



Shire of Peppermint Grove



Annual Report
2018-2019

Cover photo by Karen Oakes

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Introduction to the Shire of Peppermint Grove

With a rich history dating back to 1832 and the early settlement of the Swan River Colony, the Shire of Peppermint Grove is known for its beauty and heritage boasting large character homes, a stunning river foreshore, beautiful gardens and shady streets lined with peppermint trees. Many generations of families have lived in Peppermint Grove and there is a strong sense of community often not found in metropolitan communities.

With an area of only 1.36 square kilometres, the Shire prides itself on providing a personalised service to its 1,636 residents. Considered to be a highly desirable suburb, Peppermint Grove has an above average socio economic profile. Much Shire activity relates to the development or redevelopment of large residences.

The maintenance of the suburb's amenity, particularly its trees, foreshore and reserves, is a high priority for residents.

The Shire of Peppermint Grove is guided by the following Vision
“To remain a Shire valued for its ambience and independence”

In supporting the community's aspirations, the Shire of Peppermint Grove is guided by the following Mission

“To guide the Shire's future developments and provide a range of personalised services to residents in order that our unique community and its environment is maintained, enhanced and protected”



The Shire of Peppermint Grove's Key Result Areas are:

Community Development
Infrastructure
Governance

Organisational Capacity
Built Environment
Natural Environment

Some interesting statistics about the Shire include:

Distance from Perth:	13 kms
Area:	1.36 square kms
Length of sealed roads:	10.6 kms
Population:	1,636
Number of Electors:	1,153
Number of Dwellings:	613
Total Rates Levied:	\$3.268 million
Total Revenue:	\$4.812 million
Number of Employees:	21

Apart from the peppermint tree lined streets and pristine Freshwater Bay, some attractions in the Shire include:

- Freshwater Bay Boating Jetties
- Freshwater Bay Foreshore Beach Reserve
- Royal Freshwater Bay Yacht Club
- Keane's Point Parkland and Barbeque Facilities
- Keane's Point Children's Play Equipment
- Manners Hill Park Reserve
- Manners Hill Pavilion
- Australia Day Festivities
- Peppermint Grove Tennis Club
- Presbyterian Ladies College
- Cottesloe Primary School
- The Grove Library
- Freshwaters Café
- The Community Centre
- Peppermint Grove Heritage Trail
- Halloween Festivities
- Carols by Candlelight
- St Mary Star of the Sea Church
- St Columba's Church
- Cottesloe Central Shopping Centre
- Whadjuk Trails Network
- Chapter 1 Café (Library)



A message from the Shire President

It is my pleasure to present the Annual Report for the Shire of Peppermint Grove for the 2018-19 financial year.

I am pleased to report that we have, once again, achieved a small operating surplus for the year and a clean bill of health from the Shire's auditors. A full set of the Shire's financials are included in this report.

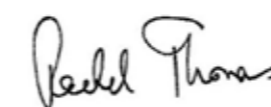
During the year Council completed the listing of a number of properties onto the Shire's Heritage List under Local Planning Scheme 4. The Shire has around 120 properties on the Heritage List and they play a very important role in creating and maintaining the character, amenity and value of the area.

Last year I provided an update on the progress being made on the Wearne site in Cottesloe. This site is jointly owned by the Shire and the Towns of Claremont, Cottesloe and Mosman Park and leased to aged care provider, Curtin Heritage Living. I am pleased to advise that development of the site to provide 77 independent living apartments and increased residential aged care places is progressing steadily. It is anticipated that construction works will commence in 2020. The Wearne development and the Shire's continuing commitment to SHINE Community Services and West Coast Community Centre reinforces Council's support for the delivery of high-quality aged care and community education services to the community of Peppermint Grove.

Another aspect of the Shire's community service is The Grove Library. This is a jointly funded facility with the Towns of Mosman Park and Cottesloe and is widely used by residents from all three councils. This report provides detailed information on the activities provided by The Grove, however, as examples, 116,162 children's books were loaned, and the Peppermint Grove Heritage Tour app was downloaded 5,019 times.

In 2018/2019 the Shire hosted a number of popular community events, including the combined Australia Day Awards, Carols by Candlelight, a community breakfast at the Royal Freshwater Bay Yacht Club and a children's Halloween party.

I would like to take this opportunity to thank the Shire's staff for their hard work during the year. I would also like to thank Deputy Shire President, Charles Hohnen and Councillors Karen Farley, Dawne Horrex, Peter McIntosh and Greg Peters for the support that they have always given to me and for their continued commitment to the wellbeing of the Shire and its residents.



Rachel Thomas
SHIRE PRESIDENT.





A message from the Chief Executive Officer

I am pleased to present the annual report, incorporating the financial statements for 2018/19. Also included in this report is the Auditor's Report, which has again given the Shire a clean bill of health for its financial reporting and management.

The Shire is able to operate with a very small workforce of just 21 full time equivalent (FTE) staff, of which 11.5 FTEs work in the administration centre and the depot and the rest at The Grove Library. Where operational efficiencies can be demonstrated, contractors are used for service delivery. The Shire also works with its neighbouring local governments and uses their services on a fee for service basis for health inspections, ranger services and building services. Royal Life Saving WA provides pool inspection services. Waste management and recycling collections are provided through contractors with the Shire being a member of Western Metropolitan Regional Council (WMRC), which manages the disposal of the Shire's waste and provides transfer station services for residents to dispose of waste not collected through the verge collections or outside of bulk pickup service. Along with the Shire, the Towns of Claremont, Mosman Park and Cottesloe and the City of Subiaco are members of the WMRC. The WMRC is assisting the Shire in the roll out of the green bin service.

The Shire also works in collaboration with Western Suburbs Regional Group of Councils (WESROC), which includes the WMRC local governments plus the City of Nedlands and the Town of Cambridge. WESROC works on joint projects, such as water management, Wadjuk trials, feral animal control, aerial imagery, native plant subsidy, group training sessions, environmental and engineering projects.

I would like to thank the Shire President and Councillors for their support and strong leadership over the past twelve months and to also thank my managers and staff for their professionalism and dedication to providing excellent service to the residents of the Shire.



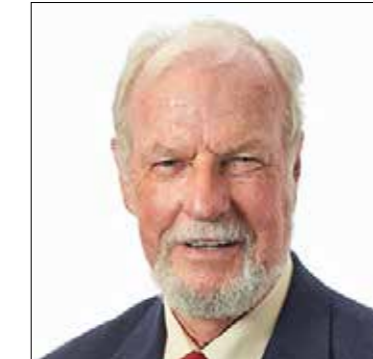
Don Burnett
Chief Executive Officer.

Councillors at 30th June 2019



PRESIDENT

**COUNCILLOR R
(RACHEL) THOMAS**



DEPUTY PRESIDENT

**COUNCILLOR C
(CHARLES) HOHNEN**



**COUNCILLOR K
(KAREN) FARLEY**



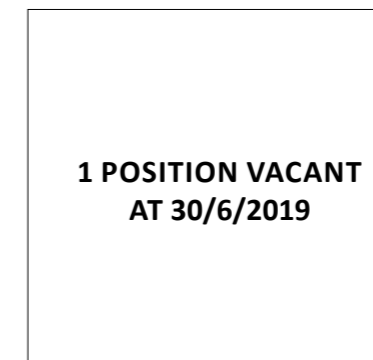
**COUNCILLOR D
(DAWNE) HORREX**



**COUNCILLOR P
(PETER) MACINTOSH**



**COUNCILLOR G
(GREG) PETERS**



**1 POSITION VACANT
AT 30/6/2019**

Principal Staff Members

CHIEF EXECUTIVE OFFICER - DON BURNETT

MANAGER DEVELOPMENT SERVICES - ROSS MONTGOMERY

MANAGER CORPORATE SERVICES - PAUL RAWLINGS. FROM 24/06/2019 MIKE COSTARELLA

MANAGER LIBRARY AND COMMUNITY DEVELOPMENT - DEBRA BURN

MANAGER INFRASTRUCTURE - DONOVAN NORGARD



DON BURNETT



ROSS MONTGOMERY



MIKE COSTARELLA



DEBRA BURN



DONOVAN NORGARD

Strategic Community Plan

Community Vision

The Shire of Peppermint Grove Community Strategic Plan 2013 – 2023 was developed with community consultation and input, with the community’s vision for the Shire “**To remain a Shire valued for its ambiance and independence**”. The task of Council and the administration is to deliver on the community aspiration and has adopted the following mission statement to achieve this objective “**To guide the Shire’s future developments and provide a range of personalised services to residents in order that our unique community and its environment is maintained, enhanced and protected**”.



Corporate Plan

The Corporate Business Plan 2014/15 - 2018/19 outlines the Shire's key priorities and actions for this 4-year period. The plan is informed by the Community Strategic Plan and aims to integrate the community's aspirations into the Shire's operations. The Community Strategic Plan and the Corporate Business Plan form part of the WA Government's Integrated Planning and Reporting Framework. The Shire will be reviewing the Community Strategic Plan and the Corporate Business plan during 2019.

Key Result Areas

The Shire has been progressively implementing the actions within the six key result areas of its Community Strategic Plan and Corporate Business Plan. The annual report outlines the progress made in the last year to deliver on the objectives and strategies in these plans. The report will reflect the six key result areas that support and reflect the community's vision for the Shire of Peppermint Grove:

- Community Development - "Building a Sense of Community"
- Infrastructure - "Protecting our Assets"
- Governance - "Strengthening Shire Leadership"
- Organisational Capacity - "Meeting Community Expectations"
- Built Environment - "Preserving our Heritage"
- Natural Environment - "Preservation and Sustainability"

Community Development - "Building a Sense of Community"

The objectives of the key result area are to strengthen community cohesiveness and participation, strengthen the cultural and historical significance of the Shire and ensure access to services as needs change within the community.

Highlights

- Several community events, including the Community Breakfast, Australia Day Citizenship and Awards Ceremony and Halloween were well supported by the community. The Grove Library continued to provide a significant number of diverse events on a regular basis
- The PEP Talk newsletter is provided three times per year
- Library membership grew during the year
- The Shire continues to partner with SHINE in the provision of aged services to community members

Infrastructure - "Protecting our Assets"

To upgrade and maintain the Shire's infrastructure and investigate improvements which will facilitate sustainable ongoing management

Highlights

- Further works scheduled for river foreshore protection underway
- Continued emphasis on maintaining foreshore and Manners Hill Park to a high standard
- Tree maintenance program to maintain and replace street and park trees

Governance - "Strengthening Shire Leadership"

Ensure that all Shire resources are managed effectively and to provide leadership for Council activities on behalf of the community.

