



Town of Cottesloe

The background of the cover is a photograph of a beach scene. In the foreground, there are large, dark rocks. The water is a vibrant turquoise color with white foam from breaking waves. Several people are swimming in the water. In the background, a sandy beach is visible with some buildings and trees on a hillside under a clear blue sky. The image is framed by white, wavy, abstract shapes that overlap the photo and the text area.

Cottesloe

ANNUAL

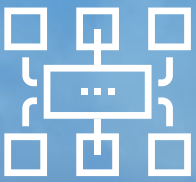
REPORT

2020



OUR VISION

AN ICONIC COASTAL COMMUNITY WITH A RELAXED LIFESTYLE.



OUR MISSION

TO PRESERVE AND IMPROVE COTTESLOE'S NATURAL AND BUILT ENVIRONMENT AND BEACH LIFESTYLE BY USING SUSTAINABLE STRATEGIES IN CONSULTATION WITH THE COMMUNITY.



UNDERPINNING PRINCIPLES

SUSTAINABLE DEVELOPMENT

To embrace and integrate sustainable development principles including social, economic, environmental and cultural aspects when planning for the district.

COMMUNITY PARTICIPATION

Effective community participation in decisions about the district and its future.

GOOD GOVERNANCE

Leadership, transparency, accountability, probity, proper management, effective services, equitable access to services, commitment to partnership working and organisational capacity building.

CO-OPERATION


The exchange of good practice, support and mutual learning and partnerships with government and other stakeholders to progress the Town.

She Sells Sea Shells by WA artist Anne Neil. Exhibited at *Sculpture by the Sea* 2019. Purchased by the Town of Cottesloe and installed at the southern entrance to the Town in January 2020.



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OUR ELECTED MEMBERS

2019/2020



Cr Philip Angers - Mayor



Cr Lorraine Young -
Deputy Mayor (South Ward)



Cr Caroline Harben (South Ward)



Cr Craig Masarei (North Ward)



Cr Helen Sadler (North Ward)



Cr Kirsty Barrett (East Ward)



Cr Michael Tucak (East Ward)



Cr Paul MacFarlane (Central Ward)



Cr Melissa Harkins (Central Ward)

MAYOR'S MESSAGE



ON BEHALF OF THE TOWN OF COTTESLOE, I AM PLEASED TO PRESENT THE 2019-20 ANNUAL REPORT, HIGHLIGHTING OUR ACHIEVEMENTS OVER THE PAST 12 MONTHS

On behalf of the Town of Cottesloe, I am pleased to present the 2019-20 Annual Report, highlighting our achievements over the past 12 months

With the coronavirus pandemic in early 2020, the latter part of the past 12 months was without question an unprecedented and difficult time for us all. The Town was committed to ensuring that services to our community were impacted as minimally as possible, as well as working on other ways support could be provided to residents and the business community. Despite this however, the impact of the coronavirus pandemic has been felt by us all, including local government. The Town of Cottesloe was fortunate to have limited workforce impacts. However, as in most areas, the business community was affected and financially challenged by the need to balance the budget. This will continue to have an impact for some time.

Moving on to positive news the Cottesloe Shark Barrier, which was installed in November 2019, was a wonderful addition to the beach, being very well utilised over the summer months. To prolong the life of the barrier it was removed in March 2020 for the winter months. The barrier was transported to a storage facility, cleaned, inspected and safely stored away ready to be re-installed for the next summer season.

The Cottesloe Foreshore Masterplan was approved and adopted by Council at the December 2019 Council Meeting and in May 2020 ASPECT Studios were appointed to work on the design. The Town has worked closely with ASPECT Studios and the community to finalise the detailed design

which is moving forward to completion. The Town has commenced looking at funding opportunities to assist us with delivering the revitalisation of the Cottesloe foreshore, which will be a much needed boost not only for our community but the people of Western Australia.

Stage two works of the Cottesloe Foreshore Renewal Project were completed in June 2020. This included upgrades to terrace retaining walls, refurbishment of stairs and paths on the grass terraces at Cottesloe Main Beach and construction of new stairs and showers at the end of the accessible path leading to the beach, providing safe and easy access to the sand.

The Beach Access Path Upgrade Program continued with the upgrade of N4, a well-used path next to North Cottesloe Surf Life Saving Club. This involved reconstructing the lower section of the stairs as well as the addition of a new handrail to the centre of the structure.

On behalf of the Town of Cottesloe I would like to thank Mr Mat Humfrey and Mr Neil Hartley for their hard work and commitment in the role of Chief Executive Officer during this past year. It was a particularly challenging year which the Town was able to navigate thanks to their strong leadership. In May 2020 Council endorsed the appointment of Mr Matthew Scott as the Town's new Chief Executive Officer.

I would also like to extend thanks to the Elected Members, staff and our many community volunteers for their time, enthusiasm and commitment over the past 12 months.

Phil Angers
Mayor



CEO'S REPORT



I AM PLEASED TO PROVIDE AN UPDATE ON PROGRESS MADE TOWARDS ACHIEVING COUNCIL'S STATED STRATEGIC OBJECTIVES AS OUTLINED IN THE TOWN OF COTTESLOE STRATEGIC COMMUNITY PLAN. A FULL SUMMARY ON A PROJECT BY PROJECT BASIS CAN BE FOUND IN THE INTEGRATED PLANNING AND REPORTING FRAMEWORK IN THIS ANNUAL REPORT.

PRIORITY AREA 1

- Protect and enhance the wellbeing of residents and visitors

Over the past 12 months considerable progress has been accomplished towards achieving these objectives with some of the major achievements being;

- A protected swimming enclosure at Cottesloe Beach was installed in late 2019;
- Community consultation on the Town's Public Open Space and Playgrounds Strategy was invited in September 2019, with the Strategy adopted by Council in November 2019;
- Construction of the new Cottesloe Nature Discovery Space near Vlamingh Memorial was completed in April 2020;
- Continued support for Sculpture by the Sea

PRIORITY AREA 2

- Achieving connectivity between east and west Cottesloe

- The Town has continued its discussions with Main Roads WA and the Public Transport Authority (PTA) with the aim of improving vehicle and pedestrian access over the railway line.
- Community consultation on the Cottesloe Long Term Cycle Network (LTCN) was invited and the LTCN was adopted by Council in April 2020;

- The State Government is progressing the design for the Congdon Street Bridge Replacement project and construction is subject to funding;
- The PTA's Route Utilisation Strategy (RUS), estimates patronage on the rail network will approximately double by 2031. To determine what future investment is needed to meet access demands in a safe and efficient way, the PTA is undertaking a Station Access Improvement Program. The Town have been liaising with the PTA at key stages of this project. The Station Access Strategy has been completed; and
- The Town has had discussions with Metronet, who have undertaken a review of level crossing removal options. The detail design has been completed and will be implemented when funding becomes available.

PRIORITY AREA 3

- Enhancing beach access and the foreshore

- The Beach Access Path Upgrade program continued with an upgrade of path N2;
- The Cottesloe Foreshore Masterplan was approved and adopted by Council in December 2019. ASPECT Studios were awarded the contract for detail design in May 2020; and
- Ongoing dune restoration by Cottesloe Coastcare.



PRIORITY AREA 4

- Managing development

The Town of Cottesloe manages development along the coastal strip, main beachfront, sport club areas, town centre and local centres and residential neighbourhoods.

In 2018 the Town approved the Wearne Cottesloe (1 Gibney Street) Redevelopment Masterplan and associated Local Planning Policy to facilitate its redevelopment as an aged care facility and lifestyle village. The Metro West Joint Development Assessment Panel (JDAP) subsequently approved a planning application for the Wearne site that allows for the development of 77 independent living units, 129 residential aged care rooms, and a number of commercial activities including a medical centre and restaurant/café. The Town issued a building permit for the development in June 2020.

The following projects also commenced in 2019/20 and will be a priority in the 2020/21 financial year and beyond;

- Review of the Town of Cottesloe Local Planning Strategy, which will ultimately inform a new Local Planning Scheme. Community workshops to assist the Town in reviewing its Local Planning Strategy were held in November 2019; and

- The Cottesloe Village Precinct Plan - community input on the Draft Cottesloe Village Precinct Plan was invited in November 2019.

PRIORITY AREA 5

- Providing sustainable infrastructure and community amenities

Council has prepared a Ten Year Financial Plan and is currently preparing an Asset Management Plan. These are designed to ensure that the assets of Council are both replaced and maintained at optimum times to preserve their useful life. When considering the acquisition of a new asset these plans assist to inform Council of whether their capital and maintenance costs are financially viable in the long term.

Some of the major infrastructure projects undertaken in 2019-20 include:

- Ongoing upgrade of the footpath network;
- Continuation of the road resurfacing program;
- Annual Street Tree Winter Planting program completed; and
- 60 mature native trees planted along the length of the Principal Shared Path in Cottesloe.

PRIORITY AREA 6

- Providing open and accountable local governance

Some of the major activities undertaken within this Priority Area include:

- Increased use of social media and email to communicate with electors;
- Ongoing monthly e-newsletter sent to subscribers on the Residents and Ratepayers database; and
- Completed the Town of Cottesloe Operations Centre within the Town of Mosman Park depot facility, which has delivered cost savings and improved efficiencies.

The Town will need to undertake a full review of the Strategic Community Plan (and associated plans) during the 2020-21 financial year. This is a good time for the review, with solid progress having been achieved against the overall objectives listed.

I would like to take this opportunity to thank the Mayor, Elected Members and our dedicated staff for their efforts in achieving our goals in 2019-20.

Matthew Scott
Chief Executive Officer



Brothers, Tynan and Kayel perform on Australia Day.



SUSTAINABILITY IN COTTESLOE

THE TOWN OF COTTESLOE CONTINUED TO RUN A NUMBER OF SUCCESSFUL SUSTAINABILITY AND NATURAL AREAS PROJECTS THROUGHOUT THE YEAR. THE TOWN RECOGNISES THE IMPORTANCE OF PROACTIVE PROGRAMS AND ENCOURAGING COMMUNITY PARTICIPATION AND IS PLEASED TO REPORT ON A NUMBER OF SIGNIFICANT ACHIEVEMENTS IN SUSTAINABILITY.

The Town of Cottesloe was recognised as a Gold Waterwise Council in 2020 by demonstrating an outstanding commitment to saving water through implementing a number of key water management actions and achieving significant improvements in water use. This achievement forms part of the State Government's Waterwise Perth Action Plan.

The Town also received a Waterwise Greening Scheme grant from the Water Corporation for initiatives including planting waterwise street trees, native plant sales, demonstration gardens and promoting native waterwise verge gardens.

Coastal dune restoration and revegetation works continued across a number of new and ongoing sites. Weed species were removed and native coastal species were planted to restore ecological biodiversity which create habitat corridors for native animals. Over 10,000 seedlings were distributed between sites in north and south Cottesloe and almost 1,000m² of erosion matting was installed on steep and unstable dunes to enhance stability. Cottesloe Coastcare continued their extremely valuable work and planted over 3,000 seedlings.

Construction of the new Cottesloe Nature Discovery Space near Vlamingh Memorial was completed in April 2020. This project was a successful outcome from a partnership

between Coastcare and the Town. Weeds were removed from the area, native vegetation was planted and a nature discovery area was created by Nature Based Play for children to engage with the natural surrounds.

Works to increase the tree canopy along the new Principal Shared path commenced in winter 2020. The Town planted 60 large native trees and 4,000 seedlings to create a habitat corridor along the train line while increasing shade and amenity for path users.

The Town has completed six years of consecutive coastal monitoring with a Coastal Adaptation and Protection (CAP) grant received from the Department of Transport. The monitoring program aims to gain knowledge of the patterns in beach changes along its coastline and potentially identify longer-term trends in erosion and/or accretion. This will provide a greater understanding of coastal processes along the Cottesloe coastline, allowing the Town to develop plans for the future and enhancing the Town's capacity to make informed and sustainable decisions regarding coastal management planning.

Other successful projects include;

- Street tree verge infill planting continued with another 150 trees planted on verges in Cottesloe;

- Clean Up Australia Day was held in partnership with Cottesloe Coastcare in March 2020. Members from the community helped to remove many kilograms of rubbish from the beach;
- The annual WESROC Native Plant Subsidy Scheme offered to residents in May 2020 was a sell out, with all of the 2,200 plants allocated to Cottesloe purchased. This scheme promotes and encourages residents to grow native waterwise gardens. Many residents have also converted lawn verges to native waterwise gardens under the Town's waterwise verge rebate scheme;
- The Cott Cat shuttle bus helped transport thousands of visitors between Cottesloe train station and the beach during Sculpture by the Sea in March 2020. Public transport reduces the number of cars on the road, alleviates parking congestion and is a sustainable form of transport;
- Many stalls were registered in Cottesloe as part of the national Garage Sale Trail event in October 2019; and
- Students from North Cottesloe and Cottesloe Primary Schools participated in creating artworks for the 2020 Waste and Sustainability calendar.

STATUTORY REPORTS

DISABILITY ACCESS AND INCLUSION PLAN

The Disabilities Services Act 1993 requires that the Town of Cottesloe include in its annual report a report on the implementation of its Disability Access and Inclusion Plan.

Council adopted its 2018 – 2023 Plan in April 2018 and a copy is available at the Town’s administration office and on the Town’s website.

The Town also has a Universal Access and Inclusion Reference Group to assist with the review and implementation of the plan.

Access improvement initiatives undertaken during the past year include:

- Recruitment of a trainee, in partnership with Down Syndrome WA and Status Disability Employment Services, who is working towards a Certificate II in Customer Engagement;
- Upgrades and additional ACROD parking bays within the Town including the Eric Street Shopping Centre;
- In partnership with Main Roads WA, a wombat crossing has been installed on Marine Parade near Wearne Aged Care to slow down traffic ensuring a safer crossing for seniors and those living with disability;
- An awareness raising event on International Day for People with Disability (IDPwD) promoting the recently constructed universal access at Mosman Park Train Station and the connecting Principal Shared Path (PSP);
- Development and distribution of an information flyer on Cottesloe support services for seniors and people living with disability self-isolating due to the Coronavirus pandemic;
- AUSLAN interpreters attended the Town’s events such as Australia Day 2020;

- Membership of the Companion Card program, allowing free entry to Council events for carer’s of those with a disability;
- A requirement for events with more than 500 patrons to have a Disability Access and Inclusion Plan;
- Disability access and inclusion services, information and events promoted through the Town’s Facebook page, community contacts list, e-newsletter and onscreen at the customer service area at the Town’s administration office.

PAYMENTS MADE TO EMPLOYEES

Regulation 19B of the Local Government (Administration) Regulation 1996 requires the Town of Cottesloe to include the following in its Annual Report:

- The number of employees of the Town entitled to an annual salary of \$100,000 or more; and
- The number of those employees with an annual salary entitlement that falls within cash bands of \$10,000 over \$100,000.

The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000 is;

\$ Band	Number of Employees
\$190,000 to \$199,999	1
\$140,000 to 149,000	1
\$120,000 to \$129,999	2
\$110,000 to \$119,999	2
\$100,000 to \$109,999	1

Please note the figures shown represent the cash component of any salary package.

