

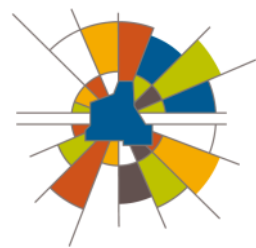


KALGOORLIE
KIBBITER

ANNUAL

Report

20



SHIRE OF
MERREDIN
INNOVATING THE WHEATBELT

Acknowledgement of *Country*

The Shire of Merredin would like to acknowledge the Traditional Owners of the land people on which the Shire stands today, the Njaki Njaki people of the Nyoongar nation, and pay our respects to their Elders past, present and emerging.

We acknowledge their continued connection and care for country of the land and waters around Merredin, and the ongoing contribution they make to this region.

Our *Vision*

“Merredin is the commercial and cultural heart of the eastern wheatbelt region. A place people are proud to call home and where visitors are always welcome”

Where to find this Report

Copies of this report can be obtained in the following ways:

- ▶ **In person:** Collect a hard copy from the Shire Administration Office or Library
- ▶ **Online:** www.merredin.wa.gov.au
- ▶ **Email:** admin@merredin.wa.gov.au

Comments and Feedback

Council and Shire officers are keen for any feedback you may have on the Annual Report. Feedback can be in writing and dropped off at any Shire venue, phoned through to the Shire Admin Building on (08) 9041 1611 or emailed to the Shire via admin@merredin.wa.gov.au

SHIRE PRESIDENT'S MESSAGE	1
CHIEF EXECUTIVE OFFICER'S REPORT	3
OUR SHIRE & FACT FILE	5
OUR COUNCILLORS	7
COUNCILLOR ATTENDANCE & DIVERSITY	8
OUR ORGANISATION & VALUES	9
EXECUTIVE MANAGEMENT & SHIRE SERVICES	10
OUR STRATEGIC COMMUNITY PLAN	12
2021/22 BUDGET & PROJECT HIGHLIGHTS	23
4 YEAR SUMMARY STATS	24
COMMUNITY SERVICES	25
DEVELOPMENT SERVICES	33
ENGINEERING SERVICES	35
CORPORATE SERVICES	39
FINANCIAL REPORT	45

Shire President Report

See page 2 for more



2021/22 Report from Chief Executive Officer, Lisa Clack

See page 4 for more



Progress Against the Strategic Community Plan

See page 11 for more



4 Year Summary & Budget

See page 23 for more



Department Updates

See page *25 for more



2021/22 Financial Report

See page 48 for more



Shire President's *Message*

On behalf of the Shire of Merredin Council, it is my pleasure to present the Annual Report for the 2021/22 reporting period.

It has been an busy year for the new Shire Council, especially with having to navigate the effects of the COVID-19 pandemic. While the Wheatbelt remained relatively unaffected until March 2022, strategies were still in place to prepare us in the event of an outbreak. Council meetings moved into a digital space through the Zoom platform, allowing Councillors to sign in from home if they were isolating or had fallen ill.

Despite these challenges, the Council has been actively engaged in planning for the CBD Redevelopment and advocating for the Shire and its key projects. As part of this, we met with a number of state and federal politicians to discuss the Shire's economic priorities and value proposition.

In August 2021, The Hon. Mark McGowan MLA, Premier of Western Australia, was welcomed to town by the Council to present a cheque on behalf of Lotterywest for \$25,000 towards the inaugural Merredin festival.

As part of the Shire's transition to a new federal electorate in the seat of O'Connor, Mr Rick Wilson, MP and Senator Matt Wilson were welcomed to town in early February 2021 to discuss urgent matters of importance with the Council and Executive Staff. We were also able to discuss our CBD Redevelopment including Apex Park and any funding opportunities that may be available in the coming year.

On 10 February 2022, we welcomed Hon. Dave Kelly MP, Minister for Water, along with Hon. Sandra Carr MLA on to discuss the upcoming water projects within the Shire. During this visit, the minister was briefed regarding potential upgrades to the Shire's irrigation network to prioritise the use of less rainfall dependent water sources.

Gateway Merredin *Festival*

During the extensive community engagement undertaken in 2020 for the Shire's new Strategic Community Plan, the community's desire to create an annual event to showcase the rich culture and history of the town and region was recognised. After a lengthy period of COVID-19 restrictions, there was an urgent need to capitalise on grant funding opportunities once restrictions began to ease in order to capture the interstate audience.

The Council resolved to include seed funding of \$26,700 for a large scale event in the 2020/21 Budget to allow the Shire to actively plan and coordinate a festival for the town. The Shire also received grant funding of \$35,000 through the Department of Local Government, Sport and Cultural Industries' Regional and Remote Festivals Fund.

Once festival planning was underway and the external working party from the Merredin community was in place, the evolution to the Gateway Merredin Festival – 'Troops, Trains & Treasures' theme took place and along with it, a significant natural expansion of the event program over time.

In September, the Shire, in conjunction with many community members and organisations, successfully delivered the Gateway Merredin Festival from Friday, 24 September 2021 to Sunday, 26 September 2021, inclusive. In total, 19 activations were held in the main streets of Merredin and in the prestigious Cummins Theatre.

The festival brought an additional 1400 people to town across the weekend, and generated a substantial economic impact directly to the businesses within the Shire of Merredin. An

estimated \$248,863 in direct new spending in Merredin was resulted from the festival.

Local Government *Elections*

Following the October 16 Local Government Ordinary Postal Elections, four candidates were elected to the role of Councillor for the Shire for a term of 4 years. I would once again like to offer my congratulations to Councillors Elect Cr Romolo Patroni and Cr Flockart for retaining their positions, and I would like to congratulate and welcome Cr Donna Crook and Cr Megan Simmonds to the Council.

Thank you once again to departing Councillors Mal Willis and Roy Butler for their years of dedicated service to the Shire council.

2022 Citizen of the Year *Awards*

Every year, Local Governments around the country recognise the remarkable achievements and contributions of local community members through the Auspire Community Citizen of the Year Awards. These awards showcase active citizenship amongst community members who are making a difference to our society.

I had the absolute pleasure of awarding the 2022 Community awards on January 26 at the Australia

Day Breakfast, hosted by the Merredin Community Resource Centre.

In total, there were nine nominees across four categories, all of whom were brilliant achievers who were driven to succeed by a determination to help their fellow Australians and make our community an even better, brighter place.

I would like to congratulate the winners for their efforts:

- ▶ Tyler Winter (Citizen of the Year);
- ▶ Jane Patroni (Senior Citizen of the Year);
- ▶ Maddie Earle-Sadler (Youth Citizen of the Year); and
- ▶ Petticoat Lane (Active Citizenship)

Closing *Comments*

I would like to thank my fellow Councillors and the Shire's dedicated staff members for their outstanding work during the 2021/22 reporting period. Despite the constant challenges associated with COVID-19 lockdowns and changing health measures, we have banded together to ensure that essential services have continued for our community.

We have an exciting year ahead delivering our key projects, including the remainder of the CBD Redevelopment and also the expansions to our recycled water network. We will also be reviewing our Corporate Business Plan, updating it for the first time since 2018.