Highlights

- Strong working relationship with Western Suburbs Regional Councils for group projects and Western Metropolitan Regional Council for waste management

Organisational Capacity - "Meeting Community Expectations"

Ensure that the Shire is an employer of choice and that the Shire is compliant with all the requirements of all relevant statutes and legislation.

Highlights

- Staff are provided with appropriate training to ensure a high level of service is provided to the community
- In the community satisfaction survey the Shire was the highest rated local government surveyed in WA, and the industry leader in 27 categories
- The Shire has received a clean bill of health from its audit report

Built Environment - "Preserving our Heritage"

To increase the capacity for the Shire to ensure that the built environment reflects the aspirations of the community and retains its unique history, heritage and character.

- A review of the heritage listed properties
- Proactive engagement on development applications to conserve heritage and encourage a useful future for buildings and places

Natural Environment – “Preservation and Sustainability”

To protect and enhance Peppermint Grove natural environment and biodiversity.

- Further foreshore preservation works underway by constructing a headland for erosion control
- Review of reticulation systems for the Shire’s reticulated areas to ensure water efficient practices in place, which includes an upgrade of reticulation controllers
- Continued community education through the WMRC on recycling and waste minimisation



Statutory Reports

Recordkeeping Plan

The Shire has an ongoing commitment to recordkeeping in accordance with the State Records Act 2000 and Records Management Standard AS ISO 15489 through corporate systems and management/disposal processes.

The current five-year recordkeeping plan (RKP) was approved by the State Records Commission (SRC) on 17 March 2017. This year we have implemented the digital-only records being produced by the Shire’s enterprise resource planning system (ERP) - CouncilFirst - as well as Office 365-produced records and digitised copies of physical documents. CouncilFirst and Office 365 are delivered as software-as-a-service products on Microsoft’s Azure Cloud and there are resource and operational efficiencies from moving all records to such a platform.

National Competition Policy

The application of national competition policy (NCP) is guided by the Clause 7 Statement which requires annual reporting of the implementation, application and effects of NCP principles as well as structural reform of public monopolies.

Competitive Neutrality

Competitive neutrality principles apply to any significant business activities conducted by, or under the control of, a local government that generates an income of \$200,000 or more in a financial year. In the 2018/19 financial year the Shire did not undertake any business activities that met this threshold.

Structural Reform of Public Monopolies

The Shire of Peppermint Grove is not classified as a natural monopoly nor does it conduct any business activities that could be classified as public monopolies.

Legislative Review

Council has the following local laws:

- Local Government Property
- Dogs
- TV Masts and Antennae
- Fencing
- Emission and Reflection of Light
- Parking and Parking Facilities
- Activities on Thoroughfares and Trading in Thoroughfares and Public Places

All local laws have been reviewed for NCP compliance and all amendments to existing, and all future local laws are monitored to ensure no anti-competitive practices are included. The local laws are currently being reviewed in accordance with the Local Government Act 1995.

Access and Inclusion Plan

During 2018-2019, activities associated with the Shire's Access and Inclusion Plan (AIP) 2017-2022 included:

- An Access and Inclusion Community Reference Group was established to guide the implementation of AIP activities.
- Elderly/frail members of the community, in particular those living alone, were contacted to establish whether any further services were required to assist them with their daily living activities.
- Street Parties are held within the shire that encourage socialisation amongst residents who may be living alone.
- Shire events were organised in a way that made them as accessible and inclusive as possible by following steps in the "Creating Accessible Events checklist". This checklist is followed by event, library and community development staff. The Grove library's Home Delivery Service is provided to those who cannot come to the library personally due to age and/or disability. The library has approximately 20 clients, both in individual residences and in aged care facilities as well as an IT library officer that visits a client who is housebound with multiple disabilities, to assist with her technology access.
- Physical access to the Shire's buildings, facilities and infrastructure was improved by upgrading the lighting around the precinct. The shrubbery at the front of the Shire and library is pruned regularly for better access to pathways as per feedback from community.
- ACROD parking bays are available at Freshwater Café as well as in the library carpark and on Leake Street outside the library. The bays are kept clean and painted to meet the needs of ACROD users.
- The Shire's parks, playground, public toilets and reserves are equipped with disability toilets located at Keanes Point and Manners Hill Park as well as Freshwater Café at the foreshore which is open to members of the public. An accessible pathway is available from Claremont through Peppermint Grove to Mosman Park along the Swan River with direct access to Freshwater Café, disabled toilets, parks and playgrounds along the way.
- There is a disabled toilet off the foyer in the Shire building that can be accessed by patrons of the library, child health centre, community centre and Shire visitors.
- All staff toilets in the library and shire offices are appropriate for people with a disability.

The Shire is committed to facilitating the inclusion of people with disabilities through the improvement of access and inclusion to its services and facilities. Implementation of the AIP across all areas of council is an ongoing process. The seven outcomes of the AIP are:

1. People with disability have the same opportunities as other people to access the services of, and any events organised by the Shire.
2. People with disability have the same opportunities as other people to access the buildings and other facilities of the Shire.
3. People with disability receive information from the Shire in a format that will enable them to access the information as readily as other people are able to access it.
4. People with disability receive the same level and quality of service from the staff of the Shire as other people receive from the staff of the Shire.

5. People with disability have the same opportunities as other people to make complaints to the Shire.
6. People with disability have the same opportunities as other people to participate in public consultation by the Shire.
7. People with disability have the same opportunities as other people to obtain and maintain employment with the Shire.

Freedom of Information

The Freedom of Information Act 1992 allows the public the right to apply for access to information held by the Shire.

The Act requires the review and adoption of a Freedom of Information Statement, a copy of which is available on the Shire's website.

During 2018/19, no applications were received.

Register of Complaints

Minor breaches of the rules of conduct or a local law of the Shire by a Council member must be recorded in a register noting the outcome of the investigation of the complaint and the action subsequently taken. No complaints regarding such breaches were received by the Shire's Complaints Officer during 2018/19.

Equal Employment Opportunity Management Plan

The Shire has prepared an equal employment opportunity management plan for the period 2015 – 2020 in accordance with Part IX of the Equal Opportunity Act 1984, a copy of which is available on the Shire's website.

This plan assists the Shire in building a workforce and supporting a workplace culture that reflects the diversity of the local community.

Employee Remuneration

In accordance with Regulation 19B of the Local Government (Administration) Regulations 1996 the Shire is required to disclose the number of employees with an annual cash salary of \$100,000 or more within bands of \$10,000.

Salary Band	No. of Employees
\$100,000 to \$109,999	0
\$110,000 to \$119,999	3
\$120,000 to \$129,999	1
\$130,000 to \$139,999	0
\$140,000 to \$149,999	0
\$150,000 to \$159,999	0
\$160,000 to \$169,999	1

Development Services

This business activity area combines urban planning, building regulation and asset management, health and ranger services.

Services are provided to meet State and local laws and Shire schemes, standards and policies.

Background Comment

Our Shire is predominantly residential houses, with apartments, shopping and commercial areas adjacent to Stirling Highway. Redevelopment of residences consisted of several complete demolition and rebuilds, and home extensions and renovation. Due to the size, scale and complexity of many of the homes, our development applications required the Council to exercise design discretion to request design enhancements to deliver better community outcomes.

The Shire engages additional technical support from the Town of Cottesloe (Health and Rangers) and City of Nedlands (Building) to deliver services to residents and business.

The Grove Centre includes a library, community centre rooms, café, Shire administration and parking station. The building was completed in 2010 and features advanced (at the time, pioneering) building systems to generate renewable power, recycle water and promote low-impact development.

In 2018-19 the Shire upgraded and maintained this building to ensure functionality is maintained.

Gardens are being refurbished to refresh plant stock, add facilities such as better lighting, solar smart-benches and the installation of pedestrian and traffic safety improvements. Management of the facility involves monitoring and renewal of building systems to keep its amenity and freshness.