REGISTER OF COMPLAINTS

Section 5.121 of the Local Government Act 1995 requires the Complaints Officer for the Town of Cottesloe to maintain a register of complaints which records all complaints that result in action under section 5.110(6)(b) or (c) of the Act.

The register of complaints is to include, for each recorded complaint;

- (a) the name of the council member about whom the complaint is made;
- (b) the name of the person who makes the complaint;
- (c) a description of the minor breach that the standards panel finds has occurred; and
- (d) details of the action taken under section 5.110(6)(b) or (c).

For the purposes of section 5.115(2) of the *Local Government Act 1995* it is advised that no complaints were made to the Town of Cottesloe during the financial year under review.



RECORDS MANAGEMENT

The Town of Cottesloe, as a local government, is required under the State Records Act 2000 to provide an annual report on its recordkeeping practices.

COMMITMENT TO RECORDS MANAGEMENT

The Town of Cottesloe is committed to the reliable and systematic management of government records in accordance with legislative requirements and best practice standards.

RECORDKEEPING PLAN

The purpose of the Recordkeeping Plan (RKP) is to set out the matters about which records are to be created by the Town of Cottesloe and how the Town is to retain its records. The RKP is to provide an accurate reflection of the record keeping program within the organisation including information regarding the organisation's record keeping systems, disposal arrangements, policies, procedures and practises. The RKP is the primary means of providing evidence of compliance with the State Records Act 2000 and the implementation of best practice record keeping within the organisation.

The objectives of the Town of Cottesloe RKP are to ensure the following:

- Compliance with Section 28 of the State Records Act 2000;

- Recordkeeping within the Local Government is moving towards compliance with State Records Commission Standards and Records Management Standard AS ISO 15489;
- Processes are in place to facilitate the complete and accurate record of business transactions and decisions;
- Recorded information can be retrieved quickly, accurately and cheaply when required; and
- Protection and preservation of the Local Government's records.

The Town's Recordkeeping Plan is due for review by 9 December 2021.

LOCAL LAWS

The Town commenced the eight year review process of its Local Laws in 2019/20. All Local Laws will be reviewed over the next few years. Commencing with the Town's Standing Orders Local Law, this project will remain ongoing until completed.



INTEGRATED PLANNING AND REPORTING FRAMEWORK

Sculpture by the Sea 2020 - Anta Omri (You Are All My Life)
by WA artist Ayad Alqaraghholi.



STRATEGIC COMMUNITY PLAN AND CORPORATE BUSINESS PLAN

AN INTEGRATED PLANNING AND REPORTING FRAMEWORK (IPRF) WAS IMPLEMENTED IN 2011 BY THE STATE GOVERNMENT, TOGETHER WITH ASSOCIATED GUIDELINES FOR LOCAL GOVERNMENTS, AND INCLUSIVE OF ASSET MANAGEMENT AND LONG TERM FINANCIAL PLANNING.

An Integrated Planning and Reporting Framework (IPRF) was implemented in 2011 by the State Government, together with associated guidelines for local governments, and inclusive of asset management and long term financial planning.

All local governments are required to produce a Plan for the Future under S5.56 (1) of the Local Government Act 1995. Regulations have been made under S5.56 (2) of the Act to outline the minimum requirements to achieve this.

There are three major parties to the development of a Strategic Community Plan:

1. The community – participates in a community planning process to determine major vision or intended big picture directions and also participates in regular reviews of those directions.
2. The Council – signs off the Strategic Community Plan resulting from the community planning process, the four year reviews updating that plan, the Corporate Business Plan and the annual budget.
3. The local government administration – supports delivery of the Strategic Community Plan through regular

reviews, annual budgets and corporate business planning.

To satisfy the requirement of the IPRF at least two plans are needed: The minimum requirement to meet the intent of the plan for the future is the development of:

- A Strategic Community Plan; and
- A Corporate Business Plan.

The key principle of the planning process is to provide both the future aspirations for the local government and a path to achieve them. Specific strategies address issues such as community safety or disability plans and place or local area plans. Strategic outcomes are supported by the identification and planning of all financial, human resource, asset and infrastructure requirements and income opportunities over the longer term.

The framework does not require a single methodology to be applied by local governments and is intended to guide local governments to a successful integrated strategic planning process, which, at its most simple, would deliver the following outcomes:

- a long term Strategic Community Plan that clearly links the community's aspirations

with the Council's vision and long term strategy;

- a Corporate Business Plan that integrates resourcing plans and specific Council plans with the Strategic Community Plan; and
- a clearly stated vision for the future viability of the local government area.

Council has adopted the required Plans and has established a schedule to ensure they are reviewed regularly, in accordance with legislation. These reviews will be advertised and residents will be consulted on any possible changes. The Plans are available to view on the Town's website.

The Town commenced the review process of its Corporate Business Plan in June 2020 with two workshops held in May and June 2020. The updated Corporate Business Plan was ultimately adopted by Council on 27 October 2020 and covers the period 2020 to 2024.

Heading into the 2021 year the Strategic Community Plan will be reviewed along with the development of Asset Management Plans and an updated Long Term Financial Plan.

Priority Area 1 - Protect and enhance the wellbeing of residents and visitors

1.1. Develop an 'integrated transport strategy' that includes cycling, park and ride, Cott Cat, public transport and parking management strategies to meet the needs of pedestrians, cyclists and other non-vehicular traffic

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Review the Current Bike Plan	Revised bike plan adopted by 31 December 2021	14/15	19/20	Plan adopted by Council in April 2020
b.	Implement projects contained within bike plan	Projects within bike plan incorporated into 5 year capital works plans	15/16	Ongoing	10 year plan is being prepared
c.	Lobby for the completion of the principle shared path (along rail line)	Commitment of funds in the forward estimates for the improvements of the principle shared path	14/15	Complete	Construction completed. Stage One planting completed. Remaining planting in winter 2021
d.	Design, cost and include in the Asset Management Plan (AMP) and Long Term Financial Plan (LTFP) the Raia Roberts dual use path	AMP and LTFP contain project costings	15/16	16/17	A draft AMP has been developed by GHD and is currently being reviewed. To be finalised by June 2021

1.2. Continue working with licensed premises to manage noise, parking and antisocial behaviour

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Foster and develop a community forum where residents are able to convey any concerns with the licensed premises within the Town	Monthly meetings of the Hotels Working Group continue and achieve a satisfactory level of attendance	Ongoing		The Hotels Working Group was disbanded in 2018
b.	Maintain a positive relationship with licensees	Representatives of the licensees attend the Hotels Working Group on a regular basis	Ongoing		The Hotels Working Group was disbanded in 2018. Relationships are maintained by inspections carried out by the Town's Environmental Health Officers
c.	Review planning and approval processes for any approval of or amendment to licensed facilities within the Town	Effective consultation reporting and decision making on approvals or referrals for licensed premises	15/16		Ongoing. Consultation occurs as part of any Town licence consideration process
d.	Implement projects contained within bike plan	Projects within bike plan incorporated into 5 year capital works plans	07/08		A grant application has been submitted for Eric Street shared path

1.3. Identify places to host more cultural events and activities

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Undertake an audit of current cultural events and facilities within the Town	Calendar of events created - linked to a social media interface that advertises events within the Town.	14/15	15/16	Calendar of events created and maintained Social media policy was adopted in March 2017 and Facebook now used to promote Council and other events New Town of Cottesloe website developed which went live in September 2018
b.	Identify cultural events that are desirable, but not currently available within the Town	Workshops held with elected members, community organisations and key stakeholders to identify opportunities for cultural events within the Town	15/16		Significant number of events in place
c.	Create a checklist to assess potential facilities for hosting cultural events within the Town	Essential requirements for the hosting of events identified and documented	15/16		Foreshore Masterplan has provisions for Place Making strategies to be implemented
d.	Cost improvements required to facilities in point c. and include costs in Asset Management Plan and Long Term Financial Plan	Asset Management Plan and Long Term Financial Plan updated to reflect improvements required	16/17		No action undertaken as yet

1.4. Continue to improve community engagement

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Review the Community Consultation Policy regularly	Regular reviews of the Community Consultation Policy undertaken	Ongoing	Ongoing	Completed. Results will be used to develop a lighting strategy
b.	Create a register of community consultation processes undertaken, including the date, type, methods of advertising and summaries of submissions received	Register created. Register reviewed with Community Consultation Policy and trend data or observations contribute to policy amendments	15/16	Ongoing	Register commenced in 2019
c.	Regularly research alternate methods of community engagement, including social media	Research leads to amendments in Community Consultation policy. Information Technology platforms expanded to cater for increased use of social media	Ongoing		Ongoing. Social media policy adopted March 2017. Facebook page and email database created in 2017. New website developed in 2018 with increased focus on interacting with the community. Since late 2018, a monthly e-newsletter is sent to the Residents and Ratepayers database.
d.	Training provided on interpreting and responding to community feedback, either from formal or informal consultation	Reduced occurrences of resolutions being rescinded. Reduced occurrences of petitions and large scale feedback being received following Council or Committee decisions	15/16		IAP2 training undertaken in 2019. Ongoing internal training also occurring
e.	Develop a social media presence for the Town of Cottesloe	Develop social media policies and procedures. Establish a presence on Facebook		16/17	The Town has an active Facebook page which is ongoing
f.	Redevelop the Town's website	Existing site and content reviewed. Contractor appointed to design, develop, and implement new website		17/18	Ongoing

1.5 Continue to improve access and inclusion of aged persons and those with disabilities

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Review the Disability Access and Inclusion Plan (DAIP) on an annual basis	Review of DAIP presented to Council for endorsement	14/15	Ongoing	DAIP adopted by Council in April 2018
b.	Undertake an audit of accessibility for all public buildings and infrastructure within the Town	Results of and recommendation from audit presented to Council for consideration	15/16	Ongoing	Access audit of Council owned and/or managed facilities completed in 2017 and used for review of DAIP Audit of Sea View Golf Club undertaken in 2018. Included in the implementation of the Foreshore Masterplan for construction of buildings along Cottesloe Foreshore.
c.	Prioritise and cost improvements identified in point b. and include in the Asset Management Plan (AMP) and Long Term Financial Plan (LTFP)	AMP and LTMP amended to incorporate requirements from audit	16/17	Ongoing	Foreshore Masterplan consultation has been completed and is anticipated to be adopted by Council in December 2019. Recreation masterplan will progress to wider public consultation in 2020
d.	Provide training and support to community groups to increase inclusive activities for seniors and people with disabilities	Training sessions provided to community organisations within Cottesloe on providing universally accessible programs and facilities	14/15	Ongoing	Training offered. Ongoing
e.	Provide training to Elected Members and staff on the provision of universally accessible programs, facilities and support	Training sessions made available to elected members and provided to staff on universal access	14/15	Ongoing	Training offered. Ongoing

1.6 Implement policies that protect existing trees and that actively seek to increase the tree canopy in Cottesloe

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	The Town's Street Tree Policy (reserve land) is reviewed and updated	Policy review adopted by Council	14/15	18/19	Completed in February 2019
b.	Council considers a policy, developed under the auspices of the Local Planning Scheme for trees on private property	Policy considered by Council			To be investigated during the strategy and subsequent scheme review
c.	A Street Tree Masterplan was developed and implemented by Council	Additional plantings are carried out under the Street Tree Masterplan	14/15		Completed by an Arborist in 2017. Some street tree species have been changed and approved by Council. These changes will be updated in a revised document in 2021-22
d.	The Town implements an annual program of planting additional trees in public reserves it controls	Additional plantings are carried out under the Tree Plan			Undertaken and ongoing
e.	The Town implements a program to encourage residents to plant native plant species on verges	Verge incentive program delivered			Ongoing. Native verge incentive program/waterwise scheme in place

1.7. Develop and implement a strategy for the deployment of electronic surveillance equipment within Cottesloe

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Undertake an audit of existing surveillance equipment	Audit presented to Council		17/18	Completed. Additional CCTV camera requirements identified
b.	Develop a deployment plan, which includes a prioritised list for deployment	Plan presented to Council for consideration		18/19	Completed as above
c.	Include in the 10 year financial plan an annual capital expenditure item for surveillance equipment	Long Term Financial Plan updated and capital expenditure included in annual budget			Ongoing
d.	Undertake 4 yearly reviews of the technology deployed for appropriateness and effectiveness	Reviews are presented for consideration			Ongoing

1.8. Review lighting in all public areas with a view to assessing the environmental sustainability of lighting and the adequacy of lighting from a personal safety perspective

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Undertake an audit of current light intensities within the district	Audit presented for consideration			Completed. Results will be used to develop a lighting strategy
b.	Undertake review of lights currently in place	Report forwarded to Council for consideration			As per point (a)
c.	From the results of projects a. and b. develop a deployment plan (costed) for additional lighting	Plan presented to Council for consideration			As per point (a)
d.	Ensure the Sustainability Officer keeps up to date with advances in technology in this area	Regular updates on lighting improvements presented by the Sustainability Officer			Ongoing

1.9. Develop and implement policies and strategies to reduce litter on public reserves

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Develop a public education campaign on littering	Public awareness campaign delivered		17/18	Ongoing. Education being provided by Western Metropolitan Regional Council. Annual beach clean-up events held
b.	Develop a proactive enforcement strategy to achieve compliance	Higher levels of compliance achieved		17/18	Regular patrols by rangers and compliance officer
c.	Develop an incentive campaign to reduce sources of litter from local vendors	Packaging from local businesses reduces as a proportion of total litter			Policy developed towards reducing single use plastic is ongoing. Continue to work with businesses to reduce single use plastic and other litter. Ran a workshop for local businesses on "Serve Food Not Litter" and met with ProCott and WMRC to discuss options to reduce single use plastics
d.	Support WALGA initiatives, such as the container deposit scheme to reduce littering	Programs delivered locally			Ongoing. Waste Plan developed and endorsed by Council

1.10. Develop and implement a Public Health Plan

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Develop a Public Health Plan as required by amendments to the Health Act				Ongoing, however additional resources required to deliver objective

1.11 Help families flourish and connect in Cottesloe

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Develop a new strategy for addressing the needs of children and young people who live in Cottesloe	Plan adopted by Council			Will be part of the Public Health Plan and carried out in accordance with the recently adopted Community Engagement Policy
b.	Develop a new play space strategy for Cottesloe that caters for all children's needs including older (6 - 14 year olds), younger (0 - 6 year olds) and children with special needs	Strategy adopted by Council		18/19	Completed. Public Open Space and Playground Strategy adopted at November 2019 Council Meeting
c.	Upgrade existing play spaces to build creative and diverse play environments that are exciting and challenging for all children	Playgrounds improved in consultation with the community			Detail design for Dutch Inn, the first playground on the Council approved priority list has progressed and construction is expected to commence before 30 June 2021. The remaining public open spaces will be upgraded over the next five to ten years.
d.	Ensure the Foreshore Redevelopment design promotes community engagement, is suitable for hosting events and regular social and recreational activities and incorporates a nature/adventure play space	Foreshore plan implemented with appropriate inclusions. Programs delivered locally			Presented to Council in late 2019. Completed.