I look forward to working close with our community to ensure we are achieving our goals and paving the way for the future generations to come.



Mark McKenzie

Shire President



Chief Executive Officer's *Report*

This year has proved to be challenging and unpredictable, but has provided the organisation with an exciting opportunity to refocus our strategic direction to have our best impact—and provide the foundational work for a number of key projects that will be taking place over the course of the next 3 years.

Works for stage one of the CBD Redevelopment have commenced, with Pioneer Park entering the construction phase in May 2022. The new carpark has been completed, while the landscaping and greenery are expected to be completed by the end of the year.

The redevelopment works at Pioneer Park were designed to highlight views of Merredin's pioneer history, including the heritage listed Merredin Water Tank and Merredin Railway and Military Museums, and draw tourists from Great Eastern Highway with new car parking, recreational spaces, and improved landscaping and drainage.

The CBD Redevelopment Project as a whole has been designed around improving walkability, attracting tourists, enhancing key sightlines, and supporting local businesses, while also providing high quality infrastructure and facilities.

The value of the construction and increased use of the CBD for Merredin businesses has been estimated to be \$7.9 million, in present value, over the next 20 years. There are also significant community and social benefits projected to be achieved from the project.

It is expected that on completion of the CBD Redevelopment Project, an additional 11,320 tourists will visit the Central Wheatbelt Visitor Centre (CWVC) per year, spending an additional \$430,000 in local businesses, and creating 9 new ongoing full-time jobs.

Key Updates

Governance: This year, the Shire was dedicated to improving Governance and transparency, with the creation of a dedicated Governance Officer role. This position will be overseeing policy creation and

review, while also assisting with Council matters and providing operation support to the Executive team.

Emergency COVID-19 Management Team: The Shire established an Emergency Management Team early on in an effort to combat the impacts associated with COVID-19 in the office and the community. The role of this team was to establish clear guidelines and policies surrounding health advice and essential guidelines. They also outlined the key steps that would be taken, should there be an outbreak of the virus within the organisation.

The well-being of our staff was the main priority and we continued to implement measures to ensure their safety. Vulnerable staff were able to work from home, as were those who were required to isolate due to an exposure. Amongst the COVID-19 measures implemented in the office included offering staff Rapid Antigen Tests, as well as masks and personal protective equipment. Sneeze screens were also installed at our venues and automatic, non-contact hand sanitizer stations.

In March 2021, once the spread of COVID-19 was imminent within the community, the Shire implemented a split-team system which would ensure the continuation of services if there was an infection within the Administration Building. Each team would work one week in the office and one week home, alternating every week. This continued for a month, during which the Shire was able to continue to operate with little to no disruption to services due to our proactive planning.

Snap Send Solve: The Snap Send Solve platform has assisted the Shire to improve our customer request management to make the process more efficient, while also offering ease of access to our community

when reporting an incident.

This year, the Shire committed to the improvement of community reporting by upgrading our subscription of the platform to offer a more personal experience for the users. Each report sent to the Shire now receives a follow up call or email stating the progress of their request and a final call once the request has been completed.

Welcoming New Shire *Staff*

A number of new staff joined the Shire team over the duration of the reporting period. In January 2022 Daniel Hay-Hendry commenced as the Manager of Projects, with the important role of managing the CBD Redevelopment and overseeing the delivery of other key project milestones.

We also welcomed Chloe Townsend in an acting capacity in the Deputy Chief Executive Officer role. Chloe has brought a fresh outlook and new perspective to the Communities team in her short time with the Shire.

I look forward to working with our new Executive Management team to deliver major projects in the coming years.

Looking *Forward*

Merredin has been selected as one of only four locations throughout WA, to take part in a

desalination technology trial. This project will be completed in partnership with Water Corporation, Murdoch University and Department of Primary Industries and Regional Development as part of the Water Smart Farms initiative.

The desalination plant to be installed in Merredin as part of the two-year program will be one of the largest in the trial, able to deliver around 80kL per day of high-quality potable water initiative.

To support the trial, the Shire of Merredin also applied, and successfully received, a further \$99,000 of funding from the Department of Water and Environmental Regulations Community Water Supply program, which will go towards the installation of the unit and associated infrastructure.

The desalination project strongly aligns with the Shire's strategic vision for environment and sustainability, which focusses on observing a number of sustainable water and energy harvesting, conservation and usage practices and reducing waste through increased recycling, re-use, and reduction.

Closing *Comments*

I would like to take a moment to acknowledge the entire Shire team for their hard work during the reporting period. I am really proud of everyone for pitching in when we were short staffed due to zCOVID-19, with many staff working multiple jobs and long hours to ensure the Shire met important deadlines and continued to function business as usual.

We have together built a solid foundation moving forward, and it is an exciting time ahead for our organisations.



Lisa Clack

Chief Executive Officer



Our Shire

The Shire of Merredin (the Shire) is a local government area in the Eastern Wheatbelt of Western Australia.

Situated approximately 262 kilometres east of Perth (the capital city of Western Australia), the Shire includes the towns of Burracoppin, Hines Hill, Merredin and Muntadgin, and the localities of Goomarin, Korbel, Nangeenan, Nokanning, South Burracoppin, Tandegin, Norpa, and Nukarni (displayed on the Shire of Merredin map below).

Merredin acts as a major commercial and retail

centre for the Central Eastern Wheatbelt, serving the industrial and retail needs for surrounding Eastern Wheatbelt Shires and is a base for a range of government agencies and services.

The Shire is an area with high employment, extensive community involvement, and is well connected with around 2,250 vehicles travelling along Great Eastern Highway past the town each day. The town is also serviced daily by the Transwa Prospector Train, making it convenient to find by road and rail.



Fact File

AREA



3,296
SQUARE KM

POPULATION



3,221
ESTIMATED

DWELLINGS



1,632
TOTAL

ELECTORS



2,012
PEOPLE

PATHWAYS



36.45
KM

SEALED ROADS



565
KM

STREET TREES



3,536
ESTIMATED

PLAYGROUNDS



6

MORE ABOUT THE SHIRE OF MERREDIN

Population Density	0.98 per square km
Length of Unsealed Roads	866 km
Median Age of Residents	41
Aboriginal and Torres Straight Islander Population	5.4%
Median Weekly Household Income	\$1,380
Unemployment	5.3%

Our Councillors



MARK MCKENZIE

Shire President

Current Term: 2019 - 2023



LEAH BOEHME

Deputy Shire President

Current Term: 2019 - 2023



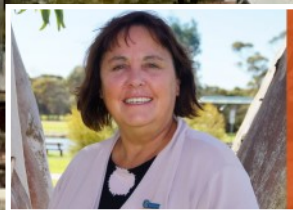
ROSS BILLING

Current Term: 2019 - 2023



DONNA CROOK

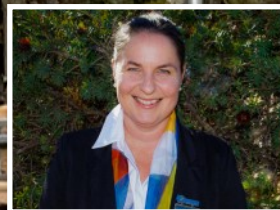
Current Term: 2021 - 2025



JULIE FLOCKART

(Shire President until Oct 21)

