

Annual Report

2018-2019

Exchange Hotel Conservation Works
February - June, 2019

To Modern Heritage Structures

Developers Sought to Progress Building

Ownership opportunity
Food and beverage use
River foreshore heritage

Contact Rod
☎ (08) 9531 2833
✉ mailbag@wa.gov.au

Including:
• Reroofing
• Removal of building additions post 1960



Alcoa



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Perth CBD: 85km

Snapshot

At the centre of the Peel region and within an hour south of Perth, the Shire of Murray boasts thousands of square kilometres of natural beauty.

Bounded by the idyllic shores of Herron Point in the west, the adventure town of Dwellingup in the east and the equestrian playgrounds of North Dandalup and Coolup to the north and south respectively, the district offers an abundance of leisure opportunities as well as a diverse range of land use options.

Murray is home to enticing residential estates ranging from urban hubs and canal living to rural residential, offering a relaxed country lifestyle with convenient transport links to the freeway and several large urban centres.

Over 18,600 residents call Murray home and by 2041, more than 80,700 people will reside in the district.

The Shire is grounded by its history and rural charm, and its future is secured through infrastructure development and strategic investment in tourism and industry.

Mandurah: 19km



Shire of Murray
1,821km²

Population
18,667

As at 30 June 2019, forecast.id

3.5%

Population Growth
from **2018 to 2019**

31 New Citizens
Welcomed

1,122

Local Businesses in
the **Shire of Murray**

7,514

Total Employment
economy.id, June 2018

Bunbury: 100km

Gross Regional Product
\$1.54B
economy.id, June 2018

Employment Self-Containment
36.9%

ABS, Census 2016

5.65%
Unemployment Rate
economy.id, 2019 March Quarter

Murray's 2018 - 2019 Major Achievements

Achieved through collaborative relationships with government agencies, organisations, local businesses, groups, associations, volunteers and community members



Furnissdale Boat Ramp Revamp Completed

Yunderup Approach Channel Maintenance Dredge Completed

Riverbank Stabilisation Works Undertaken at George Brook Reserve

Lower Murray River Foreshore Stabilisation Guidelines endorsed for Community-Led Approach



Pinjarra Court House Re-Opened as a Contemporary Space to Co-Work, Co-Create and Co-Innovate

Conservation Works Commenced on Exchange Hotel

St John's Church Re-Opened following Heritage Appeal and Conservation Works



North Dandalup Hall Upgrades Progressed

Subdivision Works at Lot 102 Lakes Road Commenced

North Pinjarra Playground Opened



Murray Announced as Locality for State Bushfire Centre of Excellence

Appointment of Bushfire Risk Planning Coordinator



Stage One Lot Sales Commenced

Managed Aquifer Recharge Feasibility Study Successfully Completed

Trunk Infrastructure Works Commenced

Agri-Innovation Precinct Funding Secured



DWELLINGUP
where trails meet

Works Commenced on Dwellingup National Trails Centre Precinct

Funding Secured for Dwellingup Trails Development

Dwellingup Skate Park and Pump Track Opened

Dwellingup Creative Formed, Murray's Second Place-Making Group



Mandurah Murray Economic Development Strategy Delivered

Murray 2030 Strategic Community Plan Adopted

Southern Palusplain Strategy Adopted

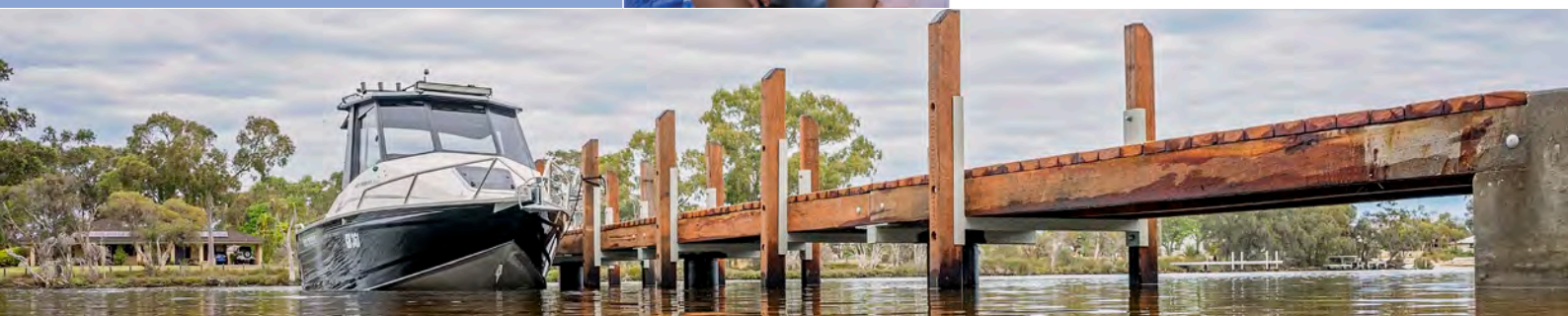
Edenvale Landscape Masterplan Adopted



Funding for Pinjarra Heavy Haulage Deviation Planning Announced

Over \$200M secured through government funding and private sector investment toward economic development projects

Over \$100,000 of external funding invested in preserving Murray's natural environment





Shire President Report

The past year has been one of positive achievements and continued progress for the Shire of Murray.

Working collaboratively, we have launched community beneficial initiatives and secured funding for major infrastructure projects. This has provided a strong foundation on which to build a bright and prosperous future for all residents and local businesses.

After years of planning, construction commenced at the Peel Business Park in Nambelup off Lakes Road. This exciting project between the Shire of Murray and State Government aspires to bring 30,000 new jobs into the region over the coming decades. Stage one is almost sold out and expressions of interest are already being taken for stage two.

The Shire was successful in attracting \$21.7 million for our Agri-Innovation Precinct and toward the development of Transform Peel's Peel Business Park, from the Australian Government's Regional Growth Fund. A project manager and architect have been appointed with construction due to commence mid 2020. The Agri-Innovation Precinct will be a key component of the Peel Business Park, a catalyst for the conditioning of the next generation into a highly skilled workforce and is of momentous benefit to Murray businesses and ratepayers. It will diversify local industry and grow our export economy.

The Shire was also named home of the state of the art, \$18 million Bushfire Centre of Excellence. The Centre is creating new job and training opportunities for fire and

emergency services personnel and volunteers from around the state and overseas.

Placemaking has been fully embraced to encourage community-led revitalisation of our public spaces and to enhance opportunities for connection between and among community members and the places where they live. Established placemaking groups Pinjarra Connect and Dwellingup Creative are making incredible contributions to their towns, with several more exciting projects underway for the coming year and the formation of new groups to be rolled out progressively over forthcoming financial years.

The Pinjarra Heavy Haulage Deviation received \$22 million from the Australian Government and \$5 million from the State Government allowing planning for stage one to progress. Main Roads are advancing design, with construction anticipated to commence within the next two years. This project will redirect heavy vehicles around the main street of Pinjarra to improve pedestrian safety and activity, streetscaping and tourism potential with positive, roll-on effects for businesses.

Works commenced on the conservation of the heritage portions of the former Exchange Hotel and a new business operator was secured to return the hotel to a family friendly, food and beverage establishment. Together with the Murray River Square and foreshore redevelopment, Pinjarra Court House restoration and main street building facade upgrades, Pinjarra is receiving a much-needed facelift that will attract tourists looking for an authentic and historic country town experience.

The Dwellingup National Trails

Centre and precinct masterplan was completed and works commenced on the Trails and Visitor Centre building as well as trails infrastructure development as part of the Dwellingup Adventure Trails project. The projects are establishing Dwellingup as one of Western Australia's key trails towns, ensuring its sustainability and prosperity.

Our youth portfolio continued under the guidance of the myVoice Youth Reference Group with the popular Street Chillz Drug Aware Youth Fest and regular sport, mental health and cultural programs.

The Shire remained focused on maintaining and enhancing our many heritage assets with the completion of the St John's Church restoration and conversation works at Edenvale Homestead including the restoration of the Old Schoolmaster's House where the quilters gather.

Maintaining our roads, bridges and community facilities and expanding our shared path network remained a priority and we progressed projects designed to enhance and protect our waterways. Amenity improvements were also undertaken in several of our towns.

I acknowledge and thank all the hard-working volunteers and the members of our many community organisations, our local leaders and emergency services personnel who keep us safe and help make our community a great place to live and raise our families. Finally, I thank our talented CEO and staff at the Shire of Murray and my fellow Councillors, for their efforts in making 2018-19 a successful and rewarding year.



Cr. David Bolt
Shire President



Chief Executive Officer Report

I am proud to deliver the 2018-2019 Annual Report, which demonstrates the significant progress made over the last financial year, especially regarding several exciting major projects.

Our 2018-19 achievements are remarkable milestones, securing the prosperity and economic sustainability of our wonderful community.

Our achievements have been attained through successful partnerships with politicians, state agencies, other local governments and most importantly, the community.

Grant funding of over \$130 million is testament to the tremendous support of the Australian Government through our Member for Canning Mr. Andrew Hastie MP and the State Government through our Member for Murray-Wellington Mrs. Robyn Clarke MLA.

In addition, I extend thanks to agencies that have significantly assisted us in 2018-19.

- Peel Development Commission (Transform Peel and numerous other projects)
- Department of Biosecurity, Conservation and Attractions (Dwellingup Adventure Trails project)
- Department of Fire and Emergency Services (Bushfire Centre of Excellence)
- Murdoch University and Fund Singapore (Agri-Innovation Precinct foundation tenants)
- Main Roads WA (Pinjarra Heavy Haulage Deviation)

- Regional Development Australia
The Shire will continue to positively and effectively engage with these important partners to ensure the successful completion and operation of these and other consequential projects.

I am grateful for the guidance and support of a committed, strategic and supportive Council, who are making the decisions necessary to ensure the development and growth of our district in line with the community's expectations, and that embrace a more diverse local government focus to include economic and place development and investment attraction.

While there has been negative media coverage regarding a number of other Western Australian Councils and local authorities, Murray is fortunate to have a Council with the community's best interest at the forefront of their decision making.

Great outcomes require quality leadership, which is certainly a strength for Murray under the guidance of our Shire President Cr. David Bolt.

Great outcomes further require a committed and dedicated staff.

I am extremely proud of the efforts and commitment of Shire officers. In spite of an organisational review, which netted over \$300,000 savings for the community, the staff continued to push themselves to achieve quality outcomes for Murray's residents and ratepayers. Officers continue to foster a can-do attitude, which often exceeds the contracted 76 hours a fortnight and there are many that give extra with no request of recompense. Finally, I acknowledge and thank our community and emergency service

volunteers for their considerable contribution to our vibrant, enviable community. Without their input and tireless efforts Murray would be a vastly different place.

Fires seem to get bigger and summers drier and the efforts of our volunteers in the protection of our community is nothing short of extraordinary.

A special thanks is extended to long-serving Chief Bushfire Control Officer Robert 'Bluey' Wilson, who continues to undertake this important role. The need for a quality Chief should not be underestimated.

On behalf of the Shire of Murray, here's to another successful year ahead!

Dean Unsworth
Chief Executive Officer

Shire of Murray



Councillors and Chief Executive Officer

Top (Left - Right)

Cr. Maree Reid (Retired February 2019)
Shire President Cr. David Bolt
Chief Executive Officer Mr. Dean Unsworth
Deputy President Cr. Steve Lee
Cr. Brenda Beacham

Bottom (Left - Right)

Cr. Ange Rogers
Cr. Douglas McLarty
Cr. Brad Cardilini
Cr. Geoff Black
Cr. Casey Rose

Organisational Structure



Dean Unsworth
Chief Executive Officer

- Governance
- Economic Development and Investment Attraction
- Regional and Stakeholder Partnerships
- Rangers and Emergency Management
- Communications and Marketing



Rod Peake
Director Planning and Sustainability

- Strategic Land Use and Planning Development
- Planning and Environment
- Building Services
- Health Services



Julie Burton
Director Corporate and Community Development

- Finance and Customer Service
- Information Services
- Asset Management
- Corporate Planning
- Human Resources
- Tourism
- Recreation and Community Development
- Murray Aquatic and Leisure Centre
- Murray Library



Alan Smith
Director Technical Services

- Technical Services
- Parks and Gardens
- Waste Services
- Waterways and Canals
- Roads, Footpaths and Drainage

About this Report

The Shire of Murray's 2018-2019 Annual Report outlines the progress the Shire has made towards its strategic goals over the financial year.

This report demonstrates Council's dedication to accountability and transparency for our community and stakeholders.

The report matches Council's achievements and challenges against the outcomes of the strategic goals outlined in the Shire's 2025 Strategic Community Plan, and our accomplishment of the activities defined in the 2018-2022 Corporate Business Plan.

The Report provides a summary of the Shire's performance in key areas including leadership, community wellbeing, strategic land use planning, infrastructure and asset management, environmental management and economic development.



Under the Local Government Act 1995, the Shire of Murray is required to produce an Annual Report at the end of each financial year.

The 2018-2019 Annual Report is available in both digital and hardcopy format. Digital copies of this report can be found on the Shire's website murray.wa.gov.au and hardcopies are available for inspection at the Shire of Murray Administration Office and Murray Library.



1 Strong and collaborative leadership which engages in effective partnerships and reflects the aspirations of our community

Mandurah Murray Economic Strategy

In November 2018, Council resolved to adopt an Economic Development Strategy for the Mandurah Murray sub-region and endorsed a number of programs and projects listed in the document.

The economic development strategy contains six broad programs including: Water Economy, Food and Agri-Business and Resources and Energy, with a total of eight inter-related projects listed as follows:

- Mandurah Waterways and Hinterland Data Network
- Australian Centre for Water Science
- Mandurah Western Foreshore Precinct
- Peel-Yalgorup Wetlands Trails
- Dwellingup Tourism and Trails
- Agri-Innovation Precinct, Peel Business Park
- Pinjarra Heavy Haulage Deviation
- Murrayfield Airport Upgrade

A key objective of the Mandurah Murray Economic Strategy is to develop sound, strategic programs and projects that increase investment in the sub-region, create new jobs and build a platform for strong economic growth that will translate into improving the quality of life for the residents in the wider Peel region.

Leaders from both the City of Mandurah and Shire of Murray met in February 2019 to discuss a proposed Memorandum of Understanding (MOU). The MOU provides a framework for collaboration between the two local governments in the delivery of a joint Economic Development Strategy and suite of projects. The Shire of Murray subsequently endorsed the signing of the MOU in April 2019.

An implementation plan has been developed which lays out a pathway for a collaborative approach to economic development between the two local government authorities. This includes

initiation of a portfolio development process that will generate a pipeline of projects suitable for public and/or private investment and further business case development.

Work has commenced on the Mandurah Waterways and Hinterland Data Network project.

Four trial locations for water monitoring have been selected (three in Mandurah and one in Murray) with data capture currently underway. The studies aim to gain an understanding of operating issues and challenges, range of data collected and data storage/analysis options.

Economic and Community Development through Placemaking

The Shire of Murray is committed to a place-based approach to encourage economic and community development.

To achieve positive outcomes in both areas the Shire has developed and strengthened partnerships with local placemaking groups Pinjarra Connect and Dwellingup Creative.

Projects undertaken in 2018-19 focussed on activating the town centres of Pinjarra and Dwellingup by creating main street environments where creative ideas bring the community together, inspire others and contribute to vibrant, diverse and unique places.

A major success this year was the opening of The Court House, Pinjarra (www.thecourthousepinjarra.com).

Thanks to Pinjarra Connect's vision and commitment, the courthouse now provides networking and business opportunities as well as social and economic benefits for the community. It is a contemporary space in Pinjarra where small businesses, creatives and entrepreneurs can co-work, co-create and co-innovate.

The space offers for hire seven hot desks, a meeting room accommodating up to eight attendees with audiovisual equipment and

1 Strong and collaborative leadership which engages in effective partnerships and reflects the aspirations of our community

teleconferencing capability and ample room to host workshops.

There is also a maker in residence room that can be booked by artists and entrepreneurs, to produce, display and sell their products.

The decision to transform the courthouse in this contemporary direction was inspired by Pinjarra Connect's submission in response to an Expression of Interest process, initiated to activate the centrally located amenity. The submission was endorsed by Shire of Murray Councillors at the August 2018 Council Meeting and the revitalised space opened its doors on Saturday 19 January 2019.

This space provides local artisans and makers with the opportunity to produce, sell and display works. It also provides opportunity for creative start-ups to launch their products, try a concept or test the location with little investment. The Shire tends to the venue hire and communications aspect of The Court House, with Pinjarra Connect managing the makers in residence component of the space.

A number of other successful economic and community capacity building workshops, events and initiatives were held over the year for Murray residents and small business operators, including:

- Small business website design
- Search Engine Optimisation (SEO) (to improve on-line presence)
- How to be an eco-friendly business
- Facebook for business (business marketing and promotion)
- Instagram for beginners (business marketing and promotion)
- Introduction to chatbots (utilising online tools to assist with social media)
- New Enterprise Incentive Scheme (NEIS) program
- Exploring Being My Own Boss
- Artisan workshops across a range of mediums and forms

- Music events
- Long table dinners
- Streetscape initiatives
- SOUP events (where great ideas were pitched to the community and winning initiatives received grant funding to implement the ideas)

The Shire intends to expand its place-based approach into North Dandalup by partnering with the community to revitalise the town through community-led placemaking initiatives and projects.

Local Content, Local Jobs

In 2018-19, there was a deliberate shift in procurement practices, with the Shire of Murray reviewing its policies and the State Government introducing a Buy Local Policy for all State Government funded major projects.

The Shire's review of its internal procurement policy has had a notable impact on local purchasing, which this year increased by 35% in comparison to that in the 2017-18 year.

Peel Development Commission in collaboration with LandCorp, established a register of regional suppliers.

LandCorp included a 20% weighting for local content and Aboriginal engagement as part of their tender process, for the infrastructure work for Peel Business Park. The decision has seen a Peel-based contractor awarded two of the first civil works contracts, with several other Peel-based sub-contractors further engaged.

A real opportunity exists to maintain a strong local content/local jobs push through the implementation of other major projects, specifically the Bushfire Centre of Excellence and Agri-Innovation Precinct, the latter providing particular opportunity as the entire procurement process is Shire managed.