Priority Area 2 - Achieving connectivity between east and west Cottesloe

2.1 Proactively pursue solutions for Curtin Avenue and the railway

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Lobby the State Government to sink the Fremantle rail line through Cottesloe and realign Curtin Avenue	A project to sink the Fremantle rail line is announced	Ongoing		Ongoing
b.	Lobby the State Government for improvements to the Eric Street bridge, to ease traffic congestion while improving pedestrian access and safety	State Government commits funds to the project and establishes project guidelines	Ongoing		Ongoing
c.	Lobby the State Government for improvements to the Jarrad Street crossing, including the provision of grade separation	State Government commits funds to the project and establishes project guidelines	Ongoing		State Government currently reviewing all crossing locations, including Jarrad Street. Ongoing discussions with Main Roads WA and Public Transport Authority (PTA) for implications for the Town of Cottesloe
d.	Lobby the State Government for improvements to all local crossings, including the provision of grade separation	State Government commits funds to the project and establishes project guidelines	Ongoing		Ongoing

2.2 Produce a draft Structure Plan for consultation purposes showing the sinking of the railway and realignment of Curtin Avenue together with ‘what’s possible’ in terms of sustainable redevelopment and pedestrian and traffic links and Town Centre integration

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Lobby and advocate for the development of a strategic plan for railway crossings within the western suburbs	Strategic plan produced	14/15		Ongoing
b.	Produce a structure plan/precinct plan, in partnership with Public Transport Authority (PTA) and Department of Planning, Lands and Heritage (DPLH) for the railway lands within Cottesloe	Structure plan/precinct plan produced and approved by the Western Australian Planning Commission (WAPC)	14/15	21/22	Project initiated in September 2015. Discussions/consultations are ongoing. Draft Cott Village Precinct Plan prepared for Cottesloe Activity/Town Centre, including the railway lands and advertised for public comment

2.3 Promote an engineering and financial feasibility study within the preferred solution

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Undertake research and analysis to strengthen the case for improved east / west connectivity including; 1. Traffic counts and studies; 2. Analysis of pedestrian use; 3. Emissions (noise and pollutants) resulting from traffic in this area.	Case study for rail-road interactivity within the Town produced	15/16	17/18	Ongoing, public submissions on Draft Cott Village Precinct Plan identified improved east/ west connectivity as an issue and it is being considered in the preparation of design guidelines for the Plan
b.	Undertake a cost analysis of providing grade separation between rail and road within the western suburbs	A project costing for the provision of grade separation is provided for consideration	16/17		Ongoing
c.	Provide an analysis of the land acquisitions required as well as the land development potential within the rail corridor	A structure plan/precinct plan is produced showing the net costs of land development within the Town as a result of providing rail - road separation	16/17		See 2.3 (a) and (b) above
d.	Undertake baseline environment studies (i.e. water table, drainage) and impact studies (noise) for providing grade separation within the rail corridor	Current impacts of rail line documented. Analysis of environmental factors within the rail corridor undertaken. Model created showing impacts of providing grade separation.	15/16		See 2.3 (a) and (b) above
e.	Undertake baseline environment studies (water table, drainage) and impact studies (noise) for providing grade separation within the rail corridor	Current impacts of rail line documented.			Ongoing see 2.3 (a) and (b) above. All analysis to be undertaken in accordance with State Planning Policy 5.4 – Road and Rail noise. An independent consultant (acoustic) to be engaged
f.	Implement improvements to pedestrian safety for Curtin Avenue and the rail line	Specific projects identified and implemented			Curtin Avenue reclassified in June 2020. These considerations are now for the State Government
g.	Proactively pursue solutions for the Jarrad Street crossing and Eric Street rail bridge	Project announced			A list of safety improvements by Council forms part of this reclassification
h.	Lobby the State Government to reinstate the funding for the Curtin Avenue realignment and grade separation at Wellington Street	Funding included in the State Budget			The Town will continue to pursue the re-alignment project following the re-classification.

2.4 Proactively pursue solutions for improved access to North Cottesloe Primary School, with a view to reducing congestion on Eric Street

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Develop a costed project that relocates the schools parking and drop off point from Eric Street to Railway Street	Costed project presented to Council for consideration			Detail design complete and pending consultation with State Government to discuss funding opportunities and integration with other upgrades in the vicinity
b.	Develop a costed solution for the intersection of Railway Street and Eric Street	Plan presented to Council for consideration			Blackspot funding was not successful. Possible integration with other surrounding projects through the State Government
c.	Lobby the State Government to make an appropriate allocation for the parking relocation	Funding included in State budget			As per point (a)
d.	Lobby the State Government to upgrade the Eric Street rail bridge and the intersection of Curtin Avenue and Eric Street	Projects announced by State Government			Main Roads WA are currently in the process of progressing a concept but the principles behind the design are confidential and has not been disclosed by the State Government

Priority Area 3 - Enhancing beach access and the foreshore

3.1 Implement the 'Foreshore Redevelopment Plan' in consultation with the community

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Design Advisory Panel (DAP) to review the Foreshore Redevelopment Plan	Revised plan presented to Council for consideration	14/15		Council adopted the Foreshore Renewal Masterplan in December 2019. ASPECT Studios have been appointed to develop the detail design and determine an affordable staging plan
b.	Undertake a detailed audit of infrastructure in foreshore area to identify and prioritise required works	Audit completed and presented to Council for consideration	15/16	16/17	
c.	Identify, cost and prioritise projects within the revised Foreshore Renewal Masterplan	Detailed costings for projects available	15/16		
d.	Where appropriate seek funds from State Government for projects	Funding attained from the State Government.	15/16		MRRG and Blackspot funding contributions have been secured for 2020/2021. Annual applications will continue
e.	Update Asset Management Plan and Long Term Financial Plan to incorporate projects within the Foreshore Renewal Masterplan as well as the required works from infrastructure audit	Plans updated and presented for consideration	15/16		Updated for 2018/19. Ongoing
f.	Undertake baseline parking and traffic studies, to guide the development of a parking strategy and overall traffic strategy	Parking Strategy and policy presented for consideration	15/16		Ongoing. Parking Strategy commenced
g.	Produce a revised Foreshore Plan for public consultation - as an update of the previously adopted plan	Plan advertised for public submissions	14/15	18/19	Completed
h.	Following consultation, develop a prioritised project listing for Foreshore Works, based on the results of consultation and the infrastructure audit	Prioritised list developed for inclusion in the Long Term Financial Plan		17/18	Completed
i.	Following consultation, set in place a process to oversee the further development of the Foreshore Plan and the development of detailed designs for works	Process or committee adopted by Council		17/18 18/19	Completed
j.	Using the Foreshore Plan (as developed) continue to assess and report on development ideas as received	Development ideas presented to Council for consideration.		18/19 19/20	Ongoing

3.2 Continue to improve access to beach facilities

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Renovate all beach access paths over a period of four years	Beach paths renovated.	15/16		Four paths upgraded in 2018/2019. Priority list for Beach Access Paths upgrades endorsed by Council. Confirmed for the 2019/2020 and 2020/2021 financial year and indicative beyond this. Design for S15 upgrade completed
b.	Renovate and improve public ablutions at Cottesloe Beach	Renovated facilities opened for public use.	15/16	17/18	Council sub-leased the ablutions back from the tenant in September 2018 and will consider refurbishment options in conjunction with the principal lessee
c.	Provide universal access to all facilities at Cottesloe Beach	Universal access provided to renovated facilities and beach level	16/17		Universal access path completed
d.	Audit and improve infrastructure for public events, such as Sculpture by the Sea at Cottesloe Beach	Improved provision of events at Cottesloe Beach	Ongoing		Stage 1 works completed. Stage 2 works awarded to MG Group and in progress

3.3 Improve dune conservation outside of the central foreshore zone (implement Natural Areas Management Plan [NAMP])

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Undertake a review of the NAMP 2010 – 2014	NAMP revised and overall progress assessed.	14/15	2015	Complete
b.	Draft and adopt a revised NAMP 2014 – 2018	Council adoption of the updated NAMP 2014/2018	14/15	2015	Complete
c.	Prioritise and cost projects included in NAMP for inclusion in the Asset Management Plan and Long Term Financial Plan	Asset Management Plan and Long Term Financial Plan updated to include priorities and projects from NAMP 2014 – 2018	15/16		Ongoing. To be included in the next five year program and Asset Management Plan
d.	Assign appropriate resources to manage and maintain dune areas once they have been rehabilitated	Annual program of maintenance, inspecting and updating set in place and reported to Council		18/19	Completed and ongoing

3.4 Increase public transport services and solutions for moving people to and from the beach area

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Assess the current Cott Cat service, and where appropriate, implement improvements	Continuation and possible extension of the Cott Cat service	14/15	17/18	Review complete, changes to the route implemented
b.	Liaise with Public Transport Authority (PTA) with regards to service provision and improvements	Additional bus services are provided during peak times	15/16		Ongoing. A PTA joint five year funding agreement pending approval has been prepared for bus services to be provided over summer weekends and Sculpture by the Sea
c.	Redesign the interface between Cottesloe Train Station and Forrest Street, and cost required for improvements and works	Design for the train station/ Forrest Street interface approved for public consultation	16/17		Ongoing
d.	Find suitable alternative parking (such as train station) to ease congestion and parking issues at Cottesloe Beach during peak times	Alternative parking stations developed and shuttle transports in place	16/17		As per point 3.4 (b)

3.5 Develop a parking strategy for the beach precinct

Actions		Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Undertake an audit of current facilities within the foreshore zone	Map produced detailing all available parking, including any restrictions	15/16		Complete
b.	Develop a Foreshore Parking Strategy which covers beach precinct that includes; supporting infrastructure (paths, crossing points, car parks), provision of any additional bays and traffic management issues	Foreshore Parking Strategy adopted by Council	16/17		Ongoing
c.	Cost and prioritise the projects that arise out of the Foreshore Parking Strategy	Costed implementation plan produced	16/17		Foreshore Masterplan has identified the closure of Carpark 1 by converting this into grass terraces. A multi-storey carpark as part of a Carpark 2 redevelopment will provide for lost bays. A costed plan is being developed
d.	Include projects from the Foreshores Parking Strategy in the Asset Management Plan and Long Term Financial Plan	Asset Management Plan and Long Term Financial Plan updated to reflect the projects required for the Foreshore Parking Strategy	17/18		Ongoing
e.	Following consultation on the Foreshore Plan, identify parking areas that will remain available	The Foreshore Master Plan has been adopted. Long Term Parking along the foreshore precinct has been determined		17/18	Completed
f.	Based on the Foreshore Plan (as revised) develop a strategy that will see space maximised for recreational use, but that reduces congestion caused by people looking for parking	Strategy presented to Council for consideration			Presented to Council late 2019
g.	Implement technologies (website, apps) that assist people to find available bays	Publicly available apps or information made available in real time electronically			To be investigated
h.	Work with the Public Transport Authority to provide alternatives to driving to the Foreshore Area	Further alternatives for public transport provided			Joint funding agreement with PTA makes allowance for a shuttle service between Cottesloe train station and the beach during summer

3.6 Develop and implement an asset management plan for coastal infrastructure which seeks to promote the enjoyment of the coastline while protecting the dune environment.

Actions		Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Establish in the Town’s asset management plan distinct categories for Foreshore Infrastructure	Asset Management Plan adopted by Council		17/18	Ongoing
b.	Establish guidelines for infrastructure not detailed in the Foreshore Plan or the Beach Access Paths style guide.	Guidelines and Policy adopted by Council			Ongoing. Draft style guide pending Foreshore Precinct Advisory Committee endorsement and Council approval
c.	Implement technologies (website, apps) that assist people to find available bays	Asset Management Plan adopted by Council			To be investigated

Priority Area 4 - Managing development

4.1 Finalise Local Planning Scheme No. 3 (LPS3)

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Gazettal of the LPS3	Complete	NA	2014	Complete
b.	Initiate and complete amendments required to correct minor issues within LPS3 as Gazetted	Amendments Gazetted	14/15	19/20	Complete and ongoing
c.	Undertake an awareness campaign to ensure relevant parties are aware of LPS3 and the implications for land owners	Public awareness campaign completed	14/15	15/16	Complete

4.2 Implement / apply planning incentives for heritage properties

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Apply the LPS3 provisions that offer concessions or variations for proposals for heritage properties	Planning concessions made available to heritage properties	14/15		Completed.
b.	Operate a heritage advisory service to assist proponents with proposals for heritage properties	Heritage advisory service available	15/16		Previous heritage advisory service ceased and now consultants used on an as needs basis
c.	Formulate a policy that offers financial incentives for heritage properties in support of planning outcomes	Policy adopted by Council	15/16		Will be addressed as part of the Local Planning Strategy (LPS) Review and subsequent Scheme Review
d.	Introduce a local heritage awards program to encourage the conservation of heritage properties	Heritage awards program commences	16/17		No action undertaken as yet

4.3 Consider undeveloped Government owned land for higher density development provided there is both public support and benefit for the Cottesloe community

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Undertake an audit of Crown Land or land owned by the Town of Cottesloe that have development potential	Audit results presented to Council for consideration	15/16		Previous reports submitted to Council on potential land availability
b.	From the results of the audit above, prioritise available land or higher density developments	Prioritised development strategy formulated	16/17		Previous reports submitted to Council on potential land availability
c.	Create structure plans for high priority land or development zones in partnership with the State Government	Structure plans presented to Council for consideration	17/18		Ongoing. To be addressed by LPS Review and Cott Village Precinct Plan
d.	Lobby and negotiate with relevant partners, such as the Department of Lands and LandCorp to instigate development in identified priority areas	Development begins in priority areas	17/18		Ongoing. To be addressed by LPS Review and Cott Village Precinct Plan

Priority Area 5 - Providing sustainable infrastructure and community amenities

5.1 Develop sustainability and capacity criteria to assess major strategies

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Write and implement a 10 year Asset Management Plan (AMP)	AMP adopted by Council	14/15	15/16	Project commenced with Draft Plan to be presented to Council in 2021
b.	Update Long Term Financial Plan (LTFP) to include impacts from AMP	LTFP updated	15/16		Completed, but updates ongoing
c.	Research and develop criteria for whole of life costings and ensure criteria are used in assessment of tenders for major projects.	Criteria used to assess any new project or strategy, prior to inclusion in AMP or LTFP	16/17		To be progressed