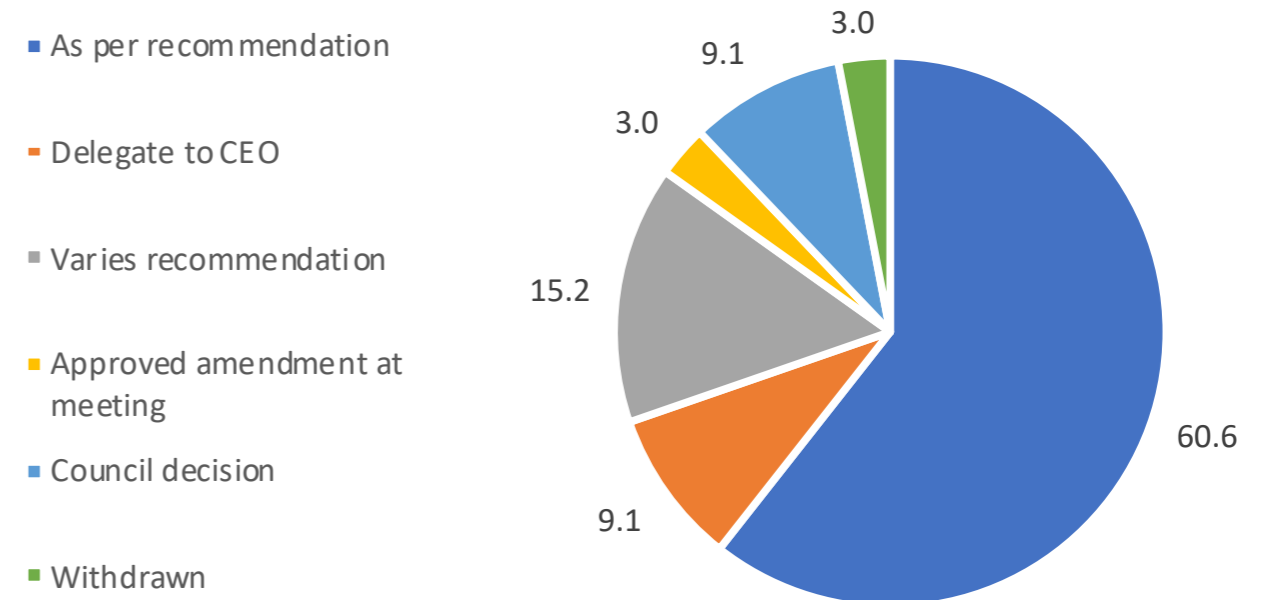


Urban Planning – re-investing in our suburb and lifestyle

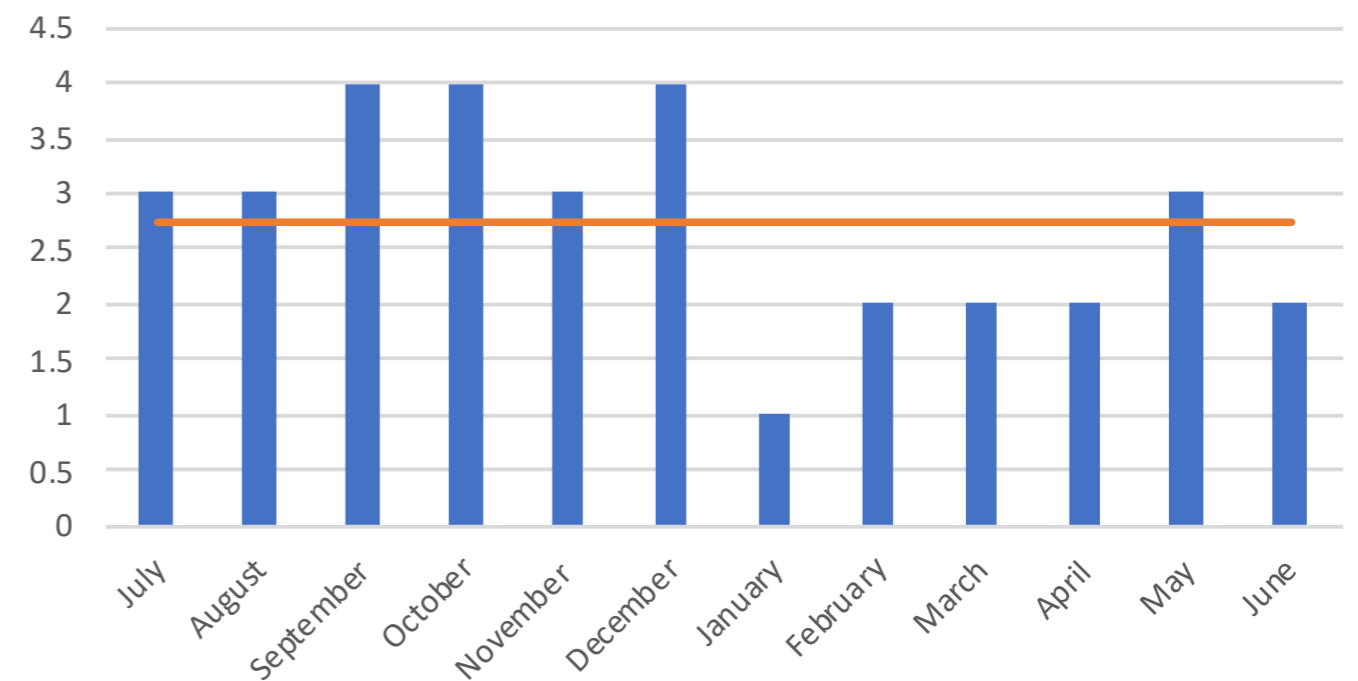
Highlights:-

- Heritage Listing – update of the Shire Heritage Listing to meet Deemed Provisions requirements – 148 properties now included on the Shire’s Heritage List
- Review of Local Planning Policies
- 33 Planning reports to the Council in the past year

Decision Type %

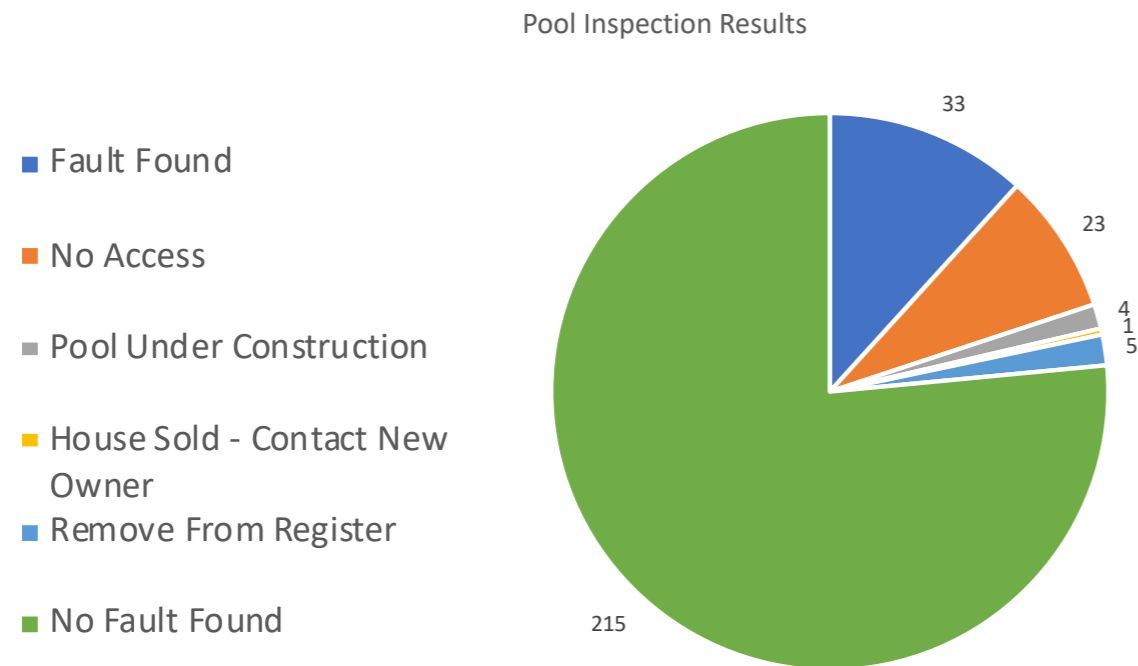


Monthly Reports



Pool Inspections

There are 284 pools located in the Shire. A round of inspections was completed with 215 compliant pools, and 61 requiring follow up by the Shire. Three new pools have been added to the Shire register. The pie chart below shows the results of the inspection.



Commercial Activity Centre Study

The Shire partnered with the Town of Cottesloe to fund a Cottesloe Town Centre study. This is a two-year program and will research and make recommendations about the planning and development needs to support and grow the sustainability of the centre.

Initial research included community, economic sustainability, access and movement, urban design and geospatial mapping consultancies.

Further work will be undertaken with consultation of stakeholders and the community.

Building – meeting national codes and local requirements

Highlights:-

- Revision of Building Permit Assessment and guidance notes
- Technical Service Support agreement (City of Nedlands and consultant services re-signed to augment capability)
- Total value of building work is \$7,656,803.00
- Pool Compliance – making owners aware of their legal and community responsibility to maintain effective swimming pool and spa safety with barrier fencing and child supervision

Health – safety and health for residents and businesses

Highlights:-

- The Shire managed the Health Act with regard to Licenced Food Handling and Premises permits.
- The Town of Cottesloe provides support to the Shire for this service on a contract basis, with the following inspections completed:

Activity	No of Inspections
Food Business Inspection	48
Public Building Inspection	6
Aquatic Facility Inspection (Including water sampling)	24
Skin Penetration Premises	1
Complaints/Enquiries (including follow-up correspondence)	32
Coordinated Food Sampling Projects	3
Special Projects	1

- The Town of Cottesloe completed one special project for the Shire. This project provided detailed information on all food businesses throughout Peppermint Grove to the Telethon Institute Research Project Team to assist with research into obesity.

Compliance - getting along together; respecting our beautiful suburb

Highlights:-

- 20 parking infringements issued
- Investigation of reports of littering and follow up action
- 1 abandoned vehicle reported.
- Pets: 45 Cats & 219 Dogs are registered within the Shire.

The Shire provides storage spaces for a nominal fee for dinghies on the shores of Freshwater Bay. This service contributes to the protection of riverbanks and offers responsible boat owners the opportunity to more securely store their property close to the river and their moored vessels.

The Shire Community Amenity service provides advice, guidance and enforces compliance for local laws and overall environmental welfare of all residents and workers.

The Town of Cottesloe ranger services are engaged by the Shire for an annual fee to patrol and attend to community amenity and local laws matters.

Infrastructure Services

The ongoing maintenance and renewal of the Shire's assets were a priority for the Infrastructure team in 2018/2019. Some key achievements include:

Freshwater Bay Erosion Control project

The Shire continued working collaboratively with the Department of Biodiversity, Conservation and Attractions (DBCA) to successfully secure Riverbank grant funding to design and construct a headland in order to manage erosion in Freshwater Bay.



The Esplanade (Irvine Street to Lilla Street) road resurfacing project

The Shire resurfaced a section of The Esplanade as well as sections of Keane and Lilla Streets. This included paving repairs, kerb replacement, drainage improvements, linemarking and signage renewal.



Street Trees

The Shire's tree maintenance and replacement program continued throughout 2018/2019 resulting in many new Peppermint and Tuart trees being planted on street verges and in parks throughout the area. This ongoing process will ensure that Peppermint Grove's beautiful streetscapes will continue to be enjoyed for many years to come.



Freshwater Bay beach renourishment

With approval from the Department of Biodiversity, Conservation and Attractions, the Shire backfilled eroded beach areas of Freshwater Bay with clean river sand.





Drainage

Work continued on cleaning and maintaining the Shire's stormwater drainage system. New grates and pits are being installed on an ongoing basis with a focus on laneways.



Footpath maintenance

The footpath maintenance and replacement program continued, with many cracked or uneven sections replaced.



Right of way upgrades

All the unpaved Rights of Way in the Shire are being systematically tidied and re-sheeted with recycled road profilings.



Library and Community Centre

The Grove Library is a valued community destination for students looking for a place to study, families with young children who attend the popular story times and school holiday activities, and anyone looking for something to read, entertain or inform.

The Shire of Peppermint Grove manages the jointly funded library service in partnership with the Towns of Mosman Park and Cottesloe. The Grove Library also cooperates with other library services in the Western Suburbs to give Shire residents access to a much broader range of books and services than could otherwise be provided.

The Community Centre hosts numerous community groups such as West Coast Community Centre, Men's and Women's Probus Clubs, and U3A, which provide a wide range of recreational and social programs for local residents.

Grove Library and Community Centre

- Book loans increased slightly, with use of on-line services also remaining steady at around 4% of total loans.
- Technology help for seniors was offered in conjunction with students from PLC, and a small team of dedicated volunteers. "Be Connected" grants were used to purchase additional training resources.
- The 9th Cappuccino Concerts series of classical music concerts held in the Library every Sunday in July was well supported by local audiences.
- Two local authors launched their books at The Grove.
- Eight book groups held their regular meetings at The Grove.
- Five art exhibitions featuring local artists were held.
- West Coast Community Centre hosted 279 events including seminars, talks, demonstrations, games and excursions with a total of 8,224 attendances.

