



Annual Report

2019-20



Natural | Connected | Prosperous



Boodja – Land, Country, Mother Earth – is our most important resource. No matter what culture or religion – all of us rely on Nala Boodja, Our Country.

Acknowledgement of Country

“Kaya, Nala Maat Kaya Noonduk (Hello, Our Family Welcomes You) to Wadandi Boodja (Saltwater People’s Country) – we all come together on Boodja (Country). Whilst on Wadandi Boodja we ask that you respect the land by walking softly and take the time to listen to Boodja as she Wongi (Talks).

We respect the presence of the Demmala Goomala (Ancestors) whose Djanga (Spirits) reside on Boodja and whose djenna (feet) walk the land and whose Djanga Korda (heart spirit) flows through all creation.

Wooditup (Margaret River) is the heart of Wadandi Boodja (country), a meeting place between land and sea, connecting us all with Wadandi Boodja.

The Wadandi Boodja (Motherland) reaches from Bunbury, along the coast of Geographe Bay, extending to Yallingup (Place of Holes) to Talinup, Augusta (Place of Reeds) inland to Nannup (The Stopping Place), taking in the region of Undalup (Busselton) The Wadan Boodja (Sea Country) is of

great spiritual significance to the coastal Wadandi people.

Boodja – Land, Country, Mother Earth – is our most important resource. No matter what culture or religion – all of us rely on Nala Boodja, Our Country.


It is up to all of us to listen to the land, understand the connection to Country that we all have and realise how urgent it is to work together to make better decisions on how we can create that balance, ensuring sustainability for the generations to come, in order to protect and preserve the beauty of Boodja.

Whilst living, travelling, visiting and holidaying on Wadandi Boodja (Saltwater People’s Country) we ask that you respect the area and walk softly on the country, taking the time to listen to Boodja (Country) as she Wongi (Talks) of the Season, and leave nothing but footprints”.

Wadandi Traditional Cultural Custodian
Wayne “Wonitji” Webb.

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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*

Purpose of this document

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 2019-20 financial year to achieve our shared community vision for the future.

In accordance with the Local Government Act 1995 and Local Government (Administration) Regulations 1996, this document:

- Outlines progress towards the achievement of four-yearly Council priorities
- Notes any significant changes applied to the Strategic Community Plan or Corporate Business Plan
- Contains information on payments to employees, and
- Is endorsed by Council at the general electors meeting.



Executive message

The Shire of Augusta Margaret River is home to diverse landscapes and communities across the region, with each townsite having its own distinct character.

We are proud to deliver a broad range of services and support to our community, along with a suite of strategic projects each year which improve the Shire's response to emerging needs in the community. We are pleased to present this Annual Report, which details the Shire's overall performance over the 2019-20 financial year.

The organisation has achieved total progress of 97.33% against the targets set in the Corporate Plan 2019-23, with a total of 219 out of 225 strategic actions completed.

COVID-19

The COVID-19 pandemic significantly impacted our community in a variety of ways over the last six months and the Shire has been working closely with the community to manage the pressures created by the loss of jobs and downturn in the tourism industry. We have seen resilience, courage and innovation in our community during these unprecedented times and note that travel restrictions have particularly impacted our community, with the Margaret River region identified as being the 25th local government area most dependent on tourism out of 547 local governments (Source: economy.id.com.au/augusta-margaret-river). This is also evidenced in the Shire ranking 5th in Australia for the percentage of businesses enrolling for the Federal Government's JobKeeper program (Source: <https://taylorfry.com.au/articles/where-are-the-businesses-most-reliant-on-jobkeeper>).

In the wake of the pandemic, Council endorsed the provision of a \$2 million dollar COVID-19 Community Care Package in March 2020 (OM2020/44). This enabled a mix of funding and in-kind support, with \$406,000 of grants committed to 12 community projects over the last two quarters of 2019-20. The package has now been reshaped for 2020-21 to focus on building longer term community resilience, economic stimulus and financial hardship (read more at amrshire.wa.gov.au).

The pandemic also impacted a number of Shire services and facilities which resulted in the temporary redeployment of some staff, development of alternate service models in multiple areas and the establishment of a dedicated Recovery Team to manage the Shire's response. Shire staff working across Environmental Health Services, Ranger Services, Community Planning and Development and Public Relations were particularly focused on the Shire's pandemic response, and many areas of core Shire business were operating under strict government restrictions. As Western Australia moves towards the further lifting of restrictions, the Shire continues to monitor public safety and respond to directives and advice from the Western Australian Department of Health.

Margaret River Main Street Makeover

Construction work on the Margaret River main street commenced in February 2020, with this major transformational project a critical focus for the Shire over the whole financial year. Milestones achieved during the year include finalising the detailed designs, completing the tender process, securing funds for the final stage of the project and the successful completion of stage 1. Throughout the development and implementation of the project, Shire staff continued a program of extensive engagement with a wide range of local businesses and main street traders. A number of activation strategies were developed in consultation with traders to encourage more people coming into town, with initiatives like the "Local Is More" campaign launched in the year. Read more on page 21.

Shire communications

Improving the way we share information with the community has had a special focus over the last year. We recognised the Shire needed to tell its own stories more effectively and in a more timely manner, so we established more contemporary channels such as Facebook to engage with people quickly and succinctly. This has proven very popular and gives the Shire a far greater reach when putting key messages and information out into the community.



Cr Ian Earl
Shire President



Stephanie Addison-Brown
Shire CEO

Launch of HEART

Following its redevelopment in 2018-19, Council made the decision to take on management of the new HEART facility in August 2019 (OM2019/159). This became a new business area for the Shire, with the first few months focused on completing construction and opening the building to the public; recruiting a local team, developing venue procedures and hosting a range of events and functions. The new General Manager was appointed in February 2020, which then enabled dedicated promotions and strategies for business development, including business event attraction. The first art exhibition in the new facility also took place in February 2020. The team established a new annual arts and community funding program and recruited an exceptional group of volunteers, who are passionate about the arts and who support the events being held in the facility. The COVID-19 pandemic had an immediate impact on the HEART, but over time the venue has been able to host multiple events and exhibitions in alignment with government restrictions, as well as launching an exciting new cinema program. Read more on page 77.

Local Planning Strategy and Scheme Review

The Local Planning Strategy and Scheme details the rules for town planning and development in our local government area and is required to be reviewed every 10 years. A major review has been underway over the last year, involving detailed analysis and extensive community consultation. This included a series of dedicated community engagement sessions which delivered feedback across six planning themes. Following close consultation with the Western Australian Planning Commission, the Shire has now published its reviewed draft for the final stage of community consultation in 2020-21. Read more on page 48.

3-Bin FOGO Waste Services

The Shire's three bin FOGO (Food Organics and Garden Organics) waste service commenced in July 2019, delivering a brand-new service model designed to significantly improve sustainability practices across our community.

Data shows this new kerbside collection service has halved the amount of waste shire residents are sending to landfill, with an average of 358 tonnes of waste now being diverted from landfill each month. This is a huge improvement from the 22% of diverted waste in the same period the year before, under the two-bin system. Read more on page 43.

Community Perception Survey

The local government sector is encouraged to conduct regular independent surveys which gauge the community's satisfaction and understanding of its services. The most recent survey was completed in November 2019 by Catalyse on behalf of the Shire. Completed by 676 respondents, the results show high levels of satisfaction for services in the areas of library services, sports and recreation, youth services, events, cultural activities, environment, as well as the health, wellbeing and liveability of the shire. The survey also tells us that people are wanting to better understand how their money is being spent on a number of services including roads, footpaths, waste services, domestic and feral animal control, and in community spaces like parks and playgrounds. Since these results we have been working on priority areas to see how we can be better connected and easy to engage across all of our diverse town sites in order to provide more balanced and sustainable outcomes. The full survey report is available on the Shire's website under 'publications'. Read more on page 61.

Climate Action

The Shire has continued to deliver strategic action this year to support the community in mitigating and adapting to climate change. Development of a climate action plan progressed this year through close collaboration with community. Council also endorsed support for the Margaret River climate strike (OM2019/184) and declared a climate emergency in December 2019 (OM2019/255). Read more on page 26.

Future focus

Through our Corporate Business Plan 2020-24, we refined our four year focus to be: an easy to engage with organisation, with a focus on fostering a place-based engagement approach. Read more about our focus for next year from page 76.

The Shire made the decision not to increase rates in 2020-21 and the annual budget was carefully prepared to ensure provision for a wide range of services and facilities benefitting the community and its many visitors. These include:

- \$21.6 million allocated for capital works projects this financial year including roads, pathways, trails and community buildings
- \$40.1 million operating expenditure this financial year to deliver 74 local services including waste management, land care, libraries, animal control, recreation services, streetscapes and playgrounds
- \$1.7 million reserve provided to the COVID-19 Community Care Package Economic Stimulus and Community Resilience Grant Funding Programs.



Cr Ian Earl
Shire President



Stephanie Addison-Brown
Chief Executive Officer

Community Strategic Plan

One community, diverse places,
easy to engage with

	Key result area 1: Valuing, protecting and enhancing the natural environment	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.
	Key result area 2: Welcoming, inclusive and healthy communities	Strong communities are welcoming and 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.
	Key result area 3: Ensuring sustainable development	The community's environmental, cultural and social values are maintained to ensure vibrant, sustainable townships which maintain their distinctive country character within a healthy, managed environment.
	Key result area 4: Vibrant and diverse economy	The Shire community is resilient and independent, based on self-sufficiency in food, energy and services. The economic development framework is built upon natural environment, tourism, viticulture, agriculture and rural and retail sectors that provide a sustainable range of business and job opportunities
	Key result area 5: Effective leadership and governance	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.

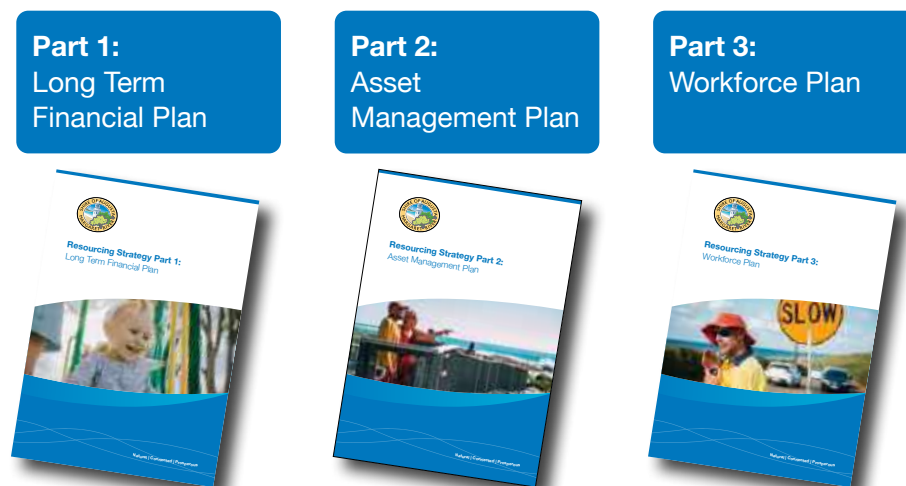
To read the full Community Strategic Plan please visit amrshire.wa.gov.au

How the documents link



Informing Strategy 10 years

The Informing Strategy is used to test and inform the long-term aspirations of the Community Strategic Plan and to guide the deliverables which can be achieved in the Corporate Plan and Operational Plan.



Council

Our Shire Council is represented by seven people, elected by the community for a four year term, with elections held every two years.

Council is currently elected under a “No Wards” system which means one electoral ward covers the whole shire rather than a number of smaller wards, and all seven Councillors are elected by voters in one shire wide ward. A review of the ward system is required by law every eight years, with the shire’s last ward review completed in 2017.

Councillors represent the community’s interests, provide leadership, facilitate communication between the Council and community, establish policy, and participate in the decision making process.

These decisions are made at Council Meetings or Committee of Council Meetings. Ordinary meetings of the Council are generally held every second and fourth Wednesday of the month usually commencing at 5.30pm. Meetings are held at the Civic Administration Centre in Margaret River and Augusta. Council Agendas and Minutes are published and are available on the Shire website for public viewing at amrshire.wa.gov.au



Shire President
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Cr Julia Meldrum

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Cr Naomi Godden

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Cr Kylie Kennaugh

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Cr Paula Cristoffanini

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Cr Brian Daniel

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Meeting attendance

A total of 19 Ordinary Meetings of Council (OCM) were held over 2019-20 on the second and fourth Wednesdays of each month (with the exception of school holidays) and all were open to the public. 16 of these meetings were held in Margaret River and three meetings in Augusta. 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.

Three special meetings were held in 2019-20. Members of the public attending all public meetings are allocated time at the start to ask questions of Council or to make a deputation on an agenda item for that meeting. 29 deputations were made over all meetings. Agendas were published 11 days prior to the meeting and made available for public viewing on the Shire website amrshire.wa.gov.au.

19
OCMs

29
Deputations

3
Special
meetings

3
Committees
of Council

10
External
committees

3
Reference
Groups

Meeting Attendance

Meeting	Elected member	Cr Earl	Cr McLeod	Cr Meldrum	Cr Godden	Cr Kennaugh	Cr Cristoffanini	Cr Danie
Ordinary Council Meeting	All	18/18	18/18	18/18	18/18	14/14	14/14	14/14
Special Council Meeting/s	All Topics: CEO Commencement, Shire President and Deputy Shire President elections, COVID-19 response	3/3	3/3	3/3	3/3	2/2	2/2	2/2
General Electors Meeting	All Topic: Annual Report and Financial Report 2018-19	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Audit and Risk Management Committee	Cr Ian Earl Cr Brian Daniel Cr Paula Cristoffanini Cr Kylie Kennaugh Cr Julia Meldrum (Deputy)	3/3	N/A	N/A	N/A	3/3	3/3	3/3
Bush Fire Advisory Committee	Cr Brian Daniel Cr Julia Meldrum Cr Ian Earl (Deputy)	4/4	N/A	1/4	N/A	N/A	N/A	3/4
CapeROC (voluntary governance structure between the Shire of Augusta Margaret River and City of Busselton)	Cr Ian Earl Cr Paula Cristoffanini Cr Kylie Kennaugh Cr Brian Daniel (Deputy)	3/3	N/A	N/A	1/1	2/3	3/3	N/A
Local Emergency Management Committee	Cr Ian Earl Cr Paula Cristoffanini (Deputy)	3/4	N/A	N/A	N/A	N/A	2/4	N/A
Augusta Margaret River Sport and Recreation Reference Group	Cr Brian Daniel Cr Kylie Kennaugh Cr Pauline McLeod (Deputy)	1/2	N/A	0/2	N/A	3/3	N/A	2/3
Sustainability Reference Group	Cr Paula Cristoffanini Cr Naomi Godden Cr Pauline McLeod (Deputy)	N/A	0/3	N/A	3/3	N/A	3/3	N/A
Sustainable Economy Reference Group	Cr Brian Daniel Cr Pauline McLeod Cr Kylie Kennaugh (Deputy)	1/1 (First meeting only)	2/2	N/A	N/A	N/A	N/A	1/1 (Second meeting only)



External Committees

Committee	Cr Representative
Augusta Margaret River Industry Leaders Group	Cr Ian Earl Cr Pauline McLeod (Deputy)
Giant Light Steps Working Group	Cr Julia Meldrum Cr Pauline McLeod (Deputy)
Housing Advocacy Project Steering Committee	Cr Pauline McLeod Cr Paula Cristoffanini (Deputy)
Lower Blackwood Land Conservation District Committee	Cr Julia Meldrum Cr Pauline McLeod (Deputy)
Margaret River Walk and Off-Road Cycling Trails Strategy & Margaret River Precinct Plan Community Reference Group	Cr Naomi Godden Cr Kylie Kennaugh Cr Brian Daniel (Deputy)
Response Recovery Resilience Augusta Margaret River Working Group	Cr Naomi Godden Cr Julia Meldrum (Deputy)
Sustainable Economic Study Scott River Project Control Group	Cr Pauline McLeod Cr Paula Cristoffanini (Deputy)
South West Regional Road Group	Cr Brian Daniel Cr Paula Cristoffanini (Deputy)
South West Joint Development Assessment Panel	Cr Ian Earl Cr Kylie Kennaugh Cr Paula Cristoffanini (alternate nominee) Cr Naomi Godden (alternate nominee)
WALGA Zone Committee	Cr Ian Earl Cr Pauline McLeod (Deputy)

Shire administration

Each local government employs a Chief Executive Officer (CEO) to employ and manage staff, to provide advice to the Council and administer the day to day operations of the local government. The CEO is appointed by Council and is the conduit between the elected members of Council and the local government staff. All staff receive their direction from and are responsible to the CEO.

The CEO has two directorates which oversee the functions of the local government: Corporate and Community Services, and Sustainable Development and Infrastructure Services.



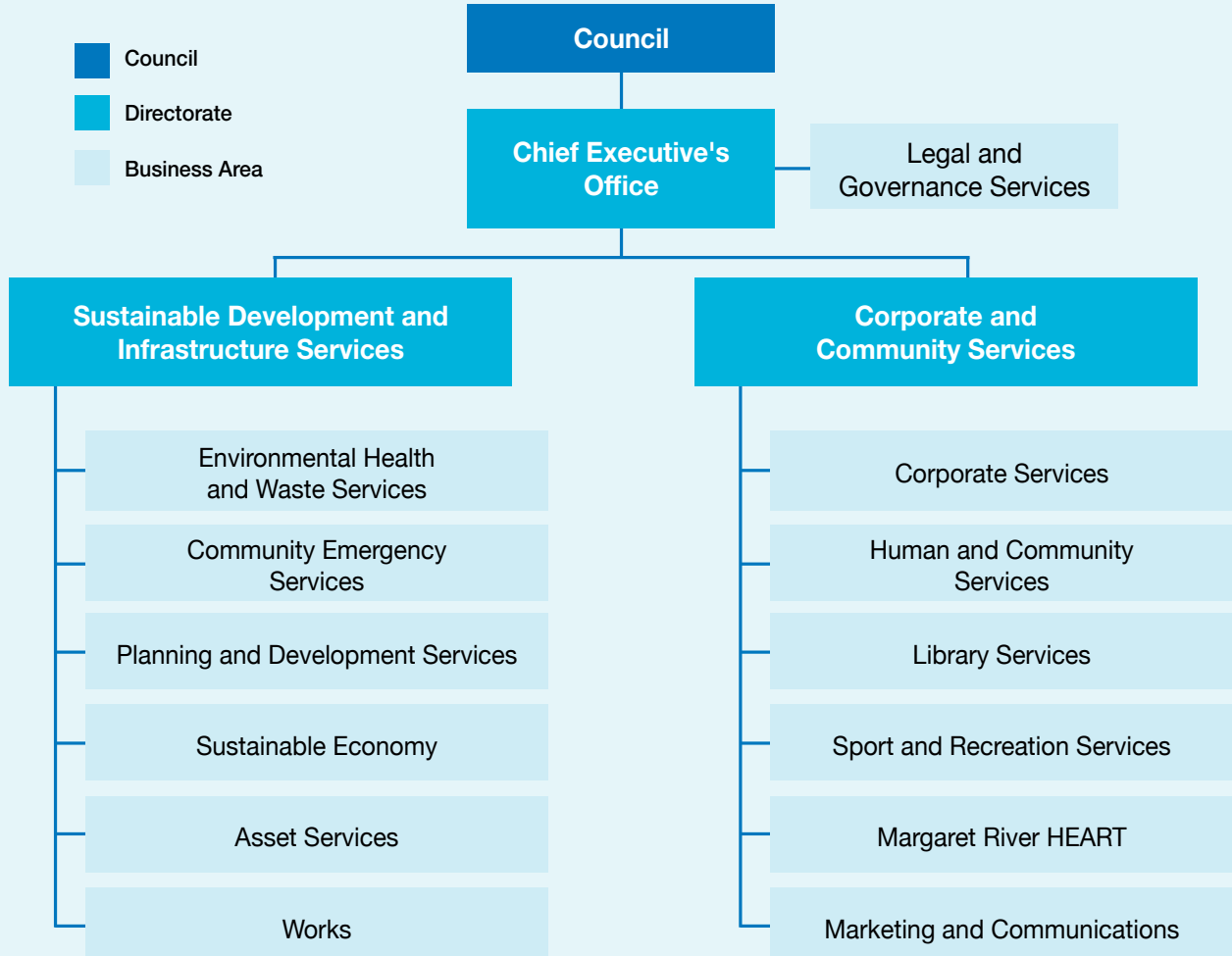
Nick Logan
Director Sustainable Development
and Infrastructure Services



Stephanie Addison-Brown
CEO



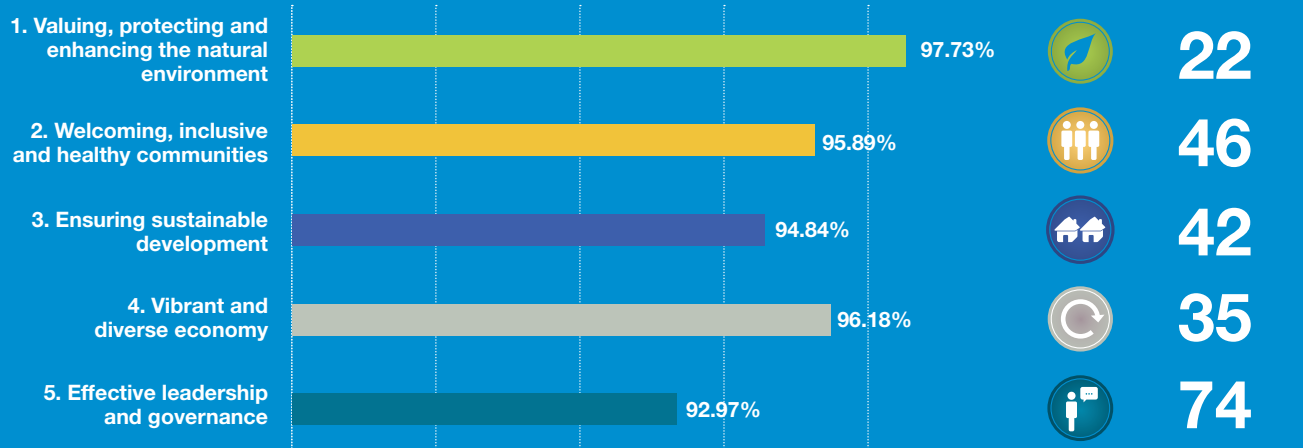
James Shepherd
Director Community
and Corporate Services



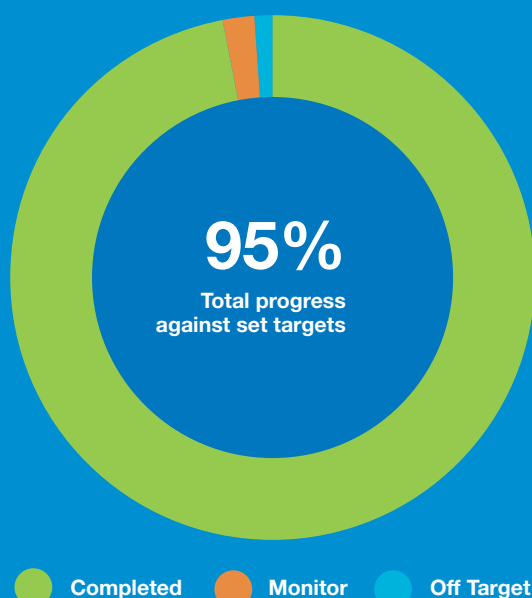
Year in review

The organisation has achieved total progress of 95.52% against the targets set in the Corporate Plan for 2019-20, with a total of 219 out of 225 strategic actions completed.

Progress against targets



Project delivery



\$406,000

worth of community initiatives funding committed in response to the **COVID-19** pandemic



\$22,236,881

total rates income



\$18,609,914

grants received



\$187,000

worth of projects implemented through the **Environmental Management Fund**



\$25,169,132

Shire capital projects

2019-20 Snapshot

Augusta Margaret River Shire Resident Population: 15,700* (2018 ERP)

7,134* Margaret River	1,198* Augusta	1,648* Cowaramup	153* Witchcliffe	116* Gracetown	728* Prevelly Gnarabup	63* Karridale Kudardup
Total area 2,123 square km	120km Coastline	3,678* families, 10 schools	Agriculture, Forestry and Fishing largest employer*	Volunteers 21%	2,009* businesses	Local jobs 7,349*

9,878 rateable properties

Our team take care of

189 community buildings

- 3 tourist parks
- 2 libraries
- 2 recreation centres
- 1 cultural centre (HEART)
- 29 playgrounds



Reserves, parks and playgrounds	3,750ha
Sealed roads	530km
Unsealed roads	394km
Pathways and trails	172km
Stormwater pipes	144km
Road bridges	22
Jetties and boat ramps	22

Environmental achievements

- 59%** of waste diverted from landfill
- 8,000** native plants planted
- 20kW** of solar panels installed
- over **\$1million** invested in landcare and sustainability

Buying local

- 70%** of procurement within the South West
- (**24%** locally within the shire)



- 98%** of the Main Street Makeover contractors are based in the South West

- (**46%** locally within the shire)

Our workforce administers **71** services



25 key projects delivered	1,498 works requests completed	89,247 visitors to the Recreation Centre
\$83.7 million worth of construction approved through building permits	41,057 pieces of incoming correspondence	132,565 items borrowed from the library
474 development applications approved	877 ranger requests actioned	5,328 hours of telephone correspondence

*Australian Bureau of Statistics 2016 Census, 2018 Estimated Resident Population supplied where available.
For more demographic information visit profile.id.com.au/augusta-margaret-river

Budget spend

The Shire's audited Annual Financial Report for 2019-20 shows a net result of a surplus of \$10,801,210 which is higher than the previous year's net result of a surplus of \$3,895,408.

The main reason for this increase is the recognition of the value of donated assets in non-operating grants. From a cash flow perspective, the Shire increased the amount of cash and cash equivalents at the end of the year by \$1,309,479 to \$12,646,535.

The Shire's Statement of Financial Position at 30 June 2020 shows net assets are similar to last year. A change to the Local Government (Financial Management) Regulations 1996 gazetted on 9 November 2020 required an accounting adjustment to remove the value of land vested in and under the control of Council. This reduced the value of the Shire's property, plant and equipment by over \$5 million. The Shire is responsible for the management

of net assets valued at over \$464 million. Of this total, over \$460 million represents the value of fixed or capital assets.

The Shire's closing financial position for the year of \$2,405,479 was an improvement on the budgeted breakeven position. However, this improvement is largely attributable to the number and value of projects being carried forward to the 2020-21 budget as well as the advance payment by the Federal Government of the 2020-21 Financial Assistance Grant.

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

Key Financial Indicator	2019-20	2018-19	2017-18	2016-17
Financial Health Indicator Score A measurement of a local government's overall financial health, calculated from the below seven financial ratios. An FHI result of 70 and above indicates sound financial health. The maximum result achievable is 100	Not yet available	71	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%	-16%	-8%	-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%	81%	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%	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	3.43	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%	91%	87%	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%	95%	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%	111%	117%	121%	136%

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



COVID-19 pandemic response

The Shire was required to temporarily close all of its face to face services in March 2020 due to the COVID-19 global pandemic.

The pandemic and its unknowns have required ongoing flexibility and innovation, to carefully manage the Shire workforce, operations and to ensure service continuity. By April 2020, the closures included all community playgrounds, skateparks and public barbeque areas.

Councillors were quick to endorse a specialised COVID-19 Community Care Package on 25 March 2020, which included two million dollars in recovery support, a zero percent rate increase in 2020-21 and free outside school hours care for critical health and support workers. As part of the package ratepayers could access new flexible payments options and all non-regulatory Shire fees and charges waived, including penalty interest charged on outstanding rates from 26 March 2020 to 30 June 2020 (SM2020/1, SM2020/2). The Shire was also active in regular communications supporting the state travel ban, to maintain regional resources and to support the appropriate use of beaches and other public spaces during Phase 1.

Shire service changes applied during the period included:

- Establishment of a dedicated Recovery Team to manage the Shire's response, bringing together staff from the Environmental Health, Sustainable Economy, Community Planning and Development and Communications teams
- Greater service demands managed across the Community Planning and Development, Environmental Health and Ranger service teams, who all faced greater demands as a result of the health and social crisis
- Recreation Centre and Customer Service staff redeployed to assist the Shire's Recovery team to make calls to vulnerable community members and connecting those in need with relevant support services
- The Shire's COVID-19 Community Care Package funding service which included providing support to community members for the application and assessment process and linking up people interested in volunteering with community groups in need of additional volunteers.