5.2 Manage assets that have a realisable value

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Finalise the sale of the former depot site at 2B Nailsworth Street, Cottesloe	Sale transaction settled	14/15	2015	Complete
b.	Update the Long Term Financial Plan (LTFP) to show the economic benefit of the sale of the former depot site	LTFP updated to show impacts of depot funds strategy	14/15	2016	Complete. The LTFP is reviewed annually to ensure it's accuracy and relevance
c.	Create a strategy for the development of the site at the corner of Station and Railway Streets in Cottesloe, which includes parking and traffic management plans	Strategy for the development of the site adopted by Council	15/16		This site is in the area being considered under the Precinct Plan for the Town Centre
d.	Create an inventory of land and other major assets that are currently held by the Town	Inventory created	15/16	2016	Complete
e.	Identify sites where the Town would be able to invest by either purchasing unallocated Crown Land or approaching the State with joint development projects	Appropriate acquisitions made or joint ventures entered into			Ongoing. Wearne project recently approved. Town Centre Precinct Plan (Railway lands in Town centre) underway
f.	Ensure that the returns on all leasable assets are maximised	Ensure leases are administered with a view to maximising returns			Ongoing

5.3 Implement the Town Centre Public Domain Infrastructure Improvement Plan (TCPDIIP)

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Revise and update TCPDIIP, in consultation with stakeholders, such as ProCott	Revised plan adopted by Council	14/15	15/16	Ongoing. To be addressed by LPS Review and Cott Village Precinct Plan
b.	Complete streetscape improvement works within Napoleon Street	Streetscape works completed	14/15	19/20	Completed
c.	Begin negotiations with Public Transport Authority (PTA) to redevelop train station interface with the Town Centre	A design for the redevelopment of the train station/town centre interface developed	14/15		Ongoing. To be addressed by LPS Review and Cott Village Precinct Plan

5.3 Implement the Town Centre Public Domain Infrastructure Improvement Plan (TCPDIIP) continued...

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
d.	Undertake amendments to LPS3, where necessary, to prompt development within the Town Centre Precinct	Amendments identified and initiated	14/15		Ongoing. To be addressed by Cott Village Precinct Plan
e.	Implement the Station Street Place Making Strategy as resolved by Council	Revised plan adopted by Council			To be progressed once the above Precinct Plan is finalised
f.	Identify other areas within the Town Centre that could benefit from improved infrastructure	Ongoing			Ongoing. To be progressed once the above Precinct Plan is finalised

5.4 Maximise income from non-rates sources

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Develop a list of projects that would be capable of attracting grants and develop grant applications accordingly	Grant income increases	Ongoing		Ongoing. Seven potential project funding opportunities identified
b.	Review lease arrangements to ensure the expenditure undertaken on leased buildings does not exceed lease payments received. Ensure commercial leases provide the most favourable return Lease payments and rents	Leases reviewed and amended when they are presented for renewal	Ongoing		
c.	Ensure that fees and charges for services provided are paid in a timely fashion and that where at all possible infringements issued are collected	Ratio of outstanding debtors/ infringements reduces	Ongoing		Debt recovery process implemented and Fines Enforcement Registry used. Best possible ratios for recovery are being achieved
d.	Invest surplus funds prudently to maximise returns where possible, without risking financial assets	Rate of return on investments is improved	Ongoing	17/18	Investments undertaken in accordance with Investment Policy, including arrangements to secure interest on the working Municipal Account

5.5 Develop a long term Asset Management Plan and accompanying Financial Plan

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Review and improve the Long Term Financial Plan (LTFP) on an annual basis	Annual review of LTFP undertaken	Ongoing		Ongoing
b.	Implement a long term Asset Management Plan (AMP) to be reviewed annually (November each year)	AMP presented to Council for endorsement.	14/15		Ongoing
c.	Analyse and compare the required level of renewal and replacement against the projected level of capital expenditure to ensure asset gaps do not eventuate	Asset Consumption Ratio and Asset Sustainability Ratio are calculated and show improvement	Ongoing		Ongoing
d.	Review asset 'service levels' and 'rating strategies' to ensure the expected level of service is achievable under the current rating levels	Asset Consumption Ratio and Asset Sustainability Ratio are calculated and show improvement	Ongoing		Ongoing
e.	Undertake a needs analysis and develop a master plan for the sport and recreation facilities at the "Seaview site"	Current assets (many of which are in need of renewal) are assessed and efficiencies created prior to renewal occurring			Draft plan to be ready for wider public consultation in 2021

Priority Area 6 - Providing open and accountable local governance

6.1 Ongoing implementation of Council's community consultation policy

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Ensure that where relevant, Council's final consideration of major issues follows appropriate community consultation	Appropriate consultation undertaken	Ongoing		Ongoing
b.	Community Consultation Policy regularly reviewed	Regular reviews provided to Council for consideration	Ongoing	Ongoing	Revised Consultation Policy currently being developed
c.	Strategic Community Plan reviewed on a regular basis, ensuring community involvement during the review	Strategic Community Plan regularly reviewed	Ongoing	Ongoing	Next review planned for 2021, Corporate Business Plan reviewed 2020

6.2 Continue to deliver high quality governance, administration, resource management and professional development

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Ongoing provision of training and development for staff as well as membership of relevant associations	Highly skilled and supported staff available to guide and advise Council	Ongoing	Ongoing	Ongoing
b.	Ongoing provision of study leave for relevant professional development	Highly skilled and supported staff available to guide and advise Council	Ongoing		Study leave available as per Council Policy
c.	Implement a customised elected member training and development program	Increased confidence in decision making skills and procedural awareness of elected members	Ongoing		Ongoing
d.	Undertake a cost analysis of significant decisions made that vary or amend projects	Increased awareness of the cost of making decisions that alter the current state of projects	Ongoing		Ongoing



6.3 Implement technologies to enhance decision making, communication and service delivery

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Scope, design and implement a Customer Relationship Management (CRM) system	Customer Relationship Management system in place and providing relevant reporting data	15/16	17/18	Project completed
b.	Undertake a review of the current core operating systems to identify and prioritise areas for improvement	A full review of the core operating system is complete and a prioritised list of improvements presented	18/19	20/21, 21/22 and 22/23	Review undertaken in 2020 and ERP strategic direction clear moving forward
c.	Develop a specification for the core systems required by the Town of Cottesloe	A specification for core operating systems is available for tender purposes	19/20		Completed
d.	Using the results of b. and c. - implement core systems that best meet the needs of the Town's administration and elected Council	Improvements in processing time and reporting capability are able to be documented	19/20		Direction set on moving forward

6.4 Enhance the Town's ability to embrace and manage change

	Actions	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2020
a.	Processes in place to educate community on impending changes	Relevant information on any change freely available to residents and ratepayers	Ongoing		Ongoing
b.	Ensure that information on any major change or project is freely available via the Town's website, notice boards or from administration	Relevant information on any change freely available to residents and ratepayers	Ongoing		Ongoing
c.	Regularly review administration structure and service delivery models to ensure they are as up to date as possible	Administration structure and services offered are modern and meet the needs of the community	Ongoing		Ongoing



FINANCIAL REPORT

FOR THE YEAR ENDED
30TH JUNE 2020



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**TOWN OF COTTESLOE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Town of Cottesloe for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the Town of Cottesloe at 30 June 2020 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 16th day of February 2021



Chief Executive Officer

William Matthew Scott

Name of Chief Executive Officer

TOWN OF COTTESLOE
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE AND TYPE
FOR THE YEAR ENDED 30TH JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Rates	24(a)	10,708,197	10,602,252	10,210,579
Operating grants, subsidies and contributions	2(a)	343,479	315,500	333,783
Fees and charges	2(a)	1,715,037	1,825,920	2,108,227
Interest earnings	2(a)	310,883	311,731	486,751
Other revenue	2(a)	243,258	121,653	174,345
		<u>13,320,854</u>	<u>13,177,056</u>	<u>13,313,685</u>
Expenses				
Employee costs		(4,844,268)	(4,673,891)	(5,092,998)
Materials and contracts		(5,210,591)	(5,511,052)	(4,820,163)
Utility charges		(374,345)	(377,817)	(361,243)
Depreciation on non-current assets	11(d)	(2,616,741)	(2,112,267)	(2,288,866)
Interest expenses	2(b)	(263,869)	(230,261)	(246,329)
Insurance expenses		(159,219)	(152,600)	(160,889)
Other expenditure	2(b)	(366,251)	(989,429)	(416,269)
		<u>(13,835,284)</u>	<u>(14,047,317)</u>	<u>(13,386,757)</u>
		(514,430)	(870,261)	(73,072)
Non-operating grants, subsidies and contributions	2(a)	192,635	60,000	532,684
Profit on asset disposals	11(a)	41,692	0	11,519
(Loss) on asset disposals	11(a)	(10,054)	0	(25,430)
Fair value adjustments to financial assets at fair value through profit or loss	5(b)	106,832	0	0
Share of net profit of associates accounted for using the equity method	23	(80,724)	0	(142,976)
		<u>250,381</u>	<u>60,000</u>	<u>375,797</u>
Net result for the period		(264,049)	(810,261)	302,725
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	61,660	0	40,447
Total other comprehensive income for the period		61,660	0	40,447
Total comprehensive income for the period		(202,389)	(810,261)	343,172

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

TOWN OF COTTESLOE
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Governance		42,238	31,485	39,516
General purpose funding		11,331,895	11,205,309	11,016,618
Law, order, public safety		61,932	38,550	64,212
Health		97,557	106,430	101,148
Education and welfare		39,460	32,400	37,520
Community amenities		456,440	447,890	517,148
Recreation and culture		444,015	405,392	480,955
Transport		647,438	764,100	848,398
Economic services		195,441	145,000	203,274
Other property and services		4,438	500	4,896
		<u>13,320,854</u>	<u>13,177,056</u>	<u>13,313,685</u>
Expenses				
Governance		(900,293)	(893,185)	(1,023,397)
General purpose funding		(275,743)	(296,460)	(275,978)
Law, order, public safety		(372,418)	(361,058)	(356,938)
Health		(244,419)	(292,662)	(267,925)
Education and welfare		(406,290)	(288,730)	(262,301)
Community amenities		(3,517,402)	(3,622,000)	(3,134,136)
Recreation and culture		(4,097,871)	(4,172,792)	(3,807,682)
Transport		(3,207,372)	(3,461,424)	(3,435,952)
Economic services		(518,738)	(428,845)	(519,039)
Other property and services		(30,869)	0	(57,080)
		<u>(13,571,415)</u>	<u>(13,817,156)</u>	<u>(13,140,428)</u>
Finance Costs				
Governance		(472)	(100)	0
Recreation and culture	16	(226,642)	(230,061)	(246,329)
Other property and services		(36,755)	0	0
		<u>(263,869)</u>	<u>(230,161)</u>	<u>(246,329)</u>
		(514,430)	(870,261)	(73,072)
Non-operating grants, subsidies and contributions	2(a)	192,635	60,000	532,684
Profit on disposal of assets	11(a)	41,692	0	11,519
(Loss) on disposal of assets	11(a)	(10,054)	0	(25,430)
Fair value adjustments to financial assets at fair value through profit or loss	5(b)	106,832	0	0
Share of net profit of associates accounted for using the equity method	23	(80,724)	0	(142,976)
		<u>250,381</u>	<u>60,000</u>	<u>375,797</u>
Net result for the period		(264,049)	(810,261)	302,725
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	61,660	0	40,447
Total other comprehensive income for the period		61,660	0	40,447
Total comprehensive income for the period		(202,389)	(810,261)	343,172

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

**TOWN OF COTTESLOE
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2020**

	NOTE	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	3	12,427,866	7,734,871
Trade and other receivables	6	732,686	537,468
Other financial assets	5	59,512	5,851,288
Inventories	7	9,790	10,410
Other assets	8	109,926	52,557
TOTAL CURRENT ASSETS		13,339,780	14,186,594
NON-CURRENT ASSETS			
Trade and other receivables	6	212,676	203,331
Other financial assets	5	445,470	398,150
Investments accounted for using the equity method	23	653,797	734,521
Property, plant and equipment	9	83,407,321	84,583,052
Infrastructure	10	37,942,717	37,539,564
Right-of-use assets	12	1,322,572	0
TOTAL NON-CURRENT ASSETS		123,984,553	123,458,618
TOTAL ASSETS		137,324,333	137,645,212
CURRENT LIABILITIES			
Trade and other payables	14	2,339,268	1,976,861
Lease liabilities	15	53,052	0
Borrowings	16	310,650	292,576
Employee related provisions	17	892,006	949,592
TOTAL CURRENT LIABILITIES		3,594,976	3,219,029
NON-CURRENT LIABILITIES			
Lease liabilities	15	1,308,466	0
Borrowings	16	3,140,786	3,451,436
Employee related provisions	17	163,760	102,798
Other payables	14	6,785	0
TOTAL NON-CURRENT LIABILITIES		4,619,797	3,554,234
TOTAL LIABILITIES		8,214,773	6,773,263
NET ASSETS		129,109,560	130,871,949
EQUITY			
Retained surplus		27,948,844	29,736,037
Reserves - cash/financial asset backed	4	9,087,247	9,699,062
Revaluation surplus	13	92,073,469	91,436,850
TOTAL EQUITY		129,109,560	130,871,949

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

TOWN OF COTTESLOE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2020

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/FINANCIAL BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2018		28,688,578	10,443,796	91,396,403	130,528,777
Comprehensive income					
Net result for the period		302,725	0	0	302,725
Other comprehensive income	13	0	0	40,447	40,447
Total comprehensive income		302,725	0	40,447	343,172
Transfers from reserves	4	2,209,566	(2,209,566)	0	0
Transfers to reserves	4	(1,464,832)	1,464,832	0	0
Balance as at 30 June 2019		29,736,037	9,699,062	91,436,850	130,871,949
Change in accounting policies	28	(2,134,959)	0	574,959	(1,560,000)
Restated total equity at 1 July 2019		27,601,078	9,699,062	92,011,809	129,311,949
Comprehensive income					
Net result for the period		(264,049)	0	0	(264,049)
Other comprehensive income		0	0	61,660	61,660
Total comprehensive income		(264,049)	0	61,660	(202,389)
Transfers from reserves	4	1,705,338	(1,705,338)	0	0
Transfers to reserves	4	(1,093,523)	1,093,523	0	0
Balance as at 30 June 2020		27,948,844	9,087,247	92,073,469	129,109,560