Library Services to Children and Students

- Storytime sessions were held four times each week for babies and children. There were 11,286 child attendances at storytime and school holiday events.
- The Youth Services Librarian visited every school, kindergarten and playgroup in the Shire throughout the year.
- Halloween was a signature event for local families again in 2018-2019 with around 450 children and accompanying adults attending the event.
- 116,161 children's books were loaned (55% of total loans).
- 1,202 students came to the Library from local schools for Children's Book Week.
- 120 entries were received for the Young Writers Competition.

Community History

The Grove's Community History Library collects and curates the history of the suburbs of Mosman Park, Cottesloe and Peppermint Grove, with an emphasis on digital preservation and dissemination.

- The Grove History Facebook page continued to drive research enquiries and, with the added promotion achieved by a dedicated noticeboard, the number of research requests rose this year from 155 to 225, a 68% increase. Property enquiries continued to be the dominant request.
- In May, the Librarian collaborated with Royal Freshwater Bay Yacht Club to facilitate an open day. This event was a popular activity during the National Trust Heritage Festival.
- A major oral history project, "A Hospital Close to Home: Private Hospitals in the Western Suburbs", was undertaken, capturing images, documents and memories of doctors, nurses and practices of the numerous small private hospitals and laying-in wards which were very common in the area.
- The Peppermint Grove Heritage Tour, available as an online app, has been downloaded 5,019 times.



John, Basil and Jenny from the Archives Committee of RFBYC, conducting heritage tours during the National Trust Heritage Festival

Community Development

The aim of Council's Community Development area is to bring people together to identify and respond to problems and opportunities; to participate with other local governments and organisations to deliver community programs and to generally improve the quality of life of Peppermint Grove residents. In 2018-2019, Community Development activities conducted by Council supported community events including Halloween, Seniors' Week Morning Tea, Carols by Candlelight, Australia Day and Anzac Day. Community initiatives were held for seniors while The Grove's Halloween event was held for families. Improvements continued to be made for people with disabilities and health and fitness programs were run for youth and seniors.

Community Events

The Shire's annual Carols by Candlelight was held at Manners Hill Park on 16 December 2018. Supported by Lotterywest and led by the Camelot Choir and Salvation Army Band, this proves to be a very successful event each year, attracting approximately 1,000 people. As has been the tradition for over twenty years, the Salvation Army gives all proceeds from the night to the Balga Early Learning Centre who in turn uses these funds to support those families in need of assistance.

The Shire was the lead council for the Combined Councils' Australia Day event in January 2019 held at Manners Hill Park. This event was supported by Lotterywest and was shared with the Town of Cottesloe and Town of Mosman Park. Over 400 people attended the event which included a citizenship ceremony welcoming over 60 new citizens to the community, an Affirmation Ceremony and a free community barbecue breakfast. Special guest and Australian Ambassador, Ashlee Harrison gave the Australia Day Address. The Shire awarded Mrs Elizabeth Anne (Annie) Fogarty as Citizen of the Year for her ongoing work as Executive Chairperson of the Fogarty Foundation and the Make New and Mend Group won the Award for Active Citizenship; this was received by Lesley Thomas.



Health and Fitness

In 2018-2019, the Shire of Peppermint Grove and the Town of Mosman Park continued their partnership program with the Heart Foundation to provide support for walking groups within our local communities. The program has been very successful with two registered Walk Organisers each hosting weekly walks. A well-attended morning tea was provided for the Heart Foundation Walking Groups at the Pavilion in Manners Hill Park in April 2019.

Sportslink is an inclusive program that teaches basic sports skills and confidence to children with disabilities from seven to twelve years of age. Qualified coaches and student volunteers work with participants to have fun and develop friendships while providing a positive opportunity for children with disabilities to engage in physical activity with a view to making a transition on to other community sporting groups. Initially funded by the Department of Sport and Recreation, this sustainable program is now run by staff and students from Presbyterian Ladies' College.

Mental Health Week

As World Mental Health Day is in October, the Shire helped celebrate Mental Health Week with a week of free seminars and activities. Seminars were held for parents of school aged children to assist in developing the resilience required to prevent, reduce and manage anxiety. A free Yoga session at Keanes Reserve was available for residents to help maintain positive mental wellbeing and to help celebrate Mental Health Week 2018.

Seniors

Seniors' First Aid workshops, presented by St John Ambulance Australia, were held at the Alf Adams Pavilion in Mosman Park for those seniors who were keen to refresh their first aid knowledge or learn basic first aid to gain a better understanding of skills required for common injuries and illnesses that can occur in everyday life. St John First Aid trainers provided information, advice and hands-on demonstrations including the recovery position, CPR, defibrillator use and common heart conditions.

The annual Seniors' Week Morning Tea was held in collaboration with the Towns of Mosman Park and Cottesloe and the Mosman Park Bowling Club in November to celebrate Seniors Week 2018 and to acknowledge seniors and show our appreciation for their valued contribution to the Peppermint Grove community. The high-tea style event included entertainment from Iona Presentation College students and the 7th Heaven Vintage Duo. Seniors were also able to enjoy an information display, door prizes provided by local businesses, show-bags for all attendees and a magnificent view of the Swan River.

Internet technology assistance was provided regularly during school terms by the students from Presbyterian Ladies' College in the library. This is very popular with senior residents and is held each Tuesday.

Carers Week

During October 2018, the Shire acknowledged carers everywhere by celebrating Carers Week. Local carers were welcomed to The Grove library for a free morning tea on Sunday 14 October 2018 with entertainment provided by St Hilda's music students. They were also treated to an art exhibition with art on show by the well-known local artist, Mary-Jane Malet.

Youth

Decorating cup-cakes in the community centre filled in wet afternoons during school holidays for the young people of Peppermint Grove. Each participant was given 4 cup cakes which they could decorate any way they wished from a choice of many colours. This has become a very popular holiday activity for boys and girls of all ages.

Presbyterian Ladies' College art students designed and produced the Shire's banner entry in the Banners in the Terrace Competition that was on display during July and August 2018. This annual exhibition of banners along St Georges and Adelaide Terrace features designs from communities and regions throughout Western Australia. The students designed a banner that they thought best incorporated the College with the Shire of Peppermint Grove.

Community Safety

Several community safety initiatives were held in the library during 2018-2019 with safety displays provided by RoadWise on Child Car Restraints, Distracted Drivers and Vehicle Safety.

In partnership with The Grove library, Towns of Cottesloe, Mosman Park and City of Nedlands another very successful Halloween HotSpot Safety Project promoted Halloween as a fun and safe, albeit scary event for young families in October 2018. The event was used to promote community safety and ensured that children could visit neighbours to "trick or treat" in a safe way. The Grove library offered a meeting place for families to enjoy an afternoon of spooky stories, a magic show, scary costume competitions, and tours through the Spooky Maze. A sausage sizzle was provided by a local community group.

A major approach to community safety is based on the simple fact that neighbours who know one another are more likely to look out for each other and take note of activities around their neighbourhood. Street parties are a great way for neighbours to keep in touch with each other and meet new neighbours. Both Keane Street and Irvine Street held street parties prior to Christmas.

Volunteers

In recognition of local long-serving volunteers, a sundowner was held on Friday 23 November 2018 at The Grove library as a way of thanking and celebrating the valuable contribution of volunteers within the local community. Volunteers who have dedicated their time and skills to community organisations over a long period of time were recognised by the Shire President and applauded by the hundred people in attendance.

A Volunteer Resource Centre is located in the "Pod" in the library each Monday, providing the community with a free, informative service about volunteering and will assist residents in finding a suitable volunteer role.

Sustainability

The Shire remains supportive of the work done by the WMRC including the Earth Carers courses that are run out of The Grove each year. A Recycling Station is located in The Grove library for residents and library members to place their batteries, globes and printer cartridges in for recycling.

Access and Inclusion

ACROD Bays were available for those wishing to attend Australia Day at Manners Hill Park in January 2019. Residents requiring special dietary requirements were accommodated for at all Shire events including the Australia Day barbecue breakfast, Seniors Week Morning Tea and the First Aid Workshop.



SHIRE OF PEPPERMINT GROVE
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

SHIRE OF PEPPERMINT GROVE
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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The attached financial report of the Shire of Peppermint Grove for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Peppermint Grove at 30 June 2019 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the

10

day of

DECEMBER

2019

Donald Burnett, Chief Executive Officer

COMMUNITY VISION

"To remain a Shire valued for its ambience and independence"

Principal place of business:
1 Leake Street, PEPPERMINT GROVE



SHIRE OF PEPPERMINT GROVE
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2019

NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$	
Revenue				
Rates	20(a)	3,245,569	3,223,004	3,165,048
Operating grants, subsidies and contributions	2(a)	1,353,451	1,284,373	1,410,444
Fees and charges	2(a)	280,570	229,165	262,542
Interest earnings	2(a)	79,921	64,000	94,076
Other revenue	2(a)	55,762	12,338	46,353
		5,015,273	4,812,880	4,978,463
Expenses				
Employee costs		(2,269,409)	(2,241,641)	(2,200,437)
Materials and contracts		(2,116,028)	(1,853,519)	(1,879,206)
Utility charges		(123,955)	(130,043)	(129,779)
Depreciation on non-current assets	9(b)	(447,664)	(386,563)	(442,382)
Interest expenses	2(b)	(61,171)	(61,030)	(63,146)
Insurance expenses		(94,309)	(94,256)	(93,589)
Other expenditure		(61,930)	(77,250)	(64,250)
		(5,174,466)	(4,844,302)	(4,872,789)
		(159,193)	(31,422)	105,674
Non-operating grants, subsidies and contributions	2(a)	184,167	80,867	108,088
Profit on asset disposals	9(a)	2,973	0	278
(Loss) on asset disposals	9(a)	(1,480)	0	(2,300)
Fair value adjustments to financial assets at fair value through profit or loss	6	17,517	0	0
Share of net profit of associates and joint ventures accounted for using the equity method	18(a)	(22,746)	0	(47,078)
		180,431	80,867	58,988
Net result for the period		21,238	49,445	164,662
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	0	0	2,734,628
Total other comprehensive income for the period		0	0	2,734,628
Total comprehensive income for the period		21,238	49,445	2,899,290

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



SHIRE OF PEPPERMINT GROVE
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2019

NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$	
Revenue				
2(a)	69,812	16,088	50,225	
Governance				
General purpose funding	3,386,951	3,313,219	3,321,103	
Law, order, public safety	12,571	12,000	9,415	
Health	10,685	16,030	18,463	
Education and welfare	909	0	909	
Community amenities	156,422	94,085	93,661	
Recreation and culture	1,304,114	1,312,658	1,400,862	
Transport	15,155	18,050	18,176	
Economic services	24,980	30,750	21,288	
Other property and services	33,674	0	44,360	
	5,015,273	4,812,880	4,978,462	
Expenses				
2(b)	(862,171)	(982,110)	(1,080,836)	
Governance				
General purpose funding	(93,521)	(86,150)	(85,984)	
Law, order, public safety	(42,322)	(46,700)	(38,645)	
Health	(65,249)	(50,900)	(49,381)	
Education and welfare	(54,767)	(65,165)	(67,233)	
Community amenities	(1,006,480)	(688,786)	(692,315)	
Recreation and culture	(2,087,610)	(2,025,394)	(1,970,863)	
Transport	(843,181)	(742,067)	(751,184)	
Economic services	(57,378)	(96,000)	(60,631)	
Other property and services	(616)	0	(12,570)	
	(5,113,295)	(4,783,272)	(4,809,642)	
Finance Costs				
2(b)	(61,171)	(61,030)	(63,146)	
Recreation and culture				
	(61,171)	(61,030)	(63,146)	
	(159,193)	(31,422)	105,674	
Non-operating grants, subsidies and contributions	2(a)	184,167	80,867	108,088
Profit on disposal of assets	9(a)	2,972	0	278
(Loss) on disposal of assets	9(a)	(1,480)	0	(2,300)
Fair value adjustments to financial assets at fair value through profit or loss	6	17,517	0	0
Share of net profit of associates and joint ventures accounted for using the equity method	18(a)	(22,746)	0	(47,078)
	180,430	80,867	58,988	
Net result for the period	21,238	49,445	164,662	
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	0	0	2,734,628
Total other comprehensive income for the period	0	0	2,734,628	
Total comprehensive income for the period	21,238	49,445	2,899,290	

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



SHIRE OF PEPPERMINT GROVE
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2019

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	3	2,141,270	1,539,702
Trade receivables	5	105,023	99,590
TOTAL CURRENT ASSETS		2,246,293	1,639,292
NON-CURRENT ASSETS			
Trade receivables	5	64,947	31,559
Other financial assets	6(b)	17,517	0
Investments accounted for using the equity method	19(a)	162,954	185,700
Property, plant and equipment	7	7,537,088	7,613,483
Infrastructure	8	14,256,699	14,427,663
TOTAL NON-CURRENT ASSETS		22,039,205	22,258,405
TOTAL ASSETS		24,285,498	23,897,697
CURRENT LIABILITIES			
Trade and other payables	11	426,934	177,507
Borrowings	12(b)	29,645	27,702
Provisions	13	362,217	188,779
TOTAL CURRENT LIABILITIES		818,796	393,988
NON-CURRENT LIABILITIES			
Borrowings	12(b)	756,708	786,353
Provisions	13	3,443	32,045
TOTAL NON-CURRENT LIABILITIES		760,151	818,398
TOTAL LIABILITIES		1,578,947	1,212,386
NET ASSETS		22,706,551	22,685,312
EQUITY			
Retained surplus		9,600,644	9,699,216
Reserves - cash backed	4	1,331,817	1,212,006
Revaluation surplus	10	11,774,090	11,774,090
TOTAL EQUITY		22,706,551	22,685,312

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



SHIRE OF PEPPERMINT GROVE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2017		9,894,185	852,375	9,039,462	19,786,022
Comprehensive income					
Net result for the period		164,662	0	0	164,662
Other comprehensive income	10	0	0	2,734,628	2,734,628
Total comprehensive income		164,662	0	2,734,628	2,899,290
Transfers from/(to) reserves	4	(359,631)	359,631	0	0
Balance as at 30 June 2018		9,699,216	1,212,006	11,774,090	22,685,312
Comprehensive income					
Net result for the period		21,238	0	0	21,238
Total comprehensive income		21,238	0	0	21,238
Transfers from/(to) reserves	4	(119,811)	119,811	0	0
Balance as at 30 June 2019		9,600,644	1,331,817	11,774,090	22,706,551

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



SHIRE OF PEPPERMINT GROVE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2019

NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	3,299,941	3,268,004	3,180,304
Operating grants, subsidies and contributions	1,295,943	1,284,373	1,408,948
Fees and charges	280,570	231,165	262,542
Interest received	79,921	64,000	94,076
Goods and services tax received	194,144	202,000	211,379
Other revenue	98,860	12,338	46,353
	5,249,379	5,061,880	5,203,602
Payments			
Employee costs	(2,254,586)	(2,253,611)	(2,193,827)
Materials and contracts	(1,779,686)	(1,873,989)	(1,919,958)
Utility charges	(123,955)	(130,043)	(129,779)
Interest expenses	(61,171)	(61,030)	(62,282)
Insurance paid	(94,309)	(94,256)	(93,589)
Goods and services tax paid	(229,828)	(195,000)	(236,718)
Other expenditure	(61,930)	(77,250)	(64,250)
	(4,605,465)	(4,685,179)	(4,700,403)
Net cash provided by (used in) operating activities	15 643,914	376,701	503,199
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	(139,853)	(164,500)	(124,913)
Payments for construction of infrastructure	(159,412)	(349,000)	(326,715)
Non-operating grants, subsidies and contributions	184,167	80,867	108,088
Proceeds from sale of property, plant & equipment	100,454	130,000	90,132
Net cash provided by (used in) investment activities	(14,644)	(302,633)	(253,408)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	(27,702)	(27,701)	(25,884)
Net cash provided by (used in) financing activities	(27,702)	(27,701)	(25,884)
Net increase (decrease) in cash held	601,568	46,367	223,907
Cash at beginning of year	1,539,702	1,539,702	1,315,796
Cash and cash equivalents at the end of the year	15 2,141,270	1,586,069	1,539,702

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



SHIRE OF PEPPERMINT GROVE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019

NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	21 (b) 61,001	234,565	177,536
	61,001	234,565	177,536
Revenue from operating activities (excluding rates)			
Governance	69,812	16,088	50,225
General purpose funding	141,382	90,215	156,055
Law, order, public safety	12,571	12,000	9,415
Health	10,685	16,030	18,463
Education and welfare	909	0	909
Community amenities	156,422	94,085	93,661
Recreation and culture	1,304,114	1,312,658	1,400,862
Transport	15,155	18,050	18,454
Economic services	24,980	30,750	21,288
Other property and services	36,646	0	44,360
	1,772,676	1,589,876	1,813,692
Expenditure from operating activities			
Governance	(862,171)	(982,110)	(1,080,836)
General purpose funding	(93,521)	(86,150)	(85,984)
Law, order, public safety	(42,322)	(46,700)	(38,645)
Health	(65,249)	(50,900)	(49,381)
Education and welfare	(54,767)	(65,165)	(67,233)
Community amenities	(1,006,480)	(688,786)	(692,315)
Recreation and culture	(2,148,781)	(2,086,424)	(2,034,009)
Transport	(843,181)	(742,067)	(753,484)
Economic services	(57,378)	(96,000)	(60,631)
Other property and services	(2,098)	0	(12,570)
	(5,175,946)	(4,844,302)	(4,875,088)
Non-cash amounts excluded from operating activities	21(a) 384,182	386,563	418,736
Amount attributable to operating activities	(2,958,087)	(2,633,298)	(2,465,124)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	184,167	80,867	108,088
Proceeds from disposal of assets	9(a) 100,454	130,000	90,132
Purchase of property, plant and equipment	7(a) (139,853)	(164,500)	(124,913)
Purchase and construction of infrastructure	8(a) (159,413)	(349,000)	(326,715)
Amount attributable to investing activities	(14,645)	(302,633)	(253,408)
FINANCING ACTIVITIES			
Repayment of borrowings	12(b) (27,702)	(27,701)	(25,884)
Transfers to reserves (restricted assets)	4 (119,811)	(200,300)	(433,036)
Transfers from reserves (restricted assets)	4 0	22,920	73,405
Amount attributable to financing activities	(147,513)	(205,081)	(385,515)
Surplus/(deficit) before imposition of general rates	(3,120,245)	(3,141,012)	(3,104,047)
Total amount raised from general rates	20 3,245,569	3,223,004	3,165,048
Surplus/(deficit) after imposition of general rates	21(b) 125,324	81,992	61,001

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



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

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 23 to these financial statements.



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

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	10,000		0
General purpose funding	58,731	23,965	50,497
Law, order, public safety	4,000	4,000	0
Health	6,480	8,500	9,911
Education and welfare	909		909
Community amenities	20,878		
Recreation and culture	1,244,649	1,241,858	1,343,061
Transport	7,804	6,050	6,066
	1,353,451	1,284,373	1,410,444
Non-operating grants, subsidies and contributions			
Recreation and culture	103,300	0	0
Transport	80,867	80,867	108,088
	184,167	80,867	108,088
Total grants, subsidies and contributions	1,537,618	1,365,240	1,518,532

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

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

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

Grants, donations and other contributions (Continued) a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 19. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.



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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Other revenue

Reimbursements and recoveries
Other

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Reimbursements and recoveries	55,328	12,088	46,017
Other	433	250	336
	55,762	12,338	46,353
Fees and Charges			
Governance	4,050	4,000	5,460
General purpose funding	2,730	2,250	8,500
Law, order, public safety	8,571	8,000	5,415
Health	4,205	7,530	8,552
Community amenities	135,544	94,085	93,661
Recreation and culture	59,465	70,800	63,532
Transport	7,351	12,000	12,110
Economic services	24,980	30,500	20,952
Other property and services	33,673	0	44,360
	280,570	229,165	262,542

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

Interest earnings

Reserve accounts interest
Rates installment and penalty interest (refer note 20 (b))
Other interest earnings

Reserve accounts interest	32,260	20,000	21,752
Rates installment and penalty interest (refer note 20 (b))	16,165	11,000	36,500
Other interest earnings	31,495	33,000	35,823
	79,921	64,000	94,075



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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Significant expense

Legal Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

Borrowings (refer Note 12(b))

Rental charges

- Operating leases

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Legal Expenses	303,969	80,000	111,217
Auditors remuneration			
- Audit of the Annual Financial Report	8,861	13,000	7,500
- Other services	1,530	2,000	1,913
	10,391	15,000	9,413
Interest expenses (finance costs)			
Borrowings (refer Note 12(b))	61,171	61,030	63,146
	61,171	61,030	63,146
Rental charges			
- Operating leases	11,335	12,536	22,369
	11,335	12,536	22,369