Current Term: 2021 - 2025



RENEE MANNING

Current Term: 2019 - 2023



ROMOLO PATRONI

Current Term: 2021 - 2025



MEGAN SIMMONDS

Current Term: 2021 - 2025

Outgoing Councillors



PHIL VAN DER MERWE

Current Term: 2019 - 2023

MAL WILLIS
Deputy Shire President
Current Term:
2017 - 2021

ROY BUTLER

Current Term:
2017 - 2021

Councillor Attendance

12 Ordinary Council Meetings



5 Special Council Meetings



1 Annual Electors Meeting



2 Audit Committee Meetings



Shire of Merredin Councillor Attendance 1 July 2021 - 30 June 2022	Ordinary Council Meeting	Special Council Meeting	Annual Electors Meeting	Audit Committee Meeting
Cr Mark McKenzie	11	4	1	2
Cr Leah Boehme	11	5	1	2
Cr Ross Billing	12	5	1	0
Cr Roy Butler**	3	4	1	0
Cr Donna Crook*	8	1	-	2
Cr Julie Flockart	11	5	1	0
Cr Renee Manning	12	4	1	2
Cr Romolo Patroni	12	5	1	2
Cr Megan Simmonds*	9	1	-	0
Cr Phil Van Der Merwe	12	4	1	0
Cr Mal Willis**	3	3	1	0

* Denotes Incoming Councillor as of October 2021 | ** Denotes Outgoing Councillor as of October 2021

GENDER



5

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LANGUAGES

English

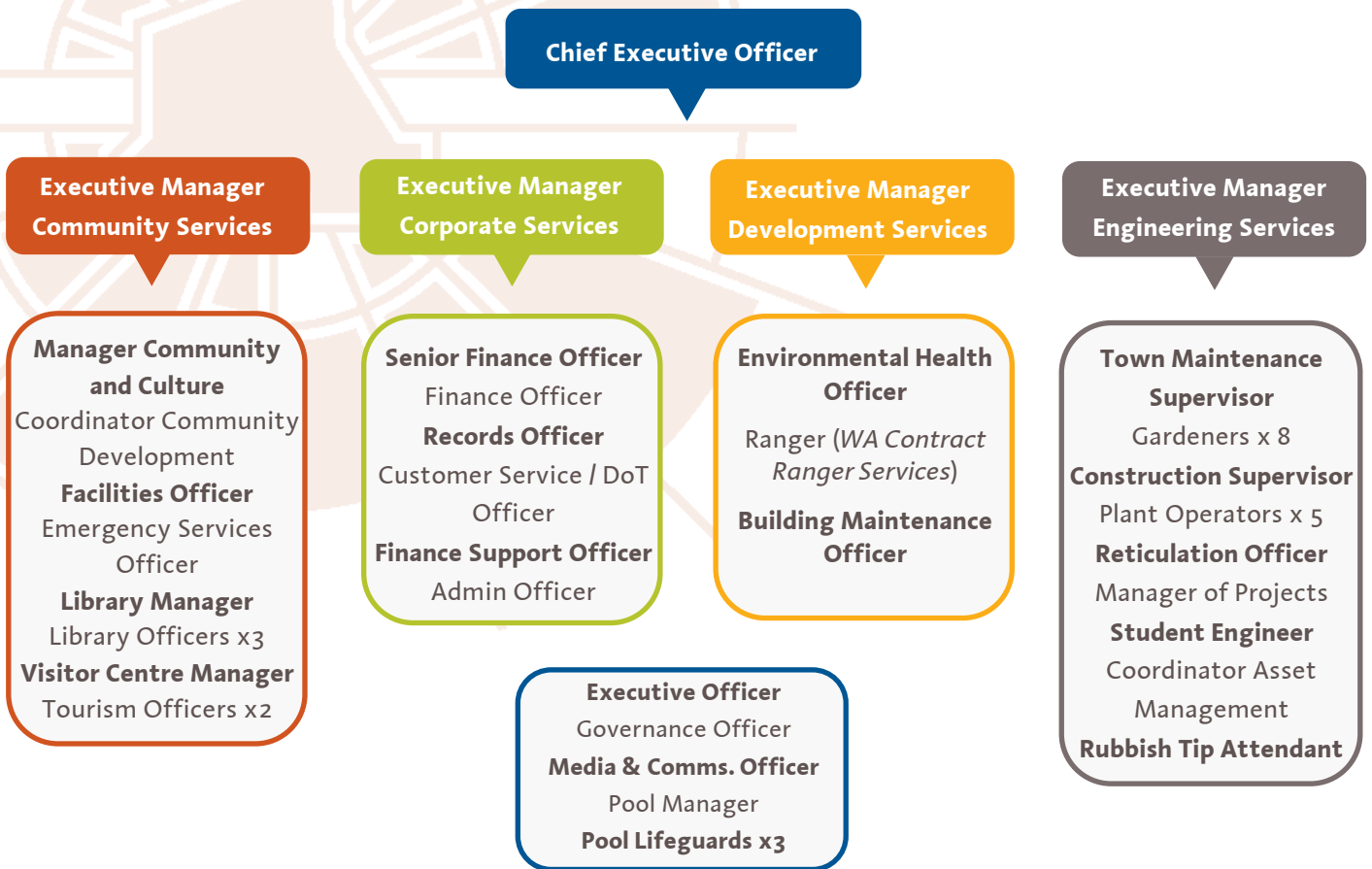
COUNTRY OF BIRTH

Australia
England

ABORIGINAL / TORRES STRAIGHT ISLANDER

Nil

Our Organisation



Our Values



Integrity - Act in an honest, open and accountable manner in all of our activities ensuring they are



Participation - Provide genuine opportunities for informed community participation in decision



Service - Be sensitive and responsive to the needs and aspirations of our community and focusing



Learning - Continue learning from training, our actions and experiences, and continually seeking



Valuing People - Value the contribution the people inside and outside the organisation make to the



Commitment - Ensure our actions serve the people of Merredin and their long-term interests.



Sustainability - Have a global perspective and ensure our actions minimise the impact on the

Executive Management & *Shire Services*

Our current organisational structure consists of four Executive Management positions representing four directorates, as well as the Office of the CEO. Depicted below includes the services offered by each of the directorates along with the Executives appointed during the reporting period. Please note, in several of the roles, multiple names are listed due to staff changeover during the 2021/22 financial year.