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

TOWN OF COTTESLOE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		10,785,937	10,602,252	10,239,136
Operating grants, subsidies and contributions		461,326	315,500	554,990
Fees and charges		1,552,284	1,825,920	2,108,227
Interest received		300,454	311,731	486,751
Goods and services tax received		727,519	720,000	685,583
Other revenue		129,256	121,653	174,345
		<u>13,956,776</u>	<u>13,897,056</u>	<u>14,249,032</u>
Payments				
Employee costs		(4,811,076)	(4,673,891)	(4,937,116)
Materials and contracts		(5,586,600)	(5,510,052)	(3,869,390)
Utility charges		(339,202)	(377,817)	(361,243)
Interest expenses		(202,445)	(230,261)	(218,069)
Insurance paid		(159,219)	(152,600)	(160,889)
Goods and services tax paid		(764,108)	(720,000)	(685,583)
Other expenditure		(293,999)	(989,529)	(416,269)
		<u>(12,156,649)</u>	<u>(12,654,150)</u>	<u>(10,648,559)</u>
Net cash provided by (used in) operating activities	18	<u>1,800,127</u>	<u>1,242,906</u>	<u>3,600,473</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost		0	0	1,705,542
Payments for purchase of property, plant & equipment		(1,146,987)	(1,556,750)	(592,244)
Payments for construction of infrastructure		(1,809,737)	(4,200,508)	(2,693,045)
Non-operating grants, subsidies and contributions	2(a)	192,635	60,000	532,684
Proceeds from financial assets at amortised cost - term deposits		5,794,277	0	0
Proceeds from financial assets at amortised cost - self supporting loans		57,011	60,970	54,631
Proceeds from sale of property, plant & equipment	11	124,986	108,000	89,276
Net cash provided by (used in) investment activities		<u>3,212,185</u>	<u>(5,528,288)</u>	<u>(903,156)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	16	(292,576)	(288,616)	(475,390)
Payments for principal portion of lease liabilities		(26,741)	0	0
Net cash provided by (used in) financing activities		<u>(319,317)</u>	<u>(288,616)</u>	<u>(475,390)</u>
Net increase (decrease) in cash held		4,692,995	(4,573,998)	2,221,927
Cash at beginning of year		7,734,871	11,959,165	5,512,944
Cash and cash equivalents at the end of the year	18	<u>12,427,866</u>	<u>7,385,167</u>	<u>7,734,871</u>

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

**TOWN OF COTTESLOE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	25	2,453,660	1,733,473	2,452,281
		<u>2,453,660</u>	<u>1,733,473</u>	<u>2,452,281</u>
Revenue from operating activities (excluding rates)				
Governance		150,984	31,485	42,698
General purpose funding		623,698	603,057	806,039
Law, order, public safety		61,932	38,550	64,212
Health		97,557	106,430	101,148
Education and welfare		39,460	32,400	37,520
Community amenities		480,048	447,890	517,148
Recreation and culture		448,283	405,392	485,049
Transport		659,340	764,100	851,260
Economic services		195,441	145,000	203,274
Other property and services		4,438	500	6,277
		<u>2,761,181</u>	<u>2,574,804</u>	<u>3,114,625</u>
Expenditure from operating activities				
Governance		(906,116)	(893,285)	(1,028,797)
General purpose funding		(275,743)	(296,460)	(275,978)
Law, order, public safety		(372,418)	(361,058)	(356,938)
Health		(244,419)	(292,662)	(267,925)
Education and welfare		(406,290)	(288,730)	(262,301)
Community amenities		(3,598,126)	(3,622,000)	(3,277,112)
Recreation and culture		(4,329,216)	(4,402,853)	(4,067,638)
Transport		(3,207,372)	(3,461,424)	(3,441,299)
Economic services		(518,738)	(428,845)	(519,039)
Other property and services		(67,620)	0	(58,134)
		<u>(13,926,058)</u>	<u>(14,047,317)</u>	<u>(13,555,161)</u>
Non-cash amounts excluded from operating activities	25	2,559,807	2,112,267	2,570,690
Amount attributable to operating activities		<u>(6,151,410)</u>	<u>(7,626,773)</u>	<u>(5,417,565)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	192,635	60,000	532,684
Proceeds from disposal of assets	11	124,986	108,000	89,276
Proceeds from financial assets at amortised cost - self supporting loans		57,011	60,970	54,631
Purchase of property, plant and equipment	9	(1,282,718)	(1,556,750)	(592,244)
Purchase and construction of infrastructure	10	(2,087,446)	(4,271,036)	(2,693,045)
Amount attributable to investing activities		<u>(2,995,532)</u>	<u>(5,598,816)</u>	<u>(2,608,698)</u>
FINANCING ACTIVITIES				
Repayment of borrowings	16	(292,576)	(292,575)	(475,390)
Payments for principal portion of lease liabilities	15	(26,741)	0	0
Transfers to reserves (restricted assets)	4	(1,093,523)	(469,962)	(1,464,832)
Transfers from reserves (restricted assets)	4	1,705,338	3,345,874	2,209,566
Amount attributable to financing activities		<u>292,498</u>	<u>2,583,337</u>	<u>269,344</u>
Surplus/(deficit) before imposition of general rates		<u>(8,854,444)</u>	<u>(10,642,252)</u>	<u>(7,756,919)</u>
Total amount raised from general rates	24	10,708,197	10,602,252	10,210,579
Surplus/(deficit) after imposition of general rates	25	<u>1,853,753</u>	<u>(40,000)</u>	<u>2,453,660</u>

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

TOWN OF COTTESLOE
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FOR THE YEAR ENDED 30TH JUNE 2020

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TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

1. BASIS OF PREPARATION

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

AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Prior to 1 July 2019, *Financial Management Regulation 16* arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the Town. This was not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

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

The Town has accounted for the removal of the vested land values associated with Seaview Golf Course previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparative year amounts have been retained as AASB 16 does not require comparatives to be restated in the year of transition. (Refer note 28(a))

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Town 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 29 to these financial statements.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	General rates	Over time	Payment dates adopted by council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations
Grants, subsidies or contributions with no contractual	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	On approval of the application
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annual fee	None	Adopted by Council annually	Apportioned equally across the inspection	No refunds	Apportioned equally across the four yearly inspection cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	When the inspection is completed
Fees and charges - waste management collections	Kerbside collection service	Over time	Payment on annual basis in advance for domestic and eight weekly in arrears for commercial	None	Adopted by Council annually	When taxable event occurs	Not applicable	For domestic, when rates notice is issued, for commercial, output method based on regular eight weekly period proportionate to collection service
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal site	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by Council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges - property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled with conditions	Adopted by Council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price of terms	On entry of conclusion of hire
Fees and charges for other goods and services	Library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by Council annually	Applied fully on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Sale of stock i.e. history books etc.	Single point in time	Payment in full in advance	Refunds for faulty goods	Adopted by Council annually	Applied fully based on timing of provision	Returns limited to repayment of transaction price of terms	Output method based on goods
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full with defined time	None	Adopted by Council through local law	When taxable event occurs	Not applicable	When fine notice is issued
Fees and charges - commissions	Other commissions i.e. for agency collections	Single point in time	Payment in full on sale	None	Set by mutual agreement with the customer	Applied fully on timing of provision	Not applicable	Output method based on regular basis
Other revenue - reimbursements	Other reimbursements i.e. insurance claims etc.	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When the claim is agreed	Not applicable	When claim is agreed

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

2. REVENUE AND EXPENSES

(a) Revenue

Operating grants, subsidies and contributions

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	850	4,000	0
General purpose funding	287,149	265,000	269,756
Community amenities	21,386	22,500	25,924
Recreation and culture	549	0	8,497
Transport	33,545	24,000	29,606
	343,479	315,500	333,783
Non-operating grants, subsidies and contributions			
Recreation and culture	1,132	0	10,188
Transport	150,402	60,000	522,496
Other property and services	41,101	0	0
	192,635	60,000	532,684
Total grants, subsidies and contributions	536,114	375,500	866,467
Fees and charges			
General purpose funding	48,902	39,550	41,007
Law, order, public safety	49,318	26,850	51,637
Health	89,811	96,680	86,893
Education and welfare	23,490	23,100	23,112
Community amenities	361,861	422,190	506,434
Recreation and culture	389,458	372,050	429,149
Transport	558,147	701,000	779,316
Economic services	194,050	144,500	190,679
	1,715,037	1,825,920	2,108,227

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

2 REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2020 Actual \$	2020 Budget \$	2019 Actual \$
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Town was recognised during the year for the following nature or types of goods or services:			
Non-operating grants, subsidies and contributions	192,635	60,000	532,684
	192,635	60,000	532,684
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Town is comprised of:			
Other revenue from performance obligations satisfied during the year	192,635	60,000	532,684
	192,635	60,000	532,684
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	208,633	0	105,320
Revenue from statutory requirements			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
General rates	10,708,197	10,602,252	10,210,579
Statutory permits and licences	313,489	332,051	453,287
Fines	592,384	533,862	801,378
	11,614,070	11,468,165	11,465,244
Other revenue			
Reimbursements and recoveries	192,409	94,353	162,909
Other	50,849	27,300	11,436
	243,258	121,653	174,345
Interest earnings			
Financial assets at amortised cost - self supporting loans	16,081	15,117	15,774
Interest on reserve funds	149,806	136,407	314,714
Rates instalment and penalty interest	68,198	77,000	78,011
Other interest earnings	76,798	83,207	78,252
	310,883	311,731	486,751

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
Auditors remuneration				
- Audit of the Annual Financial Report		56,000	57,120	56,000
- Other services		7,350	7,880	9,100
		63,350	65,000	65,100
Interest expenses (finance costs)				
Borrowings	16	226,642	230,061	246,329
Lease liabilities	15	37,227	0	0
Other		0	199	0
		263,869	230,260	246,329
Other expenditure				
Sundry expenses		366,251	989,429	416,269
		366,251	989,429	416,269

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

3 CASH AND CASH EQUIVALENTS

	NOTE	2020	2019
		\$	\$
Cash at bank and on hand		3,327,943	3,830,086
Term deposits		9,099,923	3,904,785
Total cash and cash equivalents		12,427,866	7,734,871

Restrictions

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

- Cash and cash equivalents		9,087,247	3,904,785
- Financial assets at amortised cost		0	5,794,277
		9,087,247	9,699,062

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

Reserves - cash/financial asset backed	4	9,087,247	9,699,062
Total restricted assets		9,087,247	9,699,062

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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	2020		2020		2020		2020		2020		2019		2019			
	Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance
4 RESERVES - CASH/FINANCIAL ASSET BACKED																
(a) Reserves cash backed - Leave Reserve	\$ 304,167	\$ 4,959	\$ 0	\$ 309,126	\$ 302,359	\$ 6,124	\$ 0	\$ 308,483	\$ 95,675	\$ 208,492	\$ 0	\$ 304,167	\$ 95,675	\$ 208,492	\$ 0	\$ 304,167
(b) Cash in lieu of parking reserve	11,515	188	0	11,703	11,511	233	0	11,744	11,194	321	0	11,515	11,194	321	0	11,515
(c) Reserves cash backed - Civic centre reserve	363,108	5,920	0	369,028	362,993	7,352	0	370,345	352,992	10,116	0	363,108	352,992	10,116	0	363,108
(d) Reserves cash backed - Waste management reserve	619,751	10,105	0	629,856	614,524	12,446	0	626,970	602,485	17,266	0	619,751	602,485	17,266	0	619,751
(e) Reserves cash backed - Property reserve	384,307	6,266	0	390,573	384,221	7,782	0	392,003	373,601	10,706	0	384,307	373,601	10,706	0	384,307
(f) Reserves cash backed - Infrastructure reserve	575,183	427,236	(445,702)	556,717	568,239	243,779	(750,000)	62,018	721,922	20,261	(167,000)	575,183	721,922	20,261	(167,000)	575,183
(g) Reserves cash backed - Legal reserve	168,867	2,753	0	171,620	168,773	3,418	0	172,191	164,122	4,745	0	168,867	164,122	4,745	0	168,867
(h) Reserves cash backed - Parking facilities reserve	171,622	102,798	(116,250)	158,170	171,460	15	(171,475)	0	166,841	4,781	0	171,622	166,841	4,781	0	171,622
(i) Reserves cash backed - Library reserve	64,922	105,364	0	170,286	64,999	107,682	0	172,681	35,656	29,266	0	64,922	35,656	29,266	0	64,922
(j) Reserves cash backed - Sustainability reserve	164,520	2,416	0	166,936	164,469	3,331	0	167,800	159,937	4,583	0	164,520	159,937	4,583	0	164,520
(k) Reserves cash backed - Foreshore redevelopment reserve (formerly the depot funds reserve)	5,993,612	102,704	(1,140,176)	4,956,140	5,611,762	46,913	(2,249,464)	3,409,211	7,420,513	208,477	(1,635,378)	5,993,612	7,420,513	208,477	(1,635,378)	5,993,612
(l) Reserves cash backed - Right of way reserve	166,597	27,898	0	194,495	163,033	3,302	0	166,335	17,607	148,990	0	166,597	17,607	148,990	0	166,597
(m) Reserves cash backed - Sculpture and artworks reserve	77,826	31,269	0	109,095	78,713	1,594	0	80,307	124,388	3,438	(50,000)	77,826	124,388	3,438	(50,000)	77,826
(n) Reserves cash backed - Green infrastructure and sustainability initiatives reserves (formerly the green infrastructure reserve)	110,861	1,808	0	112,669	109,135	2,157	0	111,292	0	170,861	(60,000)	110,861	0	170,861	(60,000)	110,861
(o) Reserves cash backed - Active transport reserve	213,637	146,807	(3,210)	357,234	210,144	4,256	0	214,400	0	295,226	(81,589)	213,637	0	295,226	(81,589)	213,637
(p) Reserves cash backed - Information technology reserve	286,880	4,678	0	291,558	284,400	5,760	0	290,160	0	286,880	0	286,880	0	286,880	0	286,880
(q) Reserves cash backed - Recreation precinct reserve	21,687	354	0	22,041	21,500	435	(21,935)	0	0	21,687	0	21,687	0	21,687	0	21,687
(r) Reserves cash backed - Shark barrier reserve	0	110,000	0	110,000	0	0	0	0	0	0	0	0	0	0	0	0
(s) Reserves cash backed - Car park reserve	0	0	0	0	0	0	0	0	12,953	322	(13,275)	0	12,953	322	(13,275)	0
(t) Reserves cash backed - Public open space reserve	0	0	0	0	660,766	13,383	(153,000)	521,149	0	18,414	(18,414)	0	0	18,414	(18,414)	0
(u) Reserves cash backed - Unspent grants/funds reserve	9,699,062	1,093,523	(1,705,338)	9,087,247	9,953,001	469,962	(3,345,874)	7,077,089	183,910	1,464,832	(183,910)	9,699,062	183,910	1,464,832	(183,910)	9,699,062

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

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

TOWN OF COTTESLOE
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4 RESERVES - CASH/FINANCIAL ASSET BACKED (continued)