- Library staff operating a click and collect 'takeaway library' service in Margaret River and Augusta
- Recreation Centre team providing full time and free childcare services to essential workers and delivering virtual fitness with online classes
- Close liaison with the Margaret River Community Centre and Augusta Community Resource Centre with Shire staff available as back-up to deliver critical community services.

The Shire was able to gradually reopen its facilities and services alongside the State Government's four-phase roadmap. This saw Customer Services reopening in late April 2020 in Phase 1. The Shire's halls, Holiday Parks and facets of the Margaret River Recreation Centre could then reopen in May 2020 under Phase 2. The Augusta customer services reopened in May 2020 due to cleaning requirements.

The State Government moved to Phase 3 in June 2020, where the Shire could reopen facilities and services across playgrounds, skateparks, public fitness equipment and public barbeques, as well as the reinstatement of face to face Council meetings. The Margaret River Recreation Centre increased capacity to 300 patrons, with a maximum of 100 persons in any one area with a new COVID-safety cleaning schedule. The Margaret River HEART and Library could hold maximum gatherings of 100 people.

Due to their smaller sizes, the Augusta Gym and Augusta Library were re-opened more gradually due to smaller facility sizes and more complex cleaning requirements.



Above: Margaret River HEART illuminated in yellow over April 2020 as a beacon of hope, positivity and connection during the COVID-19 crisis.

Community Care Response

The Shire announced \$2 million of reserve funds in March 2020, made available to form a COVID-19 Community Care Package designed to enable local community initiatives. Applications were open to businesses, community organisations and groups who had good ideas to support the wider community during the pandemic, with the first recipients announced in April 2020. The recipients included:

- Margaret River Community Centre and Just Home (\$113,000) – additional emergency relief and housing support
- Augusta Community Resource Centre (\$8,605) – virtual community engagement and training opportunities, upskilling and re-employment support
- Margaret River State Emergency Service (\$170) – a six-month Zoom license for online training and member engagement
- Margaret River Chamber of Commerce & Industry (\$128,695) – staged funding to enable free membership to local businesses within the Shire, along with a range of other initiatives designed to support local businesses over a three month period
- Lishman Health Foundation in partnership with Mindful Margaret River (\$41,850) – a free business mentoring and guidance service, designed to help local businesses with business planning or remodelling in response to the pandemic and to enable access to support services
- Margaret River Wine Association (\$25,000) – development and execution of a consolidated online marketing campaign aimed at generating sales, boosting local cashflow and increasing awareness of our local wines to new audiences
- Margaret River Farmers Market (\$20,000) – a click and collect service for a wide range of local food producers with limited options to sell their produce during the pandemic, aiming to increase access for people to buy local and support our regional agricultural sector (open to any local producers who fit within the Margaret River Farmers Market guidelines)
- Cowaramup Lions Club (\$3,680) – emergency relief food packages for international travellers stranded in the region, coordinated through generous volunteer efforts of local community member Katy Tarrant who conducted a thorough survey of immediate need throughout the area
- Swimming Women (\$2,615) – a free eight week guided community swimming program and access to online training and program information, to connect community members and support mental health and social cohesiveness.

In preparation for the 2020-21 budget, the Shire reshaped the remaining funding in COVID-19 Community Care Package to refocus on recovery efforts across the categories of community resilience, economic stimulus and financial hardship.

Wellness services for vulnerable people

During the pandemic the Shire focused on ensuring the community were well informed and had access to the support available through regular updates on the Shire website, social media channels and in the local newspaper. The Recovery team also distributed weekly e-newsletters to more than 240 local community groups, focused on maintaining social connection and embracing technology.

Aware there were still individuals who were not able to access this information, the Shire established a wellness service in April 2020. The objective was to ensure vulnerable community members could receive information and services required during the pandemic. The wellness service was

created by reallocating existing staff and training them in managing community calls and mental health support. Utilising Australian Bureau of Statistics (ABS) data, the team identified geographic areas within the shire that contained the highest proportion of vulnerable individuals; including lone person households aged over 65, people with no internet access at home, people with no motor vehicles and disengaged youth. Various Shire contact databases were utilised to create a broad contact list. Individuals could also be registered to receive a call via the Shire's webpage.

During this time over 1,000 calls were made to community members relating providing information like access to food, transport, waste, accommodation, library and recreation services and banking. These calls ensured that those who were unable to access information online were still able to be supported during the pandemic.



Priority project: Margaret River Main Street Makeover

The Margaret River Main Street Makeover is a major transformational project which has been several years in the making. It focuses on a major upgrade of storm water drainage to address flooding along the whole of the main street.

This means construction of the project has been weather dependent across all stages. The makeover involves \$8.6 million in state and local government funding, which will also deliver features like a designated cycle lane and a new festival precinct on Fearn Avenue.

Key features of the makeover include:

- An increased number of road crossing points from six to nine, to improve pedestrian safety and to meet current compliance standards
- Additional directional signage to direct traffic to parking options
- Larger ACROD accessible bays for people with mobility restrictions
- Safer intersections and improvements to traffic flow with the new roundabouts at Tunbridge Street, Wallcliffe Road and Bussell Highway intersections
- Improved bike parking, verge landscaping and larger tree protection zones to preserve the established trees
- Better drainage, pathway and road surfaces and new energy efficient LED street lighting;
- Flags on street poles that can be better utilised by community groups and event organisers to promote events, and
- Better bin systems including recycling and new outdoor seating.



Above: An aerial view of the Margaret River Main Street in July 2020

Project schedule

Following close consultation with Main Street traders over August 2019, Council resolved to revise the start date of construction with the intention to limit disruption to main street traders over the peak tourism period and also to allow time to refine the scheduling of the future staged construction. This approach ultimately helped to keep the main street open for business, while also making sure the construction made financial sense and could be implemented within existing budgets. Local construction company Busselton Civil and Plant (BCP) Pty Ltd was awarded the construction tender in December 2019, following a detailed tender process.

Completed works

Construction officially commenced in February 2020, where the new Wallcliffe Road roundabout and the portion of road from Higgins Street to Tunbridge Street was completed in May 2020 as Stage 1 of the project. The schedule was then fast tracked to occur immediately, with Stage 2 commencing in June 2020 in order to take advantage of the unplanned shutdown of the town as a result of the COVID-19 pandemic and the Federal and State government restrictions in place to manage the spread. Stage 2 delivers the new festival precinct on Fearn Avenue which includes an alfresco event space that can be temporarily closed off to traffic.

Work was also completed throughout the year to secure additional funding needed to complete Stage 3. This stage includes the civil, electrical and landscaping works for the remaining section of the Main Street known as the 'hill precinct' which is located just south of Fearn Avenue through to the new Wallcliffe Road roundabout.

*Local artists in front of the
completed public art mural in
July 2020*



Supporting local businesses

All throughout the year close consultation has occurred with local businesses and main street traders as a critical aspect of the project, particularly around the project plan and development of a supporting marketing campaign. The Main Street Makeover campaign was developed with a group of Main Street traders and the Margaret River Chamber of Commerce and Industry (MRCCI).

The purpose of the campaign has been to support residents, visitors and shoppers in accessing the town centre and also to understand the changes to come. The campaign has been supported with a range of marketing materials including information boards detailing features of the upgrade, parking maps for accommodation providers, temporary parking signage to direct people to peripheral parking spots, staging plan information and additional communications to help reduce potential disruptions.

Other engagement and placemaking initiatives have included:

- Regular community “Meet with Pete” project management meetings leading up to construction
- The Margaret River Memories project in June 2020, with artist collective group SPARK Creatives supported by a Shire grant to use historical stories and community memories of Margaret River and paint a storyline along the Main Street in an interactive piece of performance art, and
- A Shire commissioned public art mural which occurred over June and July 2020 with well-known artists Ian Mutch, Sandra Hill and Jack Bromell.

For up to date information about the project visit **mainstreetmakeover.com.au**

The project is supported by



Department of
Primary Industries and
Regional Development



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.

97.7%

Total progress against 22 projects in this area

100%

Shire compliance with aboriginal heritage legislation

0.5ha

vegetated foreshore buffers implemented by the Shire to support good river health

139.8ha

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

1,320+

Shire 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

Priority projects

The Environmental Management Fund

The Environmental Management Fund (EMF) is a funding stream endorsed by Council for projects which achieve local environmental and sustainability outcomes. The EMF is set annually at \$200,000, with \$100,000 to fund external projects and a further \$100,000 for Shire initiated projects.

The Shire opened applications in June 2019, with local community groups, organisations and individuals invited to apply to the EMF for projects that address:

1. Biodiversity protection – includes projects such as revegetation, strategic weed control
2. Waterway health – includes projects such as river or creek foreshore revegetation and projects that improve water quality
3. Coastal management and protection – includes projects such as strategic erosion and access control, revegetation and weed control, or
4. Environmental education and capacity building of the community – development of information materials and training.

Seven (7) grant applications were received, totalling \$117,887, some of which are multi-year projects for implementation. Shire officers worked with the Sustainability Advisory Reference Group to provide an evaluation of each project and this funding was endorsed by Council on 14 August 2019 (OM2019/144).

Projects approved in 2019-20 included:

- Zero Waste in Wooditjup: Margaret River Primary School \$4,246 (2019-20)
- Regenerative Agriculture in Practice – Adapting to a Changing Climate: Lower Blackwood Land Care District Council \$45,373 (2019-20)
- Feral Pig Control: Lower Blackwood Land Care District Council – \$11,569 (2019-20)
- Our Patch: Nature Conservation Margaret River – Year 1 (2019-20) \$13,571, Year 2 (2020-21) \$14,072, Year 3 (2021-22) \$14,571
- Western Ringtail Possum: Nature Conservation Margaret River – Year 1 (2019-20) \$14,829, Year 2 (2020-21) \$24,400, Year 3 (2021-22) \$24,650
- Environmental Volunteering: Nature Conservation Margaret River \$19,279 (2019-20).
- Funding for one of the applications was decided to be funded through the Shire's Sustainable Economy business unit. This was for Transition Margaret River to fund the "Make it Local" project at the value of \$9,170 over 2019-20.

Protection of the Margaret River


The Shire continued to work with local natural management group Nature Conservation Margaret River Region, Indigenous representatives and government agencies throughout 2019-20 on the Wooditjup Bilya (Margaret River) Protection Strategy. This document was carefully developed through a broad collaboration group and kicked off with a launch event in November 2019.

The collaboration group includes representation of an Aboriginal elder from 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, as well as the Shire.

The Strategy identifies a number of existing and proposed actions to improve water quality in the Margaret River. A key focus over 2019-20 has been development of a 12 month long water quality monitoring program and comprehensive extensive blackberry, arum lily and woody weed control programs.

This work commenced in April 2020, being delivered by Nature Conservation Margaret River Region.





Climate action has focused on engaging the whole Shire population to reduce carbon emissions.

Focused bushfire risk management

A five year mitigation burning program continued into its fourth year over 2019-20. Through this program the Shire guides and coordinates a tenure blind, multi-agency bushfire risk management program. Between July and October 2019 strategic firebreaks and hazard reduction burns were conducted by the Shire, Department of Fire and Emergency Services and the Department of Biodiversity Conservation and Attractions.

The team's work was halted in February 2020 when the COVID-19 pandemic required brigades to focus on the welfare and safety of all volunteers. Through this work the Shire's approach at all times is to build greater partnership with landcare objectives and with key state agencies to ensure flora and fauna protection through the process.

The Climate Action Plan

The Shire has been working with the Sustainability Advisory Reference Group over recent years to progress climate action in close collaboration with the local community. Following a successful climate mitigation summit held in May 2019, the group successfully drafted the Climate Action Plan (CAP) which was endorsed by Council for further community consultation on 11 December 2019 (OM2019/252). Councillors adopted the WALGA Declaration on Climate Change at the same meeting (OM2019/255), declaring a climate change emergency and also publicly declared their support for local community participation in the children-led global Strike 4 Climate on 20 September 2019, encouraging local workplaces, schools and neighbouring councils to allow their employees and pupils to participate (OM2019/184).

The purpose of the CAP is to bring agencies and community action together, to encourage a proactive whole of community response. The CAP incorporates the Shire's pre-existing Local Energy Action Plan that had been in place for over nine years. The Shire conducted a final round of community engagement on the draft plan over February 2020 which received 39 submissions of feedback.

The CAP identifies a wide range of actions to be undertaken by the Shire as an organisation, and actions to assist the community to mitigate climate change and reduce emissions to achieve carbon reduction targets. Examples include hosting the Living Smart and Low Impact Living programs, energy audits, carbon offsets and community education. The plan is expected to be finalised before the end of 2020, with more community engagement planned for 2020-21 to focus on climate adaptation.

The Shire's efforts in tackling climate change was acknowledged by the Climate Council at the Cities Power Partnership awards in Sydney on 29 August 2020. The Shire was one of four finalists in the Community Engagement Achievement award and the Shire's President Pam Townshend was runner up in the 'Ambassador of the Year' award. The Climate Action Summit has also recently been selected as an IAP2 Australasia Core Values Awards finalist for 2020.



Left: Community members listening to the cliff safety findings at Gnarabup in May 2020.

Key service results

Landcare and Environmental Services

Service highlights

The Shire's investment in environmental programs over 2019-20 has been close to \$400,000 which has delivered 40 dedicated landcare initiatives throughout the year. This has included community planting activities, stormwater education sessions with local primary schools and on ground works. These service results include:

- Operational support for 10 volunteer Friends of Groups who have conducted revegetation, weed control and other management work across more than 200 hectares of public land and delivering over 600 hours of labour over the year
- Approximately 10,000 plants planted directly by Shire or contractors, with the Shire supporting additional planting through project partners
- Consultation with Traditional Custodians regarding 23 different matters in 2019-20, resulting in four Aboriginal Regulation 10 Approvals sought and granted, and with zero Section 18's required
- Supporting the redeployment of recreation centre staff to undertake woody weed control during COVID-19 shutdown period.

Environmental targets 2019-20

A special focus for the team over the year has included:

- Weed control actions to protect the biodiversity values of Shire reserves and management plans for various Shire reserves
- Conversion of sediment basins into artificial wetlands in urban areas
- A draft foreshore plan developed for Alexandra Bridge Campground to ensure practical solutions to foreshore erosion, swimming, and boat use, though engagement with the local community
- Development of the draft Cowaramup Bay Coastal Management Plan (OM2019/166) and Council endorsement of the final plan on 27 November 2019 (OM2019/232).
- Launch of an Erosion and Sediment Local Law that allows the Shire to infringe people for releasing sediment into local waterways, and
- 0.5 ha of additional foreshore vegetation established.



Sustainability Services

Coastal hazard risk management

The Shire conducted further planning for the coastal walkway between Prevelly and Gnarabup and the Gnarabup Boat Ramp this year, due to ongoing coastal erosion. Shire wide erosion monitoring and the development of a coastal processes study for Flinders Bay was also completed this year.

Assessment of cliff safety at critical cliff sites along the Shire's coastline occurred in 2017-18, which was then followed by a further review of risk at six key sites in August 2019. This analysis resulted in development of an action plan to address these

safety concerns, which was endorsed by Council on 11 December 2019 (OM2019/251) for immediate implementation. This resulted in a temporary fence and signage immediately being installed at Riflebutts to caution community members of the risk of rockfall along the northern end of the beach, as well as further signage installed at Gnarabup and Surfers Point.

There are four key actions that were endorsed for immediate action, which have been scheduled to occur over two financial years to stagger the financial impact. These actions are:

1. Installation of a permanent protection fence at Riflebutts beach consisting of high tensile wires and posts that extend from the toe of the cliff into the surf zone
2. Removal of a small overhang at Gracetown
3. Installation of additional fencing and signage at Surfers Point with possible future underpinning of an overhang near the main beach access stairs, and
4. Underpinning of the overhang under the concrete stairs that lead from the upper carpark down towards the café at Gnarabup

A series of community engagement and information sessions were held over February and March 2020 in Gnarabup and Gracetown to discuss these actions. A grant application to undertake further investigation into impacts of sea level rise was submitted in May 2020, which will include shire wide coastal monitoring and a review of the limestone cliff stability.

Climate action results

2019-20 was the Shire's ninth year of climate action under the Local Energy Action Plan (LEAP), which will move over to Climate Action Plan once finalised and adopted by Council. The evaluation of carbon savings as a result of the LEAP was completed this year and found that while the Shire has been working to reduce emissions in some areas, our overall emissions are still rising. This is partly due to new facilities being commissioned such as the HEART building and upgrades at several facilities. Additional streetlights associated with new subdivisions and growth are also increasing the Shire's energy footprint. As a result, action on climate will need to be accelerated if the Shire is to meet the target of 65% reduction in emissions by 2030.

Progress against the LEAP in 2019-20 saw a wide range of strategic actions completed at a total spend of \$58,500. This included:

- Installation of 20kW solar panels at the Margaret River Depot and 60kW Recreation Centre in July 2019
- Energy efficiency upgrades at the Margaret River Recreation Centre
- Purchasing offsets through tree planting to offset current corporate emissions (largely fleet related)

- Implementation of the Living Smart and Low Impact Living program which featured seven sessions over seven weeks covering the topics of self-sufficiency, waste, food, energy and water
- Supporting an end to logging of native forests and transition to sustainably managed plantations and farm forestry
- Administrative support and expertise towards Transition/Curtin University events and seminars, and
- Monitoring of carbon and water footprints.

Other activities at the Shire outside of this budget area included:

- A solar analysis of Shire buildings endorsed by Council on 11 December 2019 (OM2019/250)
- Review the Shire's Sustainable Design Policy as part of the Local Planning Scheme review, which includes sustainable design and solar installations for commercial buildings
- Updates to the sustainable design requirements for residential buildings in the Shire's draft Local Planning Scheme
- Procurement of hybrid vehicles for the Shire vehicle fleet per the schedule for asset renewal, and
- Support provided to the Augusta Margaret River Clean Community Energy (AMRCCE) renewable energy project.



Community Fire and Emergency Services

Service highlights

The Shire has delivered over 1,320 dedicated officer hours in supporting 12 brigades and more than 400 volunteer firefighters across the Shire this financial year. Key actions over the year have included:

- The Shire hosting the Volunteer Employer Recognition Awards at the HEART in November 2019, where two local fire volunteers Jenny Colquhoun from Margaret River Podiatry and Brett Trunfull from Margaret River Roofing were recognised by the Department of Fire and Emergency Services as self-employed volunteers who take time off work to train for and respond to emergencies
- The annual prohibited firebreak was period bought forward several weeks to occur from midnight 1 December 2019, with several other fire bans declared during the year due to severe wind conditions
- Forrestania South West firefighting efforts in December 2019 being supported by Cowaramup, Witchcliffe, Karridale, Kudardup and Wallcliffe local brigades
- A contribution of local resources being granted for the Australian eastern states in February 2020 (OM2020/19)
- The Shire's local brigades supporting the Australian bushfire efforts through the Lower South West taskforces being deployed to New South Wales over the 2019-20 summer season, and
- The Karridale and Alexandra Bridge fire stations received upgrades in excess of \$200,000 from the Emergency Service Levy funding.
- Engagement with brigades for the proposed transition of management from the Shire to the Department of Fire and Emergency Services, was completed and endorsed by Councillors on 25 September 2019 (OM2019/198 and OM2019/199).





Key result area 2

Welcoming, inclusive and healthy communities

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.

95.8%

progress against
46 projects in
this area

56

Community events
and festivals
supported by
the Shire

1,428

Participants in
Shire funded
youth mental
health program

877

Completed requests
for Shire 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	

A photograph of a man and a police officer on a beach. The man on the left, wearing a dark sweater and a cap, is standing and holding a large black and white speckled dog. The police officer on the right, wearing a dark uniform and a beanie, is kneeling and interacting with a small grey dog. The background shows waves crashing on the shore under a cloudy sky. A large yellow circle is overlaid on the top right of the image, containing text.

The Shire delivers a wide range of local community services to keep our community safe and healthy.

Priority projects

Aboriginal engagement

The Shire has continued to work closely with the Wadandi Traditional Owners, Cultural Custodians and our local Aboriginal community throughout 2019-20, working towards an Aboriginal engagement program and supporting policy.

Consultation with local Traditional Owners over 2019-20 focused on the development of Aboriginal engagement Shire protocols and connection to the various family groups in the region. In November 2019 a template was developed for Aboriginal consultation of Shire projects. This was done via the Shire's Executive as a mechanism to ensure priority items were consulted on effectively. Project review meetings occurred three times during the year to facilitate this new process with Traditional Owners.

The Shire worked with the Undalup Association to support delivery of the Bunuru Festival in March 2020, as well as planning for NAIDOC and Reconciliation week activities although these were deferred due to COVID-19. The Shire continued its support for the local Yeah the Boyz Aboriginal youth program. The team also joined a two day site visit with Wadandi Traditional Owners and Applied Archaeology to assess site works of Shire projects and to provide a report on the project delivery.

As part of the Margaret River Main Street Makeover, the Shire commissioned a significant public art mural over June and July 2020 featuring well-known artist and aboriginal elder, Sandra Hill, along with artists Ian Mutch and Jack Bromell. The mural depicts local Wadandi iconography at a prominent location for locals and visitors.

A Shire plan to support community groups

From October 2019 to May 2020, the Shire carefully developed a proactive policy and plan to ensure greater support for volunteers and community groups over the next four years. The Strengthening Community Capacity Policy and Plan 2020-24 was endorsed by Council in September 2020, following extensive engagement with community groups right across the shire. This included a special Community Leaders Forum hosted by the Shire in November 2019 and attended by 50 people to generate ideas. The work was supported by a broader community survey which gathered over 100 pieces of feedback.

The policy and plan focus on proactive asset based community development and supporting sustainable community activity. This includes recovery goals for when an emergency affects the community, such as COVID-19 or bushfire. The plan features three action areas:

1. Welcoming communities: recognising that communities are healthier, happier and more productive when newcomers and community members are welcomed and participate fully in society and in the local economy
2. Connected and just communities: community members, volunteers and community group leaders know their communities best and have a huge opportunity to effect systematic change particularly in social justice
3. Resilient communities: being able to respond to incidents, have the ability to cope effectively with crises, learn from adversity and respond to climate justice. This brings together health and human services agencies, our business sector, non-government and government agencies.

Read the full Strengthening Community Capacity Plan 2020-24 at amrshire.wa.gov.au.



Left: The Shire hosted a Community Leaders forum in November 2019 to collect ideas to support volunteers and community groups.



Changing places station

A priority project for the Shire this year was the development of a concept plan for an adult changing places station. The Shire has been supportive of the Department of Community's previous initiative to assist local governments to establish a network of Adult Changing Places across Western Australia. The Shire received strong encouragement from community members to support the State Government initiative and this financial year commenced designs for a Changing Places facility in Margaret River.

The objective of this project has been to create an accessible adult changing facility for locals and visitors alike, acknowledging that the next closest facility is in Bunbury. The location of the facility was a critical aspect of the design; potential locations were explored with CAIRG and the final location determined to be the Margaret River Youth Precinct. An architect was then engaged to complete the design and construction drawings. The location and design will ensure that locals and visitors will have access to change facilities that are accessible, safe, central and private.

This project has also received strong support from the Shire's Community Access and Inclusion Reference Group (CAIRG) and CAIRG have provided design input throughout the site discussions and design process. Now the designs have been finalised the Shire continues to advocate for the re-instatement of State Government funding support for this initiative to enable the building of this facility.

Outside school hours care service review

The Shire plays an important role in supporting local families with before and after school care, as well as care programs during school holidays. With a growing demand and few options for private operators, the Shire has been focusing on reviewing its expected demand and future needs including spaces for licensing.

In November 2019 the Shire commenced a partnership with Saint Thomas More Primary School to provide an additional 22 afterschool service spaces at their premises. Licensing of the space has been delayed due to COVID-19, although the new service is expected to be operational in 2020-21. Read more about this service on page 80.



The Shire's Public Health Plan

The Shire completed development of a Public Health Plan (PHP) over 2019-20 as required under the Western Australia Public Health Act 2016. The plan details the role of the Shire in local health outcomes, through its existing service delivery and key projects.

The plan was developed through close consultation with local health authorities to include the core principles of the Shire's Strategic Community Plan including social justice and climate action. Preparation work commenced in late 2018-19 and carried into 2019-20. Engagement throughout the process featured several discussions with state and regional agency stakeholders, as well as with Councillors and across all Shire business units.

The first draft was presented to an agency stakeholder workshop in late October 2019 and then formally endorsed by Council on 27 November 2019 (OM2019/226) for broader community engagement. The draft plan was made available for comment from December 2019 to February 2020, receiving 14 downloads and two submissions, with the final plan endorsed by Council on 27 May 2020 (OM2020/88, OM2020/89).

The endorsed plan details a suite of priority areas for the Shire based on statistical analysis of key health indicators throughout our local government area. The plan has three action areas with priority populations needing support being identified as Aboriginal children and their families, seniors and people who are experiencing socio-economic disadvantage.

The action areas are:

1. Active and healthy lifestyles
2. Environmental health and safety in a changing climate
3. Social and mental wellbeing

Read the full Augusta Margaret River Public Health Plan 2019-23 at amrshire.wa.gov.au.

Key service results

Community Planning and Development Services

Support to community groups

The Shire provides support to over 240 community and peer support groups each year. The Shire's Community Development Grant program is an annual initiative that aims to achieve a welcoming, inclusive, vibrant and engaged community. For 2019-20 funds totalling \$25,000 were shared between 18 local groups to support programs, services and facilities upgrades to Augusta Margaret River residents. The successful recipients for 2019-20 were awarded in October 2019 to:

- Augusta Community Development Association: Augusta Community Volunteer Christmas BBQ (\$1,000)
- Augusta Community Resource Centre: Summer and Spring Movie Festival (\$2,000),
- Augusta Playgroup: Tree of Life (\$2,000)
- Artzability: It's Party Time (\$2,000)
- Busselton All Stars Cricket Club Inc: Margaret River's Massive Backyard Cricket (\$2,000)
- Intercultural Action Group: 'Building Bridges' – Intercultural Experience Margaret River (\$2,000)
- Little Arthur Tree Productions: 'Choice' – Short Film (\$2,000)
- Little Athletics WA: Little Athletics WA Country Championships (\$2,000)
- Margaret River Hockey Club: Development of 'Above the Line' (\$2,000)

- Margaret River Junior Football Club: Shed Fit Out (\$2,000)
- Natural Learning Centre Margaret River: An Invitation to Play (\$2,000)
- Swimming Mermaids: Margaret River Ocean Swim 2020 (\$2,000), and
- Undalup Association: Bunuru Festival (\$2,000).

The Shire hosts an annual event to thank and acknowledge volunteers across the shire. Over 140 volunteers and their friends and family attended the 2019 Thank a Volunteer event on 5 December 2019. Winners of the annual Volunteer of the Year awards were:

- Volunteer of the Year – Winner: Ian Smith
- Volunteer of the Year – Certificates of Appreciation: Alana McMorron, Ellen Stirling, Jarrod Brindley, Maxine Williams and Raelene Pethica
- Youth Volunteer of the Year – Winners: Eleka Marshall and Saffron Sgroi
- Youth Volunteer of the Year – Certificate of Appreciation: Maia Sheridan-Hulme, Menaase McKenzie-Roe and Tyrell McKenzie-Roe.

Healing events for community resilience

A special focus on community resilience continued into 2019-20, with the Shire completing a recovery program through partnership with a local community recovery group and federal agency the Foundation for Rural and Regional Renewal. A community healing session was held at the Margaret River mouth in November 2019 with close to 60 attendees joining in throughout the day to participate in dune rehabilitation works and provided with information on community healing and wellbeing.

The Shire worked closely with Mindful Margaret River throughout the year to foster a community-government partnership to progress local mental health solutions. This has included coordinating various community discussions, including a workshop held in February 2020 with the Mental Health Commission, the Department of Communities and the Western Australia Primary Health Alliance. The Shire will continue to support community led mental health initiatives and advocate for improved mental health services in our community.



Left: The Shire received the Lighthouse award in 2019 for CEO Leadership across access and inclusion.

Launch of My Community Directory

In November 2019, the Shire partnered with online search platform My Community Directory and the City of Busselton to launch a local community directory for community groups, health and social services. The directory details services that are free, funded or subsidised across the region. The Shire has been working with the City of Busselton to ensure the broad range of regional services are included within the directory listings, as well as linking to local business directories namely the Rotary Margaret River Directory and Augusta Directory.

The work was done closely alongside community champions: Augusta Community Resource Centre, Augusta Chamber of Commerce, Cowaramup Halls Reserves and Residents Association, Margaret River Community Centre, Rotary Margaret River, and Transition Margaret River.