CHIEF EXECUTIVE OFFICER - MARK DACOMBE / LISA CLACK

- ▶ Governance
- ▶ Marketing and Communications
- ▶ Economic Development
- ▶ Advocacy
- ▶ Councillor Liaison
- ▶ Council Matters

DEPUTY CHIEF EXECUTIVE OFFICE - ANDRINA PRNICH / CHLOE TOWNSEND

- ▶ Art and Culture
- ▶ Community
- ▶ Emergency Services
- ▶ Organisational Planning and Reporting
- ▶ Library Services
- ▶ Recreation
- ▶ Visitor Services

EXECUTIVE MANAGER CORPORATE SERVICES - GEOFF GARSIDE / LINDON MELLOR / DANIEL HAY-HENDRY

- ▶ Customer Service
- ▶ Financial Management
- ▶ Human Resource
- ▶ Information Communication Technology
- ▶ CCTV
- ▶ Records Management

EXECUTIVE MANAGER ENGINEERING SERVICES - CALVIN SHOTTER / LINDON MELLOR

- ▶ Project Management and Delivery
- ▶ Natural Resource Management
- ▶ Waste Management
- ▶ Infrastructure Construction and Maintenance
- ▶ Water
- ▶ Asset and Fleet Management
- ▶ Parks, Gardens, and Town Maintenance

EXECUTIVE MANAGER DEVELOPMENT SERVICES - PETER ZENNI

- ▶ Public Health
- ▶ Building
- ▶ Planning
- ▶ Property Management
- ▶ Ranger Services
- ▶ Disability Access



Progress Against Our Strategic Plan

The overleaf pages provide an update on the Shire progress towards the priorities and objectives in the Strategic Community Plan 2020-30, highlights achieved in 2021/22, and significant activities planned for 2022-23.

Integrated Planning & Reporting Framework

The IPR Framework provides local governments with a guideline for translating community priorities and aspirations into operational objectives, and track the progress in delivering on these objectives.

Underlying principles of the integrated planning and reporting framework include:

- ▶ understanding the external environment and what our community aspires to;
- ▶ setting direction within our resource capacity;
- ▶ monitoring performance for accountability and adaptability; and
- ▶ applying a holistic approach to improve outcomes.

Strategic Community Plan

The Shire's Strategic Community Plan (SCP) recently had a major review which Council adopted in early 2021. The Shire's SCP has six key themes which is

depicted in the table below.

2021/22 Update

During the 2021/22 financial year, the Shire continued to deliver against many of the key theme areas of our Strategic Community Plan, which are outlined in the following pages. These pages report not only on the progress towards the priority areas, but also activities done to achieve objectives under each theme. Other data representing the Shire's services has also been reported.

The pandemic saw a series of border closures and state-wide lock-downs in Western Australia. This had a widespread impact on the ability of the organisation to deliver of projects, and operate facilities, services and events during the financial year.

Despite the challenges, the Shire is progressing well against the goals in the Strategic Community Plan, and we are pleased to present these results.

THEME 1: COMMUNITY & CULTURE

Merredin is rich in culture, arts, sport and community life. Everyone is safe. Everyone belongs.

THEME 2: ECONOMY & GROWTH

Merredin thrives with a job-rich and multi-faceted economy, building on local strengths.

THEME 3: ENVIRONMENT & SUSTAINABILITY

Merredin looks after the natural environment and minimises its carbon footprint.

THEME 4: COMMUNICATIONS & LEADERSHIP

The Merredin community is highly engaged in planning and action for its future, with a well governed, forward-looking, and proactive local government.

THEME 5: PLACES & SPACES

Merredin is an attractive regional town, with an inviting public realm.

THEME 6: TRANSPORT & NETWORKS

Merredin is easy to get around for all and well-connected regionally, nationally and internationally for people and industry.



THEME 1: *Community and Culture*

Priority 1: Development of cultural life: infrastructure and spaces; activation; and celebration of Njaki Njaki

Objective/s	2021/22 Update
<p>1.1 Events, Arts and Culture</p> <ul style="list-style-type: none"> • A community that is engaged in a variety of inclusive events, arts and other cultural activities which enrich their community experience and increase their sense of belonging. • The Cummins Theatre is an accessible and inclusive cultural space, serving the needs of Merredin and other surrounding wheatbelt towns. 	<ul style="list-style-type: none"> ▶ North Merredin Primary School (NMPS) continued to support regular hirers, dedicated space to community groups and bookings such as the pop-up COVID-19 vaccination clinics. ▶ Gateway Merredin 2021 was held: 1000 people were in attendance across the three day festival period and delivered an economic impact of more than \$248,000 worth of direct spending in Merredin. ▶ After some time without events due to COVID-19 the Shire delivered many events including ANZAC Day, Gateway Merredin and Gala Night.

Priority 2: Development of sport and recreation: “infrastructure and participation

Objective/s	2021/22 Update
<p>1.2 Community Sports and Infrastructure</p> <ul style="list-style-type: none"> • Sporting clubs are thriving in membership and volunteers, with an appropriate standard of facilities and other support services. 	<ul style="list-style-type: none"> ▶ Secured grant funding for a Club Development Officer. Through the program, clubs participated in 3 workshops to assist with their governance. The Shire created a Club Development Manual and strategy. ▶ Repairs were undertaken to the indoor and outdoor courts at the MRCLC.

Priority 3: Community safety

Objective/s	2021/22 Update
<p>1.3 Community Safety</p> <ul style="list-style-type: none"> • The Shire, Local Emergency Services and wider community working together to prevent bushfires and other emergencies as well as being well placed to respond and recover in such events. 	<ul style="list-style-type: none"> ▶ Through the All West Australians Reducing Emergencies (AWARE) funding the Emergency Services officer updated a range of critical procedures. ▶ Council committed to continue funding the Emergency Services Officer position. ▶ The Wheatbelt East Regional Organisation of Councils (WEROCC) considered a joint arrangement however it was unable to be progressed during 2021/22.



2021/22 *Highlights*

- ▶ Highly successful festival, Gateway Merredin, was held in October 2021.
- ▶ Emergency management improved compliance including updating critical procedures such as the Local Area Management Arrangements and Bushfire Operations Procedures.
- ▶ Agreed to enter into a partnership with Wheatbelt RDA to deliver the Lumen Wheatbelt Regional University Centre (Lumen WRUC) program.
- ▶ Agreed to enter into a partnership with PCYC to support the delivery of youth programs in the Shire.

Looking *Forward*

- ▶ Conduct an Operational Management Review of the MRCLC.
- ▶ Develop a Strategic Recreation Masterplan.
- ▶ Implement a new Library Management System.
- ▶ RSPCA Dog and Cat Sterilisation Program to be implemented to subsidise the cost of sterilisation and microchipping for concession card holders and low income earners.
- ▶ Implementation of the Lumen WRUC program.



THEME 2: *Economy and Growth*

Priority 1: Clearly articulate Merredin's identity and value proposition

Objectives	2021/22 Update
<p>2.1 Economic Development</p> <ul style="list-style-type: none"> Merredin is well known by those not local to the area, as a great place to live, work and visit 	<ul style="list-style-type: none"> Commencement of CBD redevelopment project. Pioneer Park revitalisation works commenced. Advocated for improvement in our heritage assets such as our water tower. 2021 drew tourists to the area as a key aim.