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Leave Reserve	Five years	To partially cash back the accumulated employee leave liability and to fund the payment of accumulated leave entitlements for Town of Cottesloe staff.
(b) Cash in lieu of parking reserve	Twenty years	The purpose of this reserve is, in accordance with the Council's Town Planning Scheme, to set aside funds from developers for the development of parking facilities
(c) Reserves cash backed - Civic centre reserve	Ten years	To fund the cost of improvement, renovations and extensions to the buildings that make up Cottesloe Civic Centre.
(d) Reserves cash backed - Waste management reserve	Ten years	To fund the improvement, replacement and expansion of waste management plant, equipment, facilities and services within the suburb of Cottesloe.
(e) Reserves cash backed - Property reserve	Ten to twenty years	To contribute towards future property construction/renewal within the Town of Cottesloe..
(f) Reserves cash backed - Infrastructure reserve	Ten to twenty years	To contribute towards ongoing future infrastructure construction/renewal within the suburb of Cottesloe which includes the following categories of infrastructure, roads, drainage, footpaths, parks and ovals, irrigation, streetscapes and miscellaneous infrastructure.
(g) Reserves cash backed - Legal reserve	Five years	To contribute towards unanticipated legal expenses incurred by the Town of Cottesloe.
(h) Reserves cash backed - Parking facilities reserve	Ten years	To fund improvements to parking facilities within the suburb of Cottesloe.
(i) Reserves cash backed - Library reserve	Ten to twenty years	To be used for the upgrade and/or replacement of Library facilities.
(l) Reserves cash backed - Sustainability reserve	Ten years	To fund new or enhance existing sustainability initiatives within the suburb of Cottesloe.
(k) Reserves cash backed - Foreshore redevelopment reserve (formerly the depot funds reserve)	One to two years	To be used to fund the development of the Cottesloe foreshore.
(l) Reserves cash backed - Right of way reserve	Ten years	To be used to fund the improvement of right of ways within the suburb of Cottesloe.
(m) Reserves cash backed - Sculpture and artworks reserve	One year	To be used for the acquisition of new and restoration of existing sculptures and artworks within the suburb of Cottesloe.
(n) Reserves cash backed - Green infrastructure and sustainability initiatives reserve (formerly the green infrastructure reserve)	Ten to twenty years	To be used for the purpose of developing, commencing and implementing the Green Infrastructure Management Strategy within the suburb of Cottesloe and to fund new or enhance existing sustainability initiatives within the suburb of Cottesloe.
(o) Reserves cash backed - Active transport reserve	Ten to twenty years	To be used for the purpose of developing and maintaining active transport infrastructure within the suburb of Cottesloe.
(p) Reserves cash backed - Information technology reserve	Ten to twenty years	To be used for the purpose of developing and renewing information technology assets within the suburb of Cottesloe, including replacement of the parking system and core business system.
(q) Reserves cash backed - Recreation precinct reserve	One year	To be used for the purpose of developing and implementing improvements to the Town's recreation precincts.
(r) Reserves cash backed - Shark barrier reserve	Five to ten years	To develop and replace the shark barrier within the suburb of Cottesloe.
(s) Reserves cash backed - Car park reserve	Fully used	To be used to partially fund the construction of a new car park at North Cottesloe Primary School.
(t) Reserves cash backed - Public open space reserve	One year	To be used to fund the enhancement of existing, and creation of new, public open space within the suburb of Cottesloe to cater for the needs of all ages and abilities of the Town's youth.
(u) Reserves cash backed - Unspent grants/funds reserve	Fully used	To carry forward available funding for uncompleted projects and grants that will be utilised in ensuing financial years.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

5. OTHER FINANCIAL ASSETS

	2020	2019
	\$	\$
(a) Current assets		
Financial assets at amortised cost	59,512	5,851,288
	59,512	5,851,288
Other financial assets at amortised cost		
Term deposits	0	5,794,277
Self supporting loans	59,512	57,011
	59,512	5,851,288
(b) Non-current assets		
Financial assets at amortised cost	338,638	398,150
Financial assets at fair value through profit and loss	106,832	0
	445,470	398,150
Financial assets at amortised cost		
Self supporting loans	338,638	398,150
	338,638	398,150
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	106,832	0
	106,832	0

Self supporting loans from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 16.

The Town of Cottesloe holds 5 of the 620 units in the Local Government House Trust and recognises its share of the net assets reported in the latest audited Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Town 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 Town 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 Town 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 26

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

6 TRADE AND OTHER RECEIVABLES

	<u>2020</u>	<u>2019</u>
	\$	\$
Current		
Rates receivable	134,779	157,138
Trade and other receivables	208,633	105,320
GST receivable	104,749	68,160
Provision for expected credit losses - other	(20,152)	(7,271)
Sundry receivables - infringements	409,038	412,826
Provision for expected credit losses - infringements	(104,361)	(203,199)
Long service leave receivable from other local governments	0	4,494
	<u>732,686</u>	<u>537,468</u>
Non-current		
Pensioner's rates and ESL deferred	185,609	181,111
Long service leave receivable from other local governments	27,067	22,220
	<u>212,676</u>	<u>203,331</u>

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. expected credit loss).

Impairment and risk exposure

Information about the expected credit loss of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 26.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020**

7 INVENTORIES

Current

Fuel and materials
Provision for Obsolescence

	2020	2019
	\$	\$
Fuel and materials	34,157	36,320
Provision for Obsolescence	(24,367)	(25,910)
	9,790	10,410

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.

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020**

8 OTHER ASSETS

	<u>2020</u>	<u>2019</u>
	\$	\$
Other assets - current		
Prepayments	101,801	31,262
Accrued income	8,125	21,295
	<u>109,926</u>	<u>52,557</u>

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.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

9 PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Plant and Equipment - Library	Furniture and Equipment - Library	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	54,452,000	1,560,000	56,012,000	27,621,137	27,621,137	83,633,137	324,662	711,359	5,096	120,770	84,795,024
Additions	0	0	0	166,933	166,933	166,933	160,110	265,201	0	0	592,244
(Disposals)	0	0	0	0	0	0	(6,272)	(96,915)	0	0	(103,187)
Depreciation (expense)	0	0	0	(524,488)	(524,488)	(524,488)	(59,581)	(115,664)	(1,296)	0	(701,029)
Carrying amount at 30 June 2019	54,452,000	1,560,000	56,012,000	27,263,582	27,263,582	83,275,582	418,919	763,981	3,800	120,770	84,583,052
Comprises:											
Gross carrying amount at 30 June 2019	54,452,000	1,560,000	56,012,000	28,310,582	28,310,582	84,322,582	921,325	1,050,441	7,601	127,125	86,429,074
Accumulated depreciation at 30 June 2019	0	0	0	(1,047,000)	(1,047,000)	(1,047,000)	(502,406)	(286,460)	(3,801)	(6,355)	(1,846,022)
Carrying amount at 30 June 2019	54,452,000	1,560,000	56,012,000	27,263,582	27,263,582	83,275,582	418,919	763,981	3,800	120,770	84,583,052
Change in accounting policy	0	(1,560,000)	(1,560,000)	0	0	(1,560,000)	0	0	0	0	(1,560,000)
Carrying amount at 1 July 2019	54,452,000	0	54,452,000	27,263,582	27,263,582	81,715,582	418,919	763,981	3,800	120,770	83,023,052
Additions	0	0	0	845,510	845,510	845,510	142,934	294,274	0	0	1,282,718
(Disposals)	0	0	0	0	0	0	(9,436)	(83,912)	0	0	(93,348)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	30,444	31,216	0	0	61,660
Depreciation (expense)	0	0	0	(688,231)	(688,231)	(688,231)	(70,121)	(104,609)	(3,800)	0	(866,761)
Carrying amount at 30 June 2020	54,452,000	0	54,452,000	27,420,861	27,420,861	81,872,861	512,740	900,950	0	120,770	83,407,321
Comprises:											
Gross carrying amount at 30 June 2020	54,452,000	0	54,452,000	29,156,092	29,156,092	83,608,092	747,328	900,950	0	127,125	85,383,495
Accumulated depreciation at 30 June 2020	0	0	0	(1,735,231)	(1,735,231)	(1,735,231)	(234,588)	0	0	(6,355)	(1,976,174)
Carrying amount at 30 June 2020	54,452,000	0	54,452,000	27,420,861	27,420,861	81,872,861	512,740	900,950	0	120,770	83,407,321

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020**

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	3	Market approach using recent observable market data for similar items	Independent valuation	June 2017	Price per hectare
Land - vested in and under the control of Council (refer to below for changes in the valuation methodology effective 1 July 2019)	3	Market approach using recent observable market data for similar items	Independent valuation	June 2017	Price per hectare
Buildings - specialised	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent valuation	June 2017	Improvements to land using construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	3	Market approach using recent observable market data for similar items	Independent valuation	June 2020	Make, size, year of manufacture and condition
Plant and equipment	3	Market approach using recent observable market data for similar items	Independent valuation	June 2020	Make, size, year of manufacture and condition

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.

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

TOWN OF COTTESLOE
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10 INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - roads	Infrastructure - parks	Infrastructure - car parks	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks	Infrastructure - miscellaneous	Infrastructure - right of way	Infrastructure - streetscape	Infrastructure - irrigation	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	14,879,178	1,150,057	5,474,664	5,093,523	2,202,583	5,856,220	1,036,848	557,578	183,705	36,434,356	
Additions	653,431	20,551	62,284	27,569	277,132	1,489,857	12,667	149,554	0	2,693,045	
Depreciation (expense)	(784,670)	(82,197)	(188,885)	(81,306)	(76,128)	(269,976)	(54,602)	(40,888)	(9,185)	(1,587,837)	
Carrying amount at 30 June 2019	14,747,939	1,088,411	5,348,063	5,039,786	2,403,587	7,076,101	994,913	666,244	174,520	37,539,564	
Comprises:											
Gross carrying amount at 30 June 2019	28,361,674	2,873,379	9,623,314	7,506,062	2,744,982	11,288,139	1,874,350	957,697	207,803	65,437,400	
Accumulated depreciation at 30 June 2019	(13,613,735)	(1,784,968)	(4,275,251)	(2,466,276)	(341,395)	(4,212,038)	(879,437)	(291,455)	(33,283)	(27,897,836)	
Carrying amount at 30 June 2019	14,747,939	1,088,411	5,348,063	5,039,786	2,403,587	7,076,101	994,913	666,244	174,520	37,539,564	
Additions	122,972	65,045	78,154	0	480,860	819,647	27,773	488,286	4,709	2,087,446	
Depreciation (expense)	(802,077)	(82,911)	(190,157)	(81,567)	(81,157)	(334,191)	(55,012)	(47,999)	(9,202)	(1,684,293)	
Carrying amount at 30 June 2020	14,068,834	1,070,545	5,236,060	4,958,199	2,803,290	7,561,557	967,674	1,106,531	170,027	37,942,717	
Comprises:											
Gross carrying amount at 30 June 2020	28,484,646	2,938,424	9,701,469	7,506,062	3,225,842	12,107,786	1,902,123	1,445,983	212,513	67,524,848	
Accumulated depreciation at 30 June 2020	(14,415,812)	(1,867,879)	(4,465,409)	(2,547,863)	(422,552)	(4,546,229)	(934,449)	(339,452)	(42,486)	(29,582,131)	
Carrying amount at 30 June 2020	14,068,834	1,070,545	5,236,060	4,958,199	2,803,290	7,561,557	967,674	1,106,531	170,027	37,942,717	

**TOWN OF COTTESLOE
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FOR THE YEAR ENDED 30TH JUNE 2020**

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	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
Infrastructure - car parks	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
Infrastructure - parks	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
Infrastructure - miscellaneous	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
Infrastructure - right of way	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
Infrastructure - streetscape	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
Infrastructure - irrigation	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs

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.

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020**

11 FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Recognition and measurement

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

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

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

Items of plant and equipment that are subsequently measured using the cost model

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

Revaluation

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

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control prior to 1 July 2019

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

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

Land under roads prior to 1 July 2019

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

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

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

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail. Consequently, any land under roads acquired on or after 1 July 2008 was not included as an asset of the Town.

Land under roads from 1 July 2019

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

The Town has accounted for the removal of the vested land values associated with Seaview Golf course by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

Vested improvements from 1 July 2019

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

Refer to Note 12 and Note 15 that details the significant accounting policies applying to right of use assets and leases respectively.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

11 FIXED ASSETS

(a) Disposals of Assets

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Furniture and equipment	9,436	0	0	(9,436)	0	0	6,272	3,182	3,182	(6,272)
Plant and equipment	83,912	124,986	41,692	(618)	108,000	108,000	96,915	86,094	8,337	(19,158)
	<u>93,348</u>	<u>124,986</u>	<u>41,692</u>	<u>(10,054)</u>	<u>108,000</u>	<u>108,000</u>	<u>103,187</u>	<u>89,276</u>	<u>11,519</u>	<u>(25,430)</u>

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Plant and Equipment				
Governance	\$	\$	\$	\$
Passenger vehicle	8,140	10,054	1,914	0
Passenger vehicle	28,627	28,009	0	(618)
Community amenities				
Road sweeper	8,621	32,229	23,608	0
Recreation and culture				
Utility vehicle	12,960	14,828	1,868	0
Carryall utility	2,600	5,000	2,400	0
Transport				
Truck	22,964	33,842	10,878	0
Vibratory roller	0	500	500	0
Trailer	0	524	524	0
	<u>83,912</u>	<u>124,986</u>	<u>41,692</u>	<u>(618)</u>
Furniture and Equipment				
Governance				
Furniture and equipment	4,703	0	0	(4,703)
IT software	4,733	0	0	(4,733)
	<u>9,436</u>	<u>0</u>	<u>0</u>	<u>(9,436)</u>
	<u>93,348</u>	<u>124,986</u>	<u>41,692</u>	<u>(10,054)</u>

(b) Fully Depreciated Assets in Use

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

	2020 \$	2019 \$
Furniture and equipment	0	362,461
Plant and equipment	0	46,200
Infrastructure - miscellaneous	642,850	182,850
	<u>642,850</u>	<u>591,511</u>

(c) Temporarily Idle Assets

The Town did not hold any assets which are temporarily idle or retired from active use and not classified as held for sale.