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24/7 Response to the Community

The Shire continued to provide a 24 hour, seven day a week service for residents. Outside business hours, an external call centre attended to calls to the main line. The details of all requests were documented and prioritised on the basis of risk to the community. Shire officers attended to all issues requiring urgent attention.

Bushfire Risk Mitigation

The annual fire prevention inspection program for the district commenced in early December 2018 and concluded in late February 2019. Rangers conducted approximately 2,500 property inspections in Murray and Waroona as part of the resource sharing arrangements.

The Local Emergency Management Committee met regularly to achieve its statutory responsibilities and work towards a safer Murray. The Committee ensured local plans were up-to-date and that there was adequate training and exercising of local arrangements.

Regular Local Recovery Management Committee meetings ensured roles and responsibilities remained part of normal business.

The Shire's Volunteer Bush Fire Brigades responded to numerous fire incidents over the fire season. The volunteers' dedication to the community continues to be of an exemplary standard.

Bushfire Risk Management Planning

A Bushfire Risk Planning Coordinator was engaged in June 2019 to develop a Bushfire Risk Management Plan. The role is funded by the Department of Fire and Emergency Services and shared between the Shires of Murray, Waroona and Harvey.

The Bushfire Risk Planning Coordinator continues to map identified assets and record the risk

assessment results within the Department of Fire and Emergency Services' Bushfire Risk Management System (BRMS). The BRMS will produce a Treatment Schedule that sets out a broad, coordinated, multi-agency program of treatments to address identified risks.

Murray 2030 Strategic Community Plan

The Murray 2030 Strategic Community Plan was adopted by Council at its Ordinary Meeting on Thursday 23 May 2019.

Planning for Murray 2030 commenced in April 2018 with a district wide survey to residents and ratepayers. Almost 10,000 surveys were distributed, with 746 responses returned.

Results were compiled and reviewed to identify how the community felt about the district, Council, the future and to determine priorities.

Several workshops were later held with Councillors, key staff members and the purpose-formed Strategic Community Plan Reference Group.

Murray 2030 is the culmination of these efforts, setting the vision and aspirations, specifying focus areas and establishing the Shire's strategic direction over the next 10 years.

The community is strong in its desire to keep Murray's distinctive country feel. The community also has a deep respect for the environment and is proud of and wishes to vehemently protect its heritage - challenges that need to be actively considered, particularly in terms of broadening the economic base.

By 2030 the Shire of Murray will be a place where business thrives, the environment is protected and all residents enjoy an outstanding quality of life.

1 Strong and collaborative leadership which engages in effective partnerships and reflects the aspirations of our community

Communications and Engagement Strategy

Between May 2018 and January 2019, the Shire engaged with its community through several initiatives in order to inform a customer-focussed Communications and Engagement Strategy.

Initiatives included:

- Community Perception Survey | MARKYT® Community Scorecard undertaken by CATALYSE®
Sent to all households within the Shire of Murray - 746 responses returned (online and hard copy)
- Out of the Loop Communications Review undertaken by Pollinate
Staff workshop | 12 community interviews | Survey - 342 responses received (intercept, online and hard copy)

The Strategy was prepared to guide the Shire's communications and engagement practices in line with community needs and expectations and best practice, to deliver value for the community.

If implemented successfully, the strategy will achieve a deliberate shift in operations to support the Shire's place-based approach and the establishment of a co-working relationship with the community in which its members feel listened to, are informed, involved, empowered and trust that the Shire and Councillors act in the community's best interests. The community will also have a strong sense of belonging and pride in their local area and district.

The Strategy further sets out to achieve transparent, consistent, meaningful communication and engagement practices across the organisation ensuring that Councillors and staff understand the Shire's brand and role and the key message pillars that need to be lived and communicated in order to achieve success.

Strategy development was completed by the end

of the 2018-19 financial year, with the strategy presented to Council for adoption at the July 2019 Meeting.

Corporate Business System

On 31 May 2018, a contract was registered with Open Office to commence planning for the implementation of a customer-centric, integrated, statutory and compliance management system to better support Shire operations into the future.

The cloud-based system provides an application for all customer-facing touch points, which will improve efficiencies and service delivery and aid in the attraction and retention of quality staff. Touch points include planning and building, ranger, rates and customer services.

In June 2018, project implementation began with the launch of a new payroll platform. Over the course of the 2018-19 year, further modules of the Open Office solution were scoped and familiarisation, administration and end user training and data migration, prepared the Shire to go-live early in the 2019-20 financial year.

The Shire will over the next financial year fine-tune module integration and operation in preparation for the launch of the Community Engagement Platform in the 2020-21 financial year. The Platform will take Shire services online including animal management, permits, infringements, online payments, rates, facilities bookings and change of address and contact details.



BUSHFIRE CENTRE OF EXCELLENCE

FUTURE SITE

2 A progressive and diverse economy that maximises employment and business opportunities

Economic Strategy and Investment Attraction

Through rigorous project selection and project preparation processes, the Shire of Murray now has a substantial program/project portfolio. This portfolio includes projects funded and underway, projects in advanced planning and projects in early conceptualisation.

The Shire of Murray has had a momentous 2018-19, successfully attracting over \$80 million from the Australian and State governments, for major projects now at various stages of implementation. These include:

- Agri-Innovation Precinct \$21.75 million
- Bushfire Centre of Excellence \$18 million
- Pinjarra Heavy Haulage Deviation \$27.5 million
- Dwellingup Adventure Trails \$8.4 million
- North Dandalup Research Centre \$5 million

The projects will generate approximately 1,000 jobs in construction and over 200 full-time jobs once operational.

Significant progress has also been made with other major initiatives, with the following in advanced planning stages:

- Pilot project to build capacity in start-up and SME enterprises, for implementation to coincide with construction and operation of the Agri-Innovation Precinct - Expressions of Interest were sought this year to identify enterprises
- Private sector investment into stage one of the Peel Business Park
- Exchange Hotel, Pinjarra
- Solar Microgrid and Battery Storage project to power the Peel Business Park
- Mineral Resources BOSS project
- Equine industry facilities expansion

- Mandurah Waterways and Hinterland Data Network project

- East Keralup Future Land Development

Conceptual planning is also underway for a number of new economic development initiatives, including:

- Murrayfield Airport development
- Regional water resources development and Regional Food Production Complex
- Housing developments linked to major investment projects
- Private sector investment concepts currently in early stages of discussion

Resource Sharing Arrangements

Resource sharing arrangements between the Shires of Murray and Waroona for Information Technology, Environmental Health and Ranger Services continued this year.

Arrangements ensure cost savings in wages and overheads and improved service provision for both communities. As part of this arrangement, the Shire's 24/7 call service extends to Shire of Waroona residents as well.

2 A progressive and diverse economy that maximises employment and business opportunities

Tourism and Trails

Dwellingup Trails and Visitor Centre, Skate Park and Pump Track and Adventure Trails

Works on the Dwellingup Trails and Visitor Centre commenced in June 2019.

The town's current information centre will be transformed through the addition of 400m² of building, to incorporate the trails component of visitor servicing including trails retail, improved ablution facilities with additional basins, hot showers, lockers and toilets, laundromat and bike hire, purchase and repair shop.

Other enhancements include a gift shop and improvements to parking, pathways and exterior lighting.

The addition of a Hotham Valley Tourist Railway viewing platform at the Centre and associated Hotham Valley Tourist Railway rail and turntable installation works, are better positioning the town's rail trails as a central feature of Dwellingup's tourism offering.

Visitors to the Dwellingup Trails and Visitor Centre will be able to view historic trains as they pass by the centre to turn on the turntable.

The project is a catalyst for establishing a sustainable economy for Dwellingup and the transformation of the town into a national and future international trails town.

The milestone follows the official opening of the Dwellingup Pump Track and Skate Park in April.

The new, central features offer an enjoyable, productive outlet for enthusiasts and support town trails activity.

While both amenities encourage increased participation in and uptake of the disciplines, the Pump Track especially offers a fit-for-purpose warm up facility for competitive and non-competitive bike trail users and supports

mountain biking and trails events held in Dwellingup.

The Shire worked closely with community representatives in the delivery of these significant amenities.

Building extension works are further aligned with the Dwellingup Adventure Trails, trails infrastructure development project.

The project is being undertaken by the Department of Biodiversity, Conservation and Attractions, in partnership with the Shire of Murray and is supported by the Australian Government's Building Better Regions Fund. In March 2019, \$3.5 million was secured through the fund.

Planning and construction is well underway for completion by the end of 2021.

Key project elements commenced or completed this year, include:

- Three downhill mountain bike trails, the first of over 25km planned for the Murray Valley network, catering for beginner, intermediate and advanced riders including Year one Green Trail, Boom Boom Blue Trail and Bam Bam Black Trail (complete December 2018)
- Four further mountain bike trails for the Murray Valley network (including the Mundi Biddi spine trail) - construction commenced
- Concept planning for trails around the Dwellingup townsite, including the upgrade of Marrinup and Turner Hill Trails and the Munda Biddi connecting trails
- Design and geotechnical work for an 80m suspension bridge linking Baden Powell camping area to Lane Poole
- Geotechnical studies for Island Pool canoe access
- Preparation of Expression of Interest for the

2 A progressive and diverse economy that maximises employment and business opportunities

Trails Centre café and bike/hire shop, along with the Baden Powell pop-up kiosk and associated infrastructure

- Planning of a branding workshop for late 2019 to inform preparation and implementation of a marketing plan to promote the Adventure Trails and town as a must visit destination for high quality trails experiences

Tourism Projects and Initiatives

An external tourism consultant was engaged to undertake a situational analysis to inform the Shire and its tourism sector.

A comprehensive report highlighted current gaps in visitor experiences and servicing, accommodation and amenities and awareness around tourism offerings and provided recommendations and actions to address identified gaps.

The Shire is developing a Tourism Strategy and Marketing Plan, key recommendations of the report.

The Shire has also been working collaboratively with its tourism sector to better support its members and deliver capability programs that address identified needs. Efforts aim to ensure local business is trails ready and in a position to benefit from the economic opportunities that will arise with increased visitation.

East Keralup Future Land Uses - Registration of Interest Process

The Housing Authority within the Department of Communities, owner of a 1,608ha property in Keralup, released a Registration of Interest process in late 2018. Submissions were sought from private sector enterprises to identify a range of possible future uses for the site and assist in activation of this significant government landholding to diversify and grow the regional economy and generate job creation. The Shire participated on the Steering Group for this project.

The site is strategically positioned adjacent to the Kwinana Freeway, adjoins the Peel Business Park and constitutes the largest single landholding within the State Government's proposed Peel Food Zone project. The subject land was previously earmarked by the State Government for major housing expansion but was subsequently deleted from the final South Metropolitan Peel Sub-Regional Planning Framework and replaced with a notation for further investigation into non-urban future land uses.

The landholding is zoned rural and in its present form consists of a mix of cleared land, which in part is used for grazing, native terrestrial bushland habitat and wetlands that fringe the Serpentine River.

A briefing session was held for interested parties in December 2018 as part of the Registration of Interest process and the submission period for proposals was extended to early March 2019. Assessment of submissions will be undertaken by a government convened Advisory Assessment Panel with short listed respondents required to enter into formal negotiations through a six month initial working period, before a decision on preferred respondents is considered by government.

2 A progressive and diverse economy that maximises employment and business opportunities

Peel Business Park and Agri-Innovation Precinct

On site at Transfrom Peel's Peel Business Park, LandCorp (now DevelopmentWA) steadily progressed Royalties for Regions funded infrastructure works.

Extension of power from the Pinjarra sub-station to the Park was completed as well as stage one associated earthworks and tendering was undertaken for stage one subdivision works, road and services upgrades to Gull and Lakes Roads as well as improvements to outfall drainage. The balance of works including water and sewer provisions and the development of a solar microgrid with battery storage, will be completed in the 2019-20 financial year.

Majority of stage one lots released to the market for sale, are under contract, with expressions of interest open for stage two.

The Shire of Murray secured \$21.75 million through the Australian Government's Regional Growth Fund, toward the construction of a world class Agri-Innovation Precinct within stage one of the Park.

Subject to final designs and costings, which are anticipated by late 2019, the Precinct will house common-use infrastructure including university-led science laboratories, food product research and small batch production facilities, offices and co-working spaces, business incubator facilities, cold and dry storage facilities, meeting rooms, café and public presentation areas.

These common-use facilities are set to stimulate the development of the wider Agri-Innovation Precinct, to incorporate high technology food production, value-added processing and university-led research and product development, to de-risk investment and encourage significant local and international buy-in.

The Precinct is a catalyst for the conditioning of

the next generation into a highly skilled workforce to satisfy job requirements and is of momentous benefit to Murray ratepayers as the common-use facilities within the Precinct will be a Shire of Murray owned asset that will help secure long-term sustainability for the district.

Through strategic linkages and improved access to export markets, local business will have new platforms on which to expand and grow.

A project manager was appointed in June 2019 to oversee the delivery of the facility.

The project manager is also sitting on the committee overseeing the design of the Bushfire Centre of Excellence, to optimise synergies between the Centre and the Precinct.

Negotiations for Agreement to Lease with foundation tenants Fund Singapore, Murdoch University and Manuka Life, continued into 2019-20.

2 A progressive and diverse economy that maximises employment and business opportunities

Perth and Peel @3.5 Million Planning Framework and Strategic Environmental Assessment

The final South Metropolitan and Peel Sub-Regional Planning Framework was released in March 2018. The release followed significant public consultation in which the Shire submitted a detailed proposal outlining an alternate urban spatial growth plan, servicing strategy and transport network strategy.

The final framework plans have reduced the extent of urban expansion previously proposed for the Shire and identified Planning Investigation Areas in North Ravenswood, West Pinjarra, Pinjarra, North Yunderup and Furnissdale.

Further investigations into a range of key planning considerations are required, to determine whether any changes to current zoning can be supported.

The Shire met with officers of the Department of Planning, Lands and Heritage and made submissions to the Western Australian Planning Commission, to ensure high priority is given to progressing the Planning Investigation Areas and that feedback be provided regarding their investigations.

In April 2018, the State Government announced the suspension of the Strategic Environmental Assessment of the Perth and Peel Regions pending independent review. An Independent Review Panel was formed by the State Government under a Terms of Reference. The Panel are reviewing the merits of progressing the project, including an examination of key policy and legal risks for the State Government and the likely costs of the ongoing implementation of the Strategic Environmental Assessment.

The Shire lodged a submission expressing its support for the continuation of the Assessment, as well as implementation of a Strategic Conservation Plan. Both the Assessment and Plan will significantly benefit the Peel-Harvey Estuary

and ensure protection of critically endangered environmental systems in the Peel region.

The Panel intends to report back to the State Government on the merits or otherwise, of continuing with or terminating the Strategic Assessment.

The presentation of recommendations is anticipated for late 2019.

Pinjarra Heavy Haulage Deviation

In April 2019, the Australian Government announced funding of \$22 million toward the Pinjarra Heavy Haulage Deviation including Munday Avenue extension.

Main Roads Western Australia progressed concept design, which allowed for the formalisation of the project timeline. Delivery of works will be staged to suit work locations and complexity. Main Roads forecasts delivery within the 2023-24 financial year, in line with the predictions of the original business case.

Detailed design is progressing with a significant focus on the intersection of South Western Highway/Pinjarra-Williams Road, completion of which is required prior to the balance of the works.

The Shire of Murray has progressed concept designs on the Western Deviation, to provide a link road between Pinjarra Road and Greenlands Road and which abuts the Pinjarra Industrial Area. These works will assist with the ultimate intended connection to Munday Avenue to enable direct southern access from the Industrial Area to Greenlands Road.

2 A progressive and diverse economy that maximises employment and business opportunities

Southern Palusplain Strategy

In August 2018, Shire officers attended a deputation of the Western Australian Planning Commission's (WAPC) Statutory Planning Committee, to present the key aspects of the draft Southern Palusplain Strategy and sought State Government consent to advertise the Strategy.

Particular attention was focussed on areas where concerns had been raised by the Department of Planning, Lands and Heritage related to the urban consolidation of the Coolup townsite and a proposed new Equine Living precinct located immediately south of the townsite.

A proposed new residential area within the Coolup townsite had been identified in the draft Strategy as existing undeveloped urban zoned land (unallocated Crown lots), containing locally and regionally significant vegetation, a priority for retention in the Shire's Local Biodiversity Strategy and the Environmental Protection Authority's Swan Bioplan. The draft Strategy therefore recommended the existing urban zoned land be rezoned for Conservation Reserve purposes and a management plan be developed for the area. A new Residential Investigation area was proposed for replacement of the Conservation Reserve area, an equivalent area of exchange (approximately 7ha).

An area of land was also identified for Equine Living development on the southern edge of the Coolup townsite, catering for lots in the four to 10 hectare size range to support infrastructure and investment in the Murray Regional Equestrian Centre. This equine estate was to have specific equine nutrient management controls and land use standards to ensure the environment and the amenity of the area are not adversely impacted. The lot sizes will be based on the capability of the land to accommodate a minimum of two horses based on average lot size of 5.5ha, with a minimum 3.4ha utilised for grazing on unirrigated land.

The WAPC Statutory Planning Committee requested that these proposals be deleted from the draft Strategy. The Shire advertised the draft Strategy in February 2019 and sought feedback from the community and government agencies on both options.

At the close of the public advertising period on 5 April 2019, 24 submissions had been received and a report on these submissions was presented to the 27 June 2019 Council Meeting. Council resolved to adopt the Strategy subject to a number of modifications. Most notably, Council supported not proceeding with the urban consolidation in the Coolup townsite area due to the prohibitively high cost of supplying essential services and lack of community support, preferring instead to retain these lots in a rural classification. Council also supported inclusion of an Equine Living precinct bounded by Fishermans Road in the north, Abbots Road in the south, South West Railway Reserve in the east, noting that this proposal will be subject to more detailed planning and environmental investigations at the rezoning stage.

Council has submitted its comments and recommendations on the submissions to the Department of Planning, Lands and Heritage. A further Shire deputation is scheduled to present the Council's preferred outcomes at a meeting of the Statutory Planning Committee in late 2019, where the draft Strategy will be considered for final approval.

Peel Equine Industry Racing Infrastructure Development Strategy

The equine sector is a strong contributor to the regional and local economy.

It contributes a total gross value add of \$175.9 million and produces 1,550 full-time employment positions, representing 5.5% of all jobs in Peel.