The platform can be accessed online at **amrshire.wa.gov.au/mycommunitydirectory**, where a live printable version is also available which is automatically updated daily. All information on the Augusta Margaret River Community Directory is also available on the free Access My Community App – search the app store or text AMR to 0488 884 151 for a direct link.



Left: All-of-staff Shire meeting held in July 2019 with 30 Foot Drop's Managing Director Ben Aldridge.

Access and inclusion

The Shire is committed to the delivery of its Access and Inclusion Plan (AIP) 2018-22, which is focused on improving accessibility and inclusion for all Shire facilities, community spaces and information services. A wide range of actions were delivered this financial year, alongside regular engagement with community by hosting quarterly meetings with the Community Access and Inclusion Reference Group (CAIRG) and Aged Care Advisory Group. Highlights include:

- Specialised Access and Inclusion training hosted at the all-of-staff meeting in July 2019 and consequent management meetings from September 2019, where staff engaged with 30 Foot Drop's Managing Director Ben Aldridge in an interactive way designed to break down bias around people with disability
- Smart business brochure created thanks to a Lighthouse grant, which aims to assist business owners in becoming more inclusive of all abilities for their customers and also their employees. This brochure was launched at a business breakfast in November 2019 in collaboration with the Margaret River Chamber of Business and Industry
- 12 year old Margaret River Primary School student Willem Healy who has autism, was announced as the official ambassador for the Shire's Best We've Ever Bin campaign in October 2019
- Seniors Week celebrations in October 2019 including two film screenings of award winning documentary Faces Places in Augusta and Margaret River, as well as a Margaret River library morning tea, intergenerational baby rhyme time and story time
- Dyslexia friendly initiatives including creating the library's first sensory kit and the purchase of a C-Pen at the Shire libraries to assist people with dyslexia and learners of English
- The Shire's library commencing an informal weekly community Auslan chat group, with an average of seven attendees per session and meeting online during COVID-19 restrictions
- Updated accessibility checklist for event holders to complete as part of their event application to the Shire, encouraging event organisers to incorporate accessibility and inclusion measures in their event



Above: The AMR Youth Advisory Council during the #eachforequal campaign in March 2020.

- Inclusion of a larger universal access designed chalet as part of the Shire's upgrade to Turner Holiday Park, enabling those with a physical disability to visit the beautiful Augusta region, and
- Development of a database of all Shire managed ACROD bays, to ensure ACROD bays remain compliant over time and to enable an easy to use map for community members.

Recognition for leadership

In July 2019 and for the second year running, the Shire was awarded the Most Accessible Community in Western Australia. Presented by the Regional Capitals Alliance of Western Australia, the award acknowledges the Shire's commitment to improving access and inclusion for all our community, including people with a disability.

The Shire was also awarded the Lighthouse Regional CEO Leadership Award for the second time this year, recognising the achievements of local governments in seeking to increase the employment of people with disability.

Accessible playgrounds

The Shire's Access and Inclusion Plan includes the objective that each major town has an accessible playground for all people, including children with a disability.

In March 2020 the Shire commenced the design for the Cowaramup playground, to replace an existing, aging play space in the town centre next to the community hall. The public space has a new multipurpose room, new BBQ and shelters and a new all-access public toilet. The Shire is proposing to upgrade this playground to an accessible play space that is welcoming and comfortable, easy to navigate, interesting, offers a variety of challenges and landscape settings to provide opportunities to connect with others accessibly. The proposed playground has been designed by landscape architect Emerge and incorporates the ideas in the 'Everyone Can Play' guide. The draft design includes a Cowara bird play element with a slide and a mound to play on, different areas of play and play elements including swings, spinner, play panels, talking tubes and sand pits.

The Shire's Community Access and Inclusion Reference Group (CAIRG) is supportive of this initiative and was asked to provide feedback on the draft designs early in the design process. Engagement with community members on the issues surrounding accessible playgrounds will continue into 2020-21. Another second accessible playground design has commenced for Riflebutts parklands in Prevelly in June 2020. This design is at preliminary stages and will continue to evolve in consultation with CAIRG and the wider community.

Creative Culture Plan and Public Art Policy

The Shire recognises that it has a role to play in encouraging and facilitating arts and cultural activity, in providing leadership and direction for cultural development and in supporting cultural organisations. These documents highlight the important role culture and art play within our local community and the many ways it is supported by the Shire through public art, event funding and facilitation of cultural services and infrastructure.

The Creative Culture Plan was reviewed over 2019-20 and endorsed by Council on 13 May 2020 (OM2020/76).

It provides a five year cultural planning framework to complement the Shire's Community Strategic Plan, and will be used to:

- Reinforce the Shire's commitment to fostering creativity and artistic activity
- Guide the future delivery of the Shire's art and cultural programs, services and activities
- Assist with the planning, development and resourcing of cultural facilities
- Support organisations and groups to provide arts, cultural and heritage services, and
- Better position the Shire to access funds for local arts, cultural and heritage activities.

The Creative Culture Plan was compiled in collaboration with a dedicated Arts and Culture Committee. The process was also informed by wider community and stakeholder engagement over this time. The plan and policy will help shape creativity and culture in our region for the foreseeable future and are available in full at amrshire.wa.gov.au

Below: Chair of the Cowaramup Halls Reserves and Residents Association and Shire Officer Polina Chernova outside the refurbished hall.



Youth services

The Shire's youth program has focused on continuing to build strong partnerships for youth mental health over the 2019-20 financial year. Mental health services continued this year with weekly sessions operating from the Margaret River Youth Precinct Zone Room and extending to regularly run from Augusta and Cowaramup. The program has seen as estimated:

- 494 young people engaged in school holiday activities
- 828 young people engaging in the afterschool youth support program each term
- 51 people participated in outreach at Augusta Civic Park from November 2019 to February 2020, and
- 55 people participated in outreach at Cowaramup Duggan Pavilion from November 2019 to February 2020.

The team also worked to support the launch of Headspace Margaret River on Station Road. The space officially opened in July 2020, with several months of planning and preparation for four local service streams, including mental health services, physical and sexual health (General Practitioner), work and study support, and alcohol and other drugs support.

The Shire has hosted the Youth Advisory Council (YAC) over the last 17 years, with an average of 15 young leaders participating over the last year. Highlights for YAC over 2019-20 have included:

- The successful Drug Aware MRSAMM19 youth event on 13 December 2019, showcasing the talent of young people in the community, public art, skate competitions and providing a variety of mental health and drug awareness resources with over 1000 participants joining in throughout the day
- Participation in the 2019 Mudfest with the local Yeah the Boyz Aboriginal program, seeing 22 students working together to safely get through the course
- Close to 100 hours of YAC volunteering including supporting the Augusta River Festival, Margaret River Agricultural Show, Thank a Volunteer Day and MRSAMM19
- Planning the Surfing Western Australia Healthy Habits youth event to showcase youth mental health supports (although postponed due to COVID-19)

- YAC adapted to COVID-19 and the cancellation of usual events with weekly online YAC meetings and organising online activities for themselves and the community
- A special YAC magazine was designed, published and printed for the community during the lockdown period, with the initiative fully led by YAC including design and content development, and
- A YAC hosted reopening of the Skate Park on 6 June 2020 featuring a free sausage sizzle
- The Shire facilitated a Youth Stakeholder Working Group over the year with meetings held on 3 July 2019, 24 October 2019, 19 February 2020 and 30 June 2020.

The Margaret River Youth Precinct Zone Room has been well activated throughout the year with daily bookings and activities including Artzability, Yeah the Boyz, Lamp Inc, Man Up Program and the Youth Advisory Council. The skatepark was closed due to COVID-19 restrictions in April and May, reopening in early June. Minor upgrade works were also completed, featuring a fully accessible bathroom at the Zone Room. Upgrade works to the Margaret River Youth Hall (Scout Hall) were also completed, with new floor finishes, new storage and a new kitchen; this upgraded space can now be hired for youth events and activities.

Hall refurbishments

The Cowaramup hall had a major restoration in an effort aimed at bringing the community together through arts, heritage and cultural activities. In partnership with Lotterywest, the Shire and the Cowaramup Halls Reserves and Residents Association funded over \$500,000 on restoration work on the 90-year-old hall. This included bracing to roof trusses, structural work on the south wall, new jarrah weatherboards, new windows, a new accessible ramp to the front entrance, new public toilets and a new commercial kitchen and foyer at the rear of the hall. The works also enabled audio-visual equipment, hall security and external works including lighting to the skate park, new footpaths and landscaping around the hall. Read about more community building works on page 48.

Environmental Health Services

Service highlights

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 for over 570 approved health premises, responding to enquiries and complaints, water sampling, communicable disease surveillance and providing event approvals and support.

Activity over 2019-20 included:

- A total of 278 environmental health applications received for approval over 2019-20, compared with 327 in the previous period
- A total of 524 enquiries and complaints received relating to public health
- Engaging the Regional Public Health Units on the Public Health Plan, South West Leavers Strategy, Salmonella and egg surveillance project and regulation reviews
- Hosting of a wastewater workshop in Capel with other local government stakeholders
- Public education for mosquito bites in October 2019, with mosquito awareness information distributed
- An Environmental Health Emergency Management Plan completed in November 2019, endorsed by the Shire's Local Emergency Management Committee and incorporated into the Shire's emergency management arrangements
- Working directly with the regional Public Health Units to support and provide advice to the community and organisation on COVID-19
- Managing a case of Legionella pneumophila reported in March 2020 which required investigation by the Shire on behalf of the Public Health Unit at the Department of Health.

The annual recreational water sampling program commenced in November 2019 as part of the state-wide Department of Health initiative and targeting 10 local water recreation spots. In February 2020, results at Barrett Weir indicated higher levels of the potentially harmful bacteria *Escherichia coli*. This resulted in warning signs being erected and communication to manage public safety. Levels of the bacteria dropped by March 2020.

Event permits

Over 2019-20, a total of 57 event and activity permits were issued. In addition to this, the events team worked with 56 different community groups over the year to host inclusive and welcoming events and festivals in the Shire, including:

- Deja Moo
- Cabin Fever Car Park Collective
- Combined schools surfing competition
- Cowaramup Bay Junior Boardriders competition
- Cinefest OZ
- MRPS Fun Run
- Gracetown Grommets
- Brookfield Connect Spring Fair
- Josh Langley wildflower walk
- Southwest Soccer Championships
- Opening of the Lower Western Oval.
- Augusta River Festival
- South West Street Festival
- The Undalup Bunaru.

Ranger Services

Service highlights

Shire rangers responded to 877 requests this year within the 48 hour response time, in comparison to 839 jobs the previous year. This included 213 reports of dogs wandering at large, 74 nuisance barking complaints 72 requests relating to fire compliance, 69 parking related complaints and 35 reported dog attacks. Achievements during the year included:

- Tools developed to support Shark Response and the Shark Warning Systems, including a draft policy, supporting procedure, checklist and flowchart to support operations
- An audit of the Cemeteries has been completed and the results are currently being analysed and actioned, which will assist in the development of a long term management plan for Cemeteries over the next two financial years
- The firebreak inspection procedure was reviewed and streamlined to reduce compliance timeframes and Ranger workload. Software improvements were implemented in December 2019 prior to commencement of the fire season and Rangers conducted over 3000 property inspections.

Cat Local Law

Early in 2019-20, it was decided that the development of a Cat Local Law for the Shire should be deferred until amendments to the Western Australia Cat Act 2011 were confirmed. This was because of little scope within the current legislation to effectively address the issue of roaming cats.





The Shire's new
FOGO bin system
saved 6000 tonnes
of organic waste from
landfill in 2019-20.



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.

94.8%

progress against 42 projects in this area

58%

Waste diverted from Shire landfill, compared with 22% previous year



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

100%

New residential buildings compliant for energy efficiency in the Shire

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	

Priority projects

Major review of the Local Planning Strategy and Scheme

The Shire has continued the major review of the Local Planning Scheme and Strategy, following on the previous financial year. These critical decision-making documents are required to be reviewed every 10 years through close consultation with the Western Australian Planning Commission, Shire Councillors and the local community. Together they set a vision for the size, look and feel of the Shire's neighbourhoods, towns and natural areas over a 10 to 15 years period.

The draft Local Planning Strategy was endorsed by Councillors on 14 August 2019, to be presented to the Western Australian Planning Commission. The draft document was developed following a series of community engagement sessions with expert panel discussions in the preceding months. These workshops occurred across themes like Population and Housing, Environment and Resilience, Agriculture and Food, Utilities and Community Assets and Transportation.

The redrafted strategy features:

- Increased exemptions for shed approvals
- A presumption against subdivision of agricultural lots
- Allowance of larger ancillary dwellings to provide intergenerational housing on farming properties.

The Shire received certification of the draft strategy in March 2020, and it is scheduled to be presented to the community for further consultation in 2020-21. This will provide the opportunity for all interested

parties to provide their comments, which will be used to further shape the document and the drafting of the scheme rules, so that it can be truly reflective of the community's vision for the future. Community members wishing to stay up to date with the process can sign up to the Shire's project page at yoursay.amrshire.wa.gov.au/lps-review.

Renewable energy

The Shire continues to prioritise investing in renewable energy to reduce the emissions of its corporate activities. An investigation into renewable opportunities across all Shire buildings was undertaken with options and funding requirements reported to Council on 11 December 2019 (OM2019/250). A budget allocation was made for implementation in 2020 with the initial project being a 20kW Solar System at the Shire Works Depot. This was completed in June 2020. Planned projects for 2020-21 include 100kW to be installed on the Margaret River Administration building.

Kerbside waste collection improvements

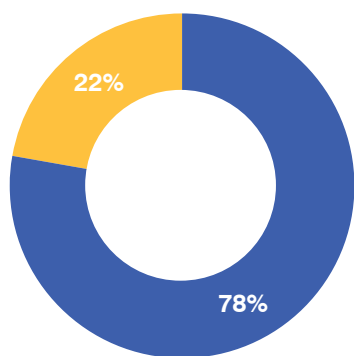
The Shire's three bin FOGO (Food Organics and Garden Organics) service commenced in July 2019, delivering a brand-new service model designed to significantly improve sustainability practices across our community. The renewed service approach, based on Western Australia best practice for waste disposal, follows intensive analysis and community engagement completed over the previous financial year which ensures local needs could be best addressed. The Shire was successful in receiving a state government grant to help fund the implementation of the project.

Data shows the new three-bin kerbside collection service has halved the amount of waste residents are sending to landfill, with up to an average of 358 tonnes of waste now diverted each month. In the first three months from 1 July to 30 September 2019, Shire residents diverted approximately 58% of waste in the kerbside bins from landfill. This is a huge improvement from the 22% of waste that was diverted in the same period the year before under the two-bin system. As a result, 1,828 tonnes of recycling and 2,475 tonnes of organic waste was diverted from landfill.

The Bunbury Harvey Regional Council processes the contents of the Shire's organics from FOGO bins at their organics processing facility. In September

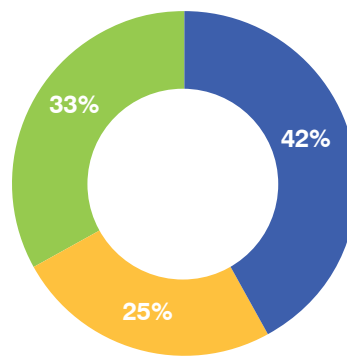


Left: A 20kw solar system installed at the Shire's Works Depot in June 2020.



Residential Waste Breakdown 2018-19

● Landfill ● Recycling



Residential Waste Breakdown 2019-20

● Landfill ● Recycling ● FOGO

Shire residents diverted approximately 58% of waste in the kerbside bins from landfill, being 33% FOGO and 25% recycling. This is compared with the 22% of waste that was diverted in the same period in 2018-19 before under the two-bin system.

2019, an audit report showed a 3% contamination rate in the Shire's organic waste highlighting the successful local uptake of these new waste practices.

In September 2019, the Shire launched a weekly landfill collection for residential tourism operators with an approved holiday home zoning as well as a commercial FOGO collection option for commercial businesses, like restaurants and cafés.

Margaret River Precinct Plan and Trails Strategy

The Shire has been working with a dedicated 20-member Community Reference Group over recent years, to progress a community-led plan for holistic trails management in Margaret River. The aim of this work has been to balance the needs of various trail users including walker, mountain bikers and environmental groups. This year the group completed its collaboration to deliver two key documents for Council to finalise and implement.

1. The Margaret River Precinct Plan presents 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, Carters Road, and traffic management strategies for Bussell Highway Carters Road. This document proposes strategic actions to support movement, environmental management and education and signage across specific spaces in the public realm.
2. The Margaret River Trails Strategy features a long-term approach for trail development in the broader Margaret River area including off-road walking and cycling needs, including location

of dual path trails, signage, public infrastructure like tables and seats and proposal of a public underpass to be investigated for Carters Road.

3. These draft documents were presented to Council on 25 March 2020 and endorsed as drafts for a period of broader community comment (OM2020/50). Through this, 18 pieces of community feedback were received to assist in finalising the documents. The Shire is now working with Rotary Margaret River to confirm final details for the implementation of the plan before final endorsement by Council. A feasibility study recommending the development of an underpass at Carters Road was endorsed by Council on 13 May 2020 (OM2020/72/ OM2020/73).



Traffic calming strategies are detailed in the Margaret River Precinct Plan.

Key service results

Planning and Development Services

Service highlights

A total of 474 planning applications were processed over 2019-20, compared with 550 in 2018-19. In addition to this, 538 building applications were processed and of this 251 were single dwelling permits for the financial year. This is compared with 548 building applications processed in the previous financial year and of this 245 were single dwelling permits.

A total of 320 lots were recommended for conditional approval to the Western Australia Planning Commission over 2019-20, compared with 301 in 2018-19. 152 lots were granted final clearance over 2019-20 compared to 111 in 2018-19 period.

In April 2020, Planning and Development Services announced a method of fast-tracking simple applications and the result is a noticeable increase on the determinations issued since its implementation. Over the first week of May, 40% of all planning applications were determined within 21 days, well in advance of the 60 days statutory timeframe allowed.

Waste Services

Service highlights

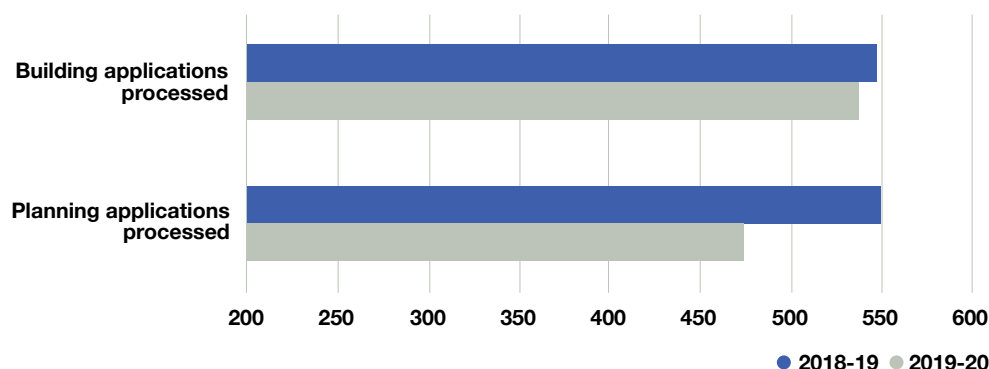
Throughout the height of the COVID-19 restriction period, most waste services within the Shire remained unaffected. Disposal activities increased through this time with traffic through the Davis Road Recycling and Waste Management Facility increasing 24% in the period from April to June 2020, when compared to the same period in 2018-19.

The Shire's waste collection contractors experienced difficulties during the year due to a catastrophic fire which destroyed their Material Recovery Facility in Guildford in November 2019. With the loss of this facility, up to 50% of Western Australia's ability to process and recover recyclable materials was lost. The Shire worked closely with Cleanaway following the incident to ensure interim arrangements were in place to process recycling. Works are underway to construct a replacement facility, expected to open in 2021.

Development of waste facilities

The Shire has continued with its long term planning for waste facilities over the last year, with an ongoing focus in maintaining the life of the Shire's Davis Road Recycling and Waste Management Facility. A masterplan is being developed for the management of waste for the next 20 years, along with a strategic management plan for Davis Road which will continue into 2020-21.

A feasibility study for the future of waste management in the Shire was completed in 2018-19 and its implementation commenced in May 2019 through the kerbside collection improvements as well as the tender for construction of Cell 3 of the landfill. This included an amendment to the Shire's operating licence through the Department of Water and Environmental Regulation and a new design which collectively added more than 5 years lifespan to the facility. The tender for construction of Cell 3 and the leachate pond project was advertised in September 2019 and awarded to local construction company Cowara Contractors by Council on 27 November 2019 (OM2019/229). These works commenced in early 2020 and by April 2020, a new 23 million litre critical containment leachate collection facility was finished. Following the decommissioning of the old leachate collection ponds, the construction of the new lined landfill cell commenced. The construction of the new landfill cell will be completed in late 2020.



Above: Service demand for Shire planning and building approvals over two financial years.

Rural waste transfer stations

In 2019-20 three of the Shire's rural waste transfer stations transitioned to electronic smart card access. The transfer stations at Beck Road in Alexandra Bridge, Bessell Road in Rosa Brook and Poole Road in Kudardup are now accessible seven days a week via a resident specific electronic smart card. Previously accessible for a few hours, two days per week, the Transfer Stations now allow for residents to dispose of their household waste from 8am to 4pm, seven days a week and all year round.

Waste education

The Best We've Ever Bin campaign was designed to support the rollout of the new three bin FOGO system. Community education sessions held during the financial year included: how to use your new bins, how to reduce waste, sustainable packaging, cloth nappies and green cleaning. The workshops were held in Margaret River, Cowaramup and Augusta and advertised through various platforms.

In October 2019 twelve-year-old Margaret River Primary School student Willem Healy was announced as the Shire official ambassador for the Best We've Ever Bin waste campaign. Willem's volunteer ambassador role included appearances at the Shire's Waste Education stand at the 2019 Margaret River and Districts Agriculture Show, visits to the Shire's waste facilities to find out about the processes and machinery used in landfilling and the creation of online videos to assist residents in using their bins correctly through COVID-19.

Asset Services

Trail development

Construction on Stage two of the Cape Leeuwin Trail occurred from November 2019 to January 2020, with the trail extending from Augusta Boat Harbour to Dead Finish. The dual use trails enable walkers and cyclists to enjoy views along the 2.5km coastal trail from Flinders Bay to Dead Finish. Contractors were careful to ensure minimal impact to Western Ringtail Possum habitat and sensitive dune vegetation, with flora and fauna specialists involved in the process from design through to construction. Future stages will see the completion of this trail and the long awaited connection of the Cape Leeuwin lighthouse to town.



Above: Margaret River Primary School student Willem Healy was announced the Shire official ambassador for the Best We've Ever Bin campaign.

Pathway management

Pathways renewed over 2019-20 included:

- Wallcliffe Cycle Path – 800 meters
- Augusta Museum Path – 53 meters as part of car park works
- Mann Street Path – 141m as part of drainage works
- New Footpaths at Clarke Road 114m costing \$27,000
- 2.5km of new pathways constructed in Margaret River and Augusta
- A 926m extension of the Wadandi Track between Leeuwin Road and the Augusta Aerodrome.

Three successful state grant applications for new bicycle pathways were awarded in February 2020. This funding will enable improvements to the local bicycle pathway network in the Shire, particularly to address some of the larger more complicated missing links. Awarded projects and amounts include:

- \$11,250 in 2020-21 and \$20,000 in 2021-22 for design and construction of 292m of shared path of the Brookfield Estate Access to Wadandi Track project
- \$18,370 in 2020-21 and \$43,630 in 2021-22 for design and construction of 293m of shared path of the Bussell Highway Shared Path project
- \$41,500 in 2020-21 and \$116,850 in 2021-22 for design and construction of 970m of shared path of the Station Road to Bussell Highway shared path project.

Cowaramup Bike Racks

The Shire worked with Cowaramup Primary School students to design townsite bike racks in September 2019. Lachie Kirkham, Lucas McCarthy, Lily Koehler and Brooke Guyer each won the opportunity to have their designs translated into shop drawings for construction when they entered a school competition calling for creative bike parking ideas.

Railway Precinct

On 11 December 2019, Council resolved to explore the costs and options associated with developing connecting reserves located on Clarke Road as a community precinct, with a focus on the Shire's railway heritage (OM2019/263). A key element of the project would be the return of the former Margaret River Railway Station Building from its current location at Yoongarillup in the City of Busselton.

In February 2020, the current owner of the station building advised that he would not relinquish the building. Due to the unavailability of the station building, along with a number of other constraints relating to the legal and tenure arrangements of the site, community need, and strategic planning implications, officers concluded that development of the Clarke Road site as a community precinct is unfeasible at this time.

Councillors were presented with this information on 10 June 2020 and agreed to not proceed detailed investigations into development of the site as a Community Precinct and authorised the CEO to negotiate an extension of the option and reimbursement agreement to the Railway Barracks, from 30 June 2020 to 30 June 2021. This means the Shire would continue to pay all expenses in relation to the barracks, and the barracks cannot be sold for another year to allow for more time to see what emerges from the community (OM2020/98 and OM2020/99).

Community Buildings

The Shire owns 188 buildings across the Shire, which are used for a wide variety of activities. Building renewal is prioritised based on the condition, cost, importance, and frequency of use the building by the public. Asbestos management across Shire buildings continued to be a key focus in 2019-20, being year three of a 15-year replacement program, which will transform eighteen Shire buildings.

Service highlights

Projects this year included:

- Adult changing places station – Architect and Engineer appointed, Detailed design completed
- Karate Club Floor – Commencing in February 2020, this involved engaging the club on the Engineers report, appointing and managing a contractor to complete the works
- Witchcliffe Hall upgrade – Consultation with the Witchcliffe Progress Association, contract awarded to Tectonics Building Design to produce construction documentation. Works commenced in May 2020 and completed in July 2020
- Alexandra Bridge Hall Building Renewal – Contractor appointed and the project carried over to 2020-21 financial year due to workload
- Asbestos removal completed at Turner Caravan Park Augusta, Colourpatch toilet block and Druids Hall Witchcliffe. Asbestos removal underway at Margaret River Community Centre. Program to continue into 2020-21
- Public toilet maintenance projects included construction of new Public Amenities in Pioneer Park Cowaramup, completed painting of Amenities Ellis St Augusta, completed painting of Amenities Colour Patch Augusta, and completed concrete access entrance to Old Settlement toilet block
- Margaret River Depot Workshop Roof Replacement completed in April 2020.

Below: The Witchcliffe Hall Committee and Shire Officer David Gunn after the hall upgrades.





The Cape Leeuwin Trail was extended in 2019-20.



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.

96.1 %

progress against
35 projects in
this area

\$2,669,000

Capital expenditure
spend on the
renew, upgrade and
construction of new
Shire buildings

\$171,182

Icon and community
event sponsorship by
the Shire

\$406,000

COVID-19 Community
Care Package
funding committed
to community and
business support
projects

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

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



Priority projects

Recreational vehicle friendly towns

The Shire has been working towards becoming more welcoming for tourists and visitors using recreation vehicles (RV's). Over 2019-20 this involved development of a four year implementation program, centred on improving and constructing related infrastructure.

A dump point in Cowaramup was constructed in 2019-20, alongside the hall refurbishment. Actions for 2020-21 include the creation of signage to RV parking bays within Margaret River, the design of additional RV parking within Augusta, Margaret River and Cowaramup, and the design of a dump point within Augusta.

A masterplan for Turner Holiday Park

The Turner Holiday Park masterplan was finalised and endorsed by Council on 25 September 2019 (OM2019/200, OM2019/201). The purpose of the plan to ensure long term sustainable renewal of the infrastructure across the holiday park to cater for visitors.

From October 2019, the Shire commenced on priority areas with scoping and costings of key infrastructure upgrades identified in the park.

The team also proceeded with the development of three new chalets north of the old boat ramp road. Construction commenced in May 2020 with underground water, sewage and electrical connections all completed by 30 June 2020.



Above: Development of three new chalets at Turner Holiday Park commenced in May 2020.

Other works involved the Circle Ablution Block, which was stripped until only the bare building remained and a new concrete floor was installed. The block was renovated to include a new family and universal accessible showers and toilets, new laundry and new lounge and camp kitchen.

Read more about the performance of Shire Holiday Parks on page 72.

Launching operations for the Margaret River HEART

Councillors endorsed for the Shire to take on management of the HEART facility in August 2019, along with a series of objectives to benefit the local community including job creation, traineeships and volunteering opportunities (OM2019/159). Through this, Councillors also pledged \$100,000 in annual grant funding to support community cultural and arts events occurring within the HEART. Read more about the HEART's performance on page 77.