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020**

11 FIXED ASSETS

(d) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - specialised	688,231	463,411	524,488
Furniture and equipment	70,121	69,290	59,581
Plant and equipment	104,609	97,434	115,664
Infrastructure - roads	802,077	748,870	784,670
Infrastructure - car parks	82,911	82,752	82,197
Infrastructure - footpaths	190,157	192,240	188,885
Infrastructure - drainage	81,587	81,588	81,306
Infrastructure - parks	81,157	101,942	76,128
Infrastructure - miscellaneous	334,191	238,136	269,976
Infrastructure - right of way	55,012	0	54,602
Infrastructure - streetscape	47,999	36,604	40,888
Infrastructure - irrigation	9,202	0	9,185
Plant and Equipment - Library	3,800	0	1,296
Leased property	59,052	0	0
Leased furniture and equipment	6,635	0	0
	2,616,741	2,112,267	2,288,866

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020**

11 FIXED ASSETS

(d) Depreciation (continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	33 to 159 years
Furniture and equipment	2 to 15 years
Plant and equipment	2 to 10 years
Computer and Ancillary Equipment	2 to 10 years
Infrastructure - Roads, Right - Asphalt	25 years
Infrastructure - Roads - Concrete	50 years
Infrastructure - Roads - Brick Blocks	33 years
Infrastructure - Footpaths - Slab	33 years
Infrastructure - Footpaths - Asphalt	25 years
Infrastructure - Footpaths - Concrete	50 years
Infrastructure - Footpaths - Brick Blocks	33 years
Infrastructure - Drainage - Pipe	50 years
Infrastructure - Drainage - Soak Wells	50 years
Infrastructure - Drainage - Manholes	20 years
Infrastructure - Irrigation - Bores	20 years
Infrastructure - Irrigation - Pumps	14 years
Infrastructure - Irrigation - PVC Pipe	25 years
Infrastructure - Irrigation - Sprinklers	8 years
Infrastructure - Irrigation - Electrical	14 years
Infrastructure - Parks	5 to 237 years
Infrastructure - Streetscapes	15 to 25 years
Infrastructure - Right of Ways	34 years
Infrastructure - Car Parks	34 years
Infrastructure - Miscellaneous	10 to 60 years
Right-of-use (buildings)	Based on the remaining lease
Right-of-use (furniture and equipment)	Based on the remaining lease

Depreciation on revaluation

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:
 (a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
 (b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

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

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

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

12 LEASES

(a) Right-of-Use Assets

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

	Land and buildings \$	Furniture and equipment \$	Right-of-use assets Total
Recognised on initial application of AASB 16	0	0	0
Restated total equity at the beginning of the financial year	0	0	0
Additions	1,356,776	31,483	1,388,259
Depreciation (expense)	(59,052)	(6,635)	(65,687)
Carrying amount at 30 June 2020	1,297,724	24,848	1,322,572

(b) Cash outflow from leases

Interest expense on lease liabilities	36,755	472	37,227
Lease principal expense	20,305	6,436	26,741
Total cash outflow from leases	57,060	6,908	63,968

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - valuation

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

Right-of-use assets - depreciation

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

13 REVALUATION SURPLUS

	2020		2020		2020		2020		2020		2019		2019		
	Opening Balance	Change in Accounting Policy - Refer note 28(e)	Revaluation Increment	Revaluation (Decrement)	Total Revaluation Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation Movement on Revaluation
Revaluation surplus - Land - freehold land	54,311,297	0	0	0	0	54,311,297	54,311,297	0	0	0	54,311,297	0	0	0	0
Revaluation surplus - Land - vested in and under the control of Council	(574,959)	574,959	0	0	0	0	(574,959)	0	0	0	0	(574,959)	0	0	0
Revaluation surplus - Buildings - specialised	14,225,902	0	0	0	0	14,225,902	14,225,902	0	0	0	14,225,902	0	0	0	0
Revaluation surplus - Furniture and equipment	3,251	0	30,444	0	30,444	33,695	3,251	0	0	0	3,251	3,251	0	0	0
Revaluation surplus - Plant and equipment	98,670	0	31,216	0	31,216	129,886	98,670	0	0	0	98,670	98,670	0	0	0
Revaluation surplus - Plant and Equipment - Library	125,979	0	0	0	0	125,979	125,979	0	0	0	125,979	125,979	0	0	0
Revaluation surplus - Furniture and Equipment - Library	(1,983)	0	0	0	0	(1,983)	(1,983)	0	0	0	(1,983)	(1,983)	0	0	0
Revaluation surplus - Buildings - specialised - WMRC	7,897	0	0	0	0	7,897	7,897	0	0	7,897	7,897	7,897	0	0	0
Revaluation surplus - Infrastructure - roads	10,613,747	0	0	0	0	10,613,747	10,613,747	0	0	0	10,613,747	10,613,747	0	0	0
Revaluation surplus - Infrastructure - car parks	687,095	0	0	0	0	687,095	687,095	0	0	0	687,095	687,095	0	0	0
Revaluation surplus - Infrastructure - footpaths	3,288,925	0	0	0	0	3,288,925	3,288,925	0	0	0	3,288,925	3,288,925	0	0	0
Revaluation surplus - Infrastructure - parks	1,780,282	0	0	0	0	1,780,282	1,780,282	0	0	0	1,780,282	1,780,282	0	0	0
Revaluation surplus - Infrastructure - miscellaneous	4,556,047	0	0	0	0	4,556,047	4,556,047	0	0	0	4,556,047	4,556,047	0	0	0
Revaluation surplus - Infrastructure - right of way	454,062	0	0	0	0	454,062	454,062	0	0	0	454,062	454,062	0	0	0
Revaluation surplus - Infrastructure - drainage	1,828,088	0	0	0	0	1,828,088	1,828,088	0	0	0	1,828,088	1,828,088	0	0	0
Revaluation surplus - Infrastructure - roads - WMRC	32,550	0	0	0	0	32,550	32,550	0	0	32,550	32,550	32,550	0	0	0
	91,436,850	574,959	61,660	0	61,660	92,073,469	91,396,403	40,447	0	0	91,436,850	91,436,850	40,447	0	0

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.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

14 TRADE AND OTHER PAYABLES

	<u>2020</u>	<u>2019</u>
	\$	\$
Current		
Sundry creditors	1,158,534	973,370
Prepaid rates	76,247	94,360
Accrued salaries and wages	77,636	51,267
ATO liabilities	85,277	83,375
Bonds and deposits held	697,801	690,609
Trade and other payables to related parties	87,859	17,560
Accrued interest	61,424	66,320
Income in advance	94,490	0
	<u>2,339,268</u>	<u>1,976,861</u>
Non Current		
Sundry creditors	6,785	0

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

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

Prepaid rates

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

15 LEASE LIABILITIES

(a) Lease Liabilities	2020	2019
	\$	\$
Current	53,052	0
Non-current	1,308,466	0
	1,361,518	0

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual Lease Principal 1 July 2019	30 June 2020 Actual New Leases	30 June 2020 Actual Lease Principal Repayments	30 June 2020 Actual Lease Principal Outstanding	30 June 2020 Actual Lease Interest Repayments
					\$	\$	\$	\$	\$
Governance									
Folding machine	2	Neopost Finance	1.90%	3 years	0	13,081	3,202	9,879	164
Telephone system	3	Telstra	2.00%	5 years	0	18,402	3,234	15,168	308
Other property and services									
Depot land and buildings	1	Town of Mosman Park	3.20%	21 years	0	1,356,776	20,305	1,336,471	36,755
					0	1,388,259	26,741	1,361,518	37,227

The Town holds leases for property and equipment identified above.

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 Town, are classified as finance leases.

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

16 INFORMATION ON BORROWINGS

(a) Borrowings

	2020	2019
	\$	\$
Current	310,650	292,576
Non-current	3,140,786	3,451,436
	<u>3,451,436</u>	<u>3,744,012</u>

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2020			30 June 2020			30 June 2020			30 June 2020			30 June 2019			30 June 2019		
				Actual Principal	Actual Interest	Actual repayments	Budget Principal	Budget Interest	Budget repayments	Actual Principal	Actual Interest	Actual repayments	Budget Principal	Budget Interest	Budget repayments	Actual Principal	Actual Interest	Actual repayments	Budget Principal	Budget Interest	Budget repayments
Recreation and culture																					
Loan 106	106	WA Treasury	5.25%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan 107	107	WA Treasury	6.51%	3,358,732	210,561	231,605	3,358,732	214,944	231,605	3,358,732	214,944	231,605	3,358,732	225,205	217,233	3,575,965	217,233	225,205	3,358,732	225,205	217,233
				<u>3,358,732</u>	<u>210,561</u>	<u>231,605</u>	<u>3,358,732</u>	<u>214,944</u>	<u>231,605</u>	<u>3,358,732</u>	<u>214,944</u>	<u>231,605</u>	<u>3,358,732</u>	<u>230,555</u>	<u>417,034</u>	<u>3,775,766</u>	<u>417,034</u>	<u>230,555</u>	<u>3,358,732</u>	<u>230,555</u>	<u>417,034</u>
Self Supporting Loans																					
Recreation and culture																					
Loan 105	105	WA Treasury	6.22%	152,324	9,525	30,318	152,323	9,010	26,358	152,323	9,010	26,358	152,323	9,437	28,517	180,841	28,517	9,437	152,324	9,437	28,517
Loan 108	108	WA Treasury	2.71%	232,956	6,556	30,653	232,956	6,107	30,653	232,956	6,107	30,653	232,956	6,337	29,839	262,795	29,839	6,337	232,956	6,337	29,839
				<u>385,280</u>	<u>16,081</u>	<u>60,971</u>	<u>385,279</u>	<u>15,117</u>	<u>57,011</u>	<u>385,279</u>	<u>15,117</u>	<u>57,011</u>	<u>385,279</u>	<u>15,774</u>	<u>58,356</u>	<u>443,636</u>	<u>58,356</u>	<u>15,774</u>	<u>385,280</u>	<u>15,774</u>	<u>58,356</u>
				<u>3,744,012</u>	<u>226,642</u>	<u>292,576</u>	<u>3,744,011</u>	<u>230,061</u>	<u>288,616</u>	<u>3,744,011</u>	<u>230,061</u>	<u>288,616</u>	<u>3,744,011</u>	<u>246,329</u>	<u>475,390</u>	<u>4,219,402</u>	<u>475,390</u>	<u>246,329</u>	<u>3,744,012</u>	<u>246,329</u>	<u>475,390</u>

* WA Treasury Corporation

Self supporting loans are financed by payments from community organisations to fund improvements to property and equipment. These are shown in Note 8 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

16 INFORMATION ON BORROWINGS (Continued)

	2020	2019
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	250,000	250,000
Credit card limit	10,000	10,000
Credit card balance at balance date	(7,651)	(6,256)
Total amount of credit unused	252,349	253,744
Loan facilities		
Loan facilities - current	310,650	292,576
Loan facilities - non-current	3,140,786	3,451,436
Total facilities in use at balance date	3,451,436	3,744,012
Unused loan facilities at balance date	Nil	Nil

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Risk

Information regarding exposure to risk can be found at Note 26.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

17 EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2019			
Current provisions	574,376	375,216	949,592
Non-current provisions	0	102,798	102,798
	<u>574,376</u>	<u>478,014</u>	<u>1,052,390</u>
Additional provision	243,225	78,266	321,491
Amounts used	(227,705)	(90,410)	(318,115)
Balance at 30 June 2020	<u>589,896</u>	<u>465,870</u>	<u>1,055,766</u>
Comprises			
Current	589,896	302,110	892,006
Non-current	0	163,760	163,760
	<u>589,896</u>	<u>465,870</u>	<u>1,055,766</u>

	2020	2019
	\$	\$
Amounts are expected to be settled on the following basis:		
Less than 12 months after the reporting date	892,006	949,592
More than 12 months from reporting date	163,760	102,798
	<u>1,055,766</u>	<u>1,052,390</u>
Expected reimbursements from other WA local governments	27,067	26,714
	<u>1,028,699</u>	<u>1,025,676</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 Town'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 Town'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 Town's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Town's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Town 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 Town 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.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

18 NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Cash and cash equivalents	12,427,866	7,385,167	7,734,871

Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	(264,049)	(810,261)	302,725
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(106,832)	0	0
Depreciation on non-current assets	2,616,741	2,112,267	2,288,866
(Profit)/loss on sale of asset	(31,638)	0	13,911
Share of profits of associates	80,724	0	142,976
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(204,563)	0	181,604
(Increase)/decrease in other assets	(57,369)	0	(50,921)
(Increase)/decrease in inventories	620	0	26,399
Increase/(decrease) in payables	(44,248)	0	1,137,329
Increase/(decrease) in provisions	3,376	0	90,268
Non-operating grants, subsidies and contributions	(192,635)	(60,000)	(532,684)
Net cash from operating activities	<u>1,800,127</u>	<u>1,242,006</u>	<u>3,600,473</u>

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

19 TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
Governance	1,098,102	817,446
General purpose funding	387,362	358,068
Law, order, public safety	7,500	8,735
Health	0	3,515
Education and welfare	21,852,750	20,828,592
Community amenities	2,590,215	2,125,849
Recreation and culture	59,292,364	60,174,907
Transport	40,869,552	42,670,083
Economic services	18,000	19,685
Other property and services	7,014,903	6,144,310
Unallocated	4,193,585	4,494,022
	137,324,333	137,645,212

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

20 CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

	2020	2019
	\$	\$
Contracted for:		
- foreshore infrastructure projects	761,634	0
- plant & equipment purchases	311,250	0
	1,072,884	0
Payable:		
- not later than one year	1,072,884	0

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

21 RELATED PARTY TRANSACTIONS

Elected Members Remuneration

	2020	2020	2019
	Actual	Budget	Actual
	\$	\$	\$
The following fees, expenses and allowances were paid to council members and/or the President.			
Meeting fees	139,755	148,000	141,469
President's allowance	27,500	27,500	27,500
Deputy President's allowance	6,837	6,875	6,875
Travelling expenses	0	5,000	1,468
Telecommunications allowance	13,549	18,000	15,254
	<u>187,641</u>	<u>205,375</u>	<u>192,566</u>

Key Management Personnel (KMP) Compensation Disclosure

	2020	2019
	Actual	Actual
	\$	\$
The total of remuneration paid to KMP of the Town during the year are as follows:		
Short-term employee benefits	1,171,269	820,612
Post-employment benefits	104,213	65,839
Other long-term benefits	18,322	13,725
	<u>1,293,804</u>	<u>900,176</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 Town's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service benefits accruing during the year.

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020**

21 RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

Related Parties

The Town's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

The associate person of KMP was employed by the Town under normal employment terms and conditions.

iii. Entities subject to significant influence by the Town

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

22 JOINT ARRANGEMENTS

The Town has a 42.23 per cent interest in the Grove Library, which is involved in the provision of library services for the ratepayers of the Town of Cottesloe, Town of Mosman Park and the Shire of Peppermint Grove. The voting rights of the Town is 33.33 per cent. The principal place of business of the Grove Library is 1 Leake Street, Peppermint Grove, WA 6011.

The Town's interests in the Grove Library are accounted for as a joint operation using the proportional consolidation method in the financial statements. Summarised financial information of the joint operation, based on its IFRS financial statements as of 30 June 2020 and the year then ended, and adjusted for the Town proportional interest (42.23%) is set out below:

	2020	2019
	\$	\$
Carrying amount of investment in associate		
Non-current assets		
Property, plant and equipment	6,110,379	6,340,322
	6,110,379	6,340,322
TOTAL ASSETS	6,110,379	6,340,322
Current liabilities		
Trade and other payables	23,961	7,417
Employee related provisions	74,280	78,699
	98,241	86,116
Non-current liabilities		
Employee related provisions	8,470	5,900
	8,470	5,900
TOTAL LIABILITIES	106,711	92,016
NET ASSETS	6,003,668	6,248,306
Accumulated surplus	6,003,668	6,248,306
TOTAL EQUITY	6,003,668	6,248,306
Revenue		
Operating grants, subsidies and contributions	367	486
Fees and charges	10,275	22,040
Other revenue	1,470	7,710
	12,112	30,236
Expenses		
Employee costs	(373,871)	(396,540)
Materials and contracts	(175,109)	(164,439)
Utility charges	(24,737)	(26,398)
Insurance expenses	(10,645)	(10,996)
Other expenses	(6,045)	(29,918)
	(590,407)	(628,291)
Net deficit for the period	(578,295)	(598,055)

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020**

**22 JOINT ARRANGEMENTS (continued)
SIGNIFICANT ACCOUNTING POLICIES**

Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

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

Interests in joint arrangements (Continued)

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Town's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

23 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

The Town of Cottesloe, together with the Town of Claremont, the Town of Mosman Park, the Shire of Peppermint Grove and the City of Subiaco have an interest in the WMRC waste transfer station. The Council was formed to provide for the efficient treatment and/or disposal of waste. A waste transfer station was constructed from funds provided from constituent councils. The voting power held by the Town of Cottesloe is 20% and the Town's share of net assets is 17.94%.