The Shire of Murray is keen to play a lead role in supporting expansion of the horse racing industry, recreational equine pursuits, equine events and supporting businesses.

Racing and Wagering WA (RWWA), the agency that governs Western Australia's racing industry, has acknowledged that the greater Peel region is the most viable location for industry expansion in the long-term, encompassing all three facets of racing, training and breeding.

The Shire of Murray is in the process of developing a Peel Equine Industry Racing Infrastructure Strategy that recognises potential growth in racing infrastructure and services as well as participants in the industry. The Strategy will highlight further development of Pinjarra Paceway as the state's second harness racing venue after Gloucester Park, expansion of racing activities to include regular weekend races and further development of the State Harness Training Centre at the Paceway.

Pinjarra Park racing facilities are being improved with installation of a second turn, widening of the track to 30 metres, extending the racing program over the full year, as well as inclusion as a complementary training facility to Lark Hill with the addition of on-course stabling.

These infrastructure improvements will provide strategic benefits by increasing horse quality and quantity, revenue via higher betting turnover and broadcast licences to national and international audiences, as well as an injection of significant tourism spending into the local economy.

Completion of the Peel Equine Industry Racing Infrastructure Development Strategy is anticipated in the second half of 2019. Its delivery is due to coincide with the introduction of legislation into State Parliament for sale of the TAB and subsequent establishment of a funding mechanism under RWWA management for improvements to racing infrastructure across the State.



3 A connected, safe and inclusive community that provides and lobbies for accessible services for all residents

Stronger Community Initiatives

The Shire continued to deliver initiatives that strengthen the local community and support the social and emotional well-being of its residents.

The 2018 Murray Community Food Drive took place in October during Anti-Poverty Week. The food drive collects non-perishable food items to assist the community's most vulnerable. Three months worth of assistance was collected through efforts and assisted struggling Murray community members over the festive season.

The Murray Community Support Hub was established in partnership with support agencies, to avail local access to services for residents. The Hub operates monthly from the Lesser Hall in Pinjarra. The range of free services includes counselling, drug and alcohol support, budgeting advice, job search providers, skills development and training and support for carers and the bereaved. The Hub also houses a complimentary community café courtesy of Pinjarra Family Church and provides access to emergency food parcels.

The Back to Pinjarra Commemoration took place in October, in partnership with the Bindjareb Reference Group. The event acknowledged the region's dark history and the effects of generational trauma.

A sensory healing program to support Aboriginal Child health was delivered. The program comprised a range of activities from didgeridoo lessons to tribal meditation.

The wider community has also received access to free suicide prevention training and wellness recovery programs. Education around mental health and anxiety continued to build a more resilient community, better equipped to deal with crises.

Seniors

In November, during Seniors Week 2018, the Shire of Murray held a Rock and Roll Dinner, Dance and Quiz night.

The event featured live music by local band Shaydz of Grey, a 1950s themed quiz, dance demonstrations by the local Swing 'n' Sway for Seniors dance group and a roast meal.

The event was a low cost, enjoyable celebration of the valuable contribution Murray Seniors make to the community and an ideal opportunity for isolated and lonely members to connect with other residents.

Other initiatives run and/or supported throughout the year, included:

- Seniors Scam Workshops held in Pinjarra and Dwellingup in May 2019
- Murray Aquatic and Leisure Centre's Seniors Fitness Program
- Murray Library's Get Appy Program
- Hearing Bus - Free hearing checks for Seniors
- Zumba Gold - Dance fitness for over 50s
- Swing 'n' Sway - Dance lessons for over 45s

Youth

National Youth Week 2019 was celebrated through the Street Chillz Drug Aware Youth Fest at the Pinjarra Skate Park. The event attracted around 500 young people with the main attraction, the Freestyle Now Skate, Scooter and BMX competition.

Graphite Crew worked with young people to create skateboard murals and urban art demonstration boards, which were displayed at the opening of the Dwellingup Skate Park and Pump Track.

Youth agencies were present, including GP Down South and Peel Youth Medical Services.

3 A connected, safe and inclusive community that provides and lobbies for accessible services for all residents

The Youth Fest was supported by local community groups who provided additional features including a sausage sizzle and junior art activities.

The Shire has actively progressed and supported the development of youth activities and events including courses in programming and video game design, youth drop-in projects in Dwellingup and Pinjarra, gaming and social clubs, arts workshops including song writing and theatre, and expansion into outlying towns and suburbs within the district.

Volunteers

The Shire of Murray recognised the contribution of volunteers to the community at several events during the year, including:

- Community Citizen of the Year Awards, presented during Australia Day Celebrations
- Shire of Murray Volunteer Sundowner and Awards celebration held in May each year, in conjunction with National Volunteer Week - stand-out volunteers from the local area are further nominated for Regional and State awards, including the Alcoa Peel Volunteer of the Year Awards held annually in December
- Emergency Services Annual Function, held in May each year

Community Funding

In 2018-19, \$1,900 was dispersed through the Community Sponsorship Fund, with 19 individuals aged 10 to 61 years, receiving a donation of \$100. Recipients competed across a range of sports, at high-level events throughout Australia and overseas.

Through the Community Assistance Partnership Fund, \$33,000 was awarded to 22 successful applicants.

Funding supported community organisations to build and strengthen their capacity, host

events and deliver services within Murray that contributed to its vibrancy, inclusivity and health.

Community Safety

The Shire is committed to making the community a safer place to live, work and recreate.

Under the guidance of the Community Safety Strategic Reference Group, a number of key community safety initiatives were delivered during the 2018-19 financial year.

The Shire's Closed Circuit Television (CCTV) network expanded, with nine cameras installed along George Street, under an Australian Government grant. The cameras are capable of licence plate recognition and monitor a major traffic artery which links the metropolitan area with the South West Region, and assist Police investigations.

The Shire also received grant funding for the acquisition of two mobile CCTV trailers for deployment in areas experiencing a spike in crime, where fixed cameras are not viable.

The CCTV network now comprises 70 cameras installed across the district.

To address hooning in built up areas, the Group, in partnership with the South Yunderup Resident and Ratepayer Association (SYRRA), secured funding through Bendigo Bank to purchase speed display signs.

The signs realised a 10% reduction in speed on South Yunderup Road and justified purchase of additional signs, which are being rotated at hooning hotspots across the community.

Graffiti is an ongoing issue and removal from Shire owned buildings and infrastructure continued throughout the year. Graffiti safewipes were available free of charge to community organisations, private residences and commercial businesses that had experienced an attack.

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Events

A number of events held throughout Murray over the year, realised a steady flow of visitors to the district, including:

- Murray Community Christmas Celebration
- LiveLighter Pinjarra Festival
- Dwellingup Pumpkin Festival
- Dwellingup Log Chop
- Dwellingup 100 and Mighty Jarrah Trail Run
- Hotham Valley Anniversary Celebration
- Caraholly Orchard Open Days
- Adventurethon Demolish
- Fairbridge Festival
- MAX Pinjarra
- Pinjarra Garden Day
- Pinjarra Markets
- Equestrian events, including the Wellard Star of the West Campdraft

Murray Community Christmas Celebration

Summer 2018 kicked off on a festive note with hundreds of families visiting Cantwell Park, Pinjarra on Wednesday 5 December to ring in the festive season.

The Eco Faeries kicked off the evening's festivities with their Faerie Merry Christmas Show and further entertained the kids with their roving acts. Free craft activities were also on offer.

Carolling was the highlight of the evening as was the meet and greet with Santa and his helpers.

Dinner options included a variety of choices from local vendors and a line-up of food trucks and guests were able to browse the boutique selection of market stalls.

Alcoa, Lotterywest, Bendigo Bank, Mandurah Mail and the Shire of Murray proudly supported the 2018 event.

Pinjarra Festival

The LiveLighter Pinjarra Festival, Murray's largest, free community event, burst into the iconic grounds of Edenvale Homestead on Saturday 1 and Sunday 2 June 2019.

Favourable weather drew record crowds of around 20,000 people over the weekend.

The festival entertained attendees of all ages with its impressive line-up of live music, market stalls, children's activities, displays, amusements and more.

Children enjoyed the Eco Faeries Energizer Zone, Gymbus, Giant Bubble Show and the ever popular LaserTag and free face painting.

The 2019 Festival also hosted the inaugural Alcoa WA Day Concert, which is set to return in 2020.

Healthway promoting the LiveLighter message, TourismWA, Lotterywest, Alcoa, MZI Resources, Pinjarra Community Bank Branch and Cleanaway, proudly supported the 2019 Festival.

Public WiFi

The Shire's public WiFi registered 12,332 unique visitors over the year. Average usage per visitor was 1.0.1GB.

Public WiFi is available throughout the Pinjarra town centre extending to Edenvale Homestead and the Shire Administration Office, at Murray Aquatic and Leisure Centre, with smaller coverage areas at the Pinjarra Skate Park and Dwellingup History and Visitor Information Centre.



SANTA'S
MAILBOX

3 A connected, safe and inclusive community that provides and lobbies for accessible services for all residents

Edenvale Homestead

During National Trust Heritage Month, Edenvale Homestead Working Group launched the Pinjarrah Room, a static display of the social history of Pinjarra covering farming, leisure, retail, education, the Mechanic's Hall and World War II.

This project was run in collaboration with Murray Districts Historical Society who engaged Know Your Nation to gather information through a series of interviews with residents of the area during the respective period.

The project was funded by the Friends of Edenvale, Murray Districts Historical Society, Pinjarra Community Bank Branch of Bendigo Bank and the Shire of Murray.

The project is a great example of the outcomes that can be achieved when community groups and the Shire work together to deliver community-driven initiatives.

In an effort to further activate Edenvale Homestead, the Pinjarra Railway Markets relocated within Homestead grounds and were renamed Pinjarra Markets at Edenvale Homestead.

The move successfully realised increased visitation and promotion of the Homestead including Tea Rooms and user group attractions, as a place to visit, explore, enjoy and stay longer.

Wedding and event packages were developed (in conjunction with the reopening of St John's Church), to establish the Homestead and surrounding Precinct as a venue of choice and to capitalise on this lucrative market.

Murray Aquatic and Leisure Centre

Murray Aquatic and Leisure Centre (MALC) provides a range of programs and services to the community across health, fitness, socialisation and life skills.

The Centre caters for casual community entry,

fitness and aquatic members and is home to the Pinjarra Power Basketball and Pinjarra Netball Associations as well as the Pinjarra Piranhas and Murray Masters Swimming clubs. A number of additional commercial and community groups also make use of the Centre.

Pinjarra Senior High School continued to use the Centre for its performing arts, indoor physical education classes and school assemblies. Court 3, the PAW room and storerooms in the lower section of the Centre, together with Courts 1 and 2 (when required), form part of a formalised lease arrangement.

MALC visitor attendance remained steady at over 150,000 throughout 2018-19, with usage relatively evenly spread across the courts, aquatic and fitness amenities.

The aquatic area attracted visitors from across the region. The Centre's heated hydrotherapy pool, with ramped entry, proved a useful resource for people in the community living with a disability, undertaking rehabilitation and therapy or seeking general wellbeing.

Centre membership averaged 342 across the year, an increase on 2017-18 with 74% of MALC members including gym access as part of their membership options. The most popular membership term was fortnightly direct debit, with 39% of members selecting this payment method. More members elected for single area access and opted for shorter term contract lengths of one and three months.

Group fitness pump bars were upgraded to industry leading smart bars, while new fitness benches and equipment racks were fitted in the gym. The introduction of Myzone at the Centre offered members an opportunity to improve their workout tracking. Myzone tracks member effort as a percentage of their maximum heart rate, displaying results on screens during group fitness classes and/or in the gym, adding a level of guidance, accountability and motivation to

3 A connected, safe and inclusive community that provides and lobbies for accessible services for all residents

workouts. The program registered 27 users within the first three months. Myzone is expected to become a key resource.

To stay relevant in line with industry trends and member expectations, new options and classes were introduced to the group fitness timetable. In addition to new HIIT and cardio workouts, a loyalty program called Group Fit Blitz was employed from January to March. The program encouraged and rewarded members for attending classes and was successful in increasing class numbers.

The MALC Swim School was well-supported, realising an 8% growth in enrolments from 2017-18. Learn to Swim classes ranged from infants through to squad level and made use of all three pools, while Infant Aquatics taught survival skills and an appreciation of water, to younger children.

Participation in the Centre's social sports competitions grew by 25% from the previous year, with extended seasons and the introduction of additional offerings. Mixed netball was added to the Men's and Women's Basketball summer programs, while Men's Basketball was offered with the traditional winter competitions of Ladies and Mixed Netball.

A number of facility improvements were undertaken over the year including completion of the clubroom. The amenity's exterior was painted and brick paving laid, linking it to the grassed outdoor area. The clubroom is now an ideal community and program space.

The Centre's foyer and kiosk area fit-out was finalised with new kiosk tables and chairs and foyer seating acquired and signage updated.

Murray Library

In line with its vision to be 'a trusted place that inspires, connects and challenges', and having taken advantage of a number of opportunities, Murray Library this year offered a range of social activities, which stretched the imagination and encouraged patrons to look to the future.

Makers@murray, a monthly program of craft activities, connected interested craft groups, willing and eager to share their passion and skills.

Virtual Reality, Code Club, Micro:bits and Edison Robotics sparked local youth interest in acquiring skills that will render them workforce ready.

Stories and reading remained at the core of library activities, whether in-house or online. Engagement with children continued to expand this year with the inclusion of pre-school programs and school visits by authors Mark Greenwood, David Caddy and Tamara Moss during Children's Book Week.

Popular authors visited the library including Michelle Johnston, Pam Halbert, Lynne Milne and Richard Offen of Lost Perth.

Supporting digital activity is a key library function. To this end the library held a MyGov information session, regular Get Appy workshops and supported tutoring by Be Connected volunteers.

The community were engaged to inform a Five Year Operational Plan to 2024. A survey and other activities both online and in the library built a picture of current views and future aspirations.

Findings highlighted that customers valued their interactions with staff and the assistance received especially with computers and the internet. There is steady demand for activities and events that bring people together and provide opportunities for knowledge acquisition and skill building.

The breadth of free services remains a critical focus, particularly as it ensures accessibility for those in the community who are retired, unemployed or underemployed.



4 Well planned, integrated and active places that embrace and respect our rural lifestyle, built and natural environment and heritage

Ravenswood Regional Sporting and Recreation Facility Feasibility Study

A Needs Assessment and Feasibility Study report for the establishment of a Regional Sporting and Recreation Facility on land purchased by the State Government adjoining Pinjarra Road and the Kwinana Freeway interchange at Ravenswood, was completed in May 2018.

This feasibility study was jointly funded by the Shire of Murray in partnership with City of Mandurah, Peel Development Commission and Department of Local Government, Sport and Cultural Industries and involved considerable consultation with local community members, recreation and sporting clubs and State Sporting Association stakeholders.

The study report findings and key recommendations were considered by the Project Steering Committee in September 2018, with a recommendation that the report be noted in the context of the current recreation space and slowing population demand and that site planning be revisited within a five year timeframe.

The project Steering Committee also agreed that further environmental site survey work on groundwater allocation and vegetation mapping should be carried out, to de-risk the land ahead of more detailed site planning investigations. Investigations to reclassify a mapped resource enhancement wetland and secure a groundwater allocation licence were carried out.

Demand for regional recreation space would be dependent on future population growth, including further analysis of Planning Investigation Areas in North Ravenswood and West Pinjarra identified in the final South Metropolitan and Peel Sub-Regional Planning Framework, to determine ultimate population catchments and future recreation needs.

Council will consider the Needs Assessment and Feasibility Study report, recommendations and further environmental studies in the second half of 2019.

Dwellingup Futures Project

The Shire of Murray secured funding through the Minister for Regional Development, to undertake the Dwellingup Futures Growth Management Road Map project.

The objective of the project is to support and identify, through a collective agreement from all key stakeholders, future sustainable development opportunities in and around the Dwellingup area.

A Stakeholder Working Group and Technical Advisory Committee have been established to help coordinate the formulation of the Road Map, which will set an agreed vision for the future sustainable growth of Dwellingup and identify how different industries, particularly mining, recreation, forestry and tourism can co-exist into the future.

The Stakeholder Working Group will convene for an initial term of 24 months, at which point it is expected that an agreed Road Map will be presented to the Minister for Regional Development for endorsement, prior to approval by State Cabinet.

Appointment of specialist consultants to undertake the Dwellingup Futures scope of work and stakeholder consultation, will occur in the second half of 2019.

4 Well planned, integrated and active places that embrace and respect our rural lifestyle, built and natural environment and heritage

Local Planning Strategy and New Local Planning Scheme

The Shire's new Local Planning Strategy and Local Planning Scheme will guide land use and development within the Shire over the next 10 to 15 years.

Initial project planning has been undertaken to guide the preparation of the Strategy and a background report has been prepared. The Shire has established a Community Reference Group to ensure community input guides strategy development.

Initial community engagement planned for the second half of 2019, will include community and stakeholder workshops and a series of methods designed to provoke ideas and aspirations to determine the future of towns, settlements and rural areas within the Shire.

Edenvale Homestead Conservation Works

A 2018-19 Shire budget commitment saw the following works undertaken at Edenvale Homestead:

- Drainage improvements to the south western wing of the homestead
- Improvements to the brick path network adjacent to the building re-contoured the path to the same level as the verandah decking to ensure a safer and more convenient access area
- Painting of several buildings within the complex
- Repairs to a number of the Homestead's windows
- Ceiling replacement at the Old Schoolmaster's House

Edenvale Landscape Management Plan

The Edenvale Landscape Management Plan for the Edenvale Heritage Precinct was finalised and adopted by Council in the second half of 2018.

The purpose of the management plan is to provide a clear strategic framework for landscape works based on sustainability principles. It has been developed to address a number of practical site issues including site drainage, a poor path network, succession planning for many of the mature trees that are reaching the end of their life and to unify existing colour and material schemes based on the heritage significance of the Precinct.

The first stage of implementation will be undertaken in the 2019-20 financial year. Works will include the reconstruction of the Liveringa Homestead well, landscaping of the area along the south eastern corner of the front garden, tree replacement for those lost in recent years, fencing works adjacent to Henry Street and new decking under the ficus tree adjacent to Liveringa Homestead.

Murray River Square and Foreshore Redevelopment

Designs for the next key stage of Pinjarra's Murray River Foreshore Masterplan, the redevelopment of the Murray River Square and adjacent foreshore either side of the Swing Bridge, were finalised this year.