The Shire's Sustainable Economy Strategy

Support of the local economy has been an ongoing priority area for the Shire over recent years. In 2018-19, the Shire hired a dedicated officer to analyse areas of need through engagement with the business community and to establish areas of strategic action for the local government.

As part of the development of a strategy, the Sustainable Economy Reference Group met twice this year to discuss key themes and action areas. The group is comprised of business, environment, and community leaders as well as a Shire Councillor representative. Extensive engagement has also occurred throughout the year with Margaret River main street traders, through the Main Street Makeover.

A suite of nine business surveys were developed by the Shire and promoted through the local business community during June and July 2019. The results revealed some of the challenges and potential opportunities for the Shire to better support the local business community and the results has been used to inform the Shire's draft Sustainable Economy Strategy. The surveys received 96 submissions from business owners and managers, equating to roughly 5% of businesses in the Shire and

included agricultural, tourism, and accommodation businesses from Cowaramup, Margaret River, and Augusta. The survey found significant concern about the current state of retail, consistent with broader concern across Western Australia and flagged the opportunity for a “Buy Local” initiative.

Early in 2019-20, the Shire started work with Transition Margaret River and the Margaret River Chamber of Commerce and Industry to implement an ongoing and consolidated campaign to encourage a “Choose Local” culture. The education campaign was launched in June 2020, featuring tips, tricks and reasons to support and choose local first.

Residents and local businesses are encouraged to follow @local_is_more on Instagram and start spreading #localismore across their own social media to support the campaign.

Visit **www.localismore.com.au** today to take the Choose Local Pledge or read up on how you can help your local economy thrive.

The draft Sustainable Economy Strategy is set to be finalised in 2020-21. Read more at **yoursay.amrshire.wa.gov.au/sustainable-economy**

Key service results

Sustainable Economy Services

Scott River Economic Study

The Shire has been supporting an economic study for the Scott River Region over the last few financial 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.

Sustainable Events Strategy

The purpose of the Shire’s Sustainable Events Strategy is to identify areas where the Shire can best support large scale events that support visitation, as well as non-for-profit community events through its services and sponsorship streams. This strategy was finalised in early 2019-20 and presented to Council for endorsement on 25 September 2019 (OM2019/196). The original draft strategy was developed by Tourism Research Services in 2017. This draft Event Strategy was not endorsed by Council due to a lack of sustainability outcomes. As a result, shire staff completed significant revision over 2019 to develop a revised draft encompassing sustainability principles.

The document was consolidated to better reflect the context in 2019 with greater recognition for sustainability and regional events approaches. Since the Sustainable Events Strategy was endorsed an implementation plan has been updated with relevant business units for action.

Below: Shire President, Margaret River Chamber of Commerce and Industry President and Shire officers present the Local-is-more campaign.



Marketing and Events Services

Event sponsorship

The Shire sponsors a series of events each year to vitalise the community through participation and through visitation to the area. A number of events were postponed or cancelled during 2019-20 due to COVID-19. A total of \$171,182 was spent in 2019-20 on event sponsorship, which is comprised of \$106,500 for icon events and \$64,682 for community events.

Icon events	Sponsorship 2019-20
Cabin Fever Festival 2019	\$10,000
Cinefest OZ Film Festival	\$25,000
Margaret River Golf Club Ladies Classic	\$2,500
WA Circus Festival	\$7,500
Margaret River Region Open Studios	\$12,500
Cape to Cape MTB	\$7,500
Junior Surfing Titles	\$20,000
Augusta Adventure Fest	\$7,500
Readers and Writers Festival*	\$14,000
TOTAL	\$106,500

Community events	Sponsorship 2019-20
Arts Margaret River Sunday Sundowners	\$2,000
Augusta Christmas Carols	\$2,000
Augusta River Festival	\$13,000
Cabin Fever 2020*	\$5,000
Australia Day – Augusta	\$909
Australia Day – Cowaramup	\$1,000
Australia Day – Margaret River	\$910
Margaret River Carols in the Park	\$5,000
Strings Attached Guitar Festival	\$5,000
Margaret River Agricultural Show	\$15,000
South West Street Fest	\$3,500
Discover Deadly Snake Awareness Workshops	\$1,818
Whale Song*	\$4,545
Surf Rescue 365	\$5,000
TOTAL	\$64,682

Notes:

- Funds were carried over for the Margaret River Pro and the Margaret River Ultra Marathon
- The Readers and Writers and the Whale Song events did not go ahead. Funds were acquitted in line with Sponsorship Agreement
- Support for Cabin Fever online event in June 2020 in response to COVID-19 pandemic.



Tourism visitation

The Margaret River region has benefitted from increasing levels of intrastate, interstate and international tourism over the last decade, although statistics for 2019 shows a slight decline for the first time in several years, with 13,000 less visitors or a 1.1% decrease.

Tourism Research Australia data for 2019 indicates the annual estimated visitors to the Shire was 1,105,000, compared with 1,118,000 in 2018. The data details:

- The Shire experienced 487,000 intrastate visitors in 2019
- Singapore, United Kingdom and Malaysia continue to be the top international markets for the Margaret River region
- The Shire has a total of 312 tourism businesses as of 2019, with 125 being 'non-employing' and 109 employing 1 to 4 people, which is consistent with the previous reporting period
- Average visitor stay is three nights and average spend per trip is \$452, which is consistent with the previous reporting period

Source: *Tourism Research Australia*, www.tra.gov.au

Census data shows there are 852 direct tourism jobs in tourism in the Shire, and a further 387 indirectly reliant on tourism (e.g. in retail). The Margaret River region is identified as being the 25th local government area most dependent on tourism out of 547 local governments (Source: economy.id.com.au/augusta-margaret-river). This is also evidenced in the Shire ranking 5th in Australia for the percentage of businesses enrolling for the Federal Government's JobKeeper program (Source: <https://taylorfry.com.au/articles/where-are-the-businesses-most-reliant-on-jobkeeper>).

Shire Works Depot

Service highlights

In total the Shire spent \$12,284,000 in capital expenditure to renew, upgrade and new infrastructure including parks, paths, roads, drainage over 2019-20.

Key projects included:

- The Cowaramup Bus Bay being moved to a newly constructed facility along Hasluck Street
- Carpark works including Flinders bay, Augusta Museum and extension of the Wallcliffe -Station Road Western carpark
- Park projects including major works at Cowaramup Skate park as part of the hall upgrade, Gloucester park and playground replacement at Colour patch and Brookfield entrance park (Caladenia Park) with total of \$451,000 spent on renew, upgrade and new open space infrastructure.

Road construction and maintenance

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.

- 4.4km roads reconstructed to the value of \$2,175,000
- 8.1km resurface \$977,000
- 6.1km gravel roads resheeted \$ 414,000.

The scheduled program was completed with one project deferred being Leeuwin Road due to freshwater snail survey requirement and associated clearing permit. Total spend as of 30 June 2019 was \$3,566,000, this compares with \$2,127,437 for the previous year.

Augusta Main Street landscaping

In collaboration with community leaders, the Shire developed a landscaping plan for Augusta main street in May 2020 that included locations where the main street can be further enhanced through planting of colourful waterwise plants. The plan specifies suitable garden beds that can be planted and maintained by the Lions Club of Leeuwin. Community engagement was conducted over June 2020 to seek feedback on the draft plan. The feedback showed that the majority of survey participants supported the landscape plan, and this was echoed by various community groups. These works will begin in 2020-21.

Augusta Ellis Street Jetty

The Shire supported the Department of Transport on repairs to Augusta's Ellis Street Jetty commencing in October 2019, to allow its long-term use by the local community and others. This followed an announcement that \$300,000 would be spent on the major refurbishment after an engineering inspection that revealed it was in poor condition.



Above: The concept landscaping plan for the Augusta Main Street published with the community for comment in June 2020. Read more at yoursay.amrshire.wa.gov.au/landscaping-augusta





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.

92%

Progress against 74 projects in this area

13,800

Your Say visits

4,900

Your Say submissions

205

Councillor resolutions

92

Council briefings

164

Compliance actions completed by Shire officers

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



The shire delivers
over 74 local services
across 24 business
units.



Priority projects

Workforce Plan major review

The Shire is required to develop and regularly review a Workforce Plan as a key informing strategy to implement the Shire's Strategic Community Plan and Corporate Business Plan. 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 Shire's leadership. Stephanie commenced on 14 July 2020, succeeding retired CEO Gary Evershed.

In 2019-20 the major Workforce Plan review was deferred a second time, with a minor review instead occurring as part of the organisation managing its resourcing levels in light of the COVID-19 pandemic.

Organisational structural changes during the year included:

- Legal and Governance Services moving to report to the CEO, including Records Management and Ranger Service teams
- Centralisation of marketing, media and communications into a centralised team.

In March 2020, two directorates were merged to form Infrastructure and Sustainable Development Services, with the new Director Nick Logan announced in May 2020

"This change reflects the need to better manage increasingly tight budgets whilst ensuring that there are sufficient resources available to meet the ever growing demands on our services and infrastructure."

– Stephanie Addison-Brown, Shire CEO

Review of the Shire's Long Term Financial Plan

The Shire is required to develop and regularly review a Long Term Financial Plan as a key informing strategy to implement the Shire's Strategic Community Plan and Corporate Business Plan.

The Shire's 10 year Long Term Financial Plan was adopted by Council on 11 April 2018, which was for the 10 financial years from 2018-29 to 2027-28. A major review of this plan commenced during the second quarter of 2019-20 but its completion was deferred for a year given the underlying assumptions were no longer relevant as a result of financial decisions made to aid recovery from the COVID-19 pandemic.

Some of the financial decisions that had not been considered in the draft plan but were implemented in 2020-21 included:

- no rate increase for 2020-21
- no increase to fees and charges for 2020-21 and the waiving of some fees and charges.

These will have an impact upon base operating revenue of the Shire and will be reflected in an updated LTFP to be prepared in 2020-21 for the ten years from 2021-22 to 2030-31. This updated plan will also be more relevant and current as it will be based on economic and financial assumptions influenced by COVID-19 such as property growth, cost and interest rate forecasts.

Information Communications Technology (ICT) Strategic Framework

The Shire commenced development of an ICT Strategic Framework in November 2019, with the key purpose to provide a guiding framework which prioritises greater organisational business needs and the technical objectives required to achieve them. The aim of the strategy is to drive improved customer service delivering ICT initiatives which increase efficiency, minimise costs, and maximise effectiveness.

The draft strategy categorises these objectives under seven interrelated themes:

1. Governance
2. Emerging technology and trends
3. Business systems and applications
4. Infrastructure and technology
5. IT business continuity
6. Security
7. Project/information management

The document is currently in its final stages to be finalised by the Shire's Executive team.



Key service results

Governance and Legal Services

Council meetings and 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.

Activity over 2019-20 included:

- A total of 205 councillor resolutions were made over 19 ordinary council meetings and three special meetings, compared to 193 resolutions in 2018-19)
- 200 of these resolutions have been completed by staff or require no further action. 5 items are in progress
- Two Councillor strategic planning sessions were held in November 2019 and January 2020, where priority projects and long term plans for finance, assets and workforce management were explored
- Seven Councillors attended a total of 29 professional development courses over 2019-20.

Briefings for Council are held before every Ordinary Meeting of Council. They provide an opportunity for Councillors and staff to discuss specific topics. A total of 92 briefings were held with Council over 2019-20, compared with 95 in the previous reporting period.

Shire policy

There were 20 Shire policies reviewed over 2019-20, including:

- Mobile Food Policy (OM2019/176, OM2019/177, and OM2019/211, OM2019/212)
- Public Art Policy (OM2020/59)
- Purchasing Policy and Regional Price Preference Policy (OM2019/153)
- Review of Infrastructure Services Policies (16 policies in total) (OM2019/258).

Other significant governance projects over 2019-20 included:

- Margaret River Men's Shed Lease (OM2019/129)
- Deferral of Standing Orders Local Law Review (OM2019/143)
- Review and Proposed to Local Laws (OM2019/164)
- Review of Committees and Governance Structures (OM2019/172, OM2019/173, OM2019/174)
- Proposed Sale of Lot 80 Humble Way (OM2019/209)
- Sale of 29 (Lot 15) Allnut Terrace, Augusta (OM2019/222)
- Amendment to Delegation of Power to Grant Concessions (OM2019/225)
- Appointment of Chair and Deputy Chair to

Reference Groups (OM2020/18)

- Adoption of Cemeteries Local Law 2020 and Activities in Public Places and trading Local Law 2020 (OM2020/20)
- Land Asset Management Plan (LAMP) Review (OM2020/31)
- Compliance Audit Return 2019 (OM2020/46)
- National Redress Scheme (Participation of Local Governments) (OM2020/84)
- Review of Delegations 2020 (OM2020/85, OM2020/86).

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 2018-19
- Annual Financial Report for 2018-19
- 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, 2019
- Risk Dashboard Reports
- Compliance Audit Return for 1 January 2018 to 31 December 2019.

Integrated Planning and Reporting Services

Service highlights

The Integrated Planning and Reporting (IPR) program is set by the Department of Local Government, Sports and Cultural Industries, as a set of best practice guidelines for strategic planning and reporting to Council and community. The Shire continued implementation of the IPR program over 2019-20, including quarterly reporting against the Corporate Business Plan 2019-23.

IPR set the direction for local governments and guides development of all other strategies and plans in the Shire. Activity over 2019-20 included:

- Minor reviews of the Long Term Financial Plan and Workforce Plans
- Major review of the Asset Management Plan, presented to Council on 10 June 2020 (OM2020/103)
- The Shire participated in collaboration with local

governments across the South West through the Local Government Professionals Association Peer Support Program with focus on strengthening regular service reviews and documenting service levels

- Annual Report 2018-19 presented to Council 27 November 2019 (OM2019/242) with quarterly reporting occurring against the Corporate Business Plan throughout the financial year.

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 2019-20 included:

- 11 projects hosted on the Shire's Your Say online engagement platform with a wide variety of workshops and community meetings for various topics
- Engagement design and long term support for priority projects including Local Planning Strategy, Cliff Safety for beachgoers, Margaret River Precinct Masterplan, Strengthening Community Capacity Plan, Margaret River Main Street Redevelopment, and mental health and wellbeing.

Community Perception Survey

The local government sector is encouraged to conduct regular independent surveys which gauge the community's satisfaction and understanding of its services. The most recent survey was completed in November 2019 by Catalyse on behalf of the Shire, completed by 676 respondents out of 4,000 randomly selected households who were invited to take part.

The results identified high levels of satisfaction for library services, sports and recreation, youth services, events, cultural activities, environment as well as health, wellbeing and liveability. The results also show community are wanting to better understand how their money is being spent on a number of services including roads, footpaths, waste services, domestic and feral animal control, and in community spaces like parks and playgrounds. The survey also provides benchmark comparisons with 16 metropolitan and 26 regional local governments across Western Australia. The Shire has commenced implementation of priority areas to better connect with all places and townsites across the shire. These results feature in the scheduled major review of the Strategic Community Plan in 2020-21. The full survey report is available on the Shire's website under publications.

4,939 Informed Participants	Participants	Top Projects	Participants%
Viewed a video	6	Margaret River Main Street Makeover	2,546 (56.0%)
Viewed a photo	759	Environmental Sustainability Strategy	266 (93.7%)
Downloaded a document	2,993	Draft Climate Action Plan	239 (61.4%)
Visited the Key Dates page	49	Margaret River Precinct Plan	220 (59.8%)
Visited a FAQ list Page	517	Second Access Route to Gnarabup	193 (94.6%)
Visited Instagram Page	0	Mental Health Community Alliance	187 (73.6%)
Visited Multiple Project Page	3,228	The Shire's Local Planning Strategy	173 (53.9%)
Contributed to a tool (engaged)	341	Scheme Amendment No. 67-752	168 (38.4%)

* A single informed participant can perform multiple actions * Calculated as a percentage of total visits to the Project

Above: Key results from Your Say in 2019-20, showing top projects and quantity of informed participants.

Finance Services

Annual budget

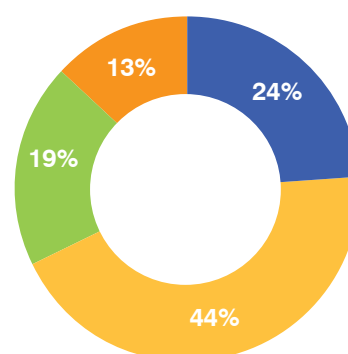
Work to prepare the Annual Budget occurs from February to June each year. This is an important process to balance affordability and various priorities. The final Annual Budget 2019-20 and Corporate Plan 2019-23 were endorsed on 24 July 2019 (OM2019/136, OM2019/137).

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.

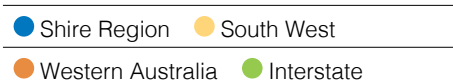
Procurement services

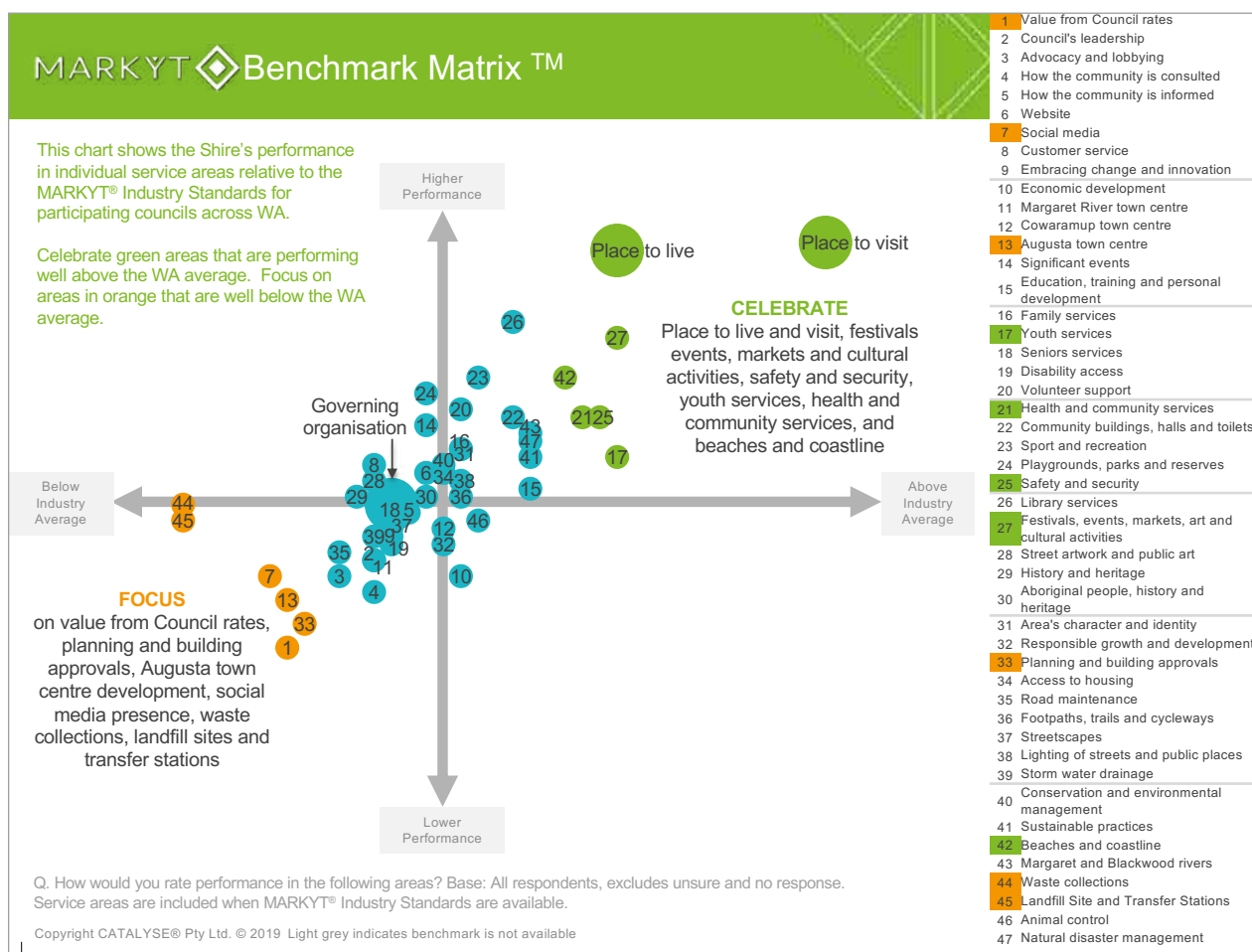
The Shire operates under a procurement policy that supports the local economy first across its budget spend.

As the graph to the right shows, the Shire spent 68% of its procurement in the South West region in 2019-20.



Procurement by supplier location 2019-20





Above: Page 11 of the Shire's 2019 Community Perception Survey, showing the areas the community see the Shire as performing well and areas to improve. Read the full report at amrshire.wa.gov.au/council/publications/download/472/

Human Resources Services

Service highlights

- The Shire's full time equivalents (FTE's) budget increased from 170.9 in 2018-19 to 175.1 in 2019-20, largely to resource the HEART
- The Shire achieved an actual workforce cost ratio of 73.03%, compared with 70.78% in 2018-19. This increase is due to taking on the management of the HEART
- The average length of service at the Shire for 2019-20 was 7.13 years
- The Shire had a total of 51 job vacancies in 2019-20, of which 23 were advertised externally, 9 advertised internally and 19 direct appointments
- Recruitment expenditure for 2019-20 was \$24,296, compared with \$73,976 in 2018-19. Note that \$43,790 was CEO recruitment agency spend in 2018-19
- The Shire's voluntary staff turnover for 2019-20 was 10.70%, compared with 10.19% for 2018-19 and lower than the industry average of 15.10%
- 230 staff performance reviews (PES) were completed for the 2019-20 review period, with 20 outstanding to be completed in the 2020-21 financial year
- Training and development expenditure accounted for 1.54% of the Shire's total workforce cost over 2019-20
- 65 peer recognition awards and 27 service recognition awards were given throughout the year
- 19 work experience placements across 6 service areas, two recurring 12 month traineeships in Community Development and Parks & Gardens and a new Events traineeship in HEART.

Organisational structure changes

The Shire's organisation structure was reviewed in 2019-20 and now comprises two directorates and budgeted at 175.10 full time equivalent (FTE) staff. Changes to the organisational structure over 2019-20 resulted in the following labour budget changes for 2020-21:

Service Area	Services	Resources	FTE
Sustainable Development and Infrastructure Services Directorate	Combined directorates to gain greater service delivery efficiencies	Director Infrastructure Services and Director Sustainable Development positions combined; Executive Assistant moved	-1.7
Waste Services	Service demand reduction in Waste	Reduced allocation to Manager and Waste Education Officer reallocation of FTE	-1.2
Beach Lifeguards	Service provision given to Surf Life Saving	Service contracted	-1.1
Survey and Design	Structural efficiencies	Coord Tech Services allocated to PWO	-1.0
Chief Executive Office	Restructure	Governance Officer & Admin Assistant to Legal & Governance	-0.9
Customer Relations	Service demand reduction due to online services	Vacant position not filled	-0.5
Director Corporate and Community Services	Admin resources merged	Exec Assistant reallocated to Emergency Services	-0.4
Waste Services	Change to service delivery that requires reduced resourcing	Position vacant due to retirement, not filled	-0.3
Records	Service realigned with Legal and Governance	ICT Coordinator allocation removed	-0.3
Information and Communication Technology	Service realigned with Legal and Governance	ICT Coordinator no longer allocated to Records	0.3
Revenue	Service demand	Position change with Customer Relations	0.3
Health	Service demand	Increased allocation from Manager	0.3
Rangers	Service delivery risk addressed	Seasonal Ranger appointed	0.4
Emergency Services	To address service delivery risk in Emergency Services	Assistant to Community Emergency Services Manager included	0.4
Libraries	Service delivery scope change	Cleaner included	0.5
Plant Operating Costs – Workshop	Community service initiative	Apprentice Mechanic	0.7
Planning and Development Services Directorate	Administration service delivery pooled to be delivered by a centralised service	Director Infrastructure Services and Director Sustainable Development positions combined, Executive Assistant moved	0.7
Legal and Governance	Centralise services	Governance Officer and Administration Assistant included	0.9
Public Works Overheads	Greater structural efficiencies	Coordinator Tech Services and 0.2 reallocated from Workshop	1.2
Communications and Events	Centralise marketing services	Additional Marketing Officers	2.0
HEART	To deliver Culture Centre program and maintain operations	Additional staff to operate facility	3.4

Equal Opportunities

The Western Australia local government Equal Opportunity Survey in 2020 identified the Shire's workforce breakdown as follows:

Workforce Group	Representation %	
	Indoor	Outdoor
Women	71.80%	9.25%
People from culturally diverse backgrounds	4.78%	3.70%
Aboriginal Australians	1.06%	1.85%
People with disability	3.19%	5.55%
Youth (under 25)	8.51%	1.85%
Mature employees (over 55)	11.17%	37.23%
Women in tier 1 management	100%	N/A
Women in tier 2 management	0%	N/A
Women in tier 3 management	16.67%	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 2019-20
100,000 – 109,999	4
110,000 – 119,999	0
120,000 – 129,999	4
130,000 – 139,999	5
140,000 – 149,999	0
150,000 – 159,999	0
160,000 – 169,999	0
170,000 – 179,999	2
180,000 – 189,999	0
190,000 – 199,999	0
200,000 – 209,999	0
210,000 – 219,999	0
220,000 – 229,999	1
230,000 – 239,999	0
240,000 – 249,999	0
250,000 – 259,999	0
260,000 – 269,999	0
Total	16

Customer Services

Customer requests

The Shire received 2,929 customer service requests, in comparison with 2,650 from the previous reporting period.

In addition to this the Shire received 1,498 Works service requests during the same period, compared with 1,486 in the previous reporting period. These requests relate to actions required in the community like tree pruning and removal and road grading and repairs.

A total of 8,191 customer service transactions were also completed in 2018-19, which includes planning, building, health, rates, animal registrations and Transport Western Australia services.



Customer services	Margaret River		Augusta	
Year	2018-19	2019-20	2018-19	2019-20
Number of Shire transactions	7,285	6,515	2,222	1,676
Value of Shire and Department of Transport transactions	\$9,026,767	\$8,627,484	\$1,672,809	\$1,303,945
Number of Department of Transport transactions	11,785	9,280	2,743	2,111
Value of Department of Transport commissions	\$147,633	\$137,910	\$30,432	\$24,868

Records management

The Shire recorded a total of 79,321 incoming and outgoing documents over 2019-20, in comparison to 59,214 in 2018-19. These are managed per the State Records Act 2000. The Shire received 5,328 hours of telephone correspondence.

Complaints

As required under section 5.53(hb) Local Government Act 1995, the Shire had no complaints of minor breaches against Councillors over 2019-20, where the finding decided that a minor breach had occurred under section 5.110(2)(a) of the Local Government Act 1995.

ICT Services

The Information Communication Technology (ICT) team manages the Shire's servers (48), desktops and laptops (200), email exchanges (200), 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.

The team is comprised of two staff. On average they receive 344 phone calls each month for support and spend an average of 12.5 hours on the phone each month.

Service highlights

Work over 2019-20 has focused on:

- ICT Strategic Plan – commencing in November 2019, this document sets an ambitious agenda for the Shire to increase the quality of its services and operations
- Upgrade to Remote Desktop Infrastructure – in March 2020, this upgrade was required to support 50% of employees to work from home and to allow the Shire to continue servicing the community during COVID-19. This included three Remote Desktop Gateways, two Connection Broker Server, five Session Host Servers, and three WAN connections (pre-existing but re-purposed)
- Microsoft 365 Implementation – a cloud-first adoption commenced in March 2020 migrating services including Exchange and SharePoint to reduce the organisation's dependence on ICT staff
- Digital signatures – introduced in May 2020 to reduce paper waste, enhance security and validation, support a mobile workforce and improve processes for various business units
- Security enhancements – replacement of email gateway and security awareness training in June 2020 and enabling of Multi-Factor Authentication for accounts and remote access.

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 2019-20, 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.

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



Holiday Parks

The Shire provides alternative accommodation for visitors in the Shire. Alexandra Bridge Campground, Turner Caravan Park and Flinders Bay Caravan Park all retained their visitation rates throughout the year.

Quick stats 2019-20:

26.4%

Average occupancy rate of Flinders Bay Holiday Park

37.9%

Total occupancy rate of Turner Holiday Park

10,301

Total bookings at Caravan Parks over 2019-20

\$1.95m

Total revenue from Caravan Parks for 2019-20

COVID-19

On 25 March 2020, Holiday Parks in the Shire were required to close under State and Federal health directives. Alexandra Bridge reopened on 2 May 2020, Turner Holiday Park reopened on 29 May and Flinders Bay did not re-open due to its annual closure from 1 June until 1 September 2020.