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		809,453	327,696
Term deposits		1,331,817	1,212,006
		2,141,270	1,539,702
Comprises:			
- Unrestricted cash and cash equivalents		640,348	321,514
- Restricted cash and cash equivalents		1,500,922	1,218,188
		2,141,270	1,539,702
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Reserves cash backed - Leave Reserve	4	148,359	144,512
Reserves cash backed - Plant Reserve	4	20,532	20,000
Reserves cash backed - Infrastructure/ Building Res	4	565,191	550,536
Reserves cash backed - Information Technology Res	4	23,680	23,067
Reserves cash backed - Arts & Culture Reserve	4	20,484	2,858
Reserves cash backed - Legal Costs Reserve	4	157,262	85,000
Reserves cash backed - Road Reserve	4	385,356	375,365
Reserves cash backed - Library Infrastructure Rese	4	10,953	10,669
		1,331,817	1,212,007
Other restricted cash and cash equivalents			
Unspent grants/contributions	19	126,007	6,181
Bonds and Deposits Held	23	43,098	0
Total restricted cash and cash equivalents		1,500,922	1,218,188

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash

Cash and cash equivalents (Continued)

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

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

4. RESERVES - CASH BACKED

(a) Reserves cash backed - Leave Reserve	148,359	144,512
(b) Reserves cash backed - Plant Reserve	20,532	20,000
(c) Reserves cash backed - Infrastructure/ Building Reserve	565,191	550,536
(d) Reserves cash backed - Information Technology Reserve	23,680	23,067
(e) Reserves cash backed - Arts & Culture Reserve	20,484	2,858
(f) Reserves cash backed - Legal Costs Reserve	157,262	85,000
(g) Reserves cash backed - Road Reserve	385,356	375,365
(h) Reserves cash backed - Library Infrastructure Reserve	10,953	10,669

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report. In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Leave Reserve	on-going	To fund future Staff annual & Long Service leave Entitlements
(b) Reserves cash backed - Plant Reserve	on-going	To fund replacement and upgrading of Council's vehicles and plant
(c) Reserves cash backed - Infrastructure/ Building Reserve	on-going	To fund replacement and upgrading of Council's recreational infrastructure and municipal buildings
(d) Reserves cash backed - Information Technology Reserve	on-going	To fund replacement and upgrading of Council's information and technology assets
(e) Reserves cash backed - Arts & Culture Reserve	on-going	To enable the purchase of public art
(f) Reserves cash backed - Legal Costs Reserve	on-going	To provide for future general legal expenses including building and planning action
(g) Reserves cash backed - Road Reserve	on-going	To fund removal and suspension of Council's roads and drainage systems
(h) Reserves cash backed - Library Infrastructure Reserve	on-going	To fund the Shire's portion of Capital items at the Grove Library and/or Community Centre
(i) Unspent grants	31/12/2019	To part fund the cost of building a new housestand along the Swan River foreshore

	2019 Actual Opening Balance	2019 Actual Transfer (from)	2019 Actual Closing Balance	2019 Budget Closing Balance	2019 Budget Transfer (from)	2018 Actual Opening Balance	2018 Actual Transfer (from)	2018 Actual Closing Balance
(a) Reserves cash backed - Leave Reserve	148,359	0	148,359	124,205	(22,000)	170,577	(10,780)	144,512
(b) Reserves cash backed - Plant Reserve	20,532	0	20,532	20,500	0	0	20,000	20,000
(c) Reserves cash backed - Infrastructure/ Building Reserve	565,191	0	565,191	564,300	0	377,871	(38,560)	550,536
(d) Reserves cash backed - Information Technology Reserve	23,680	0	23,680	23,644	0	22,474	683	23,067
(e) Reserves cash backed - Arts & Culture Reserve	20,484	0	20,484	23,929	0	2,784	74	2,858
(f) Reserves cash backed - Legal Costs Reserve	157,262	0	157,262	237,125	0	0	85,000	85,000
(g) Reserves cash backed - Road Reserve	385,356	0	385,356	384,749	0	268,277	107,088	375,365
(h) Reserves cash backed - Library Infrastructure Reserve	10,953	0	10,953	10,935	0	10,933	276	10,669
	1,331,817	0	1,331,817	1,389,387	(22,826)	852,376	(433,036)	1,212,006



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

5. TRADE RECEIVABLES

Current

	2019 \$	2018 \$
Rates receivable	29,705	84,077
Sundry receivables	36,584	13,139
GST receivable	36,023	338
Payroll Deductions in Advance	2,036	2,036
Pensioner Rebate Clearing Account	675	0
	105,023	99,590

Non-current

Movement in Lease Rental Receivables	64,947	31,559
	64,947	31,559

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 22.

Previous accounting policy: Impairment of trade receivables

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

Classification and subsequent measurement

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

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

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



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

6. OTHER FINANCIAL ASSETS

(a) Current assets

(b) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

- Unlisted equity investments

Financial assets at fair value through profit and loss

During the year, the following gains/(losses) were recognised in profit and loss:
Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services

	2019 \$	2018 \$
Financial assets at fair value through profit and loss	17,517	0
	17,517	0
Financial assets at fair value through profit and loss - Unlisted equity investments	17,517	0
	17,517	0
	17,517	0
	17,517	0

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 22.



7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	815,000	0	815,000	5,803,708	5,803,708	6,618,708	23,036	219,080	6,861,424
Additions				19,160	19,160	19,160		105,753	124,913
(Disposals)	0	0	0	0	0	0	0	(92,154)	(92,154)
Revaluation increments / (decrements) transferred to revaluation surplus	0	831,190	831,190	0	0	831,190			831,190
Depreciation (expense)				(80,392)	(80,392)	(80,392)	(3,212)	(28,286)	(111,890)
Carrying amount at 30 June 2018	815,000	831,190	1,646,190	5,742,476	5,742,476	7,388,666	20,424	204,393	7,613,483
Comprises:									
Gross carrying amount at 30 June 2018	815,000	831,190	1,646,190	5,822,868	5,822,868	7,469,058	23,036	233,268	7,725,962
Accumulated depreciation at 30 June 2018	0	0	0	(80,392)	(80,392)	(80,392)	(3,212)	(28,875)	(112,479)
Carrying amount at 30 June 2018	815,000	831,190	1,646,190	5,742,476	5,742,476	7,388,666	20,424	204,393	7,613,483
Additions	0	0	0	0	0	0	9,001	130,852	139,853
(Disposals)	0	0	0	0	0	0	0	(98,962)	(98,962)
Depreciation (expense)	0	0	0	(80,392)	(80,392)	(80,392)	(7,879)	(29,016)	(117,287)
Carrying amount at 30 June 2019	815,000	831,190	1,646,190	5,662,084	5,662,084	7,308,274	21,546	207,267	7,537,067
Comprises:									
Gross carrying amount at 30 June 2019	815,000	831,190	1,646,190	5,822,868	5,822,868	7,469,058	32,637	247,688	7,749,383
Accumulated depreciation at 30 June 2019	0	0	0	(160,783)	(160,783)	(160,783)	(11,091)	(40,421)	(212,295)
Carrying amount at 30 June 2019	815,000	831,190	1,646,190	5,662,085	5,662,085	7,308,275	21,546	207,267	7,537,088

7. 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 3	Current Replacement Costs	Independent	June 2017	Current Replacement Cost/Condition Assessment (Level 2) & Residual Values and Estimated Remaining Lives (Level 3)
Buildings - specialised	Level 3	Current Replacement Costs	Independent	June 2017	Current Replacement Cost/Condition Assessment (Level 2) & Residual Values and Estimated Remaining Lives (Level 3)
Furniture and equipment	Level 3	Current Replacement Costs	Independent	June 2017	Current Replacement Cost/Condition Assessment (Level 2) & Residual Values and Estimated Remaining Lives (Level 3)
Plant and equipment	Level 2	Current Replacement Costs	Independent	June 2016	Current Replacement Cost/Condition Assessment (Level 2)

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 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.





8. 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 - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Infrastructure - Other	Total Infrastructure
Balance at 1 July 2017	\$ 8,856,616	\$ 1,833,945	\$ 760,436	\$ 1,051,804	\$ 25,201	\$ 12,528,002
Additions	135,648	46,593	0	68,718	75,756	326,715
Revaluation increments / (decrements) transferred to revaluation surplus	1,555,019	242,097	(29,282)	(89,612)	225,216	1,903,438
Depreciation (expense)	(187,118)	(56,314)	(15,607)	(68,305)	(3,148)	(330,492)
Carrying amount at 30 June 2018	10,360,165	2,066,321	715,547	962,605	323,025	14,427,663
Comprises:						
Gross carrying amount at 30 June 2018	10,360,165	2,066,321	715,547	962,605	323,025	14,427,663
Carrying amount at 30 June 2018	10,360,165	2,066,321	715,547	962,605	323,025	14,427,663
Additions	159,413	0	0	0	0	159,413
Depreciation (expense)	(187,118)	(56,314)	(15,607)	(64,391)	(6,947)	(330,377)
Carrying amount at 30 June 2019	10,332,460	2,010,007	699,940	898,214	316,078	14,256,699
Comprises:						
Gross carrying amount at 30 June 2019	10,519,578	2,066,321	715,547	962,605	323,025	14,587,076
Accumulated depreciation at 30 June 2019	(187,118)	(56,314)	(15,607)	(64,391)	(6,947)	(330,377)
Carrying amount at 30 June 2019	10,332,460	2,010,007	699,940	898,214	316,078	14,256,699

8. 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	Depreciated Replacement Cost	Independent	June 2018	Current Replacement Cost/Condition Assessment (Level 2) and Estimated Remaining Lives (Level 3)
Infrastructure - Footpaths	Level 3	Depreciated Replacement Cost	Independent	June 2018	Current Replacement Cost/Condition Assessment (Level 2) and Estimated Remaining Lives (Level 3)
Infrastructure-Drainage	Level 3	Depreciated Replacement Cost	Independent	June 2018	Current Replacement Cost/Condition Assessment (Level 2) and Estimated Remaining Lives (Level 3)
Infrastructure- Parks & Ovals	Level 3	Depreciated Replacement Cost	Management Valuation	June 2018	Current Replacement Cost/Condition Assessment (Level 2) and Estimated Remaining Lives (Level 3)
Infrastructure-Other	Level 3	Depreciated Replacement Cost	Management Valuation	June 2018	Current Replacement Cost/Condition Assessment (Level 2) and Estimated Remaining Lives (Level 3)

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

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



SHIRE OF PEPPERMINT GROVE
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FOR THE YEAR ENDED 30TH JUNE 2019

9 PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

The fair value of fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control

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

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

Land under roads

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

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

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

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

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

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

9 PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(a) Disposals of Assets

	2019		2019		2019		2019		2019		2018		2018	
	Actual	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	Net Book Value	Sale Proceeds	Net Book Value	Profit	Net Book Value	Loss	Net Book Value	Loss	Net Book Value	Proceeds	Net Book Value	Proceeds	Net Book Value	Loss
Plant and equipment	\$ 98,862	\$ 100,454	\$ 98,862	\$ 2,973	\$ 98,862	\$ (1,481)	\$ 98,862	\$ (1,481)	\$ 92,154	\$ 90,132	\$ 92,154	\$ 90,132	\$ 278	\$ (2,300)

The following assets were disposed of during the year.