Landscape consultants EPCAD were engaged to prepare landscape plans for the precinct, with the aim of designing a high quality and vibrant public space.

The key amenity will be redeveloped to include shaded seating areas, improved pathways and lighting, a small-scale amphitheatre with stage, public art and Aboriginal interpretation as well as improved water accessibility through the construction of a jetty for non-motorised vessels.

4 Well planned, integrated and active places that embrace and respect our rural lifestyle, built and natural environment and heritage

Due diligence is ensuring coordination and integration with associated works and/or proposals for adjoining George Street properties, including the Exchange Hotel and Police Station.

The project will enhance the character of Pinjarra, encourage activity, longer visitation and a diverse range of formal and informal activities including events in both the square and foreshore areas.

The project is proudly supported by the State Government's Regional Grant Scheme and Local Projects Local Jobs Grant Scheme, Lotterywest, Alcoa and the Shire of Murray.

Exchange Hotel Redevelopment

Conservation works at the former Exchange Hotel site commenced in February 2019 thanks to funding assistance from Alcoa.

The works were undertaken to protect the 1866 Dr Bedingfeld Cottage and 1925 accommodation, kitchen and dining sections and remove building extensions added onto the heritage components in subsequent years.

Works were further undertaken to expose the potential of the site to entice developers and de-risk the site through structural repairs and reroofing including the installation of new roof plumbing.

Conservation works were completed in mid July 2019.

The Shire continued fielding enquiries from developers interested in revitalising the key site, with discussions continuing with one proponent into the 2018-19 financial year.

St John's Church

Pinjarra's much-loved St John's Church was reopened to the public in May 2019 following conservation works, undertaken to address damage to the church roof and walls that was threatening the building's structural integrity.

The reopening took place a little over a year from the commencement of the fundraising campaign for the St John's Church Heritage Appeal.

In January 2019, the Bishop of Bunbury, the Right Reverend Dr. Ian Coultts formally de-consecrated the Church and handed the keys to Shire of Murray President Cr. David Bolt, following the signing of an agreement that named the Shire as the new owners.

The de-consecration followed the Diocese of Bunbury's decision to gift the church to the Shire of Murray, to ensure it continues to be used by the community into the future.

The St John's Church conservation project is an apt example of what can be achieved when the community and Shire work together to deliver community-driven initiatives.

The Shire is working to activate the building through hire opportunities including weddings, christenings and networking events as well as tourism and education opportunities.

Conservation works were made possible by a significant community contribution acquired through fundraising campaign efforts and the Shire of Murray.

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Roadworks

Through the Regional Road Group, further improvements were undertaken on Del Park Road and East Coolup Road with design works progressing for Paterson Road and Burnside Road.

Funding from the State Government enabled the completion of Blackspot projects along the alignment of Del Park Road to address safety concerns.

Funding through the Roads to Recovery program enabled the completion of improvement works for Curtis Lane and the first stage of the reconstruction of Culeenup Road including resheeting and reseal works.

Further works were undertaken along Boyd Road, with considerable investment in the renewal of the road network comprising resheeting, resealing, drainage and kerbing.

Bridge Program

Continual review and maintenance of Shire bridges has ensured assets meet required standards. Works are logged through Main Roads as part of an overarching assessment and management strategy.

Significant works were completed to the Nanga Road and Paterson Road bridges.

The Shire and Main Roads progressed planning for future bridge replacement and management, completing designs for the North Yunderup bridge programmed for replacement in the 2019-20 financial year.

Development - Lot 102 Lakes Road

The development of 10 new residential lots within lot 102 Lakes Road in North Dandalup, was completed this year.

Final clearance and business case development for the sale of the lots will be progressed within the 2019-20 financial year.

Improved Play Space and Amenities

A new playground was established at North Pinjarra to provide improved facilities and meet community needs.

Planning and design works for the Murray River Square and foreshore redevelopment have been ongoing to ensure delivery of the project in late 2019. (See Murray River Square and Foreshore Redevelopment)

Renovation of primary sporting ovals continued to ensure an appropriate standard for sporting organisations, while ongoing planting activities continued adding amenity and shade to respective park areas.

Improvement works at the Pinjarra Cemetery included a new lawn cemetery and the development of a new Rotunda, to support the growth within the cemetery but also add amenity for visitors.

Recreational Boating and Waterways

Dredging works to the Yunderup Channel were completed to ensure it is maintained to accommodate the access and egress of boats servicing the Yunderup Canals and Batavia Quays Boat Ramp. Environmental monitoring aligns the Shire's dredging program with Department of Water and Environmental Regulation requirements.

Reconstruction of the Murray Bend Boat Ramp car park and the replacement of the Furnissdale Jetty and Boat Ramp were completed, with funding for both projects secured through the State Government's Recreational Boating Facilities Scheme.

A waterways study, which commenced in the 2017-18 financial year, was completed for the Sandy Cove/Wharf Cove area. The Study identifies opportunities to expand and activate the area.

Shared Path Network

Designs for the expansion of the path network between Pinjarra and Mandurah along Pinjarra Road were progressed. Design for the path from Tonkin Drive to the Kwinana Freeway was completed, with further review of the path alignment to link Ravenswood to the Kwinana Freeway currently underway.

Opportunities to extend the path from Pinjarra to Murray Bend remain under investigation. Due to the adjacent traffic speed along Pinjarra Road, the establishment of the path network is to be placed outside the road reserve. Discussions continue with adjacent landowners to identify possible path alignments.

Alignment of the Pinjarra Road path alongside the South Yunderup intersection was modified away from the riverbank, to address risks related to its proximity.

Waste Management

Unlimited entry tip passes to the Shire's Waste Transfer Stations continue to realise a reduction in illegal dumping and empower residents to dispose of waste responsibly.

As part of the Shire's new waste service, waste contractors commenced bin viewing inspections, primarily of recycle bins. The initiative is being undertaken to educate and engage residents to improve the consistency of recycled material presented.

Initial designs have been completed for modifications to the tipping wall at the Corio Road Waste Transfer Station to improve efficiency and safety at the site. The design addresses height risks and enables better waste separation for processing and disposal into landfill.



5 A healthy and sustainable natural environment

Peel Integrated Water Initiative

A key component of the Peel Integrated Water Initiative under the Transform Peel Program included a study into the feasibility of injecting surface water into the deep Cattamarra aquifer to determine its potential and capacity for large-scale groundwater storage. Installation of groundwater test bores on site at the Peel Business Park was made possible by an Australian Government grant as part of the Managed Aquifer Recharge Feasibility Study program.

Modelled water demand scenarios carried out by Department of Water indicate that conventional water supplies may be fully allocated across the water catchment area within a few years. A water supply strategy for the Peel Food Zone and Peel Business Park is needed and should incorporate all supply options, including conventional groundwater, supply from drains, managed aquifer recharge and treated waste water from the Gordon Road Waste Water Treatment Plant.

Managed Aquifer Recharge is likely to be a significant part of this strategy, with potential storage capacity in the Cattamarra Aquifer in the order of 50 gigalitres, roughly equivalent to the storage capacity of the Mundaring Weir.

Prior to progressing to a pilot water reuse trial, a commercial and economic feasibility study for Managed Aquifer Recharge will need to be undertaken to assess water demand, potential industry, urban and agricultural users and cost benefit analysis.

The conclusions presented in the final feasibility report indicate that it is appropriate to progress to a more specific trial to confirm system operability.

Prior to the commencement of the next trial, it is likely that an economic feasibility assessment will be completed to gain a better understanding of the costs required to establish a full water supply scheme, ongoing operational costs and to identify end users.

Coastal Hazard Risk Management and Adaptation Plan

Murray's estuarine coast, tidal rivers and low lying land make it vulnerable to erosion and inundation with climate change expected to increase impacts in the future.

The Shire this year readied itself for the preparation of a Coastal Hazard Risk Management and Adaptation Plan in the 2019-20 financial year.

The Plan will adopt a collaborative process to identify coastal hazards, community values and assets, assess risks and identify a range of treatment or adaptation options.

Plan development will commence in the second half of 2019, employing a workshop to build community knowledge about Murray's coastal issues, the plan development process and opportunities for community input.

The project was made possible through a \$75,000 grant from the Western Australian Planning Commission.

5 A healthy and sustainable natural environment

Community Focused Environmental Projects

Planting efforts continued over the financial year, with over 15,000 seedlings planted in Shire reserves through partnerships with Greening Australia, Men of the Trees, Alcoa, Accor Hotels, MZI Resources, Peel Harvey Catchment Council, Landcare SJ and local primary schools.

Murray's first World Environment Day event was held in Pinjarra on a rainy Saturday in June, with over 100 community volunteers sparing their time to plant 3,000 trees along the Murray River Foreshore. Attendees met Rex the Black Cockatoo and learnt about the benefits of worm farms and planting flora for native birds.

Bank stabilisation work on a section of the Murray River in George Brooke Reserve, was undertaken in March to minimise undercutting of the riverbank.

Representatives from Greening Australia, Shire of Murray, Syrinx Environmental and the local Noongar community joined forces to successfully deliver the project.

This collaborative, community undertaking is a progressive step toward the preservation and rehabilitation of George Brook Reserve, working to increase its biodiversity and habitat value.

It is also an important step towards slowing the erosion along the river, while cultivating collaboration between the local Aboriginal community and local land managers.

The Shire held discussions with Landcare SJ regarding the establishment of a partnership for the provision of landcare support throughout the Shire of Murray.

The partnership would ensure access to local rural landcare and equine land management expertise, advice and support and pest control provisions on private land as well as assist with the rehabilitation of bushland and wetlands and dieback management.

Over the past two years the Shire has worked directly with interested landowners to facilitate the protection of natural areas in private estates. The initiative has been well received and will continue in forthcoming financial years.

Sustainability Initiatives

As part of the Shire's Waterwise Council status, it is required to provide annual reports to the Water Corporation and Department of Water and Environmental Regulation for Shire managed assets, including the Murray Aquatic and Leisure Centre (MALC).

Various water saving initiatives at MALC have this year realised a significant decrease in water consumption on a per patron basis, when compared to last year's usage.

The Shire has also established waterwise demonstration projects in the Pinjarra town centre including a waterwise verge adjacent to the Telstra Exchange building and a waterwise garden at The Court House, Pinjarra.

The Shire also held a well-attended drop-in day to create community awareness about the home energy efficiency kit that is available for resident use.

5 A healthy and sustainable natural environment

Mosquito Management

The 2018-19 mosquito season saw the lowest numbers of mosquitoes in the last three years.

Seasonal conditions were generally drier than usual, with lower tides.

The usual spike in mosquito numbers was experienced in spring, which caused some nuisance into early summer, when mosquito numbers reduced to low levels.

While mosquito numbers were relatively low in summer, there were greater proportions of aggressive mosquitoes.

As a member of the Peel Mosquito Management Group, the Shire of Murray closely monitored mosquito activity and salt marshes were treated regularly during periods of intensive mosquito breeding, to regulate mosquito numbers.

In the 2018-19 financial year 13 helicopter treatments were undertaken, covering nearly 1,500ha. The largest treatment of 200ha was one of the most sizeable treatments undertaken in the last five years.

Cases of Ross River Virus were relatively low, at 18 in the year, with most cases occurring in South Yunderup and Barragup.

In addition to treating mosquito breeding areas, the Shire provided information to residents on person protection measures, including holding a stall at the Pinjarra Festival.

As part of the Peel Mosquito Management Group, the Shire also developed and released several videos via its newsletter and YouTube channel, to explain the operations of the mosquito program.

Living in Sheds

An audit of sheds in special rural areas was undertaken, in response to complaints received regarding people living in sheds without approval.

A total of 34 properties were visited, with most landowners found to be holding existing temporary accommodation approval or sheds not being used for habitation.

Six properties required further directions or notices to achieve compliance, either by residents moving out of their sheds or receiving a 12 month temporary accommodation approval from the Shire while a dwelling was being constructed on the property.

The Shire will continue to monitor the use of sheds, to ensure compliance with respective regulations.

Temporary approvals are granted as a short term measure to facilitate the construction of quality housing, for the benefit of individual property owners as well as the entire neighbourhood.



Major Grant Funding

Funding Agency	Project	Amount	
GRANTS COMMISSION (DEPARTMENT OF TREASURY WESTERN AUSTRALIA)	General Purpose Grant	898,941	
	Untied Roads Grant	885,302	
ALCOA	Annual Community Partnership	256,462	
	Del Park Road	70,000	
	Dwellingup National Trails Centre Project	50,000	
	Dwellingup Community Grant Scheme	55,000	
DEPARTMENT OF FIRE AND EMERGENCY SERVICES	Volunteer Bushfire Brigade Operating	256,432	
	State Emergency Service Operating	39,498	
	Community Emergency Service Coordinator	46,770	
	Bushfire Risk Management Planning Program	185,829	
WA PRIMARY HEALTH ALLIANCE	ATSI Mental Health	85,000	
LOTTERYWEST	Pinjarra Festival	26,000	
	Murray Community Christmas Celebration	7,000	
	Dwellingup National Trails Centre Project	251,000	
DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION	Better Bins Kerbside Collection Program	76,500	
MAIN ROADS WA	Direct Grant	195,882	
		Burnside Road	30,000
	Regional Road Group	East Coolup Road	200,000
		Paterson Road	30,000
		Del Park Road	230,000
		State Blackspot - Del Park Road	342,000

Funding Agency/Program	Project	Amount
DEPARTMENT OF TRANSPORT	Recreational Boating Facilities	381,071
	Regional Bicycle Network	20,750
DEPARTMENT OF INDUSTRY	CCTV - Safer Communities	145,033
STRONGER COMMUNITIES PROGRAMME	North Dandalup Hall	20,000
	North Pinjarra Playground Construction Project	20,000
ROADS TO RECOVERY		198,740
DEPARTMENT OF LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES	Dwellingup National Trails Centre Project	251,000
DEPARTMENT OF COMMUNITIES	Youth Engagement	5,000
KEYSBROOK LEUCOXENE PTY LTD	Haulage Contributions	30,941
DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT	Agri-Innovation Precinct	23,651
PEEL DEVELOPMENT COMMISSION	Dwellingup Trails	5,000
	Transform Peel Project Management	40,000
	Murrayfield Airport	25,000
RAVENSWOOD COMMUNITY GROUP	Moondyne Ramble Public Open Space	9,500
DEPARTMENT OF EDUCATION WESTERN AUSTRALIA	Sir Ross McLarty Oval Maintenance	13,548
CELEBRATE WESTERN AUSTRALIA	Alcoa Pinjarra WA Day Concert 2019	32,000
URBAN RESOURCES	Haulage Contributions	21,094
RACING AND WAGERING WESTERN AUSTRALIA	Peel Racing and Pacing Business Cases	13,489
MURRAY EQUESTRIAN ASSOCIATION	Contribution to Solar Panels	23,181
TOURISM WESTERN AUSTRALIA	Pinjarra Festival	26,000
DEPARTMENT OF JOBS, TOURISM, SCIENCE AND INNOVATION	Library Steam	10,000

Awards and Accreditations

Shire of Murray

Waterwise Program
Waterwise Council

LGIS Diligence in Safety Award
Tier 3 Silver Certificate

Worksafe Plan Certificates of Achievement
Worksafe Gold Certificate of Achievement

Murray Aquatic and Leisure Centre

Waterwise Aquatic Centre Program
Waterwise Aquatic Centre

Complaints

During the report period, no complaints were lodged regarding minor breaches, as defined in the Local Government Rules of Conduct Regulations.

Employees Paid Over \$100,000

Salary Band	No. of Employees
100,000 - 109,999	3
110,000 - 119,999	7
120,000 - 129,999	-
130,000 - 139,999	3
140,000 - 149,999	1
150,000 - 159,999	-
160,000 - 169,999	1
250,000 - 259,000	1
Total	16

Statutory Reports Records Management

The role of the Shire's Records department is to ensure accurate and efficient capturing of 'records' into the Shire's Electronic Document Management System, while complying with the State Records Act 2000 and the Shire's Record Keeping Plan.

Disposal or Deletion of Records

Under the State Records Act 2000, all records created, received and maintained by the Shire of Murray must be disposed of in accordance with the General Disposal Authority for Local Government Records.

The Disposal Authority defines the minimum periods of time that different classes of records must be kept (retention periods) and provides guidelines for destruction of records after they have met the retention requirements of the schedule.

Disposal of records occurs annually in accordance with the State Records Act 2000 guidelines.

Training

Attendance at a Record Keeping induction session is compulsory for all staff that will create, collect and use records during their employment at the Shire of Murray.

Audits

Regular audits are carried out in relation to the location of files and the length of time that the file has been removed from the Records office.

All documents entered into the Shire of Murray's records system are audited by qualified Record Management Officers to ensure the accuracy of these records.

Reports

Reports are carried out on a daily, weekly and monthly basis to ensure that correspondence is handled efficiently and promptly.

Freedom of Information

In accordance with the Freedom of Information Act 1992 a total of seven Freedom of Information applications were processed during the year.



Disability Access and Inclusion Plan Report 2018-2019

The Shire of Murray is committed to ensuring that the community is accessible to, and inclusive of, people with disability, their families and carers.

Implementation of the Shire's Disability Access and Inclusion Plan (DAIP) ensures continuous improvement in the areas of access to information, facilities and services for this segment of the community.

As required by the Disability Services Commission, the Shire completed and submitted its 2018-2019 Progress Report to identify completed and partially completed strategies and tasks, consistent with the seven identified outcomes listed in the Plan.

To ensure that implementation of the Plan remains on target, the DAIP Working Group meets quarterly to advise and make recommendations to Council.

The Shire of Murray is progressing the implementation of its DAIP, with an overview of relevant achievements for 2018-19 provided in this report.

Outcome 1:

People with disability have the same opportunities as other people to access the services of, and any events organised by, the Shire of Murray.

Shire officers continue to ensure that they coordinate and run events that are inclusive for all members of the community.

For the Shire's larger events, onsite pre-event evaluations are conducted at venues and locations to determine accessibility, with reports referred to the Working Group for comment.

Activities conducted by Murray Aquatic and Leisure Centre and the Murray Library are also inclusive.

Outcome 2:

People with disability have the same opportunities as other people to access the buildings and other facilities of the Shire of Murray.

Officer audits of several public locations, resulted in the establishment of additional ACROD parking.