During this period staff used some annual leave and reduced some of their hours voluntarily, two ground staff were temporarily redeployed to the Shire's Parks and Gardens team and the remaining part of the team focused on completing yearly maintenance on site and managing emails, phone calls, postponing all Easter and school holiday bookings to next year.

Below: Alexandra Bridge Camping Ground raised \$59,909 worth of revenue over 2019-20 which supports its ongoing maintenance requirements.

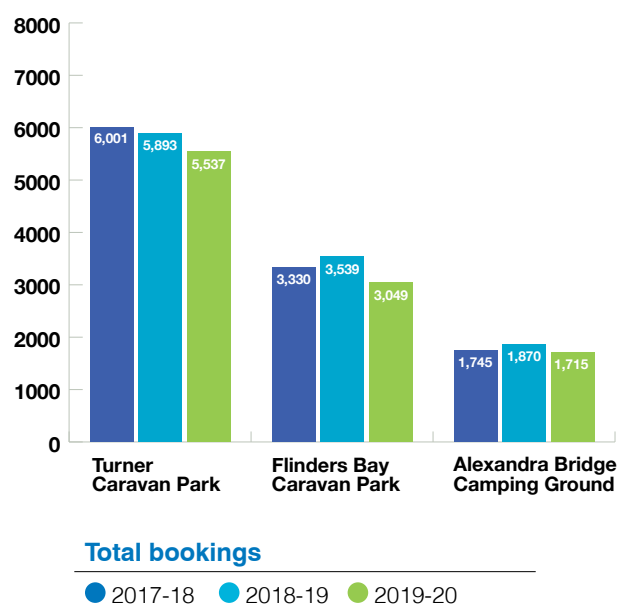




Holiday Park maintenance

Following endorsement of the masterplan for Turner Holiday Park in November 2019, the team focused this year on completing detailed design, costing and approaches for priority areas identified within masterplan. This work was completed for all scheduled service upgrades for electrical, sullage, water and fire equipment. Design and costing works have been completed for the second exit roadway, drainage and new facilities including Circle camp kitchen, lounge, laundry and family toilet and showers at Turner Holiday Park. Works will be iteratively addressed over the coming financial years.

Asbestos removal at the park was completed in quarter one of 2019-20, at the park office and Manager residence.



Libraries

Library Services in Augusta and Margaret River offer a vast range of services to entertain, educate, connect and inform the community. Our libraries participate in a state-wide network of public libraries.

COVID-19

On 23 March 2020, the Margaret River and Augusta Libraries were required to close under State and Federal health directives. Libraries faced an unprecedented challenge to safely support our community and provide ongoing access to information, education and entertainment during a uniquely stressful period. Libraries were heavily impacted by COVID-19 and this had a marked effect on service statistics.

Our libraries developed new ways to deliver the service from both locations:

- 'Click & Collect' services enabled members continued access to physical items including books, magazines, DVDs, games and jigsaws
- Strict quarantining and distancing procedures were developed to enable staff to work onsite to handle and process incoming and outgoing items in a safe and efficient manner

- Frequent blog posts kept the community updated about the new services and encouraged members to access free online library resources including e-books, e-audiobooks, movies and educational platforms
- Staff were available to provide technological assistance via email and phone, enabling many first-time users of e-resources to overcome obstacles to access and building the digital skills of the community
- Staff provided individual and personalised assistance, including selecting items based on preferences, joining new members over the phone, and renewing all checked-out items for extended periods of time.

Feedback from the community indicated that the continued access to services, combined with the availability of staff, was an important point of human contact. Within the first 10 days of being launched, 386 people used the 'Click & Collect' service.

Quick stats 2019-20:

+66%

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

72,148

In-person visits

187,969

Website & catalogue searches

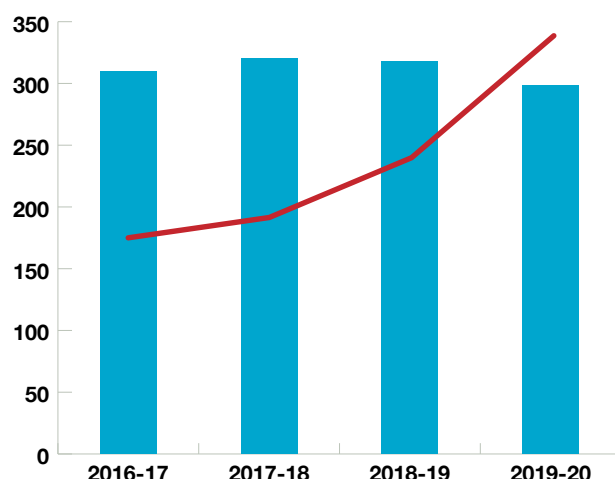
1,710

New members joined

"I know you've been told before but am adding my heartfelt thanks for your service. 'Service' does not adequately describe the wonderful humanness you bring to us all in terms of lifelong learning, entertainment, enlightenment and sheer joy that reading gifts us. During these times you are also the connection that diminishes mental distress and loneliness. Please know you are all loved for your 'service' to us."

"I have been isolating, and not seeing many faces, so to be greeted warmly and to feel genuinely cared about and looked after by the library staff was a real lift to my spirits."

"Thank you so much for opening this essential service, my parents have been self-isolating for a month and a world without books for my mother is horrifying. I have loaned her some of mine but we have different tastes so she was so relieved to know she could get library books again."



Physical item circulation & e-resource use trends

- Physical item circulation
- Usage of library e-resources

This year has seen a continuation of the trend for growing use of online resources including e-books, e-audiobooks, film streaming, educational courses and research databases. The use of library e-resources has increased by 176% over the last three years, particularly over the COVID-19 period.

Library programs for adults

This year's 192 events created learning and literacy opportunities for a wide range of community members while providing a place for all people to connect, discover new things and find inspiration.

Highlights included reading and writing author talks, Be Connected: Building Digital Skills' programs for Seniors and Get Online Week promotional events, Chinese New Year celebrations and Cocoon Gallery exhibitions.

Library programs for children and youth

Our libraries provided 114 programs supporting family literacy and fostering learning across early years and for young people. Highlights included CoderDojo coding club, Studiosity sessions, school holiday programs including making bunting, creating their own skin care products, learning about

snake safety and reptile awareness, and building masterpieces from bricks at Lego Club.

Better Beginnings to Book Chat... a literacy tale

The library partners with Child Health nurses to run regular sessions for newborn babies and their caregivers as a partnership between the Shire of Augusta Margaret River Libraries, State Library of WA and Rio Tinto's Future Fund. The Better Beginnings program starts here and includes a bag containing a free book and tips on reading, singing and playing together as a family.





Below: Online Lego competition for the school holidays during COVID-19 closure

Other service highlights include:

- Baby Rhyme Time is the next step on the way to literacy and caregivers learn new rhymes, songs, and family literacy tips to share with their young ones
- Children aged 2 – 5 years old can then attend Storytime, and they are given a chance to enthusiastically engage with books, stories, rhymes, song and craft. Storytime assists in preparing children for Kindergarten, by subtly encouraging skills that are required to be school ready. Another Better Beginnings bag containing a free book and tips on reading, singing and playing together as a family is shared with children
- Year one students in the Shire are given a Reading Rabbits pack to encourage reading for pleasure at home. Reading Rabbits is a reading rewards style program and a partnership between the Shire Libraries, Rotary Club of Margaret River and the Margaret River Bookshop
- Students who are in year 2 and above, receive a Book Bandicoots rewards card when they borrow books from their local public library. Book Bandicoots is an extension of Reading Rabbits and is included in the partnership listed above
- Book Chat Club is designed for children over 10 years old who love reading and is a partnership with the Margaret River Bookshop. Enthusiasm for Book Chat has been growing continuously and a core group meet at the library once a month to discuss the books they have been reading and recommend titles to others.

Margaret River HEART

The new HEART venue has now been formally launched to host a range of professional performing arts, commercial cinema, festivals and major touring shows.

Quick stats 2019-20:

8,800

In-person visits

50

Events including rehearsals, small meetings, exhibitions, cinema and live performances.

43

Registered volunteers

Revenue generated by Margaret River HEART is redirected back into venue operations, assisting to reduce reliance on ratepayer funding.

Live performances at the HEART have the ability to offer meaningful social interaction, psychological stimulation and positive emotions, and also offer tangible economic benefit where visitors and performers stay overnight in region, contributing to the local economy.

Launch of operations

On 28 August 2019, the Councillors endorsed for the Shire to take on management of the facility, paving the way for the future job creation, traineeships and volunteering opportunities for the community (OM2019/159). Through this the Shire also pledged \$100,000 in annual grant funding to be made widely available to the community to support cultural and arts events within the HEART.

In October 2019 the inaugural 'Strings Attached Festival' welcomed the community to the entire facility, including the Main Auditorium, Court 3, Courtyard, Sound Shell and grassed area. From November 2019, the main theatre also began hosting events. A dedicated Manager for the HEART was announced in December 2019 being Nicky Hansen from Mackay Regional Council. The General Manager started with the facility on 3 February 2020, conducting a review of costs and organisational

structure and has developed the attached report outlining strategies moving forward. This includes working collaboratively with Arts Margaret River to support their activities as well as the activities of a number of local arts organisations moving forward.

On Saturday 4 April 2020, the HEART hosted a free community open day which saw the precinct come to life with an afternoon of free entertainment and activities. Live music, stage performances, art workshops and exhibitions running throughout the event, allowed people to venture from space to space in an interactive way.

The first solo exhibition was held in February 2020 where textiles and assemblage exhibition titled 'Look Around You' by emerging local artist Linda Every. A highly successful opening week saw over 50% of the 35 pieces snapped up by private buyers.

The HEART website was launched in April 2020. The HEART's social media presence was established in early 2020 and has grown steadily since, providing a link to the community throughout the COVID-19 pandemic.

COVID-19

The COVID-19 pandemic restrictions forced the closure of the facility for an 11-week period from 23 March to 6 June 2020. During this forced closure the team tackled a long list of tasks necessary to get the new facility operational. Venue Management



Above: Attendees in the HEART for the Margaret River Theatre Group's performance in February 2020.

Systems including venue booking software, payment pathways and a ticketing system have been on-boarded. A significant amount of staff training and integration work is still in progress, noting that prior to the closure there had been considerable pressure on the team to manage building set up whilst simultaneously delivering events.

The HEART opened up again in May hosting an art exhibition and cinema and saw more than 2,000 patrons through the door in a 6-week period.

HEART grants program

During 2019-20 the HEART Culture and Arts Grants Program was launched with 20 applications to the value of \$100,000. Subsequent COVID-19 cancellations reduced the overall funded amount to \$34,000 spread over 10 events.

This result shows that in a normal event year, without a pandemic, there is an appetite for up to \$150,000 in funding from community organisations to run both large scale annual events that attract visitation to the region, as well as smaller community events and exhibitions.

Volunteering

To support the HEART team, a volunteer pool has been established. Currently 43 volunteers have registered interest in working with the HEART. Their first major project has been the coordination of highly successful Over 60's mornings where the HEART foyer is transformed into a safe gathering zone with local performers entertaining gatherings of more than 50 patrons.

HEART focus for 2020-21

The team is focusing on working with local talent to facilitate "Homegrown" performances and art exhibitions at the venue ensuring a continuation of live events and creating meaningful opportunities for the community to gather and enjoy the facility.

The first confirmed conference, the 2020 Global Eco Tourism Conference in early December 2020 and will showcase the venue on a State and National stage.

Recreation Services

Margaret River and Augusta Recreation Centres offer a wide range of programs across aquatic, fitness and active lifestyle programs including DanceAbility, GymAbility and MoveAbility.

Recreation services works closely with 27 sporting clubs in the Shire to provide sporting precincts across the Shire and facilitate funding to support KidSport in the community.

Quick stats 2019-20:

89,247

Total admissions to
Recreation Centres

42,662

Total aquatic
admissions

\$554,768

Margaret River
Recreation Centre
revenue

\$27,369

Augusta Recreation
Centre revenue

COVID-19

On 23 March 2020, the Margaret River and Augusta Recreation Centres were required to close under State and Federal health directives. To support the local community through this time, Recreation Services developed new ways to deliver the service from both locations, including:

- The centre was forced to shut between 23 March to 17 May and reopened from 18 May to 6 June with free entry to the community, strictly 20 people per hour
- Staff were redeployed to online fitness program, four staff working in a community wellness team delivering outbound calls and support for the broader shire staff
- Lack of seasonal sporting events and sponsorship of clubs has impacted local sporting groups due to the economic impact of the pandemic.

Margaret River Recreation Services

The Margaret River Recreation Centre was temporarily closed during December 2019, for refurbishment of the court's timber sports floor on the three existing courts to provide for safer and better playing conditions. During COVID-19, the changing rooms, outdoor entry way roof, communal areas, gym and group fitness rooms were all repainted. The team completed the new self-service check in screens in the Margaret River Recreation Centre in May 2020, which has significantly increased flow of activity in the community space.

Staff worked collaboratively with Surf Lifesaving Western Australia to transition the beach lifeguard services Rivermouth Beach in Prevelly to be run by Surf Life Saving WA, allowing access to surf competition and jet ski training with increased resourcing, service provision and ongoing expertise for the community. Ongoing engagement also occurred with Shire sporting clubs through the Sport and recreation Advisory Group to Council, with new engagement with the Margaret River Rowing Club and Cowaramup Tennis Club.

Augusta Recreation Services

Use of the Recreation centre in Augusta has been limited this year due to COVID-19. General use includes:

- 86 gym memberships at the Augusta gym as of 30 June 2020
- Hydropool booked 5 times each week through private hirer – which sees approximately 4 people per half hour timeslot at 3.5 hour session each day.

The Augusta Recreation Hydrotherapy pool was refurbished during 2019-20, where a building management system was activated so staff from Margaret River could manage the temperature and water treatment and filtration when off-site to ensure adaptive service space and less down time due to travel. Staff also worked closely with multiple Augusta sporting clubs to enable closer collaboration with Shire-wide clubs, enabling increased participation for Augusta families and access to greater resources and support, Cricket and Junior Footy.

Official opening of the Lower Western Oval

The Shire hosted the South West Cup finals at Gloucester Oval on Sunday 22 September 2019, in partnership with Football Margaret River. This marked the official opening of the Lower Western Playing Field and was the first time Margaret River has hosted the South West Cup in the club's 33 year history. The event saw six finals played over the day, culminating in the Men's Premier League Final at 3pm on the newly constructed Lower Western Playing Field. Local Margaret River enthusiasts played small side games during the half time break of the Ladies and Men's Premier finals and with over 500 players and spectators from the South West attending over the day.

Margaret River Hockey field

The State Government announced \$334,289 of grant funding in January 2020 to support development of a new synthetic turf half-pitch within the local Gloucester Park sporting precinct. The field will be constructed in 2020-21, funded by Department of Sport and Recreation as well as the Shire (\$293,500), the Margaret River Hockey Club (\$175,000) and the Federal Government (\$200,000). The Shire provided significant support provided to this local project over 2019-20 to secure this funding, build local engagement and extensive support through the detailed design process.

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), run in line with Department of Local Government, Sport and Cultural Industries, Australian Children's Education and Care Quality Authority and Childcare Australia regulations.

Service demand

Usage statistics shows continual growth in use over recent years, although since opening of the HEART the service space has been reduced and this has impacted on the number of available bookings. The service reduced from 72 to 30 spaces in October 2019. Innovative service models and the ongoing monitoring of service need this service in the community continues to be a major focus. There is also a high volume of unmet demand due to this service being the only one of its kind in the region. As a result, the team have been working over the year to expand service delivery of after school care utilising space at St Thomas More Primary School, which will accommodate 22 additional spaces.

Bookings 2019-20		Waitlist (as of 30 June 2020)		
Recreation Centre crèche	Kids Club (before and after school care)	Vacation Care	Kids Club (before and after school care)	Vacation Care
1,593	1,872	74	60	40










COVID-19
















On 23 March 2020, the OSHC services in Margaret River were limited to the following due to COVID-19.

As part of the Australian Governments approach to the pandemic the Early Child Care sector was deemed as 'Essential Work' to support essential workers and therefore required to stay open for business. Due to the impact of the pandemic Kids Club were reduced to 4 staff and the Supervisor, affecting the number of children Kids Club could take according to ratio regulations. The 5 available staff worked 10 hour shifts in teams to manage fatigue and reduce possible cross contamination across strict two meter zones in the space. 882 bookings were provided to essential service workers during this time. The service returned to its usual offerings on 13 July 2020.

















Key projects 2020-24

Key project	Who	2020-21	2021-22	2022-23	2023-24	Budget	Community Strategic Plan Link
KP1. Support delivery of a Climate Action Summit focused on adaptation	Planning and Development Services	●				\$35k Operating expenditure	
KP2. Develop and implement the Shire's Aboriginal Cultural Management Agreement in partnership with Traditional Owners and the Aboriginal community	Community Planning and Development	●	●	●	●	\$46k Operating expenditure	
KP3. Conduct major asset renewal for the Margaret River Recreation Centre Roof	Community Building Services (lead) Recreation Services	○	▼	●		\$350k Capital expenditure	
KP4. Construct the Gloucester Park multi-purpose hockey turf	Recreation Services	●				\$1,002k Operating expenditure (inc \$709k grants)	
KP5. Develop the Outside School Hours Care facility in Margaret River	Recreation Services		○	▼	●	2021-22	
KP6. Lead local recovery efforts local recovery efforts following the COVID-19 pandemic	Community Planning and Development	●	●			\$1,500k Operating expenditure	
KP7. Complete the major review of the Local Planning Scheme and Strategy	Planning and Development Services	●				\$20k Operating expenditure	

KEY: ○ Design ▼ Funding ● Implement

Key project	Who	2020-21	2021-22	2022-23	2023-24	Budget	Community Strategic Plan Link
KP8. Implement renewable energy on Shire buildings, focused on the Shire main office in 2020-21	Planning and Development Services	●	●	●	●	\$160k Capital expenditure	 
KP9. Develop Davis Road waste station and waste facilities upgrades	Waste Services	●	●			\$760k Capital expenditure	 
KP10. Develop strategic partnerships for HEART and the Art and Culture Grant Program, including the development of a Sponsorship Program	HEART	●	●			\$150k Operating expenditure	 
KP11. Determine the new alignment of the Winter Diversion Trail and seek a S18 approval for construction	Asset Services	●	●	●	●	\$150k Capital expenditure	 
KP12. Develop a Healthy Country Plan in collaboration with Aboriginal elders for the Dead Finish to Cape Leeuwin Precinct	Landcare and Environmental Services	●	●			\$30k Capital expenditure	 
KP13. Complete the Main Street Makeover	Works (lead) Communications, Marketing and Events	●				\$4,739k Capital expenditure	  
KP14. Deliver the Gnarabup foreshore path realignment and coastal erosion project	Landcare and Environmental Services	●				\$300k Capital expenditure	 

KEY: ○ Design ▼ Funding ● Implement

Key project	Who	2020-21	2021-22	2022-23	2023-24	Budget	Community Strategic Plan Link
KP15. Complete and implement the Sustainable Economy Strategy	Sustainable Economy	●	●	●	●	\$35k Operating expenditure	  
KP16. Conduct a major review of the Community Strategic Plan	Community and Corporate Services	●				\$20k Operating expenditure	
KP17. Provide ongoing review of the Shire's Long Term Financial Plan	Finance Services	●	●	●	●	\$3k Operating expenditure	
KP18. Review the 10 year Forward Capital Works Program to align with the Asset Management Plan and inform the Long Term Financial Plan	Asset Services (lead) Finance Services	●				\$10k Operating expenditure	 
KP19. Undertake organisational service improvement reviews	Community and Corporate Services	●	●	●	●	\$5k Operating expenditure	 
KP20. Complete a major review of the Shire's website	Communications, Marketing and Events	○	●			\$40k Operating expenditure	 
KP21. Deliver ongoing iterative mainstreaming of climate change through policy, procedure and cultural change	CEO	●	●	●	●	N/A	    

KEY: ○ Design ▼ Funding ● Implement

How your rates benefit the community



**Waste and resource
recovery**

\$3.63M



**Sport and recreation
facilities**

\$2.71M



**Events, community, library
& cultural services**

\$6.2M



**Parks, skateparks,
playgrounds & reserves**

\$2.84M



**Environmental protection
& sustainability**

\$1.36M



**Roads, paths, trails,
bridges, airstrips,
drainage, foreshores,
street lighting, etc**

\$10.24M



**Community safety,
health and emergency
management**

\$2.97M



**Economic development,
planning and tourist parks**

\$2.5M

Figures shown are estimates only which represent operational works funding from the 2020-21 budget

Budget Summary 2020-21

The 2020-21 balanced budget seeks to build upon the COVID-19 pandemic recovery measures implemented during the last quarter of 2019-20 while also ensuring prudent financial management for the continued operational sustainability of the Shire.

Recovery measures include no increase in the rates in the dollar and minimum payments compared to those applied during the 2019-20 financial year, the waiving of some business specific fees and charges and the inclusion of a fund to assist relief from financial hardship as well as promoting economic stimulus and community resilience.

Also included within the budget is the continuation of the Margaret River main street upgrade project which is a significant and transformational project for our businesses, community and visitors. The first stage of this project comprising stormwater drainage system upgrades and construction of roundabouts at Wallcliffe Road/Forrest Road and Tunbridge Street/Churchill Avenue was completed in July 2020. Works to commence the second stage of the project which includes new footpaths, pedestrian crossings, parking bays, landscaping and electrical works for the Festival precinct (area from Willmott Avenue to Tunbridge Street including Fearn Avenue), were originally scheduled to commence in September 2020 but have been brought forward to coincide with the completion of stage one.

The Shire has applied for State and Federal Government funding to complete the third stage of the project from Wilmott Avenue to Wallcliffe Road/Forrest Road as the balance of the Royalties for Regions grant of \$5.290 million and the Shire funds and reserves of over \$3.4 million are allocated to the first two project stages.

The Shire's annual budget reflects the wide range of services and facilities benefitting the Shire's community and its many visitors. Highlights of the 2020-21 Budget include:

- Contributions to hall and community groups of \$0.143 million as well as contributions of \$0.155 million 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 \$0.259 million for youth, capacity building, community resilience, access and inclusion, arts and culture, age friendly and community grants programs
- \$0.144 million towards major (iconic) events and \$0.088 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
- Continuation of the 3 bins waste collection system at the same 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 \$0.772 million as well as \$0.090 million in contributions to environmental groups
- Over \$1.3 million to renew and upgrade community buildings including works to the Witchcliffe and Alexandra Bridge halls, various asbestos removal and reinstatement projects and design development for the renovation of the Aquatic Centre building
- \$1 million to construct a synthetic turf hockey training facility is largely grant funded
- Roads, paths and drainage upgrade work of \$1.475 million (excluding the main street project) and renewal works of \$6.888 million
- \$0.963 million to replace heavy plant and light vehicles.

A summary of the Annual Budget 2020-21 compared to the Forecast Actual result and Annual Budget for 2019-20 is provided below for reference purposes:

Description	2020-21 Budget \$'000s	2019-20 Forecast \$'000s	2019-20 Budget \$'000s
Rates	22,454	22,194	22,124
Operating Revenue	12,040	12,564	12,230
Operating Expenditure	(40,091)	(37,218)	(38,145)
Net Operating Result	(5,598)	(2,461)	(3,792)
Capital Grants	6,752	4,953	5,707
Profit/(Loss) on Asset Disposals	16	81	(23)
Net Result	1,170	2,695	1,893
Asset Purchases	(21,602)	(17,235)	(23,474)
Asset Sale Proceeds	287	677	435
Borrowings Repaid	(764)	(925)	(925)
New Borrowings	810		0
Unspent Loan 194	224	272	272
Transfers to Reserve	(423)	(4,907)	(1,113)
Transfers from Reserve	8,531	8,588	10,195
Brought Forward Surplus	2,248	3,532	3,315
Closing Budget Position	0	2,248	0

It is expected the Shire will commence the budget year with a surplus of \$2.248 million from 2019-20. This is an increase on the budgeted result expected for the year and is the result of the following:

- Carrying forward various operating expenditure projects totalling \$0.369 million
- Carrying forward various capital projects totalling \$1.137 million
- Carrying forward the advance payment for 2020-21 of Financial Assistance Grants of \$0.742 million received in May 2020.

Normally some under and over expenditures and revenues for the year would contribute to the amount carried forward. However, operating revenue losses during the year primarily resulting from the closure of facilities have been balanced with savings in operating expenditure. Expectations are that 2020-21 will end up with a balanced result.

Rates

Updated property values for rating purposes were received from Landgate for all rural properties in the Shire and are effective from 1 July 2020. Rural or Unimproved Value (UV) properties are revalued on an annual cycle and town site or Gross Rental Value (GRV) properties are revalued on a 3 years cycle. The next revaluation for GRV properties will be effective from 1 July 2021.



Compared to the previous year's valuations rural property values only decreased by an average of 0.01% and compares to last year's average decrease of 0.32%. Valuations changed for 65 properties with 17 properties recording a decrease in valuation totalling \$0.599 million and 48 properties recording an increase in valuation totalling \$0.550 million. Almost half of the affected properties are in the Scott River and Nillup areas. Landgate advised "some variations to individual assessments may have occurred either as a product of the valuation process and/or inclusion of updated information such as soil types."

The impact of the valuation change upon individual property rates was calculated and it was determined that:

- Rates for 17 properties will not change as they are on the minimum payment
- Rates for 15 properties will decrease by a total of \$2,586
- Rates for 33 properties will increase by a total of \$2,498.

As the overall intent is to not increase property rates, Council will consider a rate concession for the 33 properties that would receive a rate increase when the new property valuations are applied against the rates in the dollar used for 2019-20.

Fees and Charges

As a result of the COVID-19 pandemic and the objective of not increasing rates and by extension fees and charges, the majority of the Shire's fees and charges for 2020-21 have not been changed from the amounts levied in 2019-20. During the height of the pandemic, Council authorised the waiving of non-regulatory Shire fees and charges until 30 June 2020 although this resolution was subsequently amended to exclude Waste Services fees and charges. Whilst this waiver has ended, the 2020-21 Schedule of Fees and Charges has included concessions for some business fees including for lodging houses, food businesses and directional signage. The objective of these concessions is to provide support to businesses as they recover from the pandemic.

Total fees and charges are budgeted to be \$9.764 million compared to the 2019-20 budget of \$9.757 million and forecast actual for 2019-20 of \$9.301 million. Total fees and charges are similar on a budget to budget basis while forecast actual fees and charges for 2019-20 did not achieve budget due to the COVID-19 fee waiver.

The only change to fees and charges are for the HEART and holiday parks. HEART pricing has been reviewed to reflect industry standards and the charging streams have been reduced from three to two being commercial and not for profit. Fees for 2021-22 have been included for holiday parks to cater for customers booking in advance.

Grants

A total of \$8.607 million of operating and capital grants and contributions are included in the budget. This amount is lower than originally anticipated as the Federal Government provided an advance payment of part of the 2020-21 allocation of the Financial Assistance Grants (FAGs) distributed by the WA Local Government Grants Commission (WALGGC). This advance payment of \$0.742 million was received in May 2020 and is included in the brought forward amount for the 2020-21 Budget. The advance payment distorts comparison of financial results and ratios between years as it inflates operating grants for 2019-20 and understates operating grants for 2020-21.

Operating grants of \$1.855 million include:

- Emergency Services Levy (ESL) grants of \$0.037 million for the SES and \$0.391 million for Bushfire Brigade services as well as \$0.351 million for Bushfire mitigation activity
- Contributions of \$0.060 million for the Community Emergency Services Manager
- A coastal adaptation and planning grant of \$0.088 million from the Department of Transport to fund limestone cliff stability assessment and coastal investigations
- Community Planning and Development and Library grants of \$0.015 million
- \$0.048 million of grants for the Outside School Hours Care service were received in 2019-20 but have been recognised as revenue in this budget in accordance with Accounting Standards
- Various other grants and contributions for specific projects and activities for business units.