Priority 2: Tourism product development, including cultural tourism

Objectives	2021/22 Update
<p>2.2 Tourism</p> <ul style="list-style-type: none"> The Shire works closely with businesses and other community groups to actively support and develop visitor growth Visitors to the Shire are well serviced and accommodated, with opportunities that leverage our historic, cultural environmental and natural assets 	<ul style="list-style-type: none"> Worked with DPLH towards to the land transfer at Hunts Dam to Njaki Njaki Aboriginal Cultural Tours. 6317 visitors at the CWVS 2387 additional enquiries to the CWVC, including TransWA bookings Provide tourism service on behalf of 13* local governments

Priority 3: Building on Merredin's strengths to expand the economy

Objectives	2021/22 Update
<p>2.3 CBD</p> <ul style="list-style-type: none"> The Merredin town centre is strengthened as a regional centre, serving the needs of the Merredin community and surrounding catchment Merredin has suitably located and sized land for various industrial opportunities that serve the productive needs within the Shire 	<ul style="list-style-type: none"> Commencement of the review of the Shire of Merredin Local Planning Strategy, amendments to the Local Planning Scheme No. 6 and local planning policies will ultimately allow for future growth of Merredin and ensure provision of suitably zoned land to facilitate development approvals. Local businesses promoted through the Local Business Registry for the revitalisation of Pioneer Park project



- ▶ .A number of local businesses offering specialty trades, general labour, materials and accommodation were all utilised during the construction works associated with Stage One of the CBD Redevelopment.
- ▶ Commenced discussion with Development WA, advocating for the development of light industrial land and general industry land in Merredin.

2021/22 *Highlights*

- ▶ Visitation increased with visitor from intrastate, interstate and a few internationals returning since the WA and international borders re-opened in March 2022.
- ▶ Completion of the construction of the vehicle bridge and car park in Pioneer Park, offering off-road parking and access between the Railway and Military Museums as well and drawing visitors into the CBD off Great Eastern Highway.

Looking *Forward*

- ▶ Commence the review of the Shire of Merredin Local Planning Strategy, amendments to the Local Planning Scheme No. 6 and local planning policies.
- ▶ Completion of Pioneer Park and the commencement of Stage Two of the CBD Redevelopment.
- ▶ Partner with the Electric Vehicle Highway – agreement for Merredin to become part of the EV fast charging network in WA.
- ▶ Investigate the feasibility of providing an increased tourism offering on behalf of the WEROC Shires.



THEME 3: *Environment and Sustainability*

Priority 1: Address climate change

Objectives	2021/22 Update
<p>3.1 Environmental Management</p> <ul style="list-style-type: none"> <i>The Shire of Merredin observes a number of sustainable water and energy harvesting conservation and usage practices</i> <i>The Shire of Merredin's fleet is dominated by vehicles fuelled by renewable or alternate fuels</i> 	<ul style="list-style-type: none"> ▶ Prioritised a series of water management actions as part of our continued commitment towards climate change. ▶ Shire has begun building climate change assumptions into the Shire's Asset Management Plans. ▶ Planning began to update the Shire's Water Management Plan and drainage plans, which will be delivered in 2022/23. ▶ The Shire has partnered with Murdoch University and Water Corporation for a research project focused on sustainable groundwater supply options using on-farm desalination technology led by the Department of Primary Industry and Regional Development. ▶ Watersmart Farms project commenced. ▶ Facilitated development improvements for the CDS in Merredin.

Priority 2: Developing a more efficient and sustainable waste management service

Objectives	2021/22 Update
<p>3.2 Waste Management</p> <ul style="list-style-type: none"> <i>Reduced waste through increased recycling, reuse and reduction education and practices</i> 	<ul style="list-style-type: none"> ▶ WEROC progressed the development of a Strategic Waste Management Plan and Regional Landfill Consolidation Report identifying Merredin as a possible Regional Landfill site.

Priority 3: The Shire leading by example

Objectives	2021/22 Update
<p>3.3 Environmental Planning</p> <ul style="list-style-type: none"> <i>Land use planning respects our natural assets and ensures limited impact on</i> 	<ul style="list-style-type: none"> ▶ Approximately 1000 trees were planted along the Burracoppin–Campion roadside. The tree planting was conducted as part of the Shire's Recovering Roadside Conservation Values Pilot Project, which is supported



- *Natural assets are protected and conserved* supported through funding from the Western Australian Government's State Natural Resource Management Program.

2021/22 *Forward*

- ▶ The Shire has secured a small-scale desalination unit through the WaterSmart Farms project, which will enable the treatment of saline groundwater abstracted from the townsite.
- ▶ The Shire has applied for round two of the Community Water Supply Program. If successful, the grant will fund the expansion of the recycled water usage scheme.
- ▶ The Shire was awarded Gold Status for its leadership in effective water management at the Merredin District Olympic Pool.
- ▶ Installation of a new water tank and pump at the Merredin Cemetery, with connection to existing reuse network to allow the Shire to use the water.

Looking *Highlights*

- ▶ Implementation of a new tip shop located at the Merredin Waste Facility.
- ▶ WEROC Investigation into regional waste facility.
- ▶ The installation and commissioning of the WaterSmart Farms desalination unit will enable the Shire to supplement the irrigation of green spaces and provide a community water source for fire mitigation, construction projects and agriculture, by utilising treated saline ground water abstracted from the Merredin townsite.
- ▶ Budget has been included in the 2022/23 financial year to update the Shire's Water Management Plan and drainage plans.



THEME 4: *Communications and Leadership*

Priority 1: Effective mechanisms for community representation in key decision-making

Objectives	2021/22 Update
<p>4.1 - Community Engagement</p> <p><i>The Shire regularly engages with its community and, in return, communicates the information gathered in a clear and transparent manner</i></p> <p><i>The Shire has a strong working relationship with the Njaki Njaki Noongar Traditional Owners and other Aboriginal community members</i></p>	<ul style="list-style-type: none"> ▶ Consulted the community on the Apex Park Redevelopment and Town Centre concept plan. ▶ Consulted the community on Public Piazza Pilot Project. ▶ The Shire arranges for Welcome to Country ceremonies at Shire events. ▶ An Acknowledgement of Country has been included at the start of Council meetings and on official documents.

Priority 2: Maximising the value of Shire assets

Objectives	2021/22 Update
<p>4.2 - Decision Making</p> <p><i>Council is equipped with appropriate technology, allowing for better public accessibility to the Council Chambers</i></p> <p><i>The Shire is progressive while exercising responsible stewardship of its built, natural and financial resources</i></p>	<ul style="list-style-type: none"> ▶ Identified the strategic value of the land at Throssell Road for purchase. ▶ Identified assets for disposal such as the Lutheran church. ▶ Completion of the new Merredin Cemetery recycled water storage and irrigation system with funding from the Department of Water and Environmental Regulation.



2021/22 *Highlights*

- ▶ Completion of the new Merredin Cemetery recycled water storage and irrigation system with funding from the Department of Water and Environmental Regulation, improving the Shire's water management practices and assisting with water security into the future.
- ▶ Achieved a balanced budget in complex financial times.
- ▶ Election and induction of Councillors.
- ▶ Recruitment and commencement of new CEO and Executive Manager Engineering Services..
- ▶ Creation of Project Manager role to support the delivery of key infrastructure projects.

Looking *Forward*

- ▶ Update the Corporate Business Plan (CBP), the first CBP against the new Strategic Community Plan 2020-2030 .
- ▶ Record Keeping Plan update.
- ▶ Regulation 17 and Risk review to be conducted to improve our governance.
- ▶ Update the Enterprise Agreement with outdoor workers and transition to State Industrial Relations Award for indoor workforce.
- ▶ New payroll system implementation.
- ▶ The Shire will continue to invest in Asset Management planning which will consider Shire owned facilities and held infrastructure assets.