Other minor Working Group recommendations were provided to the Shire's Building Services team through works requests.

The Working Group is consulted in the development of new Shire facilities, buildings and public places especially relating to universal accessibility and Building, Planning and Technical Service officers regularly attend Working Group meetings.

Outcome 3:

People with disability receive information from the Shire of Murray in a format that will enable them to access the information as readily as other people are able to access it.

An audit of the Shire's website was undertaken and recommendations provided to the Communications and Marketing team to inform future website development works.



Outcome 4:

People with disability receive the same level and quality of service from the employees of the Shire of Murray as other people receive.

The Disability Access and Inclusion Committee provides feedback on improvements in service provision for people living with disabilities. The Committee meets quarterly or as required.

Outcome 5:

People with disability have the same opportunities as other people to make complaints to the Shire of Murray.

Customer Service staff are responsive to the needs of individual residents. Officers assist with the completion of complaint forms on an as needs basis.

Outcome 6:

People with disability have the same opportunities as other people to participate in any public consultation by the Shire of Murray.

In 2018, the Shire of Murray launched an online engagement platform, YourSay. The site has been reviewed and is accessible.

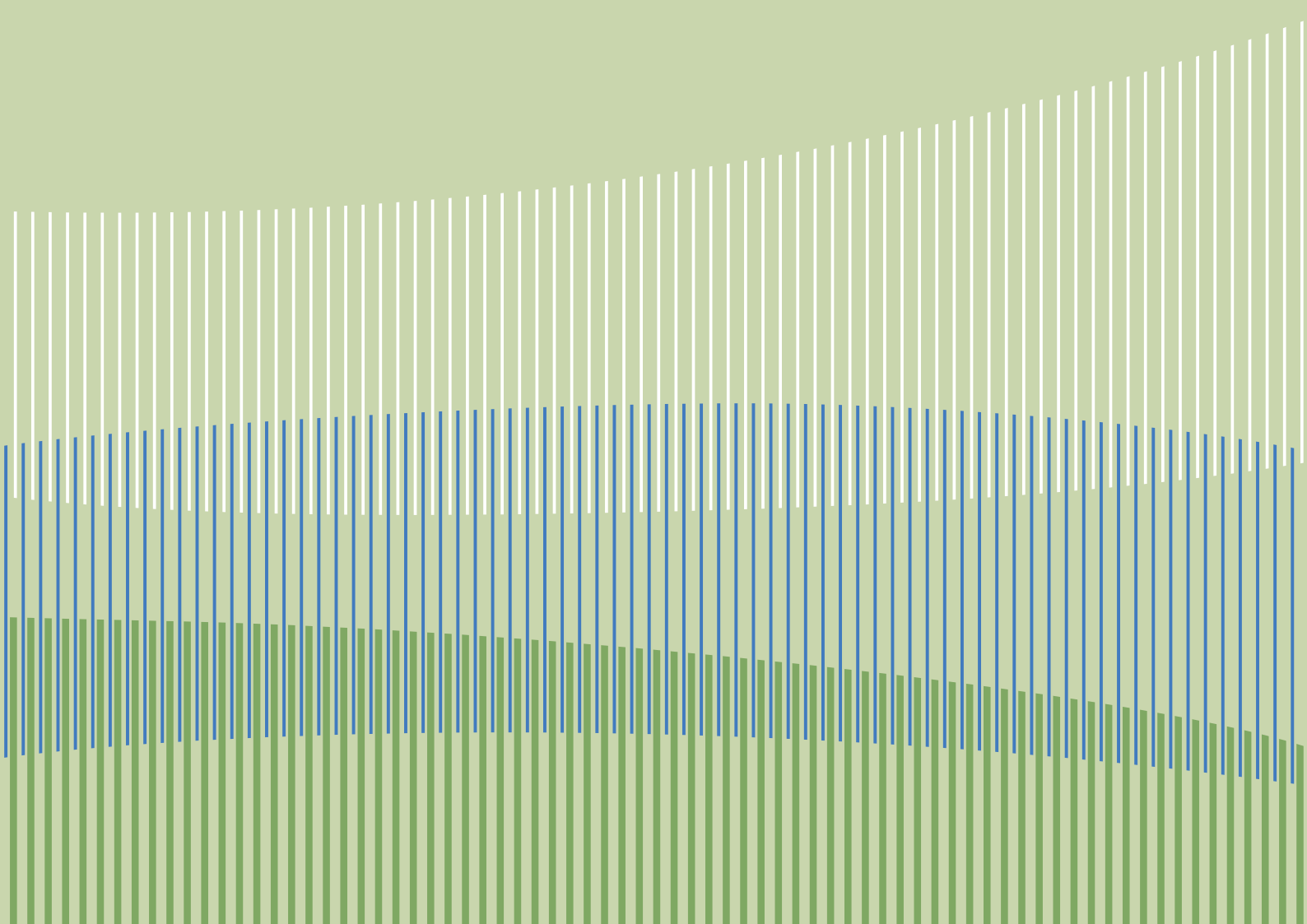
Outcome 7:

People with disability have the same opportunities as other people to obtain and maintain employment with the Shire of Murray.

Officers have established a relationship with the local Disability Employment Service provider, to ensure opportunities are maximised.

Annual Financial Report

2018-2019



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

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COMMUNITY VISION

By 2030, the Shire of Murray will be a place where business thrives, we protect our environment, and all people enjoy an outstanding quality of life.

We will be an organisation with a can-do attitude that strives for service excellence, continued improvement and a commitment to outcomes.

Principal place of business: 1915 Pinjarra Road, Pinjarra WA

**SHIRE OF MURRAY
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Murray 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 Murray 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 first day of November 2019



Chief Executive Officer

Dean Leonard Unsworth

Name of Chief Executive Officer

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
Rates	25(a)	16,441,728	16,790,537	16,410,451
Operating grants, subsidies and contributions	2(a)	3,381,351	1,603,185	3,236,216
Fees and charges	2(a)	5,685,837	5,635,139	5,528,744
Interest earnings	2(a)	675,024	567,078	636,741
Other revenue	2(a)	727,901	245,548	486,743
		26,911,841	24,841,487	26,298,895
Expenses				
Employee costs		(11,694,233)	(11,816,750)	(11,388,391)
Materials and contracts		(8,463,161)	(10,271,871)	(8,929,802)
Utility charges		(816,753)	(880,900)	(831,077)
Depreciation on non-current assets	11(b)	(6,175,944)	(5,557,626)	(5,437,650)
Interest expenses	2(b)	(155,245)	(158,087)	(264,528)
Insurance expenses		(401,278)	(423,703)	(385,983)
Other expenditure		(640,093)	(722,374)	(562,433)
		(28,346,707)	(29,831,311)	(27,799,864)
		(1,434,866)	(4,989,824)	(1,500,969)
Non-operating grants, subsidies and contributions	2(a)	3,778,712	4,570,640	8,743,571
Profit on asset disposals	11(a)	17,301	2,595	14,526
(Loss) on asset disposals	11(a)	(60,959)	(54,791)	(59,674)
		3,735,054	4,518,444	8,698,423
Net result for the period		2,300,188	(471,380)	7,197,454
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	(150,772)
Total other comprehensive income for the period		0	0	(150,772)
Total comprehensive income for the period		2,300,188	(471,380)	7,046,682

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
	2(a)			
Governance		175,948	50,942	146,014
General purpose funding		18,867,054	18,148,027	18,779,787
Law, order, public safety		736,379	493,968	544,448
Health		133,424	117,126	137,380
Education and welfare		104,492	1,705	102,306
Housing		28,728	48,657	47,680
Community amenities		3,546,606	3,507,477	3,400,114
Recreation and culture		1,304,337	1,091,010	1,115,188
Transport		712,736	424,085	372,610
Economic services		673,621	522,504	1,149,561
Other property and services		628,516	435,986	503,807
		26,911,841	24,841,487	26,298,895
Expenses				
	2(b)			
Governance		(2,076,084)	(1,990,492)	(1,791,817)
General purpose funding		(429,686)	(389,751)	(355,410)
Law, order, public safety		(1,547,314)	(1,676,715)	(1,548,985)
Health		(699,051)	(761,876)	(734,164)
Education and welfare		(262,696)	(178,995)	(284,030)
Housing		(34,366)	(27,792)	(32,445)
Community amenities		(5,181,648)	(6,056,511)	(5,111,147)
Recreation and culture		(6,479,533)	(6,679,929)	(6,349,456)
Transport		(8,628,496)	(9,112,568)	(7,894,352)
Economic services		(2,297,705)	(2,504,221)	(3,022,437)
Other property and services		(554,883)	(294,374)	(411,093)
		(28,191,462)	(29,673,224)	(27,535,336)
Finance Costs				
	2(b)			
Governance		(31,487)	(33,444)	(40,347)
Law, order, public safety		0	0	(82,886)
Recreation and culture		(66,225)	(66,963)	(81,504)
Transport		(28,461)	(28,502)	(29,519)
Economic services		(29,072)	(29,178)	(30,272)
		(155,245)	(158,087)	(264,528)
		(1,434,866)	(4,989,824)	(1,500,969)
Non-operating grants, subsidies and contributions	2(a)	3,778,712	4,570,640	8,743,571
Profit on disposal of assets	11(a)	17,301	2,595	14,526
(Loss) on disposal of assets	11(a)	(60,959)	(54,791)	(59,674)
		3,735,054	4,518,444	8,698,423
Net result for the period		2,300,188	(471,380)	7,197,454
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	(150,772)
Total other comprehensive income for the period		0	0	(150,772)
Total comprehensive income for the period		2,300,188	(471,380)	7,046,682

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

SHIRE OF MURRAY
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2019

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	3	16,291,661	15,897,355
Trade receivables	5	2,687,143	2,021,018
Other financial assets at amortised cost	8(a)	40,399	39,571
Inventories	6	30,094	36,174
Other current assets	7	110,547	99,481
TOTAL CURRENT ASSETS		19,159,844	18,093,599
NON-CURRENT ASSETS			
Trade receivables	5	449,760	464,689
Other financial assets at amortised cost	8(b)	149,773	0
Other loans and receivables	8(b)	0	102,586
Property, plant and equipment	9	63,524,885	61,478,752
Infrastructure	10	210,047,510	209,557,029
TOTAL NON-CURRENT ASSETS		274,171,928	271,603,056
TOTAL ASSETS		293,331,772	289,696,655
CURRENT LIABILITIES			
Trade and other payables	13	3,090,196	1,673,331
Current portion of long term borrowings	14(a)	535,268	548,315
Employee related provisions	15	2,366,226	2,176,879
TOTAL CURRENT LIABILITIES		5,991,690	4,398,525
NON-CURRENT LIABILITIES			
Long term borrowings	14(a)	2,902,342	3,115,610
Employee related provisions	15	203,339	248,307
TOTAL NON-CURRENT LIABILITIES		3,105,681	3,363,917
TOTAL LIABILITIES		9,097,371	7,762,442
NET ASSETS		284,234,401	281,934,213
EQUITY			
Retained surplus		106,260,340	103,149,038
Reserves - cash backed	4	9,257,034	10,068,148
Revaluation surplus	12	168,717,027	168,717,027
TOTAL EQUITY		284,234,401	281,934,213

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

SHIRE OF MURRAY
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		97,100,145	8,919,587	168,867,799	274,887,531
Comprehensive income					
Net result for the period		7,197,454	0	0	7,197,454
Other comprehensive income	12	0	0	(150,772)	(150,772)
Total comprehensive income		7,197,454	0	(150,772)	7,046,682
Transfers from/(to) reserves		(1,148,561)	1,148,561	0	0
Balance as at 30 June 2018		103,149,038	10,068,148	168,717,027	281,934,213
Comprehensive income					
Net result for the period		2,300,188	0	0	2,300,188
Other comprehensive income	12	0	0	0	0
Total comprehensive income		2,300,188	0	0	2,300,188
Transfers from/(to) reserves		811,114	(811,114)	0	0
Balance as at 30 June 2019		106,260,340	9,257,034	168,717,027	284,234,401

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

SHIRE OF MURRAY
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		16,470,299	16,518,564	16,086,283
Operating grants, subsidies and contributions		3,002,612	1,723,373	3,584,682
Fees and charges		5,922,256	5,700,139	5,528,744
Interest received		676,596	567,078	652,148
Goods and services tax received		1,909,055	1,775,751	1,633,502
Other revenue		727,901	108,161	253,046
		28,708,719	26,393,066	27,738,405
Payments				
Employee costs		(11,573,596)	(11,814,750)	(11,204,358)
Materials and contracts		(7,457,034)	(10,330,646)	(10,205,747)
Utility charges		(816,753)	(845,900)	(831,077)
Interest expenses		(158,280)	(158,087)	(272,194)
Insurance paid		(401,278)	(423,703)	(385,983)
Goods and services tax paid		(2,015,545)	(1,795,751)	(1,544,148)
Other expenditure		(640,093)	(722,374)	(562,433)
		(23,062,579)	(26,091,211)	(25,005,940)
Net cash provided by (used in) operating activities	16	5,646,140	301,855	2,732,465
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(3,779,321)	(4,572,723)	(1,603,808)
Payments for construction of infrastructure		(5,323,995)	(9,193,304)	(8,627,595)
Payments for financial assets at fair value through profit and loss		(87,586)	0	0
Non-operating grants, subsidies and contributions		3,778,712	4,570,640	8,743,571
Proceeds from self supporting loans		39,571	39,571	38,761
Proceeds from sale of property, plant & equipment		347,100	330,975	926,887
Net cash provided by (used in) investment activities		(5,025,519)	(8,824,841)	(522,184)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings		(548,315)	(548,315)	(1,069,525)
Proceeds from new borrowings		322,000	1,647,000	0
Net cash provided by (used in) financing activities		(226,315)	1,098,685	(1,069,525)
Net increase (decrease) in cash held		394,306	(7,424,301)	1,140,756
Cash at beginning of year		15,897,355	15,903,904	14,756,599
Cash and cash equivalents at the end of the year	16	16,291,661	8,479,603	15,897,355

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

SHIRE OF MURRAY
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)	26 (b)	4,732,672	3,987,871	3,598,450
		4,732,672	3,987,871	3,598,450
Revenue from operating activities (excluding rates)				
Governance		176,850	50,942	146,014
General purpose funding		2,614,129	1,544,804	2,544,019
Law, order, public safety		736,379	493,968	544,448
Health		133,424	117,126	137,380
Education and welfare		104,492	1,705	102,306
Housing		28,728	48,657	47,680
Community amenities		3,546,606	3,507,477	3,400,114
Recreation and culture		1,310,344	1,093,605	1,116,505
Transport		723,128	424,085	385,791
Economic services		673,621	522,504	1,149,589
Other property and services		628,516	435,986	503,807
		10,676,217	8,240,859	10,077,653
Expenditure from operating activities				
Governance		(2,112,976)	(2,032,985)	(1,832,164)
General purpose funding		(429,686)	(389,751)	(355,410)
Law, order, public safety		(1,555,006)	(1,676,715)	(1,631,871)
Health		(699,842)	(762,983)	(734,164)
Education and welfare		(262,696)	(178,995)	(284,030)
Housing		(34,366)	(27,792)	(32,445)
Community amenities		(5,182,926)	(6,056,511)	(5,114,424)
Recreation and culture		(6,553,105)	(6,749,250)	(6,430,960)
Transport		(8,684,648)	(9,181,147)	(7,973,746)
Economic services		(2,327,649)	(2,535,599)	(3,052,709)
Other property and services		(564,766)	(294,374)	(417,615)
		(28,407,666)	(29,886,102)	(27,859,538)
Non-cash amounts excluded from operating activities	26(a)	6,189,563	5,491,930	5,420,609
Amount attributable to operating activities		(6,809,214)	(12,165,442)	(8,762,826)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		3,778,712	4,570,640	8,743,571
Proceeds from disposal of assets	11(a)	347,100	330,975	926,887
Proceeds from self supporting loans	14(b)	39,571	39,571	38,761
Purchase of property, plant and equipment	9(a)	(3,779,321)	(4,572,723)	(1,603,808)
Purchase and construction of infrastructure	10(a)	(5,323,995)	(9,193,304)	(8,627,595)
Amount attributable to investing activities		(4,937,933)	(8,824,841)	(522,184)
FINANCING ACTIVITIES				
Units in Local Government House Trust		(87,586)		0
Repayment of borrowings	14(b)	(548,315)	(548,315)	(1,069,525)
Proceeds from borrowings	14(c)	322,000	1,647,000	0
Transfers to reserves (restricted assets)	4	(4,953,796)	(4,004,348)	(5,994,514)
Transfers from reserves (restricted assets)	4	5,764,910	7,322,524	4,845,953
Amount attributable to financing activities		497,213	4,416,861	(2,218,086)
Surplus/(deficit) before imposition of general rates		(11,249,934)	(16,573,422)	(11,503,096)
Total amount raised from general rates	25(a)	16,252,925	16,603,223	16,235,768
Surplus/(deficit) after imposition of general rates	26(b)	5,002,991	29,801	4,732,672

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

SHIRE OF MURRAY
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 28 to these financial statements.

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Operating grants, subsidies and contributions			
General purpose funding	1,784,243	808,498	1,737,436
Law, order, public safety	539,950	349,366	349,218
Education and welfare	101,795	1,000	101,630
Community amenities	79,322	14,152	39,295
Recreation and culture	208,206	182,583	215,387
Transport	546,042	244,586	184,717
Economic services	121,793	3,000	608,533
	3,381,351	1,603,185	3,236,216
Non-operating grants, subsidies and contributions			
General purpose funding	256,462	256,462	254,174
Law, order, public safety	145,032	0	631,897
Community amenities	0	10,000	42,854
Recreation and culture	719,199	479,603	598,497
Transport	2,102,019	2,371,988	6,925,522
Economic services	556,000	1,452,587	290,627
	3,778,712	4,570,640	8,743,571
Total grants, subsidies and contributions	7,160,063	6,173,825	11,979,787

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 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 24.