\$6.752 million of capital grants and contributions are provided for specific purposes and include:

- \$1.101 million for the replacement of four bushfire brigade vehicles for the Rosa Brook, Wallcliffe, Witchcliffe and Karridale brigades (the replacement of three of these vehicles were originally scheduled for 2019-20)
- \$1.845 million from Main Roads WA (MRWA) through the Regional Roads Group for road works for Leeuwin Road, Warner Glen Road, Wallcliffe Road, Rosa Brook Road, Rosa Glen Road and the design of Cowaramup Bay Road
- Roads to Recovery grants of \$0.649 million have been allocated to rural road reseals, lower order roads renewals and asphalt overlays
- \$0.686 million from the Federal Government's Local Roads and Community Infrastructure Project grant has been allocated to various new projects
- A special purpose bridge grant of \$0.630 million for Warner Glen Road bridge is expected from the WALGGC and \$0.378 million of WALGGC bridge grants received in 2019-20 for Courtney Road bridge and West Bay Creek Road bridge have been recognised as revenue in this budget in accordance with Accounting Standards
- A direct grant of \$0.250 million from MRWA has been allocated to gravel re-sheeting
- \$0.116 million from the South West Development Commission for the Cape to Cape winter diversion trail
- \$0.018 million from the Regional Bicycle Network for various path projects



- The construction of a synthetic surface hockey training pitch is expected to be partly funded by a Community Sport and Recreation Facilities Fund (CSRFF) grant of \$0.334 million, a \$0.200 million grant from the Australia Sports Commission and a \$0.175 million contribution from the Margaret River Hockey Club
- \$0.200 million in developer contributions are to be transferred to the Developer Contributions reserve to fund future works.

Operating Expenditure

Total operating expenditure of \$40.091 million is budgeted for 2020-21 and compares to the budget and forecast actual for 2019-20 of \$38.145 million and \$37.218 million respectively with the increases being 5.1% and 7.7% year on year. The carryover of operating expenditure of \$0.368 million from 2019-20 contributes to the larger percentage change being recorded when the budget to forecast actual are compared. The other major factor is operating expenditure savings were required in 2019-20 to offset revenue losses caused by the COVID-19 forced closure of revenue earning facilities.

Employee Costs

The Shire has budgeted for a workforce of 178.8 full time equivalent (FTE) staff in 2020-21 compared to 175.1 FTE budgeted last year. The increase of 3.7 FTEs compared to the 2019-20 budget is primarily due to the operating structure for the HEART being based on a Shire run model as opposed to a largely outsourced model. This resulted in an increase of 3.4 FTEs. Other additions include two marketing officers with one position redeployed from within the organisation, a part-time community Ranger (0.4 FTE), a cleaner for the Library (0.5 FTE) and an apprentice mechanic. These increases have been partly offset by savings in executive staff (1 FTE) as a result of an organisational restructure, the contracting of the lifeguard service (1.1 FTE) and some general savings across the organisation.

Labour cost increases have been restricted to the across the board wage increase contained in the Shire's 2019 Enterprise Agreement and performance increases for eligible employees. The Shire has also budgeted for a full workforce complement and has not included a vacancy rate as it is not possible to forecast expected vacancies and their duration.



Furthermore, to minimise the financial impact of the new positions the budget has assumed only half of their labour cost for the year on the basis that recruitment is required.

On a budget to budget basis total employee costs included in operating expenditure are expected to increase from \$15.280 million to \$16.166 million or by 5.8%. This percentage increase allows for the wage increase, performance increases for eligible employees and growth in the workforce.

On a budget to budget basis the largest area of increase is, as expected, salaries and wages due to higher wage costs. These wage costs flow on to increase the salary associated items of leave, superannuation and workers compensation. Reduced training costs have partly offset these increases, as it is expected more training will be undertaken remotely rather than in person. In the

table above employee expenses for 2019-20 are shown as being over budget as they are being compared to the approved budget. However, this budget was amended to take into consideration changes in staffing levels for the HEART and Marketing. It is expected costs may be under the amended budget due to reduced training, education and conferences expenditure with training courses being cancelled and staff being unable to attend training as a result of COVID-19 restrictions.

The following chart compares operating employee costs and rates and shows that for 2020-21 budgeted operating employee costs constitute approximately 72% of budgeted rates and is higher than last year's ratio of 71%. The ratio is now showing an increasing trend.

Capital Works Programme

\$21.602 million has been allocated towards capital works and the following table provides a breakdown of the type of expenditure and the source of funding.

Capital Expenditure and Funding Source	\$	%
Asset renewal expenditure	9,249,705	42.8%
New assets	3,734,608	17.3%
Asset upgrades	8,617,500	39.9%
Total Capital Expenditure	21,601,813	
Funded by:		
General revenue	4,419,481	20.5%
Reserves	8,333,474	38.6%
Grants and contributions	6,391,627	29.6%
Loan borrowings & unspent loan	1,033,705	4.7%
Asset sale proceeds	286,500	1.3%
Previous period funding (carry overs)	1,137,026	5.3%

The table shows most expenditure is required to renew existing capital assets as opposed to upgrading assets or acquiring new assets. Focussing on asset renewal is the preferred asset management strategy and ideally should exceed the annual depreciation allocation which would demonstrate that assets are being renewed at a greater rate than they are deteriorating. This result is measured by the Asset Sustainability ratio and for 2020-21 this is not quite the case with the ratio's result being 97.2%. The main street upgrade project has contributed to this less than optimal result as the project has been classified as upgrade although part of the works could be considered renewal. The classification of capital expenditure projects is a developing asset management process that has an impact upon ratio results.

The following chart provides an indication of capital expenditure and funding by business units with capital expenditure exceeding \$0.100 million and clearly shows road and related expenditure is the dominant area of capital expenditure and that a range of funding sources are used.

New asset expenditure proposed for the year includes:

- \$0.450 million for a tracked loader for the landfill site to replace the leased equivalent
- Installation of a fire detection system for the Margaret River Recreation Centre is budgeted to cost \$0.100 million and has been carried over from 2019-20
- Installation of solar panels on the Civic and Administration Centre at an expected cost of \$0.160 million and has an estimated payback of approximately 4 years

- A hockey training facility, half size ground with a synthetic pitch, is budgeted to cost \$1.003 million and is largely funded by grants, contributions and reserves
- Various works to the HEART building that were excluded from the building contract but are required for compliance reasons and to improve the useability of the facility will be funded by a loan
- Funds have been carried over for the Cape to Cape winter diversion trail along the Margaret River and for the Flinders Bay to Cape Leeuwin path
- \$0.190 million for new plant items
- Construction of the next stage of chalets at Turner Caravan Park (\$0.430 million) is funded from reserves.

The redevelopment of the Margaret River main street is the major asset upgrade project with \$4.739 million allocated in the budget funded from the Margaret River CBD Redevelopment reserve. Stage 2 of this project is currently in progress and scheduled for completion in September/October 2020. Stage 3 works from Willmott Avenue to Forrest Road/Wallcliffe Road are dependent upon additional funding being received.

Other asset upgrade/expansion projects include:

- \$0.700 million has been allocated for the continuation of the waste cell construction and leachate pond project at the Davis Road landfill and is funded from the Waste Management reserve
- Various road, path and carpark expansion projects totalling over \$0.564 million

- \$1.116 million for Rosa Glen Road is classified as an upgrade project but would include a renewal component
- Ashton Street and Kevill Road projects are funded from developer contributions
- \$0.150 million has been allocated to Turner Holiday Park services upgrades.

The majority of road and related infrastructure projects have been categorised as asset renewal expenditure as the scheduled works have the objective of restoring service levels. \$3.356 million is allocated to road and infrastructure preservation works with majority of road works funded by the State Government's Regional Road Group grants administered through Main Roads WA. Major road rehabilitation projects include the continuation of Leeuwin Road (\$0.750 million), Warner Glen Road (\$0.478 million) and Rosa Brook Road (\$0.300 million). 2020-21 is the second year of the latest five years Roads to Recovery grant allocation from the Federal Government and \$0.649 million has been allocated towards funding various preservation works including asphalt overlays, rural reseals and lower order roads renewals.

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

Loan Borrowings

Principal and interest repayments have increased in recent years as a result of new borrowings in 2017-18 and 2018-19 for the HEART project, asbestos removal and reinstatement projects and the Margaret River Youth Precinct. A new loan of \$0.810 million for various building projects is budgeted for 2020-21. Consequently, loan principal outstanding is expected to increase to \$8.518 million from \$8.472 million last year but is still below the peak of \$9.751 million at 30 June 2018. Principal repayments for 2020-21 total \$0.764 million and interest repayments, including the Government Guarantee Fee, total \$0.452 million.

Reserves

The forecast balance of reserves at 30 June 2020 of \$22.288 million exceeded budget expectations primarily due to the delayed commencement of the Margaret River main street project not requiring the full transfer of funds from the Margaret River CBD Redevelopment reserve.

Reserve balances are budgeted to decrease to \$14.181 million at 30 June 2021. However, this balance is expected to reduce as no transfers have been budgeted from the Emergency Disaster Relief reserve although this reserve will be drawn down upon progressively to fund COVID-19 economic stimulus, community resilience and financial hardship measures.

For 2020-21 transfers from reserves of \$8.529 million are expected for various projects including:

Margaret river main street upgrade (\$4.739 million)

- Turner holiday park chalets and ablutions facility and service upgrades (\$0.910 million) from the caravan park upgrade reserve
- Replacement of mobile plant and equipment (\$0.370 million)
- The flinders bay to cape leeuwin path (\$0.100 million)
- Kevill road widening (\$0.300 million), ashton street reconstruction (\$0.200 million) and witchcliffe hall project (\$0.070 million) from the developer contributions reserve
- Gnarabup foreshore path realignment (\$0.238 million) from the cedarvale reserve
- Hockey training facility (\$0.200 million)
- Waste cell and leachate pond project and purchase of tracked loader (\$1.150 million) from the waste management reserve
- Environmental management fund projects (\$0.048 million) from the biodiversity reserve.

Additionally, funds from the Developer Contributions reserve are used for principal and interest repayments for loans totalling \$1.450 million drawn down for the Cultural Centre and Margaret River Youth Precinct projects.

Transfers to reserves are expected to total \$0.423 million of which \$0.200 million are developer contributions to be received, \$0.135 million is the transfer of plant costs recovered to the Plant Replacement reserve and the other transfers are various incomes received and required to be received such as Interest Free Loan proceeds and funds from the Old Settlement lease. Limited funds generated from operations has restricted the amount available to be transferred to reserves in 2020-21.

Visit the Shire website to download and view the full budget for 2020-21.

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 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 and Inclusion Group
- Homelessness and Affordable Housing Working Group
- 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.



Financial Reports

SHIRE OF AUGUSTA MARGARET RIVER
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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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 30 JUNE 2020**

*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 2020 is based on proper accounts and records to present fairly the financial position of the Shire of Augusta Margaret River at 30 June 2020 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

1st

day of

December

2020



Chief Executive Officer

Stephanie Addison-Brown

Name of Chief Executive Officer



SHIRE OF AUGUSTA MARGARET RIVER
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2020

Certified as a True & Correct Copy

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Rates	25(a)	22,236,881	22,123,740	21,430,382
Operating grants, subsidies and contributions	2(a)	2,498,827	1,429,985	2,522,596
Fees and charges	2(a)	9,567,943	9,757,140	9,792,002
Service charges	25(b)	4,000	4,333	4,000
Interest earnings	2(a)	758,406	1,003,300	1,113,897
Other revenue	2(a)	309,218	35,100	137,375
		35,375,275	34,353,598	35,000,252
Expenses				
Employee costs		(16,244,095)	(15,279,729)	(15,167,709)
Materials and contracts		(9,728,973)	(10,248,162)	(8,706,843)
Utility charges		(957,113)	(940,000)	(936,391)
Depreciation on non-current assets	11(c)	(9,643,934)	(9,361,200)	(9,482,920)
Interest expenses	2(b)	(489,615)	(564,202)	(527,510)
Insurance expenses		(781,968)	(644,547)	(628,242)
Other expenditure		(1,155,128)	(1,107,594)	(735,306)
		(39,000,826)	(38,145,434)	(36,184,921)
		(3,625,551)	(3,791,836)	(1,184,669)
Non-operating grants, subsidies and contributions	2(a)	16,111,087	5,707,255	6,387,793
Profit on asset disposals	11(a)	91,577	12,373	76,174
(Loss) on asset disposals	11(a)	(1,766,812)	(34,913)	(1,421,682)
Assets Written Off		0	0	(44,794)
(Loss) on sale of land held for resale		(9,091)	0	(3,182)
(Loss) on valuation of land held for resale		0	0	(1,818)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	87,586
		14,426,761	5,684,715	5,080,077
Net result for the period		10,801,210	1,892,879	3,895,408
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	214,537	0	0
Total other comprehensive income for the period		214,537	0	0
Total comprehensive income for the period		11,015,747	1,892,879	3,895,408

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 30 JUNE 2020

Certified as a True & Correct Copy

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Governance		440,598	255,495	274,218
General purpose funding		24,828,711	24,089,083	24,324,986
Law, order, public safety		708,750	721,824	812,940
Health		133,543	124,460	134,824
Education and welfare		443,762	430,700	545,885
Community amenities		5,323,386	5,185,376	5,251,908
Recreation and culture		808,312	1,079,120	1,059,049
Transport		207,220	89,400	90,075
Economic services		2,408,909	2,358,140	2,486,674
Other property and services		72,084	20,000	19,693
		35,375,275	34,353,598	35,000,252
Expenses				
Governance		(7,419,536)	(7,199,432)	(6,644,606)
General purpose funding		(955,452)	(1,237,537)	(959,296)
Law, order, public safety		(2,073,154)	(2,144,382)	(1,664,627)
Health		(576,291)	(558,328)	(542,974)
Education and welfare		(480,213)	(455,666)	(446,900)
Community amenities		(5,266,225)	(5,185,942)	(4,250,335)
Recreation and culture		(9,233,183)	(9,442,197)	(8,469,617)
Transport		(10,511,698)	(9,811,842)	(10,250,733)
Economic services		(1,608,639)	(1,483,108)	(1,411,207)
Other property and services		(386,820)	(62,798)	(1,017,116)
		(38,511,211)	(37,581,232)	(35,657,411)
Finance Costs				
	2(b)			
Governance		(313,990)	(385,461)	(329,553)
Law, order, public safety		(1,776)	0	0
Community amenities		(307)	(333)	(2,373)
Recreation and culture		(139,023)	(143,335)	(155,500)
Transport		(358)	0	0
Economic services		(34,161)	(35,073)	(40,084)
		(489,615)	(564,202)	(527,510)
		(3,625,551)	(3,791,836)	(1,184,669)
Non-operating grants, subsidies and contributions	2(a)	16,111,087	5,707,255	6,387,793
Profit on disposal of assets	11(a)	91,577	12,373	76,174
(Loss) on disposal of assets	11(a)	(1,766,812)	(34,913)	(1,421,682)
Assets Written Off		0	0	(44,794)
(Loss) on sale of land held for resale		(9,091)	0	(3,182)
(Loss) on valuation of land held for resale		0	0	(1,818)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	87,586
		14,426,761	5,684,715	5,080,077
Net result for the period		10,801,210	1,892,879	3,895,408
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	214,537	0	0
Total other comprehensive income for the period		214,537	0	0
Total comprehensive income for the period		11,015,747	1,892,879	3,895,408

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

**SHIRE OF AUGUSTA MARGARET RIVER
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	NOTE	2020 \$	2019 \$	1 July 2018 Restated \$
CURRENT ASSETS				
Cash and cash equivalents	3	12,646,535	11,337,056	9,242,729
Trade and other receivables	6	2,156,541	1,690,764	1,831,364
Other financial assets	5(a)	13,019,628	20,519,615	25,012,655
Inventories	7	98,191	185,380	671,349
Other assets	8	302,544	458,858	424,854
TOTAL CURRENT ASSETS		28,223,439	34,191,673	37,182,951
NON-CURRENT ASSETS				
Trade and other receivables	6	35,987	46,686	44,491
Other financial assets	5(b)	155,152	153,917	50,106
Property, plant and equipment	9	89,804,270	93,360,133	85,399,089
Infrastructure	10	370,745,849	358,725,841	359,487,573
Right of use assets	12(a)	158,244	0	0
TOTAL NON-CURRENT ASSETS		460,899,502	452,286,577	444,981,259
TOTAL ASSETS		489,122,941	486,478,250	482,164,210
CURRENT LIABILITIES				
Trade and other payables	14	2,813,851	3,770,563	3,267,157
Contract liabilities	15	5,224,753	0	0
Lease liabilities	16(a)	68,991	0	0
Borrowings	17(a)	763,772	924,549	853,729
Employee related provisions	18	2,389,200	2,157,223	1,754,713
Other provisions	19	100,000	0	0
TOTAL CURRENT LIABILITIES		11,360,567	6,852,335	5,875,599
NON-CURRENT LIABILITIES				
Contract liabilities	15	26,450	0	0
Lease liabilities	16(a)	90,750	0	0
Borrowings	17(a)	7,708,224	8,471,996	8,896,778
Employee related provisions	18	272,298	301,252	434,574
Other provisions	19	5,330,000	5,430,000	5,430,000
TOTAL NON-CURRENT LIABILITIES		13,427,722	14,203,248	14,761,352
TOTAL LIABILITIES		24,788,289	21,055,583	20,636,951
NET ASSETS		464,334,652	465,422,667	461,527,259
EQUITY				
Retained surplus		209,376,393	201,092,861	195,136,792
Reserves - cash/financial asset backed	4	21,475,517	25,969,301	28,029,962
Revaluation surplus	13	233,482,742	238,360,505	238,360,505
TOTAL EQUITY		464,334,652	465,422,667	461,527,259

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 30 JUNE 2020

			RESERVES CASH/FINANCIAL		
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2018		199,742,510	28,029,962	238,360,505	466,132,977
Correction of error	30	(4,605,718)	0	0	(4,605,718)
Restated total equity at the beginning of the financial year		195,136,792	28,029,962	238,360,505	461,527,259
Comprehensive income					
Net result for the period (restated)		3,895,408	0	0	3,895,408
Total comprehensive income		3,895,408	0	0	3,895,408
Transfers from reserves	4	5,887,597	(5,887,597)	0	0
Transfers to reserves	4	(3,826,936)	3,826,936	0	0
Balance as at 30 June 2019		201,092,861	25,969,301	238,360,505	465,422,667
Change in accounting policy	29(b)	(7,011,462)	0	(5,092,300)	(12,103,762)
Restated total equity at 1 July 2019		194,081,399	25,969,301	233,268,205	453,318,905
Comprehensive income					
Net result for the period		10,801,210	0	0	10,801,210
Other comprehensive income	13	0	0	214,537	214,537
Total comprehensive income		10,801,210	0	214,537	11,015,747
Transfers from reserves	4	8,949,451	(8,949,451)	0	0
Transfers to reserves	4	(4,455,667)	4,455,667	0	0
Balance as at 30 June 2020		209,376,393	21,475,517	233,482,742	464,334,652

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 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		22,092,186	22,323,740	21,341,036
Operating grants, subsidies and contributions		610,406	1,629,985	2,749,791
Fees and charges		9,567,943	9,757,140	9,792,002
Service charges		4,000	4,333	4,000
Interest received		758,406	1,003,300	1,113,897
Goods and services tax received		683,851	131,723	1,005,599
Other revenue		309,218	35,100	137,375
		34,026,010	34,885,321	36,143,700
Payments				
Employee costs		(16,445,257)	(15,154,729)	(14,876,371)
Materials and contracts		(10,104,691)	(10,073,162)	(8,166,804)
Utility charges		(957,113)	(940,000)	(936,391)
Interest expenses		(597,084)	(564,202)	(527,510)
Insurance paid		(781,968)	(644,547)	(628,242)
Goods and services tax paid		(823,727)	(25,000)	(1,005,043)
Other expenditure		(1,155,128)	(1,107,594)	(735,306)
		(30,864,968)	(28,509,234)	(26,875,667)
Net cash provided by (used in) operating activities	20	3,161,042	6,376,087	9,268,033
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(4,812,715)	(5,915,962)	(11,869,086)
Payments for construction of infrastructure	10(a)	(20,356,417)	(17,558,000)	(7,252,464)
Non-operating grants, subsidies and contributions	2(a)	16,111,087	5,707,255	6,387,793
Net proceeds from financial assets at amortised cost - term deposits		7,500,000	0	4,500,000
Advances to community groups		(19,525)	0	(40,000)
Proceeds from interest free loans		18,277	18,277	16,815
Proceeds from sale of property, plant & equipment	11(a)	554,661	435,000	1,049,016
Proceeds from sale of land held for resale		122,727	0	388,182
Net cash provided by (used in) investment activities		(881,905)	(17,313,430)	(6,819,744)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(924,549)	(924,550)	(853,962)
Payments for principal portion of lease liabilities	16(b)	(45,109)	0	0
Proceeds from new borrowings	17(b)	0	0	500,000
Net cash provided by (used in) financing activities		(969,658)	(924,550)	(353,962)
Net increase (decrease) in cash held		1,309,479	(11,861,893)	2,094,327
Cash at beginning of year		11,337,056	31,196,151	9,242,729
Cash and cash equivalents at the end of the year	20	12,646,535	19,334,258	11,337,056

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



SHIRE OF AUGUSTA MARGARET RIVER
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	26 (b)	3,570,109	3,587,166	5,254,476
		3,570,109	3,587,166	5,254,476
Revenue from operating activities (excluding rates)				
Governance		440,598	255,495	274,218
General purpose funding		2,628,624	1,965,343	2,931,398
Law, order, public safety		708,750	721,824	812,940
Health		133,543	124,460	134,824
Education and welfare		443,762	430,700	545,885
Community amenities		5,336,276	5,185,376	5,251,908
Recreation and culture		814,492	1,079,120	1,081,326
Transport		279,727	101,773	118,972
Economic services		2,408,909	2,358,140	2,486,674
Other property and services		72,084	20,000	132,279
		13,266,765	12,242,231	13,770,424
Expenditure from operating activities				
Governance		(7,734,047)	(7,584,893)	(6,978,616)
General purpose funding		(955,452)	(1,237,537)	(959,296)
Law, order, public safety		(2,074,930)	(2,144,382)	(1,672,081)
Health		(576,291)	(558,328)	(542,974)
Education and welfare		(480,213)	(455,666)	(446,900)
Community amenities		(5,440,191)	(5,186,275)	(4,255,646)
Recreation and culture		(9,516,428)	(9,585,532)	(8,694,546)
Transport		(11,933,193)	(9,846,755)	(11,637,931)
Economic services		(1,642,800)	(1,518,181)	(1,451,291)
Other property and services		(423,184)	(62,798)	(1,017,116)
		(40,776,729)	(38,180,347)	(37,656,397)
Non-cash amounts excluded from operating activities	26(a)	9,003,026	9,383,740	10,655,119
Amount attributable to operating activities		(14,936,829)	(12,967,210)	(7,976,378)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	16,111,087	5,707,255	6,387,793
Proceeds from disposal of assets	11(a)	554,661	435,000	1,049,016
Proceeds from sale of land held for resale		122,727	0	388,182
Proceeds from interest free loans		18,277	18,277	16,815
Purchase of property, plant and equipment	9(a)	(4,812,715)	(5,915,962)	(11,869,086)
Purchase and construction of infrastructure	10(a)	(20,356,417)	(17,558,000)	(7,252,464)
Advances to community groups		(19,525)	0	(40,000)
Amount attributable to investing activities		(8,381,905)	(17,313,430)	(11,319,744)
FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(924,549)	(924,550)	(853,962)
Proceeds from borrowings	17(c)	0	0	500,000
Payments for principal portion of lease liabilities	16(b)	(45,109)	0	0
Transfers to reserves (restricted assets)	4	(4,455,667)	(1,113,075)	(3,826,936)
Transfers from reserves (restricted assets)	4	8,949,451	10,194,525	5,887,597
Amount attributable to financing activities		3,524,126	8,156,900	1,706,699
Surplus/(deficit) before imposition of general rates		(19,794,608)	(22,123,740)	(17,589,423)
Total amount raised from general rates	25(a)	22,200,087	22,123,740	21,393,588
Surplus/(deficit) after imposition of general rates	26(b)	2,405,479	0	3,804,165

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

**SHIRE OF AUGUSTA MARGARET RIVER
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FOR THE YEAR ENDED 30 JUNE 2020**

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**SHIRE OF AUGUSTA MARGARET RIVER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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.

AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

The Local Government (Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. Prior to 1 July 2019, Financial Management Regulation 16 arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. 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 pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the Shire. This was not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

From 1 July 2019, the Shire has applied AASB 16 Leases which requires leases to be included by lessees in the statement of financial position. Also, the Local Government (Financial Management) Regulations 1996 have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

The Shire has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparative year amounts have been retained as AASB 16 does not require comparatives to be restated in the year of transition.

Therefore the departure from AASB 1051 and AASB 16 in respect of the comparatives for the year ended 30 June 2019 remains.

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.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

On 1 July 2020 the following new accounting standards are to be adopted:

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

AASB 1059 Service Concession Arrangements: Grantors is not expected to impact the financial report.

Specific impacts of AASB 2018-7 Amendments to Australian Accounting Standards - Materiality, have not been identified.

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 31 to these financial statements.

SHIRE OF AUGUSTA MARGARET RIVER

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges - licences/ registrations/ approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment of the licence, registration or approval
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Fees and charges - other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Fees and charges - waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges - property hire and entry	Use of halls and facilities including the Hub for Entertainment Art and Regional Tourism (HEART)	Single point in time	In full in advance	Refund to be considered if event cancelled	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges - memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements, private works, Cinema and events at the HEART	Single point in time	Payment in full in advance	None	Adopted by council annually or set by mutual agreement	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Kiosk and HEART stock	Single point in time	Payment in full on sale	Refund for faulty goods	Adopted by council annually or set by mutual agreement with the customer	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council through local law	When taxable event occurs	Not applicable	When fine notice is issued
Other revenue - commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

SHIRE OF AUGUSTA MARGARET RIVER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Operating grants, subsidies and contributions			
Governance	54,609	44,595	67,952
General purpose funding	1,585,904	750,860	1,561,532
Law, order, public safety	569,742	537,010	626,816
Education and welfare	55,293	0	95,724
Community amenities	5,273	0	22,348
Recreation and culture	79,669	57,520	66,819
Transport	80,778	20,000	2,500
Economic services	0	0	36,709
Other property and services	67,559	20,000	42,196
	2,498,827	1,429,985	2,522,596
Non-operating grants, subsidies and contributions			
Law, order, public safety	703,787	1,280,000	549,244
Community amenities	266,871	274,000	661,111
Recreation and culture	1,220,928	1,155,268	3,403,232
Transport	13,919,501	2,997,987	1,774,206
	16,111,087	5,707,255	6,387,793
Total grants, subsidies and contributions	18,609,914	7,137,240	8,910,389
Fees and charges			
Governance	380,796	202,800	197,373
General purpose funding	214,205	206,850	214,002
Law, order, public safety	139,008	184,814	186,123
Health	133,543	124,460	134,824
Education and welfare	388,469	430,700	450,161
Community amenities	5,330,797	5,185,376	5,229,561
Recreation and culture	734,823	1,021,600	988,070
Transport	107,374	69,400	77,575
Economic services	2,138,928	2,331,140	2,314,313
	9,567,943	9,757,140	9,792,002

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

SHIRE OF AUGUSTA MARGARET RIVER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

**Contracts with customers and transfers
for recognisable non-financial assets**

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

Fees and charges	8,984,830	9,213,530	9,230,111
Non-operating grants, subsidies and contributions	16,111,087	5,707,255	6,387,793
	25,095,917	14,920,785	15,617,904

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

Contracts with customers included as a contract liability at the start of the period	6,974,668	6,974,668	0
Other revenue from contracts with customers recognised during the year	8,984,830	7,946,117	0
Other revenue from performance obligations satisfied during the year	9,136,419	0	0
	25,095,917	14,920,785	0

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

Trade and other receivables from contracts with customers	679,594	0	0
Contract liabilities from contracts with customers	(5,251,203)	0	0

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

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

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

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

SHIRE OF AUGUSTA MARGARET RIVER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
General rates	22,200,087	22,123,740	21,393,588
Service charges	4,000	4,333	4,000
Statutory permits and licences	555,347	499,410	513,035
Fines	27,766	44,200	48,856
Developer contributions	233,525	204,000	491,111
Cash in lieu of parking contributions	0	0	23,655
	23,020,725	22,875,683	22,474,245

Assets and services acquired below fair value

Contributed assets	7,992,979	0	0
Recognised volunteer services	0	0	0
	7,992,979	0	0

The Shire utilises volunteer services at the libraries, the HEART and for the Bushfire Brigades. All volunteer services cannot be recognised as revenue as the fair value of the services cannot be reliably estimated.