THEME 5: *Places and Spaces*

Priority 1: Revitalise the Merredin CBD

Objectives	2021/22 Update
<p>5.1 - Streetscapes</p> <ul style="list-style-type: none"> The Merredin CBD has been significantly upgraded and is well maintained and representative of the regional status that it holds 	<ul style="list-style-type: none"> Funding from the Building Better Regions Fund and Local Roads and Community Infrastructure have been secured and allocated towards the CBD Redevelopment project. Construction of Pioneer Park is underway, with continued development of designs for Town Centre and Apex Park. Minor upgrades to the town entrance signs to improve visual appeal.

Priority 2: Improve public open spaces

Objectives	2021/22 Update
<p>5.2 - Parks and Gardens</p> <ul style="list-style-type: none"> Parks within the Shire are maintained to a high standard, with adequate facilities for community members of all ages and abilities 	<ul style="list-style-type: none"> Local Roads and Community Infrastructure funding has been allocated towards the revitalisation of Apex Park. Existing concept designs being reviewed to inform the detailed design stage of the project.

2021/22 *Highlights*

- ▶ \$2,139,309 of Federal Government funding was secured for the CBD Redevelopment through the Building Better Regions Fund.
- ▶ \$1,618,415 of Federal Government funding was secured for the CBD Redevelopment through the Local Roads and Community Infrastructure program.
- ▶ Construction works for the first stage of the CBD Redevelopment, the revitalisation of Pioneer Park commenced.

Looking *Forward*

- ▶ The revitalisation works for Pioneer Park will be completed, marking the completion of the first phase of the CBD Redevelopment. Providing parking and improving access between the Railway and Military Museums, as well as drawing visitors off Great Eastern Highway into the CBD.
- ▶ The designs for the Town Centre and Apex Park are to be completed, ready for construction to commence.
- ▶ Further advocacy with State Government on the restoration of the Merredin Water Tower.
- ▶ Seeking further funding from State Government Agencies for the revitalisation of Apex Park.



THEME 6: *Transport and Networks*

Priority 1: Improving Local Roads

Objectives	2021/22 Update
6.1 - Roads and Footpaths • <i>The Shires road system, footpaths and cycle trails are well maintained and safe</i>	▶ Commenced the development of a Road Hierarchy, to priorities the renewal of our assets.

Priority 2: Improving storm water management

Objectives	2021/22 Update
6.2 - Drainage • Stormwater drainage is well maintained and capable of handling storm events at	▶ Development of an Asset Management Plan for Roads, footpaths and stormwater infrastructure has commenced.

2021/22 *Highlights*

- ▶ The investigation and pavement design works were completed for the next sections of Merredin-Naremben Road as part of the Wheatbelt Secondary Freight Network Project.
- ▶ Reconstruction and resealing of South Avenue was completed in partnership with Main Roads WA.
- ▶ The kerbing along South Avenue following the reconstruction and resealing works was completed.
- ▶ Concept designs completed for the upgrades to Crooks roads, to be used to advocacy for State or Federal funding for this important piece of enabling economic infrastructure.
- ▶ Completed a lighting upgrade to Bulls Head Road.
- ▶ Reconstruction of resheeting of Burracoppin South Road.
- ▶ Stabilization of Nolan Street.

Looking *Forward*

- ▶ The Asset Management for Merredin's stormwater infrastructure is to be completed.
- ▶ An Asset Management Policy and Strategy currently being developed.
- ▶ The Road Hierarchy and Asset Management Plan for road infrastructure is to be completed, which will inform, all future road construction and maintenance works.
- ▶ Delivery of \$2.18M Merredin-Naremben Road reconstruction.

2021/22 Budget

How Your Money is Spent



- General Purpose Funding
- Health
- Community Amenities
- Economic Services
- Law, Order & Public Safety
- Housing
- Governance
- Education & Welfare
- Recreation & Culture
- Other Property & Services
- Transport

How Services are Funding



- Rates
- Operating Grants, Subsidies & Contributions
- Fees and Charges
- Interest Earnings
- Other Revenue
- Profit on Asset Disposals
- Non-Operating Grants

Capital Expenditure



- General Purpose Funding
- Recreation & Culture
- Education & Welfare
- Governance
- Transport

Capital Income



- 300,000.00 General Purpose Funding
- 33,409.00 Housing

Previously, the Commission pre-paid a portion of the following years grant funding at the end of the previous financial year. While this has continued to occur, the portion pre-paid in 2021/22 was significantly higher. At this stage, it is expected that the portion of the advanced payment will continue at the 2021/22 percentage and will therefore not impact the 2022/23 figures.

Project Highlights



4 Year Summary Stats

Shire of Merredin	2018/19	2019/20	2020/21	2021/22
Total Number of Rateable Properties	2348	2379	2398	2441
Minimum General Residential Rate	\$865	\$890	\$890	\$910
Rates Levied	\$4,126,707.43	\$4,268,263.69	\$4,329,412.62	\$4,570,226.33
Operating Revenue	*N/A	*N/A	*N/A	\$7,974,339
Capital Works Program Expenditure - Roads	\$1,779,659.87	\$1,577,452.14	\$2,914,122.32	\$1,735,874.21
Roads Maintenance Expenditure	\$926,898.52	\$1,183,158.98	\$1,166,554.47	1,504,997.63
Footpath Maintenance Expenditure	*N/A	\$158,000	\$209,000	\$177,556
Expenditure – Parks and Gardens	\$754,736.94	\$753,573.77	\$624,810.01	\$754,666.95
Full Time Equivalent Staff	42.8	42	37	41
Employment – Women %	37.5%	46.9%	42.3%	42%
Tenders Awarded	4 Tenders 4 Awarded \$163,851.44	*N/A	8 Tenders 6 Awarded \$2,549,858.42	5 Tenders 3 Awarded \$2,044,062.41
Planning Applications Approved	18	18	29	34
Building Permits Approved	37	33	45	19
Value (\$) of Permits Approved	\$13,208,713	\$2,357,480	\$4,954,043	\$1,873,085
Community Funding Provided (Grants)	\$26,259	\$28,418	\$26,389	\$39,816
Waste – Tonnage Collected	1082.29	1096.64	1131.95	1168.61
Tones of Recycled Materials Taken	220.74	209.06	190.59	145.03
Dog and Cat Registrations	83	*N/A	153	271
Patrons at the Library	8922	6997	6,523	6,548
Visitors to the CWVC	6759	6939	5626	6317
Patrons at the pool	18627	15584	16908	16774
Cummins theatre tickets sold	6392	3055	1,606	1,938
Waste water reuse volume (for irrigation)	86,369m ³	76,755m ³	86,672m ³	86,844m ³
Number of statutory inspections	*N/A	148	333	324
Expenditure on CBD	\$ 14,444.97	\$ 5,729.16	\$ 72,305.00	\$ 1,062,202.83
Department of Transport transactions	7653	6557	6937	6740
Number of Council resolutions	134	178	180	202

*N/A denotes unavailable figure for the corresponding reporting period



COMMUNITY *Services*

**SWIMMING POOL
PATRONS**



16,744

**REGIONAL LIBRARY
PATRONS**



6548

**VISITOR CENTRE
PATRONS**



6317

**EVENTS
HELD**



52

The Community Services team had a busy year organising, and subsequently holding, the Shire's new major event, Gateway Merredin. The festival was born through extensive engagement with the community whom had a vision to create an festival that highlighted the best of Merredin and drive tourism, while also celebrating the rich culture and history of the town and region.