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Significant revenue

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Gifted road infrastructure	0	0	1,992,261
Gifted footpath infrastructure	0	0	147,069
Gifted drainage infrastructure	0	0	354,776
Gifted land and building infrastructure	584,923	0	0
Gifted other infrastructure	0	0	383,614
	584,923	0	2,877,720

Other revenue

Reimbursements and recoveries	265,528	137,387	233,697
Subsidies and Contributions	462,373	108,161	253,046
	727,901	245,548	486,743

Fees and Charges

Governance	366	306	817
General purpose funding	150,600	158,228	151,998
Law, order, public safety	161,835	121,761	165,621
Health	133,424	117,126	137,380
Education and welfare	1,715	107	154
Housing	28,496	48,398	47,169
Community amenities	3,375,612	3,482,800	3,350,644
Recreation and culture	822,888	822,515	785,700
Transport	21,647	35,075	46,390
Economic services	519,904	500,797	491,649
Other property and services	469,350	348,026	351,222
	5,685,837	5,635,139	5,528,744

Interest earnings

Reserve accounts interest	217,414	170,000	186,403
Rates instalment and penalty interest (refer Note 25(d))	290,951	254,278	270,663
Other interest earnings	166,659	142,800	179,675
	675,024	567,078	636,741

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Grant acquittal audits
- Financial Management Systems Review

Interest expenses (finance costs)

Borrowings (refer Note 14(b))

Operating lease expenses

- Office equipment
- Plant and equipment

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
	17,800	18,700	18,790
	2,620	4,900	902
	4,500	0	0
	24,920	23,600	19,692
	155,245	158,087	264,528
	155,245	158,087	264,528
	260,703	244,957	239,031
	50,328	52,144	45,975
	311,031	297,101	285,006

SHIRE OF MURRAY
 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		14,273,610	6,371,599
Term deposits		2,018,051	9,525,756
		16,291,661	15,897,355
Comprises:			
- Unrestricted cash and cash equivalents		7,034,627	5,829,207
- Restricted cash and cash equivalents		9,257,034	10,068,148
		16,291,661	15,897,355
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Leave Reserve	4	597,002	597,002
Workers Compensation Reserve	4	198,003	198,003
Waste Management Reserve	4	2,351,685	2,076,488
Peel Mosquito Management Reserve	4	15,856	13,162
Unspent Grants, Contributions & Loans Reserve	4	1,043,186	2,087,857
Yunderup Canal General Maintenance Reserve	4	244,055	200,818
Willow Gardens General Canal Maintenance Reserve	4	68,568	63,163
Murray Lakes General Canal Maintenance Reserve	4	322,700	302,774
Entrance Channel Reserve	4	102,324	330,048
Austin Lakes Phase 2 Maintenance Reserve	4	193,982	150,226
Asset Enhancement Reserve	4	824,231	1,668,449
Building Renewal Reserve	4	184,358	120,455
Plant & Vehicle Reserve	4	845,869	711,494
Road, Drainage & Pathway Reserve	4	256,474	235,551
Parks & Recreation Reserve	4	216,052	181,408
Heritage Rail Precinct Reserve	4	59,834	22,973
General Developers Reserve	4	657,910	142,823
Austin Lakes Asset Replacement Reserve	4	659,738	642,640
Murray Leisure Centre Capital Reserve	4	296,214	231,631
Herron Point Reserve	4	118,993	91,183
Total restricted cash and cash equivalents		9,257,034	10,068,148

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

4. RESERVES - CASH BACKED

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Transfer (from)	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	597,002	0	0	597,002	597,002	0	(117,892)	479,110	597,002	0	0	597,002
(b) Workers Compensation Reserve	198,003	0	0	198,003	198,003	0	0	198,003	135,779	62,224	0	198,003
(c) Waste Management Reserve	2,076,488	3,270,888	(2,995,691)	2,351,685	2,069,985	3,282,175	(3,081,809)	2,270,351	1,786,986	3,115,929	(2,826,427)	2,076,488
(d) Peel Mosquito Management Reserve	13,162	2,694	0	15,856	13,162	2,500	0	15,662	10,939	2,223	0	13,162
(e) Unspent Grants, Contributions & Loans Reserve	2,087,857	388,093	(1,432,764)	1,043,186	2,089,856	0	(1,953,093)	136,763	1,441,899	1,270,560	(624,602)	2,087,857
(f) Yunderup Canal General Maintenance Reserve	200,818	50,439	(7,202)	244,055	199,952	50,150	(34,846)	215,256	159,519	49,141	(7,842)	200,818
(g) Willow Gardens General Canal Maintenance Reserve	63,163	6,246	(841)	68,568	63,633	6,246	(4,065)	65,814	58,292	6,124	(1,253)	63,163
(h) Murray Lakes General Canal Maintenance Reserve	302,774	31,396	(11,470)	322,700	302,942	31,373	(29,165)	305,150	284,049	30,718	(11,993)	302,774
(i) Entrance Channel Reserve	330,048	113,930	(341,654)	102,324	497,362	113,310	(301,917)	308,755	639,354	111,040	(420,346)	330,048
(j) Austin Lakes Phase 2 Maintenance Reserve	150,226	43,756	0	193,982	150,226	42,890	0	193,116	117,045	33,181	0	150,226
(k) Asset Enhancement Reserve	1,668,449	60,000	(904,218)	824,231	1,668,445	40,000	(1,514,184)	194,261	1,309,950	752,825	(394,326)	1,668,449
(l) Building Renewal Reserve	120,455	63,903	0	184,358	111,049	63,903	0	174,952	254,952	9,406	(143,903)	120,455
(m) Plant & Vehicle Reserve	711,494	134,375	0	845,869	612,671	134,375	0	747,046	612,671	98,823	0	711,494
(n) Road, Drainage & Pathway Reserve	235,551	53,929	(33,006)	256,474	235,551	30,240	(175,071)	90,720	305,311	30,240	(100,000)	235,551
(o) Parks & Recreation Reserve	181,408	34,644	0	216,052	181,408	34,644	0	216,052	256,292	0	(74,884)	181,408
(p) Heritage Rail Precinct Reserve	22,973	52,319	(15,458)	59,834	23,486	45,229	(7,579)	61,136	175,915	43,712	(196,654)	22,973
(q) General Developers Reserve	142,823	515,087	0	657,910	142,823	0	0	142,823	147,383	0	(4,560)	142,823
(r) Austin Lakes Asset Replacement Reserve	642,640	17,098	0	659,738	642,640	21,500	(45,440)	618,700	626,249	16,391	0	642,640
(s) Murray Leisure Centre Capital Reserve	231,631	64,583	0	296,214	231,631	64,583	0	296,214	0	231,631	0	231,631
(t) Herron Point Reserve	91,183	50,416	(22,606)	118,993	90,649	41,230	(57,463)	74,416	0	130,346	(39,163)	91,183
	10,068,148	4,953,796	(5,764,910)	9,257,034	10,122,476	4,004,348	(7,322,524)	6,804,300	8,919,587	5,994,514	(4,845,953)	10,068,148

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Ongoing	Provision for employees and ex-employees leave/termination entitlements.
(b) Workers Compensation Reserve	Ongoing	To provide contingency funds for the annual workers compensation insurance premium under the performance based contributions scheme.
(c) Waste Management Reserve	Ongoing	To provide for current and future waste management services for the Shire of Murray.
(d) Peel Mosquito Management Reserve	Ongoing	To provide contingency funds for the Peel Mosquito Management Group as per the CLAG memorandum of understanding.
(e) Unspent Grants, Contributions & Loans Reserve	2019-20	For the placement of grants, contributions and loan funding that is unlikely to be expended in the current financial year.
(f) Yunderup Canal General Maintenance Reserve	Ongoing	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
(g) Willow Gardens General Canal Maintenance Reserve	Ongoing	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
(h) Murray Lakes General Canal Maintenance Reserve	Ongoing	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
(i) Entrance Channel Reserve	Ongoing	To receive specified area rates for the purpose of dredging the entrance channel to Yunderup Estate and Murray Waters.
(j) Austin Lakes Phase 2 Maintenance Reserve	Ongoing	To receive specified area rates for the purpose of maintaining the lake and public open space in Austin Lakes Phase 2.
(k) Asset Enhancement Reserve	Ongoing	Provision for the construction, acquisition, upgrade or maintenance of property, plant & equipment, excluding heavy plant and light vehicles.
(l) Building Renewal Reserve	Ongoing	Provision for the renewal of building assets.
(m) Plant & Vehicle Reserve	Ongoing	Provision for the replacement or purchase of heavy plant and light vehicles.
(n) Road, Drainage & Pathway Reserve	Ongoing	Provision for the construction, upgrade or renewal of infrastructure assets.
(o) Parks & Recreation Reserve	Ongoing	Provision for the construction, upgrade or renewal of infrastructure assets associated with parks, recreation, waterways and streetscapes.
(p) Heritage Rail Precinct Reserve	Ongoing	Provision for the upgrade and maintenance of the rail heritage building and surrounding precinct.
(q) General Developers Reserve	Ongoing	To receive developer's contributions to assist in the construction or upgrade of infrastructure associated with new land developments.
(r) Austin Lakes Asset Replacement Reserve	Ongoing	To receive developer's contributions to assist in the repair, maintenance and replacement of major infrastructure associated with the lake development at Austin Lakes Estate and to assist in maintaining lake water quality.
(s) Murray Leisure Centre Capital Reserve	Ongoing	Provision for the renewal of capital items at the Murray Aquatic & Leisure Centre.
(t) Herron Point Reserve	Ongoing	To receive excess revenue proceeds from the Herron Point Camping Grounds to assist in the future upgrade and development of the area.

5. TRADE RECEIVABLES

	2019	2018
	\$	\$
Current		
Rates receivable	1,681,767	1,335,191
Sundry receivables	879,435	616,334
GST receivable	125,322	72,077
ATO asset	2,311	0
Allowance for impairment of receivables	(4,623)	(9,318)
Accrued income	0	2,231
Accrued interest	2,931	4,503
	2,687,143	2,021,018
Non-current		
Pensioner's rates and ESL deferred	449,760	394,689
Sundry debtors	0	70,000
	449,760	464,689

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 27.

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

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

6. INVENTORIES

Current

Fuel and materials

	2019	2018
	\$	\$
	30,094	36,174
	30,094	36,174
	36,174	16,536
Inventories expensed during the year	(277,124)	0
Additions to inventory	271,044	19,638
	30,094	36,174

The following movements in inventories occurred during the year:

Carrying amount at 1 July

Inventories expensed during the year

Additions to inventory

Carrying amount at 30 June

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

7. OTHER ASSETS AND ASSETS CLASSIFIED AS HELD FOR SALE

Other current assets

Prepayments

	2019	2018
	\$	\$
	110,547	99,481
	110,547	99,481

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

8. OTHER FINANCIAL ASSETS

	2019	2018
	\$	\$
(a) Current assets		
Other financial assets at amortised cost	40,399	0
Other loans and receivables	0	39,571
	40,399	39,571
Other financial assets at amortised cost		
- Financial assets at amortised cost - self supporting loans	40,399	0
	40,399	0
Financial assets previously classified as loans and receivables		
- Loans receivable - clubs/institutions	0	39,571
	0	39,571
(b) Non-current assets		
Other financial assets at amortised cost	62,187	0
Financial assets at fair value through profit and loss	87,586	0
Other loans and receivables	0	102,586
	149,773	102,586
Other financial assets at amortised cost		
- Financial assets at amortised cost - self supporting loans	62,187	0
	62,187	0
Financial assets at fair value through profit and loss		
- <i>Unlisted equity investments</i>		
Units in Local Government House Trust	87,586	0
	87,586	0
Financial assets previously classified as loans and receivables		
- Loans receivable - clubs/institutions	0	102,586
	0	102,586

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

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 27.

Previous accounting policy: available for sale financial assets

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

Previous accounting policy: Loans and receivables

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

Changes in fair value of Units in Local Government house recognised as non-current financial assets at fair value through profit and loss have not been recognised or considered as they are unlikely to be material and unable to be reliably determined at the time of preparation of these statements.

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	15,464,622	7,000	15,471,622	41,131,009	41,131,009	56,602,631	326,871	5,232,826	62,162,328
Additions	13,070	0	13,070	618,460	618,460	631,530	77,331	894,947	1,603,808
(Disposals)	(549,622)	0	(549,622)	(69,726)	(69,726)	(619,348)	0	(352,687)	(972,035)
Depreciation (expense)	0	0	0	(738,427)	(738,427)	(738,427)	(53,574)	(523,348)	(1,315,349)
Carrying amount at 30 June 2018	14,928,070	7,000	14,935,070	40,941,316	40,941,316	55,876,386	350,628	5,251,738	61,478,752
Comprises:									
Gross carrying amount at 30 June 2018	14,928,070	7,000	14,935,070	41,679,088	41,679,088	56,614,158	455,629	6,123,887	63,193,674
Accumulated depreciation at 30 June 2018	0	0	0	(737,772)	(737,772)	(737,772)	(105,001)	(872,149)	(1,714,922)
Carrying amount at 30 June 2018	14,928,070	7,000	14,935,070	40,941,316	40,941,316	55,876,386	350,628	5,251,738	61,478,752
Additions	1,133,541	0	1,133,541	1,465,037	1,465,037	2,598,578	147,702	1,033,041	3,779,321
(Disposals)	0	0	0	(12,540)	(12,540)	(12,540)	(5,968)	(372,250)	(390,758)
Depreciation (expense)	0	0	0	(748,709)	(748,709)	(748,709)	(69,497)	(524,224)	(1,342,430)
Transfers			0		0	0	18,019	(18,019)	0
Carrying amount at 30 June 2019	16,061,611	7,000	16,068,611	41,645,104	41,645,104	57,713,715	440,884	5,370,286	63,524,885
Comprises:									
Gross carrying amount at 30 June 2019	16,061,611	7,000	16,068,611	43,130,850	43,130,850	59,199,461	610,154	6,625,510	66,435,125
Accumulated depreciation at 30 June 2019	0	0	0	(1,485,746)	(1,485,746)	(1,485,746)	(169,270)	(1,255,224)	(2,910,240)
Carrying amount at 30 June 2019	16,061,611	7,000	16,068,611	41,645,104	41,645,104	57,713,715	440,884	5,370,286	63,524,885

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2/3	Market approach using recent observable market for similar properties	Independent valuers	01 June 2017	Price per hectare
Land - vested in and under the control of Council	3	The leasehold value has been calculated based on the net present value of the remaining period of the ground lease between the Shire of Murray and the Pinjarra Golf Club	Independent valuers	01 June 2017	Leasehold interest only
Buildings	2	Market approach using recent observable market for similar properties	Management valuation	01 June 2017	Price per square metre
Buildings - specialised	2/3	Market approach using recent observable market for similar properties	Independent valuers	01 June 2017	Purchase costs
Furniture and equipment	3	Cost approach using depreciated replacement cost	Management valuation	01 June 2016	Purchase costs and current condition (Level 2) and remaining useful life assessments (Level 3)
Plant and equipment					
Plant and equipment	2	Market approach using recent observable market data for similar items	Independent valuers	01 June 2016	Price per item
Plant and Equipment	3	Cost approach using depreciated replacement cost	Management valuation	01 June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (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 by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

10. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Bridges	Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	132,785,402	7,755,228	24,015,892	28,541,207	12,104,778	205,202,507
Additions	6,890,192	478,932	432,499	0	825,972	8,627,595
Revaluation increments / (decrements) transferred to revaluation surplus	0	94,928	2,746,046	(5,764,574)	2,772,828	(150,772)
Depreciation (expense)	(2,694,906)	(202,831)	(328,688)	(439,133)	(456,743)	(4,122,301)
Carrying amount at 30 June 2018	136,980,688	8,126,257	26,865,749	22,337,500	15,246,835	209,557,029
Comprises:						
Gross carrying amount at 30 June 2018	178,342,181	11,041,370	38,407,221	47,960,500	21,283,603	297,034,875
Accumulated depreciation at 30 June 2018	(41,361,493)	(2,915,113)	(11,541,472)	(25,623,000)	(6,036,768)	(87,477,846)
Carrying amount at 30 June 2018	136,980,688	8,126,257	26,865,749	22,337,500	15,246,835	209,557,029
Additions	3,159,748	213,107	23,803	288,042	1,639,295	5,323,995
Depreciation (expense)	(2,845,294)	(225,137)	(384,072)	(734,384)	(644,627)	(4,833,514)
Carrying amount at 30 June 2019	137,295,142	8,114,227	26,505,480	21,891,158	16,241,503	210,047,510
Comprises:						
Gross carrying amount at 30 June 2019	181,501,929	11,254,476	38,431,024	48,248,542	22,922,899	302,358,870
Accumulated depreciation at 30 June 2019	(44,206,787)	(3,140,249)	(11,925,544)	(26,357,384)	(6,681,396)	(92,311,360)
Carrying amount at 30 June 2019	137,295,142	8,114,227	26,505,480	21,891,158	16,241,503	210,047,510

10. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management valuation	01 June 2017	Construction costs and current condition (Level 2) and remaining useful life assessments (Level 3)
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Management valuation	01 June 2018	Construction costs and current condition (Level 2) and remaining useful life assessments (Level 3)
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management valuation	01 June 2018	Construction costs and current condition (Level 2) and remaining useful life assessments (Level 3)
Infrastructure - Bridges	3	Cost approach using depreciated replacement cost	Independent Valuer	01 June 2018	Construction costs and current condition (Level 2) and remaining useful life assessments (Level 3)
Infrastructure - Other	3	Cost approach using depreciated replacement cost	Management valuation	01 June 2018	Construction costs and current condition (Level 2) and remaining useful life assessments (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.

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control

In accordance with Local Government (Financial Management) Regulation 16(a)(ii), (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 MURRAY
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11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(a) Disposals of Assets

	2019	2019	2019	2019	2019	2019	2019	2018	2018	2018	2018	
	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	0	549,622	549,189	0	(433)	
Buildings	12,540	0		(12,540)	0	0	0	69,726	63,637	0	(6,089)	
Furniture and equipment	5,968	0		(5,968)			0				0	
Plant and equipment	372,250	347,100	17,301	(42,451)	383,171	330,975	2,595	(54,791)	352,687	314,061	14,526	(53,152)
	390,758	347,100	17,301	(60,959)	383,171	330,975	2,595	(54,791)	972,035	926,887	14,526	(59,674)

The following assets were disposed of during the year.