Western Metropolitan Regional Council is involved in waste management for the ratepayers of the Town of Cottesloe, Town of Claremont, Town of Mosman Park, the Shire of Peppermint Grove and the City of Subiaco. The voting power held by the Town is 20 per cent. The principal place of business of the Western Metropolitan Regional Council is Suite 2/317 Churchill Avenue, Subiaco, WA 6008.

Summarised financial information of the equity accounted venture based on its IFRS financial statements as of 30 June 2020 and the year then ended, and reconciliation with the carrying amount of the investment in the statement of financial position, are set out below:

	2020	2019
	\$	\$
Current assets	1,993,383	2,413,116
Non-current assets	2,306,340	2,246,616
Current Liabilities	(620,330)	(546,035)
Non-current liabilities	(35,040)	(19,379)
Equity	3,644,353	4,094,318
Town's share in equity - 17.94% (2019:17.94%)	653,797	734,521
Town's carrying amount of the investment	653,797	734,521
Revenue		
Operating grants, subsidies and contributions	1,919,456	1,116,576
Fees and charges	3,050,142	3,932,331
Interest earnings	34,214	57,942
Other revenue	611,022	89,561
	5,614,834	5,196,410
Expenses		
Employee costs	(1,650,918)	(1,477,413)
Materials and contracts	(3,021,072)	(3,299,192)
Utility charges	(10,818)	(12,719)
Depreciation	(201,324)	(204,012)
Loss on asset disposals	(93,755)	(59,049)
Insurance expenses	(59,325)	(31,919)
Other expenses	(1,027,587)	(909,074)
	(6,064,799)	(5,993,378)
Net surplus/(deficit) for the period	(449,965)	(796,968)
Town's share of net result - 17.94% (2019:17.94%)	(80,724)	(142,976)
Other comprehensive income		
Changes in asset revaluation surplus	0	225,454
Total other comprehensive income	0	225,454
Total comprehensive income for the period	(449,965)	(571,514)

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020**

23 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (continued)

SIGNIFICANT ACCOUNTING POLICIES

Investment in associates

An associate is an entity over which the Town has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Town's share of net assets of the associate. In addition, the Town's share of the profit or loss of the associate is included in the Town's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Town's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment in associates (Continued)

Profits and losses resulting from transactions between the Town and the associate are eliminated to the extent of the Town's interest in the associate. When the Town's share of losses in an associate equals or exceeds its interest in the associate, the Town discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Town will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

24 RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2019/20 Actual Rateable Value		2019/20 Actual Rate Revenue		2019/20 Actual Interim Rates		2019/20 Actual Back Rates		2019/20 Actual Total Revenue		2019/20 Budget Rate Revenue		2018/19 Actual Total Revenue	
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Differential general rate / general rate																
Gross rental valuations																
GRV Residential Improved (RI)	0.063984	3,217	135,116,625	8,645,302	114,402	8,896	8,896	8,768,600	8,659,408	8,659,408	8,659,408	8,320,016	8,659,408	8,320,016		
GRV - Residential Vacant (RV)	0.063984	78	3,562,020	227,912	(23,141)	(238)	(238)	204,533	212,633	212,633	212,633	223,425	212,633	223,425		
GRV - Commercial Improved (CI)	0.063984	65	8,282,404	529,941	0	0	0	529,941	529,941	529,941	529,941	512,018	529,941	512,018		
GRV - Commercial Vacant (CV)	0.063984	2	150,000	9,598	(5,535)	(2,652)	(2,652)	1,411	9,598	9,598	9,598	11,206	9,598	11,206		
GRV - Industrial (I)	0.063984	1	31,050	1,987	0	0	0	1,987	1,987	1,987	1,987	1,920	1,987	1,920		
GRV - Commercial Town (CT)	0.074260	120	10,728,686	796,712	16,878	8,087	8,087	821,677	801,428	801,428	801,428	767,526	801,428	767,526		
Sub-Total		3,483	157,870,785	10,211,452	102,604	14,093	14,093	10,328,149	10,214,995	10,214,995	10,214,995	9,836,111	10,214,995	9,836,111		
Minimum payment																
Gross rental valuations																
GRV Residential Improved (RI)	1,161	300	4,715,360	348,300	(3,667)	(185)	(185)	344,448	349,461	349,461	349,461	338,106	349,461	338,106		
GRV - Residential Vacant (RV)	1,161	8	16,893	9,288	(1,161)	(375)	(375)	7,752	9,288	9,288	9,288	9,449	9,288	9,449		
GRV - Commercial Improved (CI)	1,161	11	141,970	12,771	0	0	0	12,771	12,771	12,771	12,771	12,342	12,771	12,342		
GRV - Commercial Town (CT)	1,161	17	242,538	19,737	0	0	0	19,737	19,737	19,737	19,737	19,074	19,737	19,074		
Sub-Total		336	5,116,761	390,096	(4,828)	(560)	(560)	384,708	391,257	391,257	391,257	378,971	391,257	378,971		
Discounts/concessions																
Totals		3,819	162,987,546	10,601,548	97,776	13,533	13,533	10,712,857	10,606,252	10,606,252	10,606,252	10,215,082	10,606,252	10,215,082		
								(4,660)				(4,503)		(4,503)		
								10,708,197				10,210,579		10,210,579		

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer.

Rates (continued)

Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Town recognises revenue for the prepaid rates that have not been refunded.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

24 RATING INFORMATION (Continued)

(b) Specified Area Rate

No specified area rates were imposed by the Town during the year ended 30 June 2020 and 30 June 2019.

(c) Service Charges

No service charges were imposed by the Town during the year ended 30 June 2020 and 30 June 2019.

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	2020		2019		Circumstances in which Discount is Granted	
			Actual	Budget	Actual	Budget		
General rates	80.00%	\$ 4,660	\$ 4,660	\$ 4,000	\$ 4,503	\$ 4,503	As a part of a lease agreement	
Waivers or Concessions								
Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2020 Budget \$	2020 Actual \$	2019 Budget \$	2019 Actual \$	Reasons for the Waiver or Concession
General rates	Waiver	100.00%	5,475	0	0	0	0	As consideration for the forfeiture of the right of way ownership
Venue hire	Waiver	100.00%	1,080	4,000	4,582	4,582	4,582	Council considers support of these groups necessary for the overall benefit of the community
			6,555	4,000	4,582	4,582		
Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available			Objects of the Waiver or Concession				
General rates	Owner applied for waiver as part of consideration of forfeit of right of way ownership			Part of the Town's strategy				As consideration for the forfeiture of the right of way ownership
Venue hire	Certain events, community groups and committees requiring venue hire			As listed in the Town's policy				Council considers support of these groups necessary for the overall benefit of the community

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

24 RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	26/08/2019			11.00%
Option Two				
First instalment	26/08/2019	6.00	5.50%	
Second instalment	28/10/2019	6.00	5.50%	
Third instalment	6/01/2020	6.00	5.50%	
Fourth instalment	2/03/2020	6.00	5.50%	
		2020 Actual	2020 Budget	2019 Actual
		\$	\$	\$
Interest on unpaid rates		29,662	39,500	40,251
Interest on instalment plan		38,536	37,500	37,760
Charges on instalment plan		21,624	21,500	21,264
		89,822	98,500	99,275

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

25 RATE SETTING STATEMENT INFORMATION

		2019/20 (30 June 2020 Carried Forward)	2019/20 (1 July 2019 Brought Forward)
Note		\$	\$
(a) Non-cash amounts excluded from operating activities			
<p>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>.</p>			
Adjustments to operating activities			
Less: Profit on asset disposals	11	(41,692)	(11,519)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(106,832)	0
Less: Share of net profit of associates and joint ventures accounted for using the equity method		80,724	142,976
Movement in joint arrangement (non-current)		0	445
Movement in pensioner deferred rates (non-current)		(4,498)	(9,853)
Movement in employee benefit provisions (non-current)		60,962	134,345
Movement in employee benefit provisions (current)		(57,586)	0
Movement in other payables (non-current)		6,785	0
Movement in receivables (non-current)		(4,851)	0
Add: Loss on disposal of assets	11	10,054	25,430
Add: Depreciation on non-current assets	11	2,616,741	2,288,866
Non cash amounts excluded from operating activities		2,559,807	2,570,690
(b) Surplus/(deficit) after imposition of general rates			
<p>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.</p>			
Adjustments to net current assets			
Less: Reserves - cash/financial asset backed	4	(9,087,247)	(9,699,062)
Less: Financial assets at amortised cost - self supporting loans	5	(59,512)	(57,011)
- Current portion of borrowings	16	310,650	292,576
- Current portion of lease liabilities		53,052	0
- Employee benefit provisions		892,006	949,592
Total adjustments to net current assets		(7,891,051)	(8,513,905)
Net current assets used in the Rate Setting Statement			
Total current assets		13,339,780	14,186,594
Less: Total current liabilities		(3,594,976)	(3,219,029)
Less: Total adjustments to net current assets		(7,891,051)	(8,513,905)
Net current assets used in the Rate Setting Statement		1,853,753	2,453,660

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

26 FINANCIAL RISK MANAGEMENT

This note explains the Town's exposure to financial risks and how these risks could affect the Town'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

(a) Interest rate risk

Cash and cash equivalents

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Town 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
	%	\$	\$	\$	\$
2020					
Cash and cash equivalents	0.66%	12,427,866	9,099,923	3,327,243	700
2019					
Cash and cash equivalents	1.17%	7,734,871	4,565,765	2,374,967	794,139
Financial assets at amortised cost	2.17%	5,794,277	5,794,277	0	0

Sensitivity

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

	2020	2019
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	33,272	77,349

* Holding all other variables constant

Borrowings

Borrowings are not subject to interest rate risk as all of the Town's borrowings are at fixed rates.

(b) Credit risk

Trade and Other Receivables

Trade Receivables

The Town's major receivables comprise rates annual charges, infringements 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 Town manages this risk by monitoring outstanding debt and employing debt recovery policies.

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

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020**

26 FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

Cash and cash equivalents and term deposits

Credit risk from balances with banks and financial institutions is managed by the Town's finance department in accordance with the Town's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed as part of a policy review by Elected Members of Council on a periodic basis, and maybe be updated throughout the year subject to approval by Council resolution. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's failure to make payments.

The Town's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2020 and 2019 is the carrying value.

The Town does not hold any security against the self supporting borrowings for the two community clubs.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

26 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 Town 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 16(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2020					
Payables	2,339,268	0	0	2,339,268	2,339,268
Borrowings	522,637	2,514,867	1,562,923	4,600,427	3,451,436
Lease liabilities	97,007	462,730	1,250,664	1,810,401	1,361,518
	<u>2,958,912</u>	<u>2,977,597</u>	<u>2,813,587</u>	<u>8,750,096</u>	<u>7,152,222</u>
2019					
Payables	1,976,860	0	0	1,976,860	1,976,860
Borrowings	522,637	2,554,195	2,046,233	5,123,065	3,744,012
	<u>2,499,497</u>	<u>2,554,195</u>	<u>2,046,233</u>	<u>7,099,925</u>	<u>5,720,872</u>

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020**

27 INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 1058: Income For Not-For-Profit Entities and AASB 15 Revenue from Contracts with Customers

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

In applying AASB 1058 and AASB 15 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 there were no changes as there were no leases nor any revenue from contracts from customers recognised at inception date.

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

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Town 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.

There was no material impact to the Town on adoption of AASB 1058 and AASB 15.

(b) AASB 16: Leases

The Town 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 Town has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. In applying AASB 16, under the specific transition chosen, the Town will not restate comparatives for prior reporting periods.

In applying AASB 16 for the first time, the Town 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.

The Town had no leases to recognise at inception date.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

28 CHANGE IN ACCOUNTING POLICIES

(a) Change in Accounting Policies due to regulation changes

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

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

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

	Note	Carrying amount 30 June 2019 \$	Reclassification \$	Carrying amount 01 July 2019 \$
Property, plant and equipment	9	84,583,052	(1,560,000)	83,023,052
Revaluation surplus	13	91,436,850	574,959	92,011,809
Retained Surplus		29,736,037	(2,134,959)	27,601,078

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

**TOWN OF COTTESLOE
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FOR THE YEAR ENDED 30TH JUNE 2020**

29 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:

	<u>1 July 2019</u>	<u>Amounts Received</u>	<u>Amounts Paid</u>	<u>30 June 2020</u>
	\$	\$	\$	\$
Cash in lieu of public open space	660,979	9,215	0	670,194
	<u>660,979</u>	<u>9,215</u>	<u>0</u>	<u>670,194</u>

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

30 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 Town's operational cycle. In the case of liabilities where the Town 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 Town'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 Town 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 Town contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Town contributes are defined contribution plans.

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

The Town 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 Town 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 Town 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 Town'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.

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020**

31 ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES

GOVERNANCE

To provide a decision making process for the efficient allocation of scarce resources.

ACTIVITIES

Includes the activities of members of council and administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide services to help a safer and environmentally conscious community.

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

To provide an operational framework of environmental and community health.

Inspection of food outlets and their control, noise control and waste disposal compliance.

EDUCATION AND WELFARE

To provide services to disadvantaged persons, the elderly, children and youth.

Maintenance of senior citizen centre and community care programs.

COMMUNITY AMENITIES

To provide services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, protection of the environment and administration of the town planning scheme.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

Maintenance of public halls, civic centres, beaches and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and other cultural facilities.

TRANSPORT

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, footpaths, cycle ways, parking facilities and traffic control. Maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

To help promote the Town and its economic wellbeing.

Tourism and area promotion, Building control.

OTHER PROPERTY AND SERVICES

To monitor and control the Town's overheads and operating accounts.

Engineering operating costs, plant repair and operation costs.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2020

32 FINANCIAL RATIOS

	2020	Restated	
	Actual	2019	2018
	Actual	Actual	Actual
Current ratio	1.09	1.52	1.62
Asset consumption ratio	0.79	0.80	0.82
Asset renewal funding ratio	0.82	0.84	1.61
Asset sustainability ratio	0.63	1.24	0.46
Debt service cover ratio	4.67	3.19	2.86
Operating surplus ratio	(0.04)	(0.02)	(0.03)
Own source revenue coverage ratio	0.94	0.97	0.98

The above ratios are calculated as follows:

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



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Town of Cottesloe

Report on the Audit of the Financial Report

Opinion

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

In my opinion the annual financial report of the Town of Cottesloe:

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

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

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

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

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

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

In preparing the annual financial report, the CEO is responsible for assessing the Town'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 Town.

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

Report on Other Legal and Regulatory Requirements

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Town:
 - a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries' standard for the past 3 years. The financial ratios are reported in Note 32 of the annual financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Town of Cottesloe for the year ended 30 June 2020 included on the Town's website. The Town's management is responsible for the integrity of the Town's website. This audit does not provide assurance on the integrity of the Town's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



ALOHA MORRISSEY
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
18 February 2021



Town of Cottesloe

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