Gateway Merredin was an opportunity for the community of Merredin to extend its generous hospitality to our neighbours across the State as they immersed themselves in a variety of offerings over the course of the festival weekend.

The inaugural 'Troops, trains and Treasures,' festival was held between September 24 - 26. The three - day event included 19 program events, which involved 21 community groups, with over 689 tickets sold. Events included illumination projections, live entertainment, unique historic tours and a public art trail.

The main objectives of the event were to:

- ▶ celebrate and raise the profile of Merredin's unique military involvement;
- ▶ increase economic development through tourism;
- ▶ create opportunities to upskill and collaborate with members of community groups; and
- ▶ support art and culture in Merredin and the Wheatbelt region.

Club Development

The Shire successfully obtained a grant from the Department of Local Government, Sport and Cultural Industries to support local sporting clubs to build their organisational capacity and capability through accessible and flexible club development services.

Nine clubs were involved this project and participated in a series of workshops that which supported the development of a needs analysis, and then subsequently a club development manual which would support good governance, help clubs to build capacity, and increase overall participation.

Youth Week

Youth Fest was a free event to celebrate Youth Week, and was aimed at engaging young people residing in Merredin and the surrounding Wheatbelt towns. Local youth attended basketball clinics, art and craft activities, had fun on inflatables and food.

For this event, the Shire partnered with Merredin Youth Committee, WA Country Health Service, Merredin College, St Mays Primary School, and the Merredin Police. This event was financially supported by the Department of Communities.

Emergency Services

Through an AWARE grant, the Shire secured funding for an Emergency Services Officer, to deliver work as part of the Shire's renewed focus on emergency management.

This year the Shire has developed and reviewed vital plans and resources to support emergency management service, including:

- ▶ Develop of Local Emergency Management Hazard Register;
- ▶ Develop the Local Emergency Management Arrangements;
- ▶ Develop a Bushfire operating procedures manual;
- ▶ Develop a water sources booklet; and
- ▶ Create a terms of reference for the Local Emergency Management Committee.

Council endorsed the ongoing Emergency Services Officer position, which demonstrates the Shire's commitment to emergency management.

Community Funding Program

Each year, the Shire of Merredin provides financial and in-kind support to various community groups through its Community Grants Program. In the 2021/22 financial year, the Shire supported the following:

- ▶ Merredin Senior Centre Inc
- ▶ Merredin Museum & Historical Society
- ▶ Merredin Show
- ▶ Merredin Community Resource Centre
- ▶ Merredin Community Singers (A Choired Taste)
- ▶ Wheatbelt Endurance Riders Incorporated

2021/22 *Events and Programs*

JULY 2021

- ▶ Merredin Rep Club – Make Ups + Break Ups
- ▶ NAIDOC Week
- ▶ EWEYN Bootcamp
- ▶ Over 50's Information Session
- ▶ School Holiday Activities at the Library

AUGUST 2021

- ▶ Night Sports
- ▶ Arty Farty Party
- ▶ Vietnam Veterans - Long Tan Memorial Day
- ▶ Comedy Gold
- ▶ Morning Melodies
- ▶ Over 50's BINGO

SEPTEMBER 2021

- ▶ Matt Hale Comedy Hypnotist
- ▶ Merredin Country Music Weekend
- ▶ Farewell Friends featuring Justin Friend
- ▶ Don't you know who I am
- ▶ The Cicada Experience – school holiday drama workshop - Amphibian Production
- ▶ Gateway Merredin
 - WAYJO – Celebrating the Greats
 - Illuminart – Our Stories, Our Voices
 - The Australian AC/DC Experience
 - Swingin' at the Savoy – It's a Jazz Party
- ▶ School Holiday Activities at the Library
- ▶ Skate Sculpture Engagement Session

OCTOBER 2021

- ▶ School Holiday Activities at the Library
- ▶ Arty Farty Party
- ▶ Morning Melodies
- ▶ The Australian Beatles + Jumping Jack Flash
- ▶ Pink Morning Tea
- ▶ Over 50's BINGO
- ▶ Screen Printing with Louise Snook

NOVEMBER 2021

- ▶ Merredin Repertory Club – The Pirate Prince

- ▶ Remembrance Day
- ▶ NHPW – Merredin Mayhem
- ▶ Grug
- ▶ Over 50's BINGO

DECEMBER 2021

- ▶ Gala Night
- ▶ Morning Melodies
- ▶ Games Day

JANUARY 2022

- ▶ Citizen of the Year
- ▶ Australia Day Pool Party
- ▶ School Holidays Activities

FEBRUARY 2022

- ▶ Whisky + Boots: Mama Stitch Residency
- ▶ Over 50's BINGO

MARCH 2022

- ▶ Theatre 180 Sydney II
- ▶ Mama Stitch Residency + Shows
- ▶ Easter in the Park

APRIL 2022

- ▶ Mama Stitch Shows
- ▶ Anzac day
- ▶ A Choired Taste – An Evening of Song
- ▶ School Holiday Activities at the Library

MAY 2022

- ▶ The Motherhood – Mums Gone Wild Comedy
- ▶ Rep Club Workshops
- ▶ Amy Shark

JUNE 2022

- ▶ Morning Melodies
- ▶ Christian Brothers College Jazz Orchestra



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THE
AUSTRALIAN
AC/DC
EXPERIENCE

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AC/DC
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Merredin Library

The Merredin Regional Library continues to be a popular service within the community, providing an array of activities that cater to both elderly people and young children. The Library also plays a vital role in providing Library members with educational resources and access to essential technology.

Located at the old North Merredin Primary School site, the Merredin Regional Library is run by a small team of dedicated staff who regularly host interactive workshops and reading challenges for local community members. The team also hold the annual Pink Morning Tea, raising money for the Cancer Council in support of breast cancer awareness.



This year, the team raised more than \$1,100 thanks to generous local businesses and wonderful volunteers.

During the COVID-19 pandemic, the Library introduced a pick-up and drop-off service while the building was closed. Due to its phenomenal success, this service continued during the 2021/22 financial year but expanded to also include a 'Housebound Service' for those who were isolating at home where staff would drop books off at the front door. Isolating patrons were also able to access digital resources through their own internet at home.

The Library team offered 12 school holiday programs throughout the year with 138 participants. The most popular activity for the kids was painting with spinners and shaving cream.

In total, the Library welcomed 6,548 visitors to the facility throughout the year, with a total of 11396 checked out items.