	2019	2019	2019	2019
	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Governance				
4001MY 2013 Toyota Prado	37,450	32,045	0	(5,405)
4012MY 2013 Toyota Camry	11,602	12,505	903	0
Law, order, public safety				
MY8580 Emergency Trailer - BFB	1,200	0	0	(1,200)
MH 54486 Salloy Boxtop Trailer - BFB	2,775	0	0	(2,775)
6TJ971 79 Boxtop Trailer - SES	843	0	0	(843)
MY15446 Salloy Boxtop Trailer - SES	728	0	0	(728)
BJ392 1988 Flood Boat - SES	2,588	0	0	(2,588)
7QT540 1988 Boat Trailer - SES	400	0	0	(400)
Health				
4018MY 2013 Nissan Dualis	12,160	11,368	0	(792)
Community amenities				
Corio Road Tip Office (Old)	1,278	0	0	(1,278)
Recreation and culture				
Dwellingup Changerooms Storage Shed	3,395	0	0	(3,395)
MY8926 Flat Top Trailer	4,007	0	0	(4,007)
Dolphin Cleaner WAVE 100	3,952	0	0	(3,952)
4062MY 2015 Toro Z-Master	6,841	7,500	659	0
4064MY 2015 Toro Z-Master	6,841	7,500	659	0
Transport				
Agrizzi 3PL Road Broom	3,200	0	0	(3,200)
Eleven Wheel Grader Mounted Roller	1,300	0	0	(1,300)
4008MY 2015 Subaru Outback 2.5i Premium	16,979	17,273	294	0
1GQX 965 2008 Ford Ranger	7,000	4,545	0	(2,455)
4039MY Fuso Canter Crew Cab	26,220	30,909	4,689	0
4051MY 2012 Caterpillar 12M Grader	165,123	150,000	0	(15,123)
4056MY 2008 Caterpillar CS56 Roller	52,903	63,000	10,097	0
1TJQ278 John Papis 6x4 Medium Duty Trailer	763	0	0	(763)
Shire Operations Centre - Survey Shed	4,630	0	0	(4,630)
Shire Operations Centre - Chemical Shed	3,237	0	0	(3,237)
Economic services				
4020MY 2013 Ford Ranger Turbo Diesel	11,326	10,455	0	(871)
Other property and services				
Records Compactus	1,530	0	0	(1,530)
Records Compactus Units & Wire Racks	487	0	0	(487)
	390,758	347,100	17,301	(60,959)

(b) Loss on Asset Disposals

The main reason for the increase in Loss on Asset Disposal is due to changes to the Local Government (Financial Management) Regulations, Section 17A(5) that requires from 1 July 2018 that assets with a fair value at the date of acquisition of under \$5,000 are excluded from the assets of the local government. The impact of these changes for the Shire of Murray is shown in the table below:

	2019	2018
	\$	\$
Loss from Sale or Disposal	60,959	59,674
Removal of assets from the Asset Register (Fin Reg 17A(s))	36,313	-
Total Loss on Asset Disposal	24,646	59,674

Note:

Assets under \$5,000 which because of their nature and portability, and carry a higher risk of being misused or stolen, are now recorded on a Portable and Attractive Asset Register.

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

(b) Depreciation	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
Buildings	748,709	745,782	738,427
Furniture and equipment	69,497	61,289	53,574
Plant and equipment	524,224	515,519	523,348
Infrastructure - Roads	2,845,294	2,784,242	2,694,906
Infrastructure - Footpaths	225,137	213,579	202,831
Infrastructure - Drainage	384,072	330,367	328,688
Infrastructure - Bridges	734,384	448,560	439,133
Infrastructure - Other	644,627	458,288	456,743
	6,175,944	5,557,626	5,437,650

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:

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.

Asset Class	Useful life
Long Life Buildings	84 to 120 years
Medium Life Buildings	56 to 80 years
Short Life Buildings	42 to 60 years
Roof	42 to 60 years
Mechanical	14 to 20 years
Fitout	17 to 25 years
Furniture and Equipment	4 to 40 years
Plant and Equipment	3 to 50 years
Sealed Roads	
Formation	not depreciated
Pavement (distributors)	42 to 60 years
Pavement (access)	64 to 80 years
Seal (Bituminous)	17 to 25 years
Seal (Asphalt)	21 to 30 years
Gravel roads	
Formation	not depreciated
Pavement	24 to 30 years
Gravel Sheet	12 years
Formed Roads (unsealed)	
Formation	not depreciated
Footpaths	
Concrete	48 to 60 years
Brick Paved	40 to 50 years
Limestone	15 to 20 years
Sealed	20 to 25 years
Gravel/Timber	15 to 25 years
Stormwater Drainage	
Pits	80 to 100 years
Pipes	50 to 100 years
Bridges	60 to 100 years
Other Infrastructure	10 to 100 years

12. REVALUATION SURPLUS

	2019 Opening Balance	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$
Revaluation Surplus - Lands and Buildings	31,940,113	31,940,113	31,940,113	0	0	0	31,940,113
Revaluation surplus - Infrastructure - Roads	83,945,170	83,945,170	83,945,170	0	0	0	83,945,170
Revaluation surplus - Infrastructure - Footpaths	5,460,194	5,460,194	5,365,266	94,928	0	94,928	5,460,194
Revaluation surplus - Infrastructure - Drainage	24,303,256	24,303,256	21,557,210	2,746,046	0	2,746,046	24,303,256
Revaluation surplus - Infrastructure - Bridges	15,238,177	15,238,177	21,002,751	0	(5,764,574)	(5,764,574)	15,238,177
Revaluation surplus - Infrastructure - Other	7,830,117	7,830,117	5,057,289	2,772,828	0	2,772,828	7,830,117
	168,717,027	168,717,027	168,867,799	5,613,802	(5,764,574)	(150,772)	168,717,027

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

13. TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
Current		
Sundry creditors	2,220,965	1,112,048
Income received in advance	431,323	2,150
Accrued salaries and wages	314,686	301,649
ATO liabilities	0	34,468
Accrued interest on long term borrowings	16,383	19,418
Accrued expenditure	106,839	203,598
	3,090,196	1,673,331

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

SHIRE OF MURRAY
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14. INFORMATION ON BORROWINGS

(a) Borrowings

	2019	2018
	\$	\$
Current	535,268	548,315
Non-current	2,902,342	3,115,610
	3,437,610	3,663,925

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2019					30 June 2019					30 June 2018			
				Actual Principal 1 July 2018	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Budget Principal 1 July 2018	Budget New Loans	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding	Actual Principal 1 July 2017	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance																	
Administration Centre Extension Construction	161	WATC	6.94%	306,488	0	68,863	20,930	237,625	306,488		68,862	22,014	237,626	370,746	64,258	26,044	306,488
Administration Centre Extension Construction	173	WATC	6.07%	182,438	0	57,215	10,557	125,223	182,438		57,215	11,430	125,223	236,332	53,894	14,303	182,438
Law, order, public safety																	
SES Building	167a	WATC	6.03%	0	0	0	0	0	0		0	0	0	272,810	272,810	41,310	0
SES Building	167b	WATC	6.06%	0	0	0	0	0	0		0	0	0	271,689	271,689	41,577	0
Recreation and culture																	
Aquatic Centre Construction	170	WATC	5.98%	191,002	0	92,688	11,442	98,314	191,002		92,688	11,504	98,314	278,388	87,386	17,309	191,002
Lots 85-88 George Street	174d	WATC	3.62%	64,381	0	64,381	1,837	0	64,381		64,381	2,141	0	126,492	62,111	4,526	64,381
Lots 85-88 George Street	174e	WATC	3.04%	548,245	0	71,413	19,385	476,832	548,245		71,413	19,668	476,832	617,536	69,291	21,974	548,245
Lot 1213 South Western Highway	175e	WATC	3.11%	817,054	0	98,328	29,556	718,726	817,054		98,329	30,082	718,725	912,394	95,340	33,366	817,054
Murray Foreshore Upgrade	179	WATC		0	0	0	0	0	0	200,000	0	0	200,000				0
Exchange Hotel	180	WATC	2.13%	0	322,000	0	772	322,000	0	322,000	0	0	322,000				0
Transport																	
Camp Road Properties	182	WATC	3.61%	670,823	0	25,061	28,461	645,762	670,823		25,061	28,502	645,762	695,000	24,177	29,519	670,823
Entrance Channel Dredging Works	176	WATC		0	0	0	0	0	0	550,000	0	0	550,000				0
Economic services																	
Pinjarra Underground Power	178	WATC	3.28%	741,337	0	30,795	29,072	710,542	741,337		30,795	29,179	710,542	771,145	29,808	30,272	741,337
Dwellingup Trails Centre	184	WATC		0	0	0	0	0	0	575,000	0	0	575,000				0
				3,521,768	322,000	508,744	152,012	3,335,024	3,521,768	1,647,000	508,744	154,520	4,660,024	4,552,532	1,030,764	260,200	3,521,768
Self Supporting Loans																	
Recreation and culture																	
Yunderup Sport & Recreation Club Inc				142,157	0	39,571	3,233	102,586	142,157	0	39,571	3,567	102,586	180,918	38,761	4,328	142,157
				142,157	0	39,571	3,233	102,586	142,157	0	39,571	3,567	102,586	180,918	38,761	4,328	142,157
				3,663,925	322,000	548,315	155,245	3,437,610	3,663,925	1,647,000	548,315	158,087	4,762,610	4,733,450	1,069,525	264,528	3,663,925

Self supporting loans are financed by payments from third parties. These are shown in Note 8 as other financial assets at amortised cost.

All other loan repayments were financed by general purpose revenue.

SHIRE OF MURRAY
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14. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2018/19

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2019 Actual	2019 Budget	2019 Actual	2019 Budget		
Exchange Hotel Restoration	WATC	Debenture	10	2.13%	\$ 322,000	\$ 322,000	\$ 322,000	\$ 32,200	\$ 37,215	\$ 0
					\$ 322,000	\$ 322,000	\$ 322,000	\$ 32,200	\$ 37,215	\$ 0

(d) Undrawn Borrowing Facilities

	2019	2018
Credit Standby Arrangements	\$	\$
Credit card limit	100,000	100,000
Credit card balance at balance date	(17,780)	(18,905)
Total amount of credit unused	82,220	81,095
Loan facilities		
Loan facilities - current	535,268	548,315
Loan facilities - non-current	2,902,342	3,115,610
Total facilities in use at balance date	3,437,610	3,663,925

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 may be capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Risk

Information regarding exposure to risk can be found at Note 27.

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2018			
Current provisions	827,303	1,349,576	2,176,879
Non-current provisions	0	248,307	248,307
	<u>827,303</u>	<u>1,597,883</u>	<u>2,425,186</u>
Additional provision	748,466	261,628	1,010,094
Amounts used	(603,212)	(262,503)	(865,715)
Balance at 30 June 2019	<u>972,557</u>	<u>1,597,008</u>	<u>2,569,565</u>
Comprises			
Current	972,557	1,393,669	2,366,226
Non-current	0	203,339	203,339
	<u>972,557</u>	<u>1,597,008</u>	<u>2,569,565</u>

Amounts are expected to be settled on the following basis:

	2019	2018
	\$	\$
Less than 12 months after the reporting date	914,359	865,715
More than 12 months from reporting date	1,537,747	1,446,184
Expected reimbursements from other WA local governments	117,459	113,287
	<u>2,569,565</u>	<u>2,425,186</u>

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

16. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	16,291,661	8,479,603	15,897,355
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	2,300,188	(471,380)	7,197,454
Non-cash flows in Net result:			
Depreciation	6,175,944	5,557,626	5,437,650
(Profit)/loss on sale of asset	43,658	52,196	45,148
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(651,196)	(244,172)	(57,620)
(Increase)/decrease in other assets	(11,066)	0	0
(Increase)/decrease in inventories	6,080	0	(19,638)
Increase/(decrease) in payables	1,416,865	(21,775)	(1,303,190)
Increase/(decrease) in provisions	144,379	0	176,232
Grants contributions for the development of assets	(3,778,712)	(4,570,640)	(8,743,571)
Net cash from operating activities	5,646,140	301,855	2,732,465

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	4,233,983	4,486,316
General purpose funding	1,812,294	1,483,563
Law, order, public safety	4,915,263	5,048,719
Health	52,444	79,856
Education and welfare	199,193	270,904
Housing	1,207,097	1,295,434
Community amenities	32,183,959	32,594,721
Recreation and culture	43,224,846	43,032,614
Transport	183,014,169	183,615,977
Economic services	11,087,946	9,115,693
Other property and services	5,161,914	2,686,435
Unallocated	6,238,664	5,986,423
	293,331,772	289,696,655

18. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire has listed sites to be possible sources of contamination. Details of those sites are:

- Shire of Murray Operations Centre, Baker Street, Pinjarra
- Shire of Murray Waste Transfer Station, 834 Corio Road, Ravenswood
- Lot 501 Moores Road, Pinjarra (Old Tip Site)

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

19. CAPITAL AND LEASING COMMITMENTS

	2019	2018
	\$	\$
(a) Capital Expenditure Commitments		
Contracted for:		
- Purchase of Reserves - 44437, 35786 & 50044	0	38,863
- Corporate Business System	289,870	0
- InfoCouncil Agenda & Minutes Software	39,765	0
- Dwellingup National Trails Centre Building Upgrade	1,834,740	0
- Murray River Foreshore Upgrade	28,350	0
	2,192,725	38,863
Payable:		
- not later than one year	2,192,725	38,863

(b) Operating Lease Commitments

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

	2019	2018
	\$	\$
Payable:		
- not later than one year	223,056	256,824
- later than one year but not later than five years	207,935	361,879
- later than five years	64,658	0
	495,649	618,703

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, and 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 minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

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

20. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	136,352	141,597	141,597
President's allowance	35,525	35,525	35,525
Deputy President's allowance	8,881	8,881	8,881
Travelling expenses	400	450	450
Telecommunication allowance	30,334	31,500	31,500
	<u>211,492</u>	<u>217,953</u>	<u>217,953</u>

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	787,015	792,914
Post-employment benefits	79,168	77,858
Other long-term benefits	17,698	17,584
	<u>883,881</u>	<u>888,356</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

SHIRE OF MURRAY
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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20. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:	2019 Actual	2018 Actual
	\$	\$
Sale of goods and services	5,362	122
Short term employee benefits - other related parties	226,658	208,680
Amounts payable to related parties:		
Trade and other payables	1,750	0

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

The associate persons of KMP were employed by the Shire under normal employment terms and conditions.

21. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2018/19 financial year.

22. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertaking during the 2018/19 financial year.

23. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

2019	2018
139	138

24. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
	Balance ⁽¹⁾			Balance ⁽¹⁾			Balance
	1/07/17	2017/18	2017/18	30/06/18	2018/19	2018/19	30/06/19
	\$	\$	\$	\$	\$	\$	\$
Governance							
DLG Scholarships	15,229	0	(15,229)	0	0	0	0
Law, order, public safety							
DFES - BFB Operating 11/12	16,272	0	0	16,272	0	(16,272)	0
DFES - BFB Operating 17/18	52,598	0	(52,598)	0	0	0	0
DFES - BFB Operating 18/19	0	64,482	0	64,482	0	(64,482)	0
DFES - BFB Operating 19/20	0	0	0	0	58,779	0	58,779
DFES - SES Operating 17/18	9,477	0	(9,476)	1	0	(1)	0
DFES - SES Operating 18/19	0	9,646	0	9,646	0	(9,646)	0
DFES - SES Operating 19/20	0	0	0	0	10,559	0	10,559
LEMA Review	6,412	0	(3,689)	2,723	0	(60)	2,663
Community Evacuation Field Exercise	5,042	0	0	5,042	0	0	5,042
DFES - Bushfire Risk Management	0	0	0	0	172,931	0	172,931
Education and welfare							
PCDG - Youth Activities	1,500	0	0	1,500	0	(1,500)	0
Youth Officer	6,881	0	0	6,881	0	(6,881)	0
Healthways - Early Years Activities	75	0	0	75	0	(75)	0
Youth Activities	8,064	0	(8,064)	0	0	0	0
ATSI Mental Health	18,750	0	(10,050)	8,700	14,074	(8,700)	14,074
ATSI Amazing Race	0	5,283	0	5,283	0	(5,283)	0
Community amenities							
PHCC - Sustainable Agriculture Tool	5,606	0	0	5,606	0	0	5,606
Lakes Road Industrial	5,036	0	0	5,036	0	(5,036)	0
DEC - Zero Waste Management Plan	5,000	0	0	5,000	0	(5,000)	0
WALGA - SWBP Ecological Assessment	4,609	0	(4,609)	0	0	0	0
DPLH - Murray Delta Monitoring Project	0	5,620	0	5,620	0	(3,745)	1,875
Greening Australia - George Brook Reserve	0	10,000	0	10,000	0	(10,000)	0
Community Infrastructure Plan	3,388	0	0	3,388	0	0	3,388
PHCC - Pinjarra Wetlands	2,925	0	0	2,925	0	0	2,925
Stormwater Outlet Banksia Terrace	1,627	0	0	1,627	0	(1,627)	0
PTA - Bus Shelter	379	0	0	379	0	(379)	0
PDC - Pinjarra Revitalisation Plan	40,000	0	(40,000)	0	0	0	0

24. CONDITIONS OVER GRANTS/CONTRIBUTIONS (Continued)

Grant/Contribution	Opening	Received	Expended	Closing	Received	Expended	Closing
	Balance ⁽¹⁾ 1/07/17	2017/18 2017/18	2017/18	Balance ⁽¹⁾ 30/06/18	2018/19 2018/19	2018/19	Balance 30/06/19
	\$	\$	\$	\$	\$	\$	\$
Recreation and culture							
Alcoa - 2017 Christmas Festival	2,000	0	(2,000)	0	0	0	0
Keysbrook Leucozene - North Dandalup Hall	10,000	10,000	0	20,000	0	(20,000)	0
Resource Capital Funds - North Dandalup Hall	9,976	0	0	9,976	0	(9,976)	0
Education Dept - Libratry Project	20,000	0	0	20,000	0	(20,000)	0
LotteryWest - Coolup Tennis Courts	2,937	0	0	2,937	0	(2,937)	0
Childrens Book Council	2,000	0	(2,000)	0	0	0	0
DSR - Kidsport	265	0	(235)	30	0	(30)	0
DSR - Club Development Workshops	1,223	0	0	1,223	0	0	1,223
City of Mandurah - Ravenswood Regional Sporting Precient	30,000	0	(23,320)	6,680	0	(1,190)	5,490
PDC - Ravenswood Regional Sporting Precinct	30,000	0	(23,320)	6,680	0	(1,190)	5,490
DSR - Ravenswood Regional Sporting Precinct	30,000	0	(23,320)	6,680	0	(1,190)	5,490
PDC - Murray River Foreshore & Amphitheatre	100,000	275,000		375,000	0	0	375,000
PDC - Riverland Ramble	50,000	0	(50,000)	0	0	0	0
DLG - MREC Strategic Plan	0	5,000	0	5,000	0	(5,000)	0
DLG - Pinjarra Placemaking	0	6,610	0	6,610	0	(6,118)	492
Alcoa - Dwellingup Community Grants	0	31,850	0	31,850	0	(27,052)	4,798
STEM Project	0	0	0	0	10,000	0	10,000
Transport							
Grants Commission - Paterson Road Bridgeworks	0	70,000	0	70,000	0	(70,000)	0
Recreational Boating Facility - South Yunderup Sullage	6,583	0	0	6,583	0	(6,583)	0
DDWEH - George St Permeable Paving	2,500	0	0	2,500	0	(2,500)	0
R2R - Roads to Recovery	0	652,319	0	652,319	0	(618,991)	33,328
Grants Commission - Wilgie Creek Bridge	194,000	0	0	194,000	0	(194,000)	0