Other revenue

Reimbursements and recoveries	309,218	35,100	137,375
	309,218	35,100	137,375

Interest earnings

Financial assets at amortised cost - self supporting loans	0	0	26
Interest on reserve funds	372,640	560,400	559,012
Rates instalment and penalty interest (refer Note 25(d))	247,371	242,500	276,234
Other interest earnings	138,395	200,400	278,625
	758,406	1,003,300	1,113,897

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

SHIRE OF AUGUSTA MARGARET RIVER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services (audit of grant reports and acquittals)

Interest expenses (finance costs)

- Borrowings
- Lease liabilities

Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
	53,000	56,000	34,838
	8,450	10,000	4,450
	61,450	66,000	39,288
17(b)	485,295	564,202	527,510
16(b)	4,320	0	0
	489,615	564,202	527,510

SHIRE OF AUGUSTA MARGARET RIVER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

3. CASH AND CASH EQUIVALENTS

NOTE	2020 \$	2019 \$
Cash at bank and on hand	9,332,364	5,809,056
Term deposits	3,314,171	5,528,000
Total cash and cash equivalents	12,646,535	11,337,056

Restrictions

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	10,179,009	6,605,318
- Financial assets at amortised cost	13,000,000	20,500,000
	23,179,009	27,105,318

The restricted assets are a result of the following specific purposes to which the assets may be used:

Reserves - cash/financial asset backed	4	21,475,517	25,969,301
Contract liabilities from contracts with customers	15	5,251,203	0
- Less portion of contract liability held in reserves		(4,569,192)	0
Unspent grants, subsidies and contributions		0	223,716
Bonds and Deposits Held	14	797,775	640,232
Unspent loans	17(d)	223,706	272,069
Total restricted assets		23,179,009	27,105,318

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted assets

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

SHIRE OF AUGUSTA MARGARET RIVER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

**4. RESERVES - CASH/FINANCIAL ASSET
4. BACKED**

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
(a) Leave Reserve	\$ 413,052	\$ 6,759	\$ (50,000)	\$ 369,811	\$ 413,052	\$ 7,786	\$ 0	\$ 420,838	\$ 404,880	\$ 8,172	\$ 0	\$ 413,052
(b) Margaret River CBD Redevelopment Reserve	7,643,734	78,831	(3,300,000)	4,422,565	7,643,734	206,180	(7,500,000)	349,914	6,803,128	840,606	0	7,643,734
(c) Public Open Space Reserve	91,462	1,516	0	92,978	91,462	1,724	0	93,186	89,653	1,809	0	91,462
(d) Caravan Park Upgrade Reserve	1,236,480	20,484	0	1,256,964	1,236,480	23,340	(500,000)	759,820	1,123,150	222,820	(109,490)	1,236,480
(e) Limesand Pits Reserve	64,918	1,074	0	65,992	64,918	1,224	0	66,142	63,634	1,284	0	64,918
(f) Cemeteries Reserve	10,990	180	0	11,170	10,990	207	0	11,197	10,774	216	0	10,990
(g) Community Loan Reserve	142,988	70,676	0	213,664	142,988	20,964	0	163,952	162,924	20,064	(40,000)	142,988
(h) Cedarvale Reserve	234,584	3,890	0	238,474	234,584	4,422	0	239,006	229,943	4,641	0	234,584
(i) Waste Management Reserve	10,301,368	169,148	(3,530,926)	6,939,590	10,563,368	209,840	0	10,773,208	9,281,316	1,390,052	(370,000)	10,301,368
(j) Parking Reserve	181,390	3,005	(95,000)	89,395	181,390	2,973	(157,000)	27,363	154,575	26,815	0	181,390
(k) Infrastructure Contributions Reserve	1,460,952	101,438	(939,000)	623,390	1,460,952	26,783	(768,000)	719,735	1,548,690	79,262	(167,000)	1,460,952
(l) Biodiversity Reserve	166,355	28,750	0	195,105	166,355	2,988	0	169,343	55,391	110,964	0	166,355
(m) Community Facilities Reserve	319,527	124,948	(328,000)	116,475	607,526	4,129	(338,000)	273,655	4,622,682	104,845	(4,408,000)	319,527
(n) Plant Reserve	999,481	266,053	(305,000)	960,534	999,481	18,754	(225,000)	793,235	1,225,169	224,312	(450,000)	999,481
(o) Affordable Housing Fund Reserve	62,694	1,037	0	63,731	62,694	1,182	0	63,876	61,454	1,240	0	62,694
(p) Gravel Pits Reserve	565,303	124,287	0	689,590	565,304	10,691	(80,000)	495,995	455,933	109,370	0	565,303
(q) Self Insurance Reserve	304,352	4,831	(128,000)	181,183	304,352	5,737	(13,000)	297,089	298,330	6,022	0	304,352
(r) Recreation Centres Reserve	20,292	1,832	0	22,124	20,292	2,183	0	22,475	18,106	2,186	0	20,292
(s) Old Settlement Reserve	65,607	27,201	0	92,808	65,607	34,185	0	99,792	30,436	35,171	0	65,607
(t) Developer Contributions Reserve	1,306,016	383,573	(233,525)	1,456,064	1,306,016	228,654	(293,525)	1,241,145	1,175,089	474,034	(343,107)	1,306,016
(u) Community Grants Reserve	23,011	381	0	23,392	23,011	434	0	23,445	22,555	456	0	23,011
(v) Emergency Services Reserve	195,995	3,181	(40,000)	159,176	195,995	3,695	(40,000)	159,690	192,150	3,845	0	195,995
(w) Augusta Revitalisation Reserve	0	223,094	0	223,094	0	280,000	(280,000)	0	0	0	0	0
(x) Youth Facilities Reserve	8,750	11,621	0	20,371	8,750	15,000	0	23,750	0	8,750	0	8,750
(y) Gloucester Park Reserve	150,000	2,484	0	152,484	150,000	0	0	150,000	0	150,000	0	150,000
(z) Roads Reserve	0	1,000,000	0	1,000,000	0	0	0	0	0	0	0	0
(l) Emergency Disaster Relief Reserve	0	1,695,393	0	1,695,393	0	0	0	0	0	0	0	0
(l) Legal/Risk Reserve	0	100,000	0	100,000	0	0	0	0	0	0	0	0
	25,969,301	4,455,667	(8,949,451)	21,475,517	26,519,301	1,113,075	(10,194,525)	17,437,851	28,029,962	3,826,936	(5,887,597)	25,969,301

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

**SHIRE OF AUGUSTA MARGARET RIVER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

**RESERVES - CASH/ FINANCIAL ASSET
4. BACKED (Continued)**

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Margaret River CBD Redevelopment Reserve	2020-21	To be used for funding capital projects in the Margaret River townsie.
(c) Public Open Space Reserve	Ongoing	To be used to fund future public open space requirements.
(d) Caravan Park 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	2020-21	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 townsie and area covered by the West Cowaramup townsie 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	2020-21	To be used for development of Gloucester Park.
(z) Roads Reserve	Ongoing	To be used to renew and upgrade roads in the Shire.
(i) Emergency Disaster Relief Reserve	Ongoing	To provide funds for the Shire and community to respond to emergency events.
(l) Legal/Risk Reserve	Ongoing	To assist with legal and risk matters.

SHIRE OF AUGUSTA MARGARET RIVER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

5. OTHER FINANCIAL ASSETS

	2020	2019
	\$	\$
(a) Current assets		
Financial assets at amortised cost	13,019,628	20,519,615
	13,019,628	20,519,615
Other financial assets at amortised cost		
Term deposits	13,000,000	20,500,000
Loans receivable - clubs/institutions	19,628	19,615
	13,019,628	20,519,615
(b) Non-current assets		
Financial assets at amortised cost	67,566	66,331
Financial assets at fair value through profit and loss	87,586	87,586
	155,152	153,917
Financial assets at amortised cost		
Loans receivable - clubs/institutions	67,566	66,331
	67,566	66,331
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	87,586	87,586
	87,586	87,586

Loans receivable from clubs/institutions are provided on an interest free basis.

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 27.

SHIRE OF AUGUSTA MARGARET RIVER
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6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
Trade and other receivables
GST receivable

Non-current

Pensioner's rates and ESL deferred

2020	2019
\$	\$
1,017,807	856,862
679,594	514,638
459,140	319,264
2,156,541	1,690,764
35,987	46,686
35,987	46,686

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 27.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

**SHIRE OF AUGUSTA MARGARET RIVER
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7. INVENTORIES

Current

Fuel and materials
Land held for resale - cost
Cost of acquisition

2020 \$	2019 \$
98,191	53,562
0	131,818
98,191	185,380
185,380	671,349
(248,585)	(175,692)
0	(1,818)
(131,818)	(391,364)
293,214	82,905
98,191	185,380

The following movements in inventories occurred during the year:

Carrying amount at beginning of period

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 end of period

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.

SHIRE OF AUGUSTA MARGARET RIVER
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8. OTHER ASSETS

Other assets - current

Prepayments
Accrued income
Accrued interest receivable

2020	2019
\$	\$
126,452	102,193
109,278	28,178
66,814	328,487
302,544	458,858

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
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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 - 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 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
Change in accounting policy	0	(5,092,300)	(5,092,300)	0	0	(5,092,300)	0	0	(5,092,300)
Carrying amount at 1 July 2019	10,340,164	0	10,340,164	67,460,304	67,460,304	77,800,468	2,083,868	8,383,497	88,267,833
Additions	0	0	0	2,585,939	2,585,939	2,585,939	61,810	2,164,966	4,812,715
(Disposals)	(250,000)	0	(250,000)	(123,481)	(123,481)	(373,481)	0	(251,353)	(624,834)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	(208,807)	423,344	214,537
Depreciation (expense)	0	0	0	(1,446,792)	(1,446,792)	(1,446,792)	(226,018)	(1,183,580)	(2,856,390)
Transfers	0	0	0	268,585	268,585	268,585	(278,176)	0	(9,591)
Carrying amount at 30 June 2020	10,090,164	0	10,090,164	68,744,555	68,744,555	78,834,719	1,432,677	9,536,874	89,804,270
Comprises:									
Gross carrying amount at 30 June 2020	10,090,164	0	10,090,164	72,986,655	72,986,655	83,076,819	2,169,106	13,627,631	98,873,556
Accumulated depreciation at 30 June 2020	0	0	0	(4,242,100)	(4,242,100)	(4,242,100)	(736,429)	(4,090,757)	(9,069,286)
Carrying amount at 30 June 2020	10,090,164	0	10,090,164	68,744,555	68,744,555	78,834,719	1,432,677	9,536,874	89,804,270

**SHIRE OF AUGUSTA MARGARET RIVER
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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	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 3	Cost approach using depreciated replacement cost.	Independent Registered Valuers and Management Valuation	June 2020	Purchase costs of similar assets adjusted for condition and comparability, residual values and remaining useful life assessments.
Plant and equipment	Level 3	Cost approach using depreciated replacement cost.	Independent Registered Valuers and Management Valuation	June 2020	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 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.

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy.

Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change. The Shire has carried out a valuation exercise for 2019-20 and opted to book the valuation for plant and equipment.

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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	Other infrastructure - car parks	Other infrastructure - paths	Other infrastructure - drainage	Other infrastructure - camping	Other infrastructure - parks and reserves	Other infrastructure - aerodromes	Other infrastructure - boat ramps and jetties	Other infrastructure - waste management facilities	Other infrastructure - public utilities	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 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	1,479,156	1,649,156	359,487,573
Additions	2,882,358	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)	(127,648)	(102,430)	(6,655,683)
Transfers	0	0	0	0	0	0	15,887	0	0	0	0	15,887
Carrying amount at 30 June 2019	265,611,177	7,768,209	4,173,677	13,548,985	27,962,951	1,729,968	30,105,256	2,608,703	2,083,186	1,550,543	1,582,186	358,725,841
Comprises:												
Gross carrying amount at 30 June 2019	269,324,525	7,985,128	4,251,182	14,025,611	28,601,864	1,764,177	31,057,045	2,727,620	2,216,803	3,892,286	1,684,616	387,533,857
Accumulated depreciation at 30 June 2019	(3,713,348)	(216,919)	(77,505)	(476,626)	(638,913)	(34,209)	(951,789)	(118,917)	(133,617)	(2,341,743)	(102,430)	(8,808,016)
Carrying amount at 30 June 2019	265,611,177	7,768,209	4,173,677	13,548,985	27,962,951	1,729,968	30,105,256	2,608,703	2,083,186	1,550,543	1,582,186	358,725,841
Additions	12,843,288	0	281,233	1,384,281	2,088,520	384,904	2,346,280	0	62,510	965,401	0	20,356,417
(Disposals)	(1,399,829)	0	(9,641)	0	(1,192)	0	(20,741)	0	0	(173,659)	0	(1,605,062)
Depreciation (expense)	(3,772,292)	(220,464)	(93,257)	(497,652)	(616,010)	(64,859)	(960,969)	(119,243)	(159,690)	(131,103)	(105,200)	(6,740,938)
Transfers	0	0	0	0	0	0	9,591	0	0	0	0	9,591
Carrying amount at 30 June 2020	273,282,344	7,548,745	4,352,012	14,435,414	29,434,269	2,050,013	31,479,418	2,489,460	1,986,006	2,211,182	1,476,986	370,745,849
Comprises:												
Gross carrying amount at 30 June 2020	280,767,984	7,985,128	4,522,774	15,409,892	30,689,192	2,149,081	33,392,175	2,727,620	2,279,313	4,736,709	1,684,616	386,347,484
Accumulated depreciation at 30 June 2020	(7,485,640)	(439,383)	(170,762)	(974,478)	(1,254,923)	(99,068)	(1,912,757)	(238,160)	(293,307)	(2,525,527)	(207,630)	(15,601,635)
Carrying amount at 30 June 2020	273,282,344	7,548,745	4,352,012	14,435,414	29,434,269	2,050,013	31,479,418	2,489,460	1,986,006	2,211,182	1,476,986	370,745,849

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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.
Other 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.
Other 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.
Other 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.
Other 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.
Other 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.
Other 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.
Other 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.
Other 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.
Other 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.
Other 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.

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11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control prior to 1 July 2019

In accordance with the then *Local Government (Financial Management) Regulation 16(a)(ii)*, the Shire was previously required to include as an asset (by 30 June 2013), vested 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.

Land under roads prior to 1 July 2019

In Western Australia, most 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 then *Local Government (Financial Management) Regulation 16(a)(i)* which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then *Local Government (Financial Management) Regulation 16(a)(i)* prohibited 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 1996* prevail. Consequently, any land under roads acquired on or after 1 July 2008 was not included as an asset of the Shire.

Land under roads from 1 July 2019

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

The Shire has accounted for the removal of the vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

Vested improvements from 1 July 2019

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

Refer to Note 12 that details the significant accounting policies applying to leases (including right of use assets).

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11. FIXED ASSETS

(a) Disposals of Assets

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	250,000	222,727	0	(27,273)	280,000	280,000	0	0	700,000	725,000	25,000	0
Buildings - specialised	123,481	0	0	(123,481)	0	0	0	0	0	0	0	0
Furniture and equipment	0	0	0	0	0	0	0	0	14,365	2,000	0	(12,365)
Plant and equipment	251,353	331,934	91,577	(10,996)	177,540	155,000	12,373	(34,913)	305,759	322,016	51,174	(34,917)
Infrastructure - roads	1,399,829	0	0	(1,399,829)	0	0	0	0	1,034,363	0	0	(1,034,363)
Other infrastructure - road bridges	0	0	0	0	0	0	0	0	170,625	0	0	(170,625)
Other infrastructure - car parks	9,641	0	0	(9,641)	0	0	0	0	37,910	0	0	(37,910)
Other infrastructure - paths	0	0	0	0	0	0	0	0	1,202	0	0	(1,202)
Other infrastructure - drainage	1,192	0	0	(1,192)	0	0	0	0	91,475	0	0	(91,475)
Other infrastructure - parks and reserves	20,741	0	0	(20,741)	0	0	0	0	38,825	0	0	(38,825)
Other infrastructure - waste management facilities	173,659	0	0	(173,659)	0	0	0	0	0	0	0	0
	2,229,896	554,661	91,577	(1,766,812)	457,540	435,000	12,373	(34,913)	2,394,524	1,049,016	76,174	(1,421,682)

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Governance				
Mitsubishi Outlander wagon	10,872	10,351	0	(521)
Community amenities				
Isuzu D-Max 4x4 crew cab utility	13,136	19,642	6,506	0
Isuzu D-Max 4x4 crew cab utility	9,000	15,324	6,324	0
Hatz ID90 Pump	0	60	60	0
Various infrastructure	173,659	0	0	(173,659)
Recreation and culture				
Ford Ranger XL Super Cab utility	13,682	17,142	3,460	0
Howard Procut mower	1,000	1,138	138	0
Toro Groundmaster mower	12,782	15,364	2,582	0
Various buildings	123,481	0	0	(123,481)
Various infrastructure	20,741	0	0	(20,741)
Transport				
Howard Porter 9 tonne trailer	13,001	7,744	0	(5,257)
UD 9 tonne Tip Truck	36,364	39,482	3,118	0
Tilt trailer	3,175	2,125	0	(1,050)
Nissan X-trail station sedan	7,273	11,033	3,760	0
Nissan Navara utility	31,270	37,456	6,186	0
Isuzu N series single cab truck	11,327	15,300	3,973	0
Hino 300 series 816 crew cab tip truck	15,704	17,442	1,738	0
Holden Colorado utility	11,539	13,051	1,512	0
Volvo L60F wheeled loader	15,000	65,048	50,048	0
Aveling Barford steel roller	4,545	1,749	0	(2,796)
Howard Porter dual axle tipper	13,683	15,855	2,172	0
Isuzu CXZ Giga 6x4 prime mover	28,000	26,628	0	(1,372)
Various roadworks	1,399,829	0	0	(1,399,829)
Various carparks	9,641	0	0	(9,641)
Various drainage	1,192	0	0	(1,192)
	1,979,896	331,934	91,577	(1,739,539)
Land				
Governance				
Lot 15 Allnut Terrace, Augusta	250,000	222,727	0	(27,273)
	250,000	222,727	0	(27,273)
	2,229,896	554,661	91,577	(1,766,812)

(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 in the table below.

	2020 \$	2019 \$
Furniture and equipment	0	7,155
Plant and equipment	0	27,155
	0	34,310

(c) Temporarily Idle Assets

The Shire did not have any idle assets as at 30 June 2020.

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11. FIXED ASSETS

(c) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - specialised	1,446,792	1,316,576	1,416,100
Furniture and equipment	226,018	110,779	206,692
Plant and equipment	1,183,580	1,403,775	1,204,445
Infrastructure - roads	3,772,292	5,741,598	3,762,474
Other infrastructure - road bridges	220,464	0	223,810
Other infrastructure - car parks	93,257	0	79,388
Other infrastructure - paths	497,852	0	476,672
Other infrastructure - drainage	616,010	0	641,238
Other infrastructure - caravan and camping	64,859	0	34,209
Other infrastructure - parks and reserves	960,968	125,271	955,280
Other infrastructure - aerodromes	119,243	0	118,917
Other infrastructure - boat ramps and jetties	159,690	0	133,617
Other infrastructure - waste management facilities	131,103	663,201	127,648
Other infrastructure - public utilities	105,200	0	102,430
Right of use assets - buildings	32,763	0	0
Right of use assets - plant and equipment	13,843	0	0
	9,643,934	9,361,200	9,482,920

Revision of useful lives of plant and equipment
No changes made.

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 70 years
Furniture & Equipment	up to 20 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 on revaluation

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

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

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

Amortisation

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

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

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

SHIRE OF AUGUSTA MARGARET RIVER
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12. LEASES

(a) Right of Use Assets

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

	Right of use assets - plant and equipment \$	Right of use assets - Furniture and Equipment \$	Right of use assets Total
Carrying amount at 30 June 2019	0	0	0
Recognised on initial application of AASB 16	132,689	72,161	204,850
Restated total equity at the beginning of the financial year	132,689	72,161	204,850
Depreciation (expense)	(32,763)	(13,843)	(46,606)
Carrying amount at 30 June 2020	99,926	58,318	158,244
(b) Cash outflow from leases			
Interest expense on lease liabilities	2,134	2,186	4,320
Lease principal expense	32,135	12,974	45,109
Total cash outflow from leases	34,269	15,160	49,429

The Shire has 2 leases related to furniture and equipment and 3 leases relating to plant and equipment. The lease term for a printer is 6 years and for the postage meter is 5 years. The lease term for the utility is 3 years, the equipment pod for the ute is 6 years and the term for the loader is 2 years.

All lease payments are fixed for the term. The Shire has not committed to any leases that have not yet commenced.

The Shire has not revalued the right of use assets relating to these leases as the difference between the fair value and carrying amount is immaterial.

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right-of-use assets are secured over the asset being leased.

Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 11 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

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13. REVALUATION SURPLUS

Revaluation surplus - Freehold land and specialised buildings
 Revaluation surplus - Land vested in and under the control of Council
 Revaluation surplus - Furniture, plant and equipment
 Revaluation surplus - Infrastructure - roads
 Revaluation surplus - Other infrastructure - road bridges
 Revaluation surplus - Other infrastructure - car parks
 Revaluation surplus - Other infrastructure - paths
 Revaluation surplus - Other infrastructure - drainage
 Revaluation surplus - Other infrastructure - caravan and camping
 Revaluation surplus - Other infrastructure - parks and reserves
 Revaluation surplus - Other infrastructure - aerodromes
 Revaluation surplus - Other infrastructure - boat ramps and jetties

	2020 Opening Balance	2020 Change in Accounting Policy	2020 Revaluation Increment	2020 Revaluation (Decrement)	2020 Total Movement on Revaluation	2020 Closing Balance	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	2019 Total Movement on Revaluation	2019 Closing Balance
	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Freehold land and specialised buildings	45,188,630	0	0	0	0	45,188,630	45,188,630	0	0	0	45,188,630
Revaluation surplus - Land vested in and under the control of Council	5,092,300	(5,092,300)	0	0	0	0	5,092,300	0	0	0	5,092,300
Revaluation surplus - Furniture, plant and equipment	2,346,679	0	423,344	(208,807)	214,537	2,561,216	2,346,679	0	0	0	2,346,679
Revaluation surplus - Infrastructure - roads	135,586,900	0	0	0	0	135,586,900	135,586,900	0	0	0	135,586,900
Revaluation surplus - Other infrastructure - road bridges	6,848,977	0	0	0	0	6,848,977	6,848,977	0	0	0	6,848,977
Revaluation surplus - Other infrastructure - car parks	2,634,044	0	0	0	0	2,634,044	2,634,044	0	0	0	2,634,044
Revaluation surplus - Other infrastructure - paths	7,053,064	0	0	0	0	7,053,064	7,053,064	0	0	0	7,053,064
Revaluation surplus - Other infrastructure - drainage	20,725,741	0	0	0	0	20,725,741	20,725,741	0	0	0	20,725,741
Revaluation surplus - Other infrastructure - caravan and camping	566,865	0	0	0	0	566,865	566,865	0	0	0	566,865
Revaluation surplus - Other infrastructure - parks and reserves	8,224,262	0	0	0	0	8,224,262	8,224,262	0	0	0	8,224,262
Revaluation surplus - Other infrastructure - aerodromes	2,594,433	0	0	0	0	2,594,433	2,594,433	0	0	0	2,594,433
Revaluation surplus - Other infrastructure - boat ramps and jetties	1,498,610	0	0	0	0	1,498,610	1,498,610	0	0	0	1,498,610
	238,360,505	(5,092,300)	423,344	(208,807)	214,537	233,482,742	238,360,505	0	0	0	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.

SHIRE OF AUGUSTA MARGARET RIVER
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FOR THE YEAR ENDED 30 JUNE 2020

14. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities
Bonds and deposits held
Accrued interest on long term borrowings

2020	2019
\$	\$
1,943,952	2,588,898
42,345	0
0	404,113
14,193	14,265
797,775	640,232
15,586	123,055
2,813,851	3,770,563

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

Prepaid rates

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

SHIRE OF AUGUSTA MARGARET RIVER
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15. CONTRACT LIABILITIES

Current

Contract liabilities from contracts with customers

2020	2019
\$	\$
5,224,753	0
5,224,753	0

Non-current

Contract liabilities from contracts with customers

26,450	0
26,450	0
5,251,203	0

Performance obligations from contracts with customers are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

5,224,753

1 to 2 years

0

2 to 3 years

0

3 to 4 years

0

4 to 5 years

0

> 5 years

26,450

5,251,203

SIGNIFICANT ACCOUNTING POLICIES

Contract Liabilities

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

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

**SHIRE OF AUGUSTA MARGARET RIVER
NOTES TO AND FORMING PART OF THE
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16. LEASE LIABILITIES

	2020	2019
	\$	\$
Current	68,991	0
Non-current	90,750	0
	<u>159,741</u>	<u>0</u>

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	30 June 2020 Actual Leases	30 June 2020 Actual Principal Repayments	30 June 2020 Actual Lease Interest	30 June 2020 Budget Outstanding	30 June 2020 Budget Principal Repayments	30 June 2020 Budget Lease Interest	30 June 2019 Actual Principal Repayments	30 June 2019 Actual Lease Principal Outstanding	30 June 2019 Actual Lease Interest Repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance													
Postage Meter	ID-04644	Pitney Bowes	3.30%	60 months	19,130	0	4,151	14,979	0	0	0	0	0
A0 Printer/Roller	00014414	CSC Finance	3.50%	72 months	55,031	0	8,823	44,208	0	0	0	0	0
Risk transfer, public safety													
CESM Uls	923351	SG Fleet	3.10%	36 months	38,766	0	16,435	22,331	0	0	0	0	0
CESM Uls POD	923350	SG Fleet	3.40%	72 months	25,768	0	4,497	21,271	0	0	0	0	0
Transport													
CAT Wheel Loader 924K	312334	SG Fleet	1.70%	24 months	0	68,155	11,203	56,952	0	0	0	0	0
					136,695	68,155	45,109	159,741	4,320	0	0	0	0

SHIRE OF AUGUSTA MARGARET RIVER

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

17. INFORMATION ON BORROWINGS

	2020	2019
	\$	\$
Current	763,772	924,549
Non-current	7,708,224	8,471,996
	8,471,996	9,396,545

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2020			30 June 2020			30 June 2020			30 June 2019			30 June 2019		
				Actual Principal	Actual Interest	Actual repayments	Budget Principal	Budget Interest	Budget repayments	Actual Principal	Actual Interest	Actual repayments	Actual Principal	Actual Interest	Actual repayments	Actual Principal	Actual Interest	Actual repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance																		
Civic and Administration Building	191	WATC *	5.15%	5,542,202	397,828	311,804	5,144,374			5,542,200	397,828	385,461	5,144,372			5,842,643	329,553	5,542,202
Community amenities																		
Augusta Town Toilets	184	WATC *	5.46%	0	0	0	0	0	0	0	0	0	0	0	0	11,350	360	0
Margaret River Memorial Toilet Block	186	WATC *	5.97%	0	0	0	0	0	0	0	0	0	0	0	0	23,164	932	0
Augusta Water Wheel Toilets	188	WATC *	6.12%	8,803	8,803	307	0		8,804	8,804	333		0			19,935	1,081	8,803
Recreation and culture																		
Aquatic Centre	164	WATC *	7.05%	118,864	94,253	4,906	24,611		94,253	118,864	6,756		24,611			206,755	11,911	118,864
Covarrup Recreation Centre	174	WATC *	6.36%	180,621	33,662	11,491	146,959		33,662	180,621	11,959		146,959			212,224	13,754	180,621
MR Recreation Centre Solar Power	185	WATC *	5.46%	0	0	0	0	0	0	0	0	0	0	0	0	8,828	280	0
MR Recreation Centre Stage 1	187	WATC *	6.68%	213,317	37,206	14,695	176,111		37,206	213,317	14,823		176,111			248,138	17,298	213,317
MR Recreation Centre Stage 2	189	WATC *	6.12%	58,008	58,008	2,028	58,008		58,008	58,008	2,190		58,008			131,354	7,123	58,008
Cultural Centre Redevelopment	192	WATC *	3.48%	1,043,100	58,906	42,398	984,194		58,906	1,043,100	42,841		984,194			1,100,000	44,799	1,043,100
Margaret River Youth Precinct	193	WATC *	2.97%	303,869	31,912	10,595	271,957		31,912	303,869	10,799		271,957			334,850	11,742	303,869
Asbestos Removal & Reinstatement	194	WATC *	3.20%	913,724	89,071	33,654	824,653		89,071	913,724	34,573		824,653			1,000,000	37,063	913,724
Cultural Centre Redevelopment	195	WATC *	3.58%	487,049	26,558	19,256	460,491		26,558	487,049	19,394		460,491			0	11,504	487,049
Economic services																		
173, Augusta Rural Transaction Cent	173	WATC *	6.36%	276,810	50,148	17,808	226,662		50,148	276,810	18,399		226,662			323,884	21,180	276,810
179, Gnarabup Café	179	WATC *	6.39%	151,215	26,535	9,846	124,660		26,535	151,216	10,094		124,681			176,120	11,629	151,215
181, Gnarabup Café	181	WATC *	6.22%	98,963	11,659	6,507	87,304		11,659	98,963	6,580		87,304			109,924	7,275	98,963
				9,396,545	924,549	485,295	8,471,996		924,550	9,396,544	564,202		8,471,994			9,749,169	527,484	9,396,545
Self Supporting Loans																		
Recreation and culture																		
Augusta Bowling Club	183	WATC*	6.37%	0	0	0	0	0	0	0	0	0	0	0	0	1,338	26	0
				0	0	0	0	0	0	0	0	0	0	0	0	1,338	26	0
				9,396,545	924,549	485,295	8,471,996		924,550	9,396,544	564,202		8,471,994			9,750,507	527,510	9,396,545

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties.
All other loan repayments were financed by general purpose revenue.