Plant and Equipment
Other property and services
Ford Ranger (1GJF513)
Toyota Hilux (1GKF742)
Toyota Hilux (1GHP006)

	2019		2019		2019	
	Actual	Actual	Actual	Actual	Actual	Loss
	Net Book Value	Sale Proceeds	Net Book Value	Profit	Net Book Value	Loss
	\$ 39,662	\$ 38,182	\$ 0	\$ (1,480)	\$ 29,508	\$ 1,628
	\$ 29,508	\$ 31,136	\$ 1,628	\$ 0	\$ 29,792	\$ 1,344
	\$ 98,862	\$ 100,454	\$ 2,972	\$ (1,480)	\$ 98,862	\$ (1,480)



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

9 PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(b) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - specialised	80,392	105,818	80,392
Furniture and equipment	7,879	2,955	3,212
Plant and equipment	29,016	28,300	28,286
Infrastructure - Roads	187,118	145,553	187,118
Infrastructure - Footpaths	56,314	52,886	56,314
Infrastructure- Drainage	15,607	14,681	15,607
Infrastructure- Parks & Ovals	64,391	34,970	68,305
Infrastructure- Other	6,947	1,400	3,148
	447,664	386,563	442,382

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings - Plant & Air Conditioning	15 years
Buildings - Other	40 years
Buildings - Long Life Structures	50 years
Furniture and Equipment	4 to 10 years
Light Vehicles	2 years
Plant and Equipment	5 to 15 years
Sealed Roads and Streets	
- formation	not depreciated
- pavement	40 years
- bituminous seals	20 years
Footpaths & Dual-Use Paths	
- formation	not depreciated
- concrete or paved	50 years
Drainage	70 years

Depreciation (Continued)

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

- (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.

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

10 REVALUATION SURPLUS

	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	2019 Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance
Revaluation surplus - Land - freehold land	\$ 814,800	0	0	0	\$ 814,800	\$ 814,800	0	0	0	\$ 814,800
Revaluation surplus - Land - vested in and under the control of Council	831,190	0	0	0	831,190	0	831,190	0	831,190	831,190
Revaluation surplus - Buildings - specialised	(1,090,708)	0	0	0	(1,090,708)	(1,090,708)	0	0	0	(1,090,708)
Revaluation surplus - Furniture and equipment	(89,907)	0	0	0	(89,907)	(89,907)	0	0	0	(89,907)
Revaluation surplus - Plant and equipment	(26,937)	0	0	0	(26,937)	(26,937)	0	0	0	(26,937)
Revaluation surplus - Infrastructure - Roads	9,768,320	0	0	0	9,768,320	8,213,301	1,555,019	0	1,555,019	9,768,320
Revaluation surplus - Infrastructure - Footpaths	1,940,281	0	0	0	1,940,281	1,698,184	242,097	0	242,097	1,940,281
Revaluation surplus - Infrastructure- Drainage	418,528	0	0	0	418,528	447,810	0	(29,282)	(29,282)	418,528
Revaluation surplus - Infrastructure- Parks & Ovals	(1,019,445)	0	0	0	(1,019,445)	(929,833)	0	(89,612)	(89,612)	(1,019,445)
Revaluation surplus - Infrastructure- Other	227,968	0	0	0	227,968	2,752	225,216	0	225,216	227,968
	11,774,090	0	0	0	11,774,090	9,039,462	2,863,622	(118,894)	2,734,628	11,774,090

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 Aug 40.1.



SHIRE OF PEPPERMINT GROVE
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11. TRADE AND OTHER PAYABLES

Current

Table with 3 columns: Description, 2019 (\$), 2018 (\$). Rows include Sundry creditors, Bonds and Deposits Held, Accrued salaries and wages, ATO liabilities, Building Levies, Pensioner Rebate.

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

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

12. INFORMATION ON BORROWINGS

Table with 2 columns: 2019, 2018. Rows include Current, Non-current.

(B) Repayments - Borrowings

Table with 12 columns: Loan Number, Facility Name, Particulars, Actual Principal 1 July 2018, Budget Principal 30 June 2019, Actual Principal 30 June 2019, Budget Interest 30 June 2019, Actual Interest 30 June 2019, Budget repayments 30 June 2019, Actual repayments 30 June 2019, Budget Principal 30 June 2018, Actual Principal 30 June 2018.

All loan repayments were financed by general purpose revenue.



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

12. INFORMATION ON BORROWINGS (Continued)

	2019	2018
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	200,000	200,000
Credit card limit	27,000	25,000
Credit card balance at balance date	(10,998)	(7,906)
Total amount of credit unused	216,002	217,094
Loan facilities		
Loan facilities - current	29,645	27,701
Loan facilities - non-current	756,706	786,353
Total facilities in use at balance date	786,353	814,054

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 22.



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

13. PROVISIONS

Employee Related Provisions

Opening balance at 1 July 2018

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Current provisions	109,788	78,991	188,779
Non-current provisions	0	32,045	32,045
	109,788	111,036	220,824
Additional provision	16,376	(13,540)	4,836
Balance at 30 June 2019	128,164	97,496	225,660
Comprises			
Current	128,164	94,053	222,217
Non-current	0	3,443	3,443
	128,164	97,496	225,660

Amounts are expected to be settled on the following basis:

	2019	2018	Total
	\$	\$	\$
Less than 12 months after the reporting date	47,334	22,920	
More than 12 months from reporting date	148,163	197,904	
Expected reimbursements from other WA local governments	30,163	0	
	225,660	220,824	

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.

Provision for Legal costs

The provision relates to the legal costs that are likely to be paid within the 2019/20 Financial year.

Total Liabilities Comprises

	2019	2018	Total
	\$	\$	\$
Current	268,164	94,053	362,217
Non-current	0	3,443	3,443
	268,164	97,496	365,660

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.



14. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Cash and cash equivalents	2,141,270	1,586,069	1,539,702
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	21,238	49,445	164,662
Non-cash flows in Net result:			
Adjustments to fair value of financial assets	(17,517)		
Depreciation	447,664	386,563	442,382
(Profit)/loss on sale of asset	(1,492)	0	2,022
Share of profits of associates and joint ventures	22,746		47,078
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(38,821)	53,530	(11,579)
Increase/(decrease) in payables	249,427	(14,470)	(38,315)
Increase/(decrease) in provisions	144,836	(17,500)	5,037
Grants contributions for the development of assets	(184,167)	(80,867)	(108,088)
Net cash from operating activities	643,914	376,701	503,199



15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019 \$	2018 \$
Governance	4,059,847	4,082,575
Community amenities	1,793,881	1,819,750
Recreation and culture	2,592,817	2,362,985
Transport	12,501,630	12,589,838
Other property and services	1,091,031	572,067
Unallocated	2,246,292	2,470,482
	24,285,498	23,897,697



SHIRE OF PEPPERMINT GROVE
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FOR THE YEAR ENDED 30TH JUNE 2019

16 CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

	2019	2018
	\$	\$
- capital expenditure projects	22,707	0
	22,707	0
Payable:		
- not later than one year	22,707	0

The Shire has entered into a contract with oohMedia! to undertake "extended works" at five bus shelter replacement sites

(b) Operating Lease Commitments

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

Payable:

- not later than one year

- later than one year but not later than five years

	2019	2018
	\$	\$
- not later than one year	11,372	9,552
- later than one year but not later than five years	17,074	7,938
	28,446	17,490

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

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

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



SHIRE OF PEPPERMINT GROVE
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17. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

Meeting Fees
Shire President's Allowance

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	45,000	52,500	52,500
Shire President's Allowance	10,750	10,750	10,750
	55,750	63,250	63,250

Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	682,389	649,633
Post-employment benefits	102,384	102,202
Other long-term benefits	15,340	49,671
Termination benefits	22,920	13,359
	823,033	814,865

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

SHIRE OF PEPPERMINT GROVE
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17. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

	2019 Actual \$	2018 Actual \$
The following transactions occurred with related parties:		
Town of Mosman Park		
Sale of goods and services	663,486	709,776
Purchase of goods and services	755,298	755,419
Town of Cottesloe		
Sale of goods and services	575,974	621,053
Purchase of goods and services	660,885	660,991
Joint venture entities:		
Distributions received from joint venture entities	(22,746)	(47,078)

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.

iv Amounts outstanding from related Parties

Trade & Other Receivables	8,435
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v Amounts payable to related parties

Trade & Other Payable	10,296
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SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

18. JOINT ARRANGEMENTS

(a) Carrying amount of investment in associate

The Western Metropolitan Regional Council (WMRC) was formally constituted in September 1983 to undertake waste management in the Western Suburbs on behalf of the Town of Cottesloe, Town of Claremont, Town of Mosman Park, Shire of Peppermint Grove and the City of Subiaco.

The Shire's interest in the joint venture calculated by the WMRC as at 30 June 2019 is 3.50% representing its share of the net assets of \$4,094,318.

The Shire's interest in the assets and liabilities of WMRC is as follows:

	2019 Audited \$	2018 Audited \$
- Share of associate profit/(loss) from ordinary activities	(22,746)	(47,078)
- Share of associate total comprehensive income arising during the period	(22,746)	(47,078)
Carrying amount at 1 July	185,700	232,778
- Share of associate total comprehensive income arising during the period	(22,746)	(47,078)
Interest in Joint Venture as at 30 June	162,954	185,700
Represented by share of Joint Venture entity financial position:		
Current Assets	96,042	158,880
Non-Current Assets	89,415	89,111
Total Assets	185,457	247,991
Current Liabilities	21,732	38,856
Non-current Liabilities	77	812
Total Liabilities	21,809	39,668
NET ASSETS	163,648	208,323
- Share of profit/(loss)	(22,746)	(47,078)
- Share of associate other comprehensive income	0	0
Total Joint Venture Changes in Equity	(22,746)	(47,078)

(b) Share of joint operations

The Shire of Peppermint Grove, together with the Towns of Cottesloe and Mosman Park have a joint arrangement with regard to the provision of a library and community centre.