24. CONDITIONS OVER GRANTS/CONTRIBUTIONS (Continued)

Grant/Contribution	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
	Balance ⁽¹⁾			Balance ⁽¹⁾			Balance
	1/07/17	2017/18	2017/18	30/06/18	2018/19	2018/19	30/06/19
	\$	\$	\$	\$	\$	\$	\$
Economic services							
Economic Development Marketing Strategies	20,008	0	0	20,008	0	0	20,008
PRLF Regional Trails Coordinator	35,000	0	0	35,000	0	(35,000)	0
PDC - Regional Trails Strategy	0	24,750	0	24,750	5,000	(24,750)	5,000
LotteryWest - Coopers Mill Interpretative	1,115	0	0	1,115	0	(1,115)	0
PDC - Dwellingup National Trails - Skate Park	150,000	0	0	150,000	0	(150,000)	0
PDC - Dwellingup National Trails - Pump Park	50,000	0	0	50,000	0	(50,000)	0
PDC - Dwellingup National Trails - Feature Survey	14,820	0	0	14,820	0	0	14,820
PDC - Dwellingup National Trails - Masterplan	25,000	0	0	25,000	25,000	0	50,000
PDC - Transform Peel	0	100,000	0	100,000	40,000	(12,277)	127,723
PDC - CY O'Connor Research Facility	88,500	0	(33,768)	54,732	0	0	54,732
Peel Innovation Ecosystem Bootcamp	0	0	0	0	6,750	0	6,750
Southern Dirt Peel Growers Hub	0	0	0	0	20,000	0	20,000
Murrayfield Airport Business Case	0	0	0	0	25,000	0	25,000
DWER - Managed Aquifer Recharge Scheme	191,248	0	(157,070)	34,178	0	(34,178)	0
Total	1,276,045	1,270,560	(458,748)	2,087,857	388,093	(1,432,764)	1,043,186

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.

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FOR THE YEAR ENDED 30TH JUNE 2019

25. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19 Actual Rateable Value \$	2018/19 Actual Rate Revenue \$	2018/19 Actual Interim Rates \$	2018/19 Actual Back Rates \$	2018/19 Actual Total Revenue \$	2018/19 Budget Rate Revenue \$	2018/19 Budget Interim Rate \$	2018/19 Budget Back Rate \$	2018/19 Budget Total Revenue \$	2017/18 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
GRV General	0.094849	6,083	98,394,044	9,332,577	45,502	6,594	9,384,673	9,332,577	68,427	4,840	9,405,844	10,263,966
GRV Commercial	0.075879	147	17,444,794	1,323,693	5,937	0	1,329,630	1,323,694	9,874	692	1,334,260	0
Unimproved valuations												
UV General	0.006450	817	570,399,000	3,679,074	102,861	5,321	3,787,256	3,679,074	19,748	1,383	3,700,205	3,510,630
Sub-Total		7,047	686,237,838	14,335,344	154,300	11,915	14,501,559	14,335,345	98,049	6,915	14,440,309	13,774,596
Minimum payment												
Gross rental valuations												
GRV General	1,121	1,766	14,763,234	1,979,686	0	0	1,979,686	1,979,686	0	0	1,979,686	2,241,960
GRV Commercial	1,121	24	279,487	26,904	0	0	26,904	26,904	0	0	26,904	0
GRV General Lesser Minimum	821	185	334,165	151,885	0	0	151,885	151,885	0	0	151,885	147,815
Unimproved valuations												
UV General	1,121	130	13,455,088	145,730	0	0	145,730	145,730	0	0	145,730	138,474
Sub-Total		2,105	28,831,974	2,304,205	0	0	2,304,205	2,304,205	0	0	2,304,205	2,528,249
		9,152	715,069,812	16,639,549	154,300	11,915	16,805,764	16,639,550	98,049	6,915	16,744,514	16,302,845
Discounts/concessions (refer Note 25(c))							(145,941)				(145,941)	(143,621)
Ex-gratia rates							4,626				4,650	4,626
Rates paid in advance							(411,524)				0	71,918
Total amount raised from general rate							16,252,925				16,603,223	16,235,768
Specified Area Rate (refer Note 25(b))							188,803				187,314	174,683
Totals							16,441,728				16,790,537	16,410,451

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.

25. RATING INFORMATION (Continued)

(b) Specified Area Rate

Specified Area Rate	Basis of Valuation	Rate in \$	2018/19 Rateable Value	2018/19 Rate Revenue	2018/19 Interim Rate Revenue	2018/19 Back Rate Revenue	2018/19 Total Specified Area Rate Revenue	2018/19 Budget Rate Revenue	2018/19 Budget Back Rate Revenue	2018/19 Budget Interim Rate Revenue	2018/19 Total Budget Revenue	2017/18 Total Actual Revenue
Yunderup Canal Entrance Dredging	GRV	0.006999	8,094,689	56,655	310	0	56,965	56,655	0	0	56,655	55,520
Yunderup Canal Maintenance	GRV	0.006523	7,688,225	50,150	289	0	50,439	50,150	0	0	50,150	49,141
Murray Lakes Canal Maintenance	GRV	0.006523	4,809,664	31,373	23	0	31,396	31,373	0	0	31,373	30,718
Willow Gardens Canal Maintenance	GRV	0.006523	957,569	6,246	0	0	6,246	6,246	0	0	6,246	6,123
Austin Lakes Phase 2 Maintenance	GRV	0.007394	5,800,615	42,890	867	0	43,757	42,890	0	0	42,890	33,181
				187,314	1,489	0	188,803	187,314	0	0	187,314	174,683

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2018/19 Actual Rate Applied to Costs	2018/19 Actual Rate Set Aside to Reserve	2018/19 Actual Reserve Applied to Costs	2018/19 Budget Rate Applied to Costs	2018/19 Budget Rate Set Aside to Reserve	2018/19 Budget Reserve Applied to Costs
Yunderup Canal Entrance Dredging	For the purpose of dredging the entrance channel to Yunderup Stage 1 Estate, The Moorings and Sapphire Waters		0	56,965	341,654	0	56,655	301,917
Yunderup Canal Maintenance	For the purpose of maintaining the canal waterway and associated infrastructure		0	50,439	7,202	0	50,150	34,846
Murray Lakes Canal Maintenance	For the purpose of maintaining the canal waterway and associated infrastructure		0	31,396	11,470	0	31,373	29,165
Willow Gardens Canal Maintenance	For the purpose of maintaining the canal waterway and associated infrastructure		0	6,246	841	0	6,246	4,065
Austin Lakes Phase 2 Maintenance	For the purpose of maintaining the lake and public open space in Austin Lakes Estate Phase 2		0	43,757	0	0	42,890	0
			0	188,803	361,167	0	187,314	369,993

25. RATING INFORMATION (Continued)

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

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2019 Actual \$	2019 Budget \$	2018 Actual \$
Primary Producer	Concession	18.86%	0	136,598	136,598	134,326
Primary Producer	Concession	9.43%	0.00	8,149	8,149	8,101
Riverglades Complex	Concession	0.00%	6	1,194	1,194	1,194
				145,941	145,941	143,621

Write-offs

Rate or Fee and Charge to which write-off is Granted	Type	Discount %	Discount \$	Actual \$	Budget \$	Actual \$
General Rates	Write off	0.00%	0	19,297	1,000	5,533
				19,297	1,000	5,533

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects and reasons of the Waiver or Concession
Primary Producer	Bona-fide primary producers residing within the Shire as per policy F7	In recognition of the critical economic importance of the agricultural industry Council has adopted policy F7 to assist bona-fide primary producers
Primary Producer	Bona-fide primary producers residing within neighbouring Shires as per policy F7	
Riverglades Complex	Applied to strata-titled lots within the Riverglades Complex	Concession applied in recognition of property owners required to pay the mandated fee under the Caravan Parks & Camping Grounds Regulations

25. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single Full Payment	21 Sep 2018	0.00	0.00%	11.00%
Option Two				
First Instalment	21 Sep 2018	0.00	0.00%	11.00%
Second Instalment	23 Nov 2018	10.00	5.50%	11.00%
Third Instalment	25 Jan 2019	10.00	5.50%	11.00%
Fourth Instalment	29 Mar 2019	10.00	5.50%	11.00%
Option Three				
Rate Smoothing	As scheduled	25.00	0.00%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	205,036	167,778	184,267
Interest on instalment plan	85,915	86,500	86,396
Charges on instalment plans	82,705	82,672	83,957
	373,656	336,950	354,620

26. RATE SETTING STATEMENT INFORMATION

		2018/19 Budget	2018/19
	2018/19 (30 June 2019 Carried Forward)	(30 June 2019 Carried Forward)	(1 July 2018 Brought Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	11(a) (17,301)	(2,595)	(14,526)
Less: Movement in liabilities associated with restricted cash	0	(117,892)	0
Movement in pensioner deferred rates (non-current)	(55,071)	0	(79,997)
Movement in sundry debtors (non-current)	70,000	0	7,000
Movement in employee benefit provisions (non-current)	(44,968)	0	10,808
Add: Loss on disposal of assets	11(a) 60,959	54,791	59,674
Add: Depreciation on assets	11(b) 6,175,944	5,557,626	5,437,650
Non cash amounts excluded from operating activities	6,189,563	5,491,930	5,420,609
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserves - restricted cash	3 (9,257,034)	(6,804,300)	(10,068,148)
Less: - Financial assets at amortised cost - self supporting loans	8(a) (40,399)	(40,399)	(39,571)
Add: Current portion of long term borrowings	14(a) 535,268	665,943	548,315
Add: Component of leave liability held in Reserve	597,002	479,110	597,002
Total adjustments to net current assets	(8,165,163)	(5,699,646)	(8,962,402)
Net current assets used in the Rate Setting Statement			
Total current assets	19,159,844	10,843,110	18,093,599
Less: Total current liabilities	(5,991,690)	(5,113,663)	(4,398,525)
Less: Total adjustments to net current assets	(8,165,163)	(5,699,646)	(8,962,402)
Net current assets used in the Rate Setting Statement	5,002,991	29,801	4,732,672

27. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

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

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at 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	0.84%	16,291,661	2,018,051	14,267,870	5,740
2018					
Cash and cash equivalents	1.75%	15,897,355	9,525,756	6,365,999	5,600

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*	181,156	179,338

* Holding all other variables constant

Borrowings

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

Details of interest rates applicable to each borrowing may be found at Note 14(b).

27. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 12 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.

Upon adoption of AASB9, there has been no material change in the calculation of the loss allowances at 1 July 2018 and therefore no retrospective adjustments have been applied.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows 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	0.36%	0.75%	2.29%	3.35%	
Gross carrying amount	783,175	32,081	4,927	43,893	864,076
Loss allowance	2,800	241	113	1,469	4,623

27. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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	2,217,713	0	0	2,217,713	3,090,196
Borrowings	615,853	1,566,496	1,566,568	3,748,917	3,437,610
	<u>2,833,566</u>	<u>1,566,496</u>	<u>1,566,568</u>	<u>5,966,630</u>	<u>6,527,806</u>
2018					
Payables	1,673,331	0	0	1,673,331	1,673,331
Borrowings	681,917	1,868,027	1,880,891	4,430,834	3,663,925
	<u>2,355,248</u>	<u>1,868,027</u>	<u>1,880,891</u>	<u>6,104,165</u>	<u>5,337,256</u>

28. TRUST FUNDS

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

	1 July 2018	Amounts Received	Amounts Paid	Amounts Transferred	30 June 2019
	\$	\$	\$	\$	\$
Interest	2,382	30,263	(32,645)	0	0
Unclaimed Monies	31,068	372	(916)	0	30,524
Development Bonds	1,886,712	194,442	(1,010,028)	(1,071,126)	0
Building License Bonds	34,000	0	(20,000)	0	14,000
Facility hire Bonds	6,660	250	(220)	(6,690)	0
Key Bonds	3,261	302	(79)	(3,484)	0
Extractive Industry Bonds	1,500	32	0	(1,532)	0
Property Bonds	55,094	44,475	(88,492)	(11,077)	0
CTF Levy	11,290	77,483	(70,429)	(18,344)	0
Building Services Levy	8,596	88,597	(79,907)	(17,286)	0
Dept Environment & Conservation	1,562	7,986	(9,548)	0	0
Other Miscellaneous Trust Items	3,181	67	(3,248)	0	0
Public Donations	1,090	21,333	(22,423)	0	0
	2,046,396	465,602	(1,337,935)	(1,129,539)	44,524

29. 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 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption were calculated however considered not material and therefore no adjustment has been recognised directly in accumulated surplus/(deficit).

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

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

29. 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 fair value through P/L.

Upon adoption of AASB 9, there has been no material change in the calculation of the loss allowance as at 1 July 2018.

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

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

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

(a) Revenue from Contracts with Customers

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

	AASB 118 carrying amount		AASB 15 carrying amount
Note	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Contract liabilities - current			
Unspent grants, contributions and reimbursements	(1,043,186)	1,043,186	0
Contract liabilities non-current			
Adjustment to retained surplus from adoption of AASB 15	30(d)	(1,043,186)	

(b) Leases

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

On adoption of AASB 16, the Shire will recognise lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 is 2.50%.

	Note	2019
		\$
Operating lease commitments disclosed as at 30 June 2019		495,649
Lease liability recognised as at 1 July 2019		
Discounted using the Shire's incremental borrowing rate of 2.50%	30(d)	<u>154,575</u>
Short term leases recognised on a straight-line basis as an expense		53,641
Low-value leases recognised on a straight-line basis as an expense		<u>348,807</u>
		402,448

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.

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.

30. 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.

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.

(d) Impact of changes to Retained Surplus

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

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019			106,260,340
Adjustment to retained surplus from adoption of AASB 15	30(a)	(1,043,186)	
Adjustment to retained surplus from adoption of AASB 16	30(b)	154,575	
Retained surplus - 01 July 2019			105,371,729

31. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

31. OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

32. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of available resources.	Includes the activities of elected members of council and the administrative support available to the Council for the provision of governance of the Shire. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates revenue, late payment penalties, general purpose grants, untied road grants and interest received on investments.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control, graffiti and litter control, off-road vehicles and other aspects of public safety, including emergency services.
HEALTH To provide an operational framework for environmental and community health.	Provision of health services, including inspection of food outlets, pest control, noise control and other preventative services.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.	Provision of pre-school and senior citizen facilities and welfare and youth programs.
HOUSING To maintain Shire owned residential properties.	Housing owned by the Shire that cannot be allocated to other programs.
COMMUNITY AMENITIES To provide services required by the community.	Provision of rubbish collection services, operation of waste transfer stations, protection of the environment, administration of town planning schemes, provision and maintenance of public conveniences and bus shelters and operation of the Pinjarra cemetery.
RECREATION AND CULTURE To establish and manage infrastructure and resources which will help the social wellbeing of the community.	Provision of facilities and support of organisations and the community with leisure, heritage and cultural activities. This support includes halls, sporting grounds, the Murray Aquatic & Leisure Centre, parks and gardens, art and community festivals and the Murray Public Library.
TRANSPORT To provide safe, effective and efficient transport infrastructure to the community.	Construction and maintenance of roads, bridges, pathways, the works operations centre, canals and waterways, parking facilities and plant purchases.
ECONOMIC SERVICES To help promote the Shire and its economic wellbeing.	Activities associated with building services, economic development, tourism and area promotion, public utilities and the operation of the Dwellingup History and Visitor Information Centre.
OTHER PROPERTY AND SERVICES To monitor and control the Shire's overhead operating accounts.	Private works, administration and public works overheads and plant operations.

33. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	1.84	2.11	1.62
Asset consumption ratio	0.73	0.78	0.77
Asset renewal funding ratio	0.67	0.82	0.82
Asset sustainability ratio	0.72	0.75	1.12
Debt service cover ratio	6.90	3.12	7.25
Operating surplus ratio	(0.06)	(0.07)	0.00
Own source revenue coverage ratio	0.81	0.82	0.83

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

INDEPENDENT AUDITOR'S REPORT

To the Electors of the Shire of Murray

Report on the Audit of the Financial Report

Opinion

We have audited the annual financial report of the Shire of Murray 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 our opinion the annual financial report of the Shire of Murray:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire of Murray for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Shire of Murray in accordance with 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 our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

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

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

The Chief Executive Officer (CEO) of the Shire of Murray is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire of Murray'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 of Murray.

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 of Murray'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 of Murray's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- (i) In our opinion, the following matter indicates an adverse trend in the financial position or the financial management practices of the Shire of Murray:
 - a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard of 0.01 for the past three years (2019: (0.06), 2018: (0.07), 2017:0)
- (ii) There were no instances of 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 identified during the course of our audit.

- (iii) All required information and explanations were obtained by us.
- (iv) All audit procedures were satisfactorily completed.
- (v) In our opinion, the asset consumption ratio and the asset renewal ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of Shire of Murray for the year ended 30 June 2019 included on the Shire of Murray's website. Shire of Murray's management is responsible for the integrity of the Shire of Murray website. This audit does not provide assurance on the integrity of the Shire of Murray's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

AMD Chartered Accountants






MARIA CAVALLO
Director

28-30 Wellington Street, Bunbury, Western Australia

Dated this 4th day of November 2019

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