
To provide services to disadvantaged persons the elderly, children and youth.	Care of families and children, contributions to education and other welfare.
HOUSING	
To provide rental and staff housing.	Provision of staff and rental housing. However, the Shire has no housing of this nature.
COMMUNITY AMENITIES	
To provide services required by the community.	Rubbish collection and disposal services, recycling, septic tank inspection services, environmental protection initiatives, administration of town planning and regional development services and the operation of other community amenities.
RECREATION AND CULTURE	
To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.	Provision and maintenance of public halls, civic centres, aquatic centres, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens, reserves and playgrounds. Operation and support of libraries, museum and other cultural facilities.
TRANSPORT	
To promote safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting, etc.
ECONOMIC SERVICES	
To help promote the shire and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of caravan parks and camping ground. Provision of rural services including weed control, vermin control and standpipes.
OTHER PROPERTY AND SERVICES	
To monitor and control the Shire's overhead operating accounts.	Plant repair and operation costs and engineering operation costs.

29. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	1.22	1.37	1.34
Asset consumption ratio	0.78	0.99	0.97
Asset renewal funding ratio	1.17	1.21	1.36
Asset sustainability ratio	0.88	0.88	0.81
Debt service cover ratio	5.44	5.64	8.11
Operating surplus ratio	(0.07)	(0.12)	(0.01)
Own source revenue coverage ratio	0.86	0.88	0.89

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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF AUGUSTA MARGARET RIVER

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the accompanying financial report of the Shire of Augusta Margaret River (the Shire), which comprises the Statement of Financial Position as at 30 June 2019, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and the Rate Setting Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Chief Executive Officer.

In our opinion, the financial report of the Shire of Augusta Margaret River:

- a) is based on proper accounts and reports; and
- b) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2019 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

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Shire in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation

We draw attention to Note 1 to the financial report, which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. Our opinion is not modified in respect of this matter.

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 annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE COUNCILLORS OF
THE SHIRE OF AUGUSTA MARGARET RIVER (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives of the 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 our 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.

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE COUNCILLORS OF
THE SHIRE OF AUGUSTA MARGARET RIVER (CONTINUED)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) In our opinion, there is a significant adverse trend in the financial position of the Shire as the Operating Surplus Ratio has been below the DLGSCI standard for the past 3 years.
- b) All required information and explanations were obtained by us.
- c) All audit procedures were satisfactorily completed in conducting our audit.
- d) In our opinion, the asset consumption ratio and the asset renewal ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

MATTERS RELATING TO THE ELECTRONIC PUBLICATION OF THE AUDITED FINANCIAL REPORT

This auditor's report relates to the annual financial report of the Shire of Augusta Margaret River for the year ended 30 June 2019 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.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI
PARTNER

Date: 11 October 2019
Perth, WA



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