SHIRE OF AUGUSTA MARGARET RIVER
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17. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2019/20

The Shire did not borrow any funds during the year.

(d) Unspent Borrowings

Particulars	Date Borrowed	Unspent Balance 1 July 2019	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2020
		\$	\$	\$	\$
Asbestos removal and reinstatement (L194)	18/04/2018	272,069	0	(48,363)	223,706
		272,069	0	(48,363)	223,706

(e) Undrawn Borrowing Facilities

	2020 \$	2019 \$
Credit Standby Arrangements		
Credit card limit	40,000	40,000
Credit card balance at balance date	(11,293)	(9,419)
Total amount of credit unused	28,707	30,581
Loan facilities		
Loan facilities - current	763,772	924,549
Loan facilities - non-current	7,708,224	8,471,996
Lease liabilities - current	68,991	0
Lease liabilities - non-current	90,750	0
Total facilities in use at balance date	8,631,737	9,396,545
Unused loan facilities at balance date	223,706	272,069

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 27.

SHIRE OF AUGUSTA MARGARET RIVER
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18. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Personal Leave Reward Scheme	Total \$
Opening balance at 1 July 2019				
Current provisions	1,271,581	717,845	167,797	2,157,223
Non-current provisions	0	301,252	0	301,252
	1,271,581	1,019,097	167,797	2,458,475
Additional provision	1,277,186	353,580	0	1,630,766
Amounts used	(1,097,877)	(327,744)	(7,832)	(1,433,453)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	5,710	0	0	5,710
Balance at 30 June 2020	1,456,600	1,044,933	159,965	2,661,498
Comprises				
Current	1,456,600	772,635	159,965	2,389,200
Non-current	0	272,298	0	272,298
	1,456,600	1,044,933	159,965	2,661,498
Amounts are expected to be settled on the following basis:	2020 \$	2019 \$		
Less than 12 months after the reporting date	1,450,589	1,517,360		
More than 12 months from reporting date	1,239,506	958,692		
Expected reimbursements from other WA local governments	(28,597)	(17,577)		
	2,661,498	2,458,475		

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.

SHIRE OF AUGUSTA MARGARET RIVER
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19. OTHER PROVISIONS

	Provision for Remediation	
	Costs	Total
	\$	\$
Opening balance at 1 July 2019		
Current provisions	0	0
Non-current provisions	5,430,000	5,430,000
	5,430,000	5,430,000
Amounts used	0	0
Unused amounts reversed	0	0
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	0	0
Balance at 30 June 2020	5,430,000	5,430,000
Comprises		
Current	100,000	100,000
Non-current	5,330,000	5,330,000
	5,430,000	5,430,000

Provision for remediation costs

In accordance with the licence conditions for the use of the Davis Road putrescible landfill site funds have been set aside for the rehabilitation of waste cells after disposal in the waste cells has been completed. The estimated amount to remediate the site was included in a Waste Management Strategy approved by Council on 14 November 2018. This amount will be reviewed as the assumptions relating to remediation requirements are refined.

A provision for remediation is recognised when:

- there is a present obligation as a result of waste activities undertaken;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the provision can be measured reliably.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

Amounts which are reliably expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on the remaining life of the waste facility.

SHIRE OF AUGUSTA MARGARET RIVER
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20. 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:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Cash and cash equivalents	12,646,535	19,334,258	11,337,056
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	10,801,210	1,892,879	3,895,408
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	0	0	(87,586)
Depreciation on non-current assets	9,643,934	9,361,200	9,482,920
(Profit)/loss on sale of asset	1,675,235	22,540	1,345,508
Assets written off	0	0	44,794
Loss on sale of land held for resale	9,091	0	3,182
(Gain)/Loss on revaluation of land held for resale	0	0	1,818
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(455,078)	481,723	138,405
(Increase)/decrease in other assets	156,314	0	(34,004)
(Increase)/decrease in inventories	(44,629)	0	92,787
Increase/(decrease) in payables	(993,506)	175,000	503,406
Increase/(decrease) in provisions	203,023	150,000	269,188
Increase/(decrease) in contract liabilities	(1,723,465)	0	0
Non-operating grants, subsidies and contributions	(16,111,087)	(5,707,255)	(6,387,793)
Net cash from operating activities	3,161,042	6,376,087	9,268,033

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21. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
Governance	24,009,311	31,553,385
General purpose funding	5,805,323	5,339,546
Law, order, public safety	3,546,691	3,261,311
Health	55,092	59,078
Education and welfare	1,433,984	1,361,824
Community amenities	25,941,863	24,823,425
Recreation and culture	75,679,239	80,284,733
Transport	342,742,442	330,184,389
Economic services	9,894,798	9,572,392
Other property and services	14,198	38,167
	489,122,941	486,478,250

22. CONTINGENT LIABILITIES

The Shire does not have any contingent liabilities as at 30 June 2020.

**SHIRE OF AUGUSTA MARGARET RIVER
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23. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

	2020	2019
	\$	\$
	3,592,050	762,378
	0	166,671
	3,592,050	929,049
	3,592,050	929,049

Payable:

- not later than one year

The capital expenditure project outstanding at the end of the current reporting period is the Margaret River Main Street upgrade project.

The prior year commitments were the redevelopment of the Cultural Centre and the plant and equipment purchases were contracts for 2 items of plant.

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24. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	136,230	136,895	135,539
President's allowance	39,326	39,754	39,360
Deputy President's allowance	9,938	9,938	9,840
Travelling expenses	20,432	24,200	20,350
Telecommunications allowance	24,387	24,500	24,500
	<u>230,313</u>	<u>235,287</u>	<u>229,589</u>

Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	716,704	775,786
Post-employment benefits	91,343	96,190
Other long-term benefits	71,660	64,010
Termination benefits	242,993	13,935
	<u>1,122,700</u>	<u>949,921</u>

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.

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24. 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 provisions for doubtful debts or guaranties exist in relation to related parties at year end.

	2020	2019
	Actual	Actual
The following transactions occurred with related parties:	\$	\$
Purchase of goods and services	64,103	16,575

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.

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25. RATING INFORMATION

(a) Rates

RATE TYPE
Differential general rate / general rate

Gross rental valuations

Residential GRV	4,956	82,977,290	8,926,780	9,772	4,451	8,941,003	8,610,600
Residential GRV Vacant	240	2,987,880	615,769	49,705	194	665,668	774,023
Rural Residential GRV	651	13,374,452	1,378,304	17,942	(5,496)	1,390,750	1,331,953
Rural Residential GRV Vacant	153	1,754,580	351,969	50,465	23,325	425,759	347,406
Commercial, Industrial & Tourism	1,215	41,508,677	5,289,326	19,107	(3,481)	5,304,952	4,886,515
Unimproved valuations							
UV Rural	782	518,199,000	2,438,126	(24,133)	(3,945)	2,410,048	2,368,737
Rural Strate Titled Vineyard	0	0	0	0	0	0	0
UV 1 (one non rural use)	114	72,855,000	428,387	(1,375)	1,607	428,619	409,971
UV 2 (two non rural uses)	24	14,180,000	100,068	5,797	0	105,865	91,970
UV 3 (over two non rural uses)	14	12,304,000	101,299	0	0	101,299	107,878
UV Conservation	71	57,195,000	262,983	3,731	0	266,714	271,838
Sub-Total	8,220	817,335,879	19,893,011	131,011	16,655	20,040,677	19,200,891

Minimum payment

Gross rental valuations

Residential GRV	390	4,107,809	520,650	0	0	520,650	511,886
Residential GRV Vacant	1,335	2,534,140	770,295	0	0	770,295	843,696
Rural Residential GRV	1,625	2,023,270	237,250	0	0	237,250	226,655
Rural Residential GRV Vacant	28	125,760	45,500	0	0	45,500	41,210
Commercial, Industrial & Tourism	207	1,584,963	296,838	0	0	296,838	283,997
Unimproved valuations							
UV Rural	153	36,031,028	229,194	0	0	229,194	226,455
Rural Strate Titled Vineyard	37	2,700,000	32,523	0	0	32,523	31,746
UV 1 (one non rural use)	1,498	6	8,988	0	0	8,988	8,766
UV 2 (two non rural uses)	0	0	0	0	0	0	0
UV 3 (over two non rural uses)	1,498	0	0	0	0	0	0
UV Conservation	17	4,316,000	24,497	0	0	24,497	21,090
Sub-Total	1,561	54,614,970	2,165,735	0	0	2,165,735	2,195,301

Concessions (Note 25(c))

Total amount raised from general rate	9,781	871,950,849	22,058,746	131,011	16,655	22,206,412	21,396,192
Prepaid rates						(6,325)	(2,604)
Totals						22,200,087	21,393,588
						36,794	36,794
						22,236,881	21,430,382

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

SHIRE OF AUGUSTA MARGARET RIVER

25. RATING INFORMATION (Continued)

(b) Service Charges

Service Charges	Amount of Charge	2019/20				2019/20				2019/20				2018/19	
		Revenue Raised	Actual Charges Applied to Costs	Actual Charges Set Aside to Reserve	Actual Reserve Applied to Costs	Revenue	Actual Charges Applied to Costs	Actual Charges Set Aside to Reserve	Actual Reserve Applied to Costs	Budget Charges Applied to Costs	Budget Charges Set Aside to Reserve	Budget Reserve Applied to Costs	Total Actual Revenue		
Cowaramup Underground Power	333	\$ 4,000	\$ 4,000	\$ 0	\$ 0	\$ 4,333	\$ 4,333	\$ 0	\$ 0	\$ 4,333	\$ 0	\$ 0	\$ 4,000		
		4,000	4,000	0	0	4,333	4,333	0	0	4,333	0	0	4,000		
Nature of the Service 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.				12 rateable properties located on Bussell Hwy between Peake Street and 30 metres south of Bottrill Street									

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB1058 - Income for not-for-profit entities.

SHIRE OF AUGUSTA MARGARET RIVER
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25. RATING INFORMATION (Continued)

(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 \$	2020 Actual \$	2020 Budget \$	2019 Actual \$
Residential rate	Concession	100.00%	0	2,670	2,670	2,604
Commercial rate	Concession	50.00%	0	2,134	2,134	0
Residential rate	Concession	100.00%	0	1,521	0	0
				6,325	4,804	2,604
Total discounts/concessions (Note 25(a))				6,325	4,804	2,604

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.
Commercial rate	A 50% concession of the property rates for the Augusta Golf Club.	To provide some financial assistance for this not for profit organisation.	To assist the financial operation and sustainability of this not for profit organisation.
Residential rate	A property on the railway reserve that may have some heritage value is leased by the State to a private landowner who is responsible for the property rates.	To provide financial assistance to the landowner.	Council are considering the merits of acquiring the property and do not want the landowner to dispose of the property or to be out of pocket while this process occurs.

SHIRE OF AUGUSTA MARGARET RIVER
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25. 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	13/09/2019	0.00	0.00%	11.00%
Option Two				
First instalment	13/09/2019	0.00	5.50%	11.00%
Second instalment	15/11/2019	8.00	5.50%	11.00%
Third instalment	17/01/2020	8.00	5.50%	11.00%
Fourth instalment	20/03/2020	8.00	5.50%	11.00%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	89,533	100,000	121,092
Interest on instalment plan	153,018	140,000	149,340
Charges on instalment plan	87,760	90,000	88,488
Pensioner Deferred Interest	990	1,000	1,166
ESL Penalty Interest	3,830	1,500	4,636
	335,131	332,500	364,722

As a result of the state of emergency which has arisen due to the COVID-19 pandemic, the Shire waived penalty interest rates from 1 April 2020 to 30 June 2020.

SHIRE OF AUGUSTA MARGARET RIVER
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26. RATE SETTING STATEMENT INFORMATION

		2019/20 (30 June 2020 Carried Forward)	2019/20 Budget (30 June 2020 Carried Forward)	2019/20 (1 July 2019 Brought Forward)	2018/19 (30 June 2019 Carried Forward)
Note		\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .					
Adjustments to operating activities					
Less: Profit on asset disposals	11(a)	(91,577)	(12,373)	(76,174)	(76,174)
Less: Movement in liabilities associated with restricted cash		(2,208,214)	0	0	0
Less: Fair value adjustments to financial assets at fair value through profit and loss		0	0	(87,586)	(87,586)
Movement in pensioner deferred rates (non-current)		10,699	0	(2,195)	(2,195)
Movement in employee benefit provisions (non-current)		(28,954)	0	(133,322)	(133,322)
Movement in other provisions (non-current)		(100,000)	0	0	0
Movement in other financial assets (non-current)		1,235	0	0	0
Add: Loss on disposal of assets	11(a)	1,766,812	34,913	1,421,682	1,421,682
Add: Assets written off		0	0	44,794	44,794
Add: Depreciation on non-current assets	11(c)	9,643,934	9,361,200	9,482,920	9,482,920
Add: Loss on sale of land held for resale		9,091	0	3,182	3,182
Add: Loss on valuation of land held for resale		0	0	1,818	1,818
Non cash amounts excluded from operating activities		9,003,026	9,383,740	10,655,119	10,655,119
(b) Surplus/(deficit) after imposition of general rates					
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.					
Adjustments to net current assets					
Less: Reserves - cash/financial asset backed	4	(21,475,517)	(17,437,851)	(25,969,301)	(25,969,301)
Less: Financial assets at amortised cost - self supporting loans	5(a)	(19,628)	0	(19,615)	(19,615)
Less: Current assets not expected to be received at end of year - Land held for resale	7	0	(133,637)	(131,818)	(131,818)
Add: Current liabilities not expected to be cleared at end of year - Current portion of borrowings	17(a)	763,772	924,550	924,549	924,549
- Current portion of contract liability held in reserves		4,569,192	0	6,777,406	0
- Current portion of lease liabilities		68,991	0	0	0
- Other provisions		100,000	0	0	0
- Leave component backed by cash reserve		369,811	420,838	413,052	413,052
- Leave component not required to be funded		1,165,986	978,374	1,247,960	1,247,960
Total adjustments to net current assets		(14,457,393)	(15,247,726)	(16,757,767)	(23,535,173)
Net current assets used in the Rate Setting Statement					
Total current assets		28,223,439	21,196,375	34,191,673	34,191,673
Less: Total current liabilities		(11,360,567)	(5,676,580)	(13,863,797)	(6,852,335)
Less: Total adjustments to net current assets		(14,457,393)	(15,247,726)	(16,757,767)	(23,535,173)
Net current assets used in the Rate Setting Statement		2,405,479	272,069	3,570,109	3,804,165
(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards					
Total current assets at 30 June 2019					
- Contract assets	28(a)				34,191,673
Total current assets at 1 July 2019					34,191,673
Total current liabilities at 30 June 2019					
- Contract liabilities from contracts with customers	28(a)				(6,852,335)
- Rates paid in advance	28(b)				(6,974,668)
Total current liabilities at 1 July 2019					(13,863,797)

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27. 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.

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 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 \$
2020					
Cash and cash equivalents	0.51%	12,646,535	3,314,171	9,311,964	20,400
Financial assets at amortised cost - term deposits	0.73%	13,000,000	13,000,000	0	0
2019					
Cash and cash equivalents	1.45%	11,337,056	0	11,320,556	16,500
Financial assets at amortised cost	2.46%	20,500,000	20,500,000	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.

Impact of a 1% movement in interest rates on profit and loss and equity*

* Holding all other variables constant

	2020	2019
	\$	\$
	126,465	113,371

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 is disclosed at Note 17(b).

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27. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment, however the effect of COVID-19 needs to be considered. Financial assistance provided to ratepayers may adversely affect the Shire's cash flows.

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 2019 or 1 July 2020 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. Re-negotiation of repayment terms is expected due to the COVID-19 pandemic.

The loss allowance at 30 June 2020 for rates receivable was determined as follows and takes into account the waiver of penalty interest due to the impact of COVID-19.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	188,860	603,675	97,355	127,917	1,017,807
Loss allowance	0	0	0	0	0
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

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	472,095	52,557	5,481	149,461	679,594
Loss allowance	0	0	0	0	0
30 June 2019					
Trade and other 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

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27. 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 if required.

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
	\$	\$	\$	\$	\$
2020					
Payables	2,813,851	0	0	2,813,851	2,813,851
Borrowings	1,130,076	4,203,092	5,459,277	10,792,445	8,471,996
Contract liabilities	5,224,753	0	26,450	5,251,203	5,251,203
Lease liabilities	68,991	90,750	0	159,741	159,741
	9,237,671	4,293,842	5,485,727	19,017,240	16,696,791
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

SHIRE OF AUGUSTA MARGARET RIVER
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28. 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.

(a) AASB 15: Revenue from Contracts with Customers

The Shire adopted 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 adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments were made to the amounts recognised in the Statement of Financial Position at the date of initial application (1 July 2019):

	Note	AASB 118 carrying amount 30 June 2019 \$	Reclassification \$	AASB 15 carrying amount 01 July 2019 \$
Contract liabilities - current				
Contract liabilities from contracts with customers	15	0	(6,974,668)	(6,974,668)
Adjustment to retained surplus from adoption of AASB 15	29(b)		(6,974,668)	

(b) AASB 1058: Income For Not-For-Profit Entities

The Shire adopted 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 adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not 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 occurred to the following financial statement line items by application of AASB 1058 as compared to AASB 118: Revenue and AASB 1004: Contributions before the change:

	Note	AASB 118 and AASB 1004 carrying amount 30 June 2019 \$	Reclassification \$	AASB 1058 carrying amount 01 July 2019 \$
Trade and other payables				
Rates paid in advance	14	0	(36,794)	(36,794)
Adjustment to retained surplus from adoption of AASB 1058	29(b)		(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 gave rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were 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 occurred, the financial liability was extinguished and the Shire recognised 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.

SHIRE OF AUGUSTA MARGARET RIVER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 118 and 1004 and related Interpretations that were in effect before the change.

		2020 \$		2020 \$
	Note	As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004
Statement of Comprehensive Income				
Revenue				
Rates	25(a)	22,236,881	42,345	22,279,226
Operating grants, subsidies and contributions	2(a)	2,498,827	5,224,753	7,723,580
Fees and charges	2(a)	9,567,943	0	9,567,943
Non-operating grants, subsidies and contributions	2(a)	16,111,087	26,450	16,137,537
Net result		10,801,210	5,293,548	16,094,758
Statement of Financial Position				
Trade and other payables	14	2,813,851	(42,345)	2,771,506
Contract liabilities	15	5,251,203	(5,251,203)	0
Net assets		464,334,652	5,293,548	469,628,200
Statement of Changes in Equity				
Net result		10,801,210	5,293,548	16,094,758
Retained surplus		209,376,393	5,293,548	214,669,941

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058.

(c) AASB 16: 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 AASB16 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 recognised lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117 (excluding short term and low value leases). These lease liabilities were 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 AASB16, the Shire recognised 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 deemed to be equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

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.

29. CHANGE IN ACCOUNTING POLICIES

(a) Change in Accounting Policies due to regulation changes

Effective 6 November 2020, Local Government (Financial Management) Regulation 16 was removed and Local Government (Financial Management) Regulation 17A was amended with retrospective application. The changes were effective for the financial year ending on or after 30 June 2020 and are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019.

In accordance with the changes, the Shire was required to remove the values attributable to certain crown land assets previously required to be recognised, as well as the associated revaluation surplus at 1 July 2019. These assets have been measured as concessionary lease right-of-use assets at zero cost in accordance with AASB 16. For further details relating to these changes, refer to Note 11.

In summary the following adjustments were made to the amounts recognised in the statement of financial position at the date of initial application (1 July 2019):

	Note	Carrying amount 30 June 2019 \$	Reclassification \$	Carrying amount 01 July 2019 \$
Property, plant and equipment	3	93,360,133	(5,092,300)	88,267,833
Revaluation surplus	5	238,360,505	(5,092,300)	233,268,205

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

(b) Changes in equity due to change in accounting policies

The impact on the Shire's opening retained surplus due to the adoption of AASB 15 and AASB 1058 as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			201,092,861
Adjustment to retained surplus from adoption of AASB 15	28(a)	(6,974,668)	
Adjustment to retained surplus from adoption of AASB 1058	28(b)	(36,794)	(7,011,462)
Retained surplus - 1 July 2019			194,081,399

The impact on the Shire's opening revaluation surplus resulting from Local Government (Financial Management) Regulation 16 being removed and the amendments to Local Government (Financial Management) Regulation 17A as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Revaluation surplus - 30 June 2019			238,360,505
Adjustment to revaluation surplus from deletion of FM Reg 16	13(a)	(5,092,300)	
Adjustment to revaluation surplus from amendment to FM Reg 17	13(a)	0	(5,092,300)
Revaluation surplus - 1 July 2019			233,268,205

30. CORRECTION OF ERROR

Unrecognised Provision for Landfill closure and rehabilitation

During the year a provision for the closure and rehabilitation of the waste cells at the Davis Road landfill site was recognised. As recognition of this should have been at the inception of the landfill facility, the provision is being recognised as a prior period error.

The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Statement of Financial Position (Extract)	30 June 2018 Original Balance \$	Increase/ (Decrease) \$	01 July 2018 (Restated) \$
Non-Current Assets			
Infrastructure	358,663,291	824,282	359,487,573
Non-Current Liabilities			
Other Provisions	0	(5,430,000)	5,430,000
Net assets	466,132,977	(4,605,718)	461,527,259
Equity			
Retained earnings	199,742,510	(4,605,718)	195,136,792
Total equity	466,132,977	(4,605,718)	461,527,259

Statement of Financial Position (Extract)	30 June 2019 Original Balance \$	Increase/ (Decrease) \$	30 June 2019 (Restated) \$
Non-Current Assets			
Infrastructure	358,004,594	721,247	358,725,841
Non-Current Liabilities			
Other Provisions	0	(5,430,000)	5,430,000
Net assets	470,131,420	(4,708,753)	465,422,667
Equity			
Retained earnings	205,801,614	(4,708,753)	201,092,861
Total equity	470,131,420	(4,708,753)	465,422,667

Statement of Comprehensive Income (Extract)	30 June 2019 Original Balance \$	Increase/ (Decrease) \$	30 June 2019 (Restated) \$
<i>By Nature or Type</i>			
Depreciation	(9,379,885)	(103,035)	(9,482,920)
<i>By program</i>			
Expenses			
Governance	(6,644,606)	0	(6,644,606)
General purpose funding	(959,296)	0	(959,296)
Law, order, public safety	(1,664,627)	0	(1,664,627)
Health	(542,974)	0	(542,974)
Education and welfare	(446,900)	0	(446,900)
Community amenities	(4,147,300)	(103,035)	(4,250,335)
Recreation and culture	(8,469,617)	0	(8,469,617)
Transport	(10,250,733)	0	(10,250,733)
Economic services	(1,411,207)	0	(1,411,207)
Other property and services	(1,017,116)	0	(1,017,116)
Net result for the period	3,998,443	(103,035)	3,895,408
Total comprehensive income for the period	3,998,443	(103,035)	3,895,408

30. CORRECTION OF ERROR (Continued)

Rate Setting Statement (Extract)	30 June 2019 Original Balance	Increase/ (Decrease)	30 June 2019 (Restated)
	\$	\$	\$
Expenditure from operating activities			
Community amenities	(4,152,611)	(103,035)	(4,255,646)
Non-cash amounts excluded from operating activities	10,552,084	103,035	10,655,119
Notes to and forming part of the Financial Report (Extract)	30 June 2019 Original Balance	Increase/ (Decrease)	30 June 2019 (Restated)
	\$	\$	\$
10(a). Infrastructure			
Infrastructure - Waste Management Facilities	853,909	3,038,377	3,892,286
Less: Accumulated depreciation	(24,613)	(2,317,130)	(2,341,743)
	829,296	721,247	1,550,543
11(c). Depreciation			
Other infrastructure - waste management facilities	24,613	103,035	127,648
	9,379,885	103,035	9,482,920
19. Other Provisions			
Non-current provisions	0	5,430,000	5,430,000
20. Notes to the Statement of Cash Flows			
Net result	3,998,443	(103,035)	3,895,408
Depreciation	9,379,885	103,035	9,482,920
21. Total Assets Classified by Function and Activity			
Community Amenities	24,102,178	721,247	24,823,425
	485,757,003	721,247	486,478,250
26. Rate Setting Statement Information			
(a) Non-cash amounts excluded from operating activities			
Add: Depreciation on non-current assets	9,379,885	103,035	9,482,920
Non cash amounts excluded from operating activities	10,552,084	103,035	10,655,119
32. Financial Ratios			
Asset sustainability ratio	0.88	(0.01)	0.87

SHIRE OF AUGUSTA MARGARET RIVER
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FOR THE YEAR ENDED 30 JUNE 2020

31. TRUST FUNDS

From this year, all bonds, deposits and levies not required by legislation to be held in trust are included in Restricted Cash at Note 3 and current liability at Note 14. 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 2019	Amounts Received	Amounts Paid	Reclassification to Restricted Cash	30 June 2020
	\$	\$	\$		\$
Unclaimed Monies	2,658	0	0	(2,658)	0
BCITF Levy	3,719	48,373	(47,120)	0	4,972
DPI Licencing	59,164	0	0	(59,164)	0
BRB Levy	11,826	0	0	(11,826)	0
ESL Levy	(2,335)	0	0	2,335	0
Community Arts Events	3,308	0	0	(3,308)	0
Public Open Space	138,274	153,000	0	0	291,274
Unspent Grants	26,450	0	0	(26,450)	0
	243,064	201,373	(47,120)	(101,071)	296,246

SHIRE OF AUGUSTA MARGARET RIVER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

32. 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 ends of the reporting period.

SHIRE OF AUGUSTA MARGARET RIVER
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33. 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 resources 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, the HEART, 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 a camping ground. Provision of rural services including weed control, vermin control and standpipes.
OTHER PROPERTY AND SERVICES To monitor and control the Shire's overheads operating accounts.	Plant repair and operation costs and engineering operation costs.

SHIRE OF AUGUSTA MARGARET RIVER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

34. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	1.22	1.22	1.37
Asset consumption ratio	0.95	0.78	0.99
Asset renewal funding ratio	1.11	1.17	1.21
Asset sustainability ratio	0.91	0.87	0.88
Debt service cover ratio	3.43	5.44	5.64
Operating surplus ratio	(0.16)	(0.08)	(0.12)
Own source revenue coverage ratio	0.81	0.86	0.88

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



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Augusta Margaret River

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Augusta Margaret River which comprises the Statement of Financial Position as at 30 June 2020, and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, as well as notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Augusta Margaret River:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2020 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant 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 my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Accounting

I draw attention to Notes 1 and 11 to the annual financial report, which describe the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). My opinion is not modified in respect of these matters:

- (i) Regulation 17A requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 *Leases* which would have required the entity to measure the vested improvements also at zero cost.
- (ii) In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report.

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 the annual financial report that is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Report

The objectives of my audit are to obtain reasonable assurance about whether the annual financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual financial report.

A further description of my responsibilities for the audit of the annual financial report is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This includes the identification and assessment of the risk of material misstatement due to fraud arising from management override of controls. This description forms part of my auditor's report.

Report on Other Legal and Regulatory Requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trends in the financial position of the Shire:
 - a. The Operating Surplus Ratio is below the Department of Local Government, Sport and Cultural Industries standard for the past 3 years. The financial ratios are reported at Note 34 of the annual financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The annual financial report of the Shire for the year ended 30 June 2019 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2018 and 2019 in Note 34 of the audited annual financial report were included in the supplementary information and/or audited annual financial report for those years.

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 2020 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 annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual 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 annual audited financial report to confirm the information contained in this website version of the annual financial report.



ALOHA MORRISSEY
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
17 December 2020



Shire of Augusta Margaret River

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