The voting power held by the Shire is 33.33% and its share of net assets is 9.25%. Contribution 9.35%, Equity 9.00%

	2019 Audited \$	2018 Audited \$
Property, Plant & Equipment	1,106,743	1,212,361
Current Liabilities	(18,432)	(37,697)
Non-current Liabilities	(1,263)	(2,788)
Total Liabilities	(19,695)	(40,485)
Net Assets	1,087,048	1,171,876
Statement of comprehensive income		
Other revenue	1,358,128	1,306,018
Other expenditure	(1,487,794)	(1,417,237)
Net result for the period	(129,666)	(111,219)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Total comprehensive loss for the period	(129,666)	(111,219)

Share Equity in Local Government House
The Shire of Peppermint Grove has a one (1) Unit share of the equity relating to Local Government House at 170 Railway Parade West Leederville

Carrying amount at 30 June

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements
Joint arrangements represent the contractual sharing of control between parties in a business venture where no individual party has control over the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

Support joint arrangements providing joint ventures with an interest in net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the proportionate change in the Shire's share of net assets of the associate. In addition the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

Interests in joint arrangements (Continued)
Joint operations represent arrangements whereby joint operations maintain direct interests in each asset and liability of each party of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.



SHIRE OF PEPPERMINT GROVE
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19. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance (1)	Received (2)	Expended (3)	Closing Balance (3)	Closing Balance 30/06/19
	1/07/17	2017/18	2017/18	2017/18	
	\$	\$	\$	\$	\$
Governance					
Metropolitan Youth Scholarship	8,017	0	(1,836)	6,181	0
Community amenities					
Bus Shelter extended works	0	22,707	0	22,707	22,707
Recreation and culture					
River Wall Stage 3	25,070	0	(25,070)	0	0
River Wall Riverbank Erosion	22,350	0	(22,350)	0	0
River Headland	0	103,300	0	103,300	103,300
Total	55,437	0	(1,836)	53,601	126,007

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

SHIRE OF PEPPERMINT GROVE
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FOR THE YEAR ENDED 30TH JUNE 2019

20. RATING INFORMATION

(a) Rates

RATE TYPE
Differential general rate / general rate

Rate in \$	Number of Properties	2018/19		2018/19		2018/19		2018/19		2018/19		2017/18	
		Actual Rateable Value	Actual Rate	Actual Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Budget Rate	Budget Total Revenue
7.769	576	34,004,320	2,644,061	25,300	2,669,351	2,641,796	5,000	0	2,646,796	2,646,796	2,596,629		
7.769	22	6,012,427	467,105	0	467,105	467,105	0	0	467,105	467,105	461,173		
7.769	2	530,800	41,238	0	41,238	41,238	0	0	41,238	41,238	40,605		
Minimum \$	600	40,547,547	3,152,404	25,300	3,177,704	3,150,139	5,000	0	3,155,139	3,155,139	3,096,408		
1.385	34	493,740	47,090	0	47,090	47,090	0	0	47,090	47,090	46,240		
1.385	15	160,550	20,775	0	20,775	20,775	0	0	20,775	20,775	20,400		
	49	654,290	67,865	0	67,865	67,865	0	0	67,865	67,865	66,640		
	649	41,201,837	3,220,269	25,300	3,245,569	3,218,004	5,000	0	3,223,004	3,223,004	3,165,048		

Total amount raised from general rate

SIGNIFICANT ACCOUNTING POLICIES

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

SHIRE OF PEPPERMINT GROVE
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20 RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				6.00%
Rates in full (incl. arrears)	03 Sep 2018			
Option Two		15.00	3.00%	
First Instalment (incl. arrears)	03 Sep 2018			
Second Instalment	05 Nov 2018			
Third Instalment	03 Jan 2019			
Fourth Instalment	04 Mar 2019			

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	6,011	4,000	22,600
Interest on instalment plan	10,153	7,000	13,900
Charges on instalment plan	2,730	2,250	4,500
	18,895	13,250	41,000

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

21. RATE SETTING STATEMENT INFORMATION

(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 *Financial Management Regulation 32*.

Adjustments to operating activities

Note	2018/19 (30 June 2019) Carried Forward	2018/19 Budget (30 June 2019) Carried Forward	2018/19 (1 July 2018) Brought Forward
	\$	\$	\$
9(a)	(2,972)	0	(278)
	(33,388)	0	(31,559)
	(28,602)	0	5,891
9(a)	1,480	0	2,300
9(b)	447,664	386,563	442,382
Non cash amounts excluded from operating activities	384,182	386,563	418,736

(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 *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Note	2018/19 (30 June 2019) Carried Forward	2018/19 Budget (30 June 2019) Carried Forward	2018/19 (1 July 2018) Brought Forward
	\$	\$	\$
3	(1,331,817)	(1,389,387)	(1,212,007)
12(a)	29,645	29,645	27,702
	0	201,209	0
Total adjustments to net current assets	(1,302,172)	(1,158,533)	(1,184,305)

Net current assets used in the Rate Setting Statement

Total current assets	2,246,293	1,630,095	1,639,294
Less: Total current liabilities	(818,796)	(389,570)	(393,988)
Less: Total adjustments to net current assets	(1,302,172)	(1,158,533)	(1,184,305)
Net current assets used in the Rate Setting Statement	125,325	81,992	61,001

SHIRE OF PEPPERMINT GROVE
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22. 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	Debt and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits, investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

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

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these have not been required within 12 months, reducing the risk level to minimal.

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2019					
Cash and cash equivalents	1.87%	2,141,270	1,331,817	754,009	55,444
2018					
Cash and cash equivalents	2.73%	1,539,702	1,212,006	326,840	856

Sensitivity

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

	2019 \$	2018 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	21,413	15,397

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 12(b).

SHIRE OF PEPPERMINT GROVE
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22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade Receivables

The Shire's major receivables comprise rates annual charges and library contributions. 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 interest charge disincentives.

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	29,651	54	0	0	29,705
Loss allowance	0	0	0	0	0

01 July 2018

Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	58,446	25,631	0	0	84,077
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables. The Shire assessed that there was not expected credit losses for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	29,393	4,316	0	2,875	36,584
Loss allowance	0	0	0	0	0

01 July 2018

Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	4,069	1,105	2,861	5,104	13,139
Loss allowance	0	0	0	0	0



SHIRE OF PEPPERMINT GROVE
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23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 12(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2019					
Payables	426,934	0	0	426,934	426,934
Borrowings	83,400	333,600	875,700	1,292,700	786,353
	510,334	333,600	875,700	1,719,634	1,213,287
2018					
Payables	177,507	0	0	177,507	177,507
Borrowings	83,400	333,600	959,100	1,376,100	814,055
	260,907	333,600	959,100	1,553,607	991,562



SHIRE OF PEPPERMINT GROVE
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23. TRUST FUNDS

There are no funds held at the balance date that are required to be held in the Trust Fund.

In previous years bonds and deposits were held as trust monies. They are now included in restricted cash at Note 3 and shown as a current liability at Note 11.

	1 July 2018	Amounts Received	Amounts Paid	Reclassification to Restricted Cash	30 June 2019
	\$	\$	\$		\$
Manners Hill Park/Other Bonds	10,400	5,770	(14,220)	(1,950)	0
Footpath & Verge Bonds	104,060	8,000	(75,000)	(37,060)	0
Community Centre Bonds	5,838	550	(2,100)	(4,088)	0
	120,098	14,320	(91,320)	(43,098)	0



24. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

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

AASB 9 Financial Instruments

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

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has not resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139.

(a) Classification and measurement

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

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



24. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

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

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

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at their values through P-L. Upon adoption of AASB9, the Shire has assessed the ECL as not significant.



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

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

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

(a) Revenue from Contracts with Customers

The Shire will adopt AASB 15 *Revenue from Contracts with Customers* (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

(b) Leases

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

On adoption of AASB 16, the Shire will recognise lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019.

On adoption of AASB 16, the Shire will recognise a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is to be measured as if AASB 16 had been applied since its commencement date by the carrying amount but discounted using the lessee's incremental borrowing rate as on 1 July 2019. The Shire will assess the actual impact on the financial result in the 2019/20 financial year.

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.



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

(c) Income For Not-For-Profit Entities

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

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

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.
The Shire will assess the actual impact on the financial result in the 2019/20 financial year.



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26. 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 measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:
Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3
Measurements based on unobservable inputs for the asset or liability.
The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.
Valuation techniques
The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:
Market approach
Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
Income approach
Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
Cost approach
Valuation techniques that reflect the current replacement cost of the service capacity of an asset.
Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.
i) Impairment of assets
In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.
Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.
Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.
For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.



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27. ACTIVITIES/PROGRAMS

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

Table with 2 columns: PROGRAM NAME AND OBJECTIVES and ACTIVITIES. Rows include GOVERNANCE, GENERAL PURPOSE FUNDING, LAW, ORDER, PUBLIC SAFETY, HEALTH, EDUCATION AND WELFARE, COMMUNITY AMENITIES, RECREATION AND CULTURE, TRANSPORT, ECONOMIC SERVICES, and OTHER PROPERTY AND SERVICES.



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28. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	1.11	1.69	2.02
Asset consumption ratio	0.98	1.00	0.99
Asset renewal funding ratio	1.30	0.76	0.81
Asset sustainability ratio	0.44	0.73	1.06
Debt service cover ratio	3.69	6.31	4.13
Operating surplus ratio	(0.04)	0.02	(0.03)
Own source revenue coverage ratio	0.71	0.73	0.69

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 Peppermint Grove

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Peppermint Grove which comprises the Statement of Financial Position as at 30 June 2019, 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, and 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 Peppermint Grove:

- (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 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

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

Responsibilities of the Chief Executive Officer and Council for the Financial Report

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of an 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.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a. The Asset Sustainability Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the last two years. The financial ratios are reported at Note 28 of the annual financial report.
- (ii) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
 - a. Journal entries were posted by one senior employee without being reviewed by another senior staff member independent of preparation. Accounting journal entries can represent significant adjustments to previously approved accounting transactions, and should therefore be appropriately reviewed and approved.

- b. For approximately 49% of purchase transactions we sampled, there was inadequate or no evidence that sufficient number of quotations was obtained, to test the market, and no documentation to explain why other quotes were not sought. This practice increases the likelihood of not receiving value for money in procurement.
- c. For approximately 69% of purchase transactions we sampled, there were no purchase orders raised. This practice increases the likelihood of inappropriate purchases being made.
- d. For 2 out of 16 supplier service contracts we sampled, the contracts had expired. The Shire continued to procure services from these suppliers without testing the market. This practice increases the likelihood of not receiving value for money in procurement.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) 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 2018 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2017 and 2018 in Note 28 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 Peppermint Grove for the year ended 30 June 2019 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the 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 audited annual financial report to confirm the information contained in this website version of the annual financial report.

DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
12 December 2019