Other activities completed include:

- ▶ A new e-Resource was added to the collection with free access to all members;
- ▶ The Library hosted 10 Over 50's Bingo sessions with 88 participants;
- ▶ Library staff participated in two Early Years Network activities;
- ▶ The Library hosted three Work Placement students from Merredin College and one Return to Work participant;
- ▶ 1,215 new items and resources were added to the collection; and
- ▶ More than 200 items were added to the Local History Memorabilia Room.

Return on Investment

For every \$1 spent by the Shire for the Library services, members received the equivalent of \$1.71.



The Cummins Theatre (the Theatre) program of events in 2021/22 continued to be disrupted due to the closure of Western Australian borders and other pandemic lockdowns. Despite these challenges, a number of concerts and shows were able to proceed at the facility with COVID-19 precautions in place.

The Theatre again hosted numerous corporate bookings, workshops, weddings, funerals, and a range of other community groups who regularly hire the facility for activities such as dance classes, fitness sessions and corporate meetings.

Due to difficulties with backstage equipment during the month of July 2021, several events were either cancelled or postponed.

March and April saw Mama Stitch, with Georgia King and Mark Storen, Holly Garvey and Tom Garve. The visiting artists spent two weeks in Merredin collecting and recording stories from a selection of local residents before transforming the anecdotes into a series of exquisite performances celebrating mums and the special place they hold in our hearts. The stories were underscored with original music and songs that had been inspired by the recollections and memories shared.

March also saw the production of Sydney II by Theatre 180. Sydney II told the tale of Australia's greatest naval disaster – the sinking of HMAS Sydney II by the German raider, Kormoran in November 1941, with the loss of all lives.

In September, the Merredin community hosted Gateway Merredin. This event showcased a number of events featured at the Theatre including the Western Australian Youth Jazz Orchestra, the Australian AC/DC Experience, and Swingin' at the Savoy. On Sunday night, a movie night was also hosted by the Military Museum in the Theatre auditorium.

A double act was featured in October by the Australian Beatles and fellow rocker Jumping Jack Flash (Rolling Stones tribute) which featured Tommy Jennis as Mick Jagger and Rocky Evangelisti as Keith Richards, and the original 'Glimmer' Twins.

Throughout the year several shows specifically for the younger Merredin audience were presented including Grug by the Australian Children's Performing Arts Company Windmill Theatre Co.

Australian pop singer-songwriter Amy Shark hit the stage on a Sunday, 29 May 2022 to perform to a packed house at Cummins Theatre. The event was attended by close to 400 people hailing from all over the region, with some travelling almost four hours to see Amy perform in Merredin.

Merredin was the ninth stop on the West Australian leg of Amy's "See U Somewhere Australia" tour. The artist spoke at length about her desire to get out and see the regions, to tour to places outside of the major cities and how important that was for her.

Theatre Attendance

A total of 1,606 tickets were sold to events held at Cummins Theatre, with an additional 678 refunded for 9 cancelled shows due to boarder restrictions and on-going COVID-19 lockdowns.



Central Wheatbelt Visitor Centre

A marked visitation increase from intrastate during state border closures in 2021 and interstate visitors returning once borders re-opened in March 2022. A smaller number than in pre-COVID-19 years of fly-drive internationals gaining confidence in returning to WA during the peak 2022 season.

Tourism Initiatives

Merredin Map Pad: A Merredin Map Pad printed January 2022 with Merredin Heritage Trail on reverse to encourage visitors to experience our history and heritage sites.

Rediscover Merredin Brochure: Updated, redesign and reprinted June 2022 key marketing tool for the Shire of Merredin, promoting Merredin's accommodation, museums and attractions, places to eat, tours and service businesses with advertising support from these businesses.

Central Wheatbelt Map & Guide – Along the Golden Pipeline: Updated, redesign and reprinted September 2022 on behalf of the WEROC Local Government's and the Shire of Cunderdin through financial co-contribution of participating shires. Promoting the museums and attractions, and accommodation along the Central Wheatbelt section of the Golden Pipeline Heritage Trail.

AGO/Wheatbelt Co-op Marketing: Central Wheatbelt Visitor Centre continues to provide support to WEROC and Shire of Cunderdin in promoting the four Wheatbelt self-drive trails Road Trips through itineraries and attractions in print media and paid and organic social media channels. A cooperative marketing initiative with AGO and the 4 Self-drive trails in a Travel Feature in the West Australian March 2022.

Pioneers' Pathway Story Town Podcasts: Liaised with EO and provided contacts for Storytown stories in a Pioneers' Pathway and New Travel participating shire and grant funded project. Podcasts went live in early November 2022 through

the Storytown App.

Visitor Centre Stats and Highlights

- ▶ 6317 walk in visitors
- ▶ 1199 transwa bookings & enquiries
- ▶ 850 phone enquiries
- ▶ 217 email enquires
- ▶ 121 brochure mail-out requests
- ▶ A Monthly e-events newsletter emailed to distribution list
- ▶ Weekly email updates to Merredin businesses
- ▶ Continue to stock Merredin businesses with Merredin, CWB brochures
- ▶ Continue to post out requests for brochures to state VC's

District Olympic Swimming Pool

The Merredin District Olympic Swimming Pool opened to the public on 1 November 2021 and closed on 25 March 2022, with a 7% increase in patrons visiting the facility during the 2021/22 financial year. While some COVID-19 restrictions continued to apply, there was no disruption to facility events or programs.

Gold Waterwise Status

The Merredin Swimming Pool was once again awarded a Gold Waterwise Status for Waterwise Council Program for 2020/21.

The Department of Water and Environmental Regulation and Water Corporation runs the Waterwise Council Program to aid and support local governments to improve water efficiency.

The Shire was awarded Gold Status for demonstrating a sustained commitment in reducing water use and implementing effective water management. This was achieved through the use of a data logger which enables the Shire to regularly monitor the Pool's water usage throughout the day.

Pool Attendance

In total, 16,774 patrons visited the pool over the duration of the 5-month season, with 79 season passes sold and a total income of \$41,073.38 (ex GST).

Swim Club had a very successful season with 60 children signing up for membership, meanwhile

school carnivals were able to be return after being cancelled the previous year due to COVID—19.

Vacation swimming also returned, with 3.5 weeks of swimming lessons offered to children in the community.

Pool Events

The Merredin District Olympic Pool hosted a number of activities including;

- ▶ Australia Day Pool Party
- ▶ EWEYN Christmas Pool Party
- ▶ Vacation Swimming
- ▶ School Swimming Lessons
- ▶ 2 x School Swimming Carnivals
- ▶ 2 x Interschool Swimming Carnivals

COVID-19 Measures

Hand sanitiser continued to be provided at the pool facility, and where applicable, visitors were asked to scan the check in QR code or complete the sign in sheet.





DEVELOPMENT *Services*

**BUILDING PERMITS
ISSUED**



34

**PLANNING
APPROVALS**



19

**POOL BARRIER
INSPECTIONS**



17

**VALUE OF
DEVELOPMENT**



\$1,873,085

The focus of the development services team was to provide for the efficient assessment and approval of building applications submitted to the Shire of Merredin, while also ensuring compliance with statutory codes.

Development *Services*

The key achievements for the Development Services team have included:

- ▶ The efficient processing of applications for development approval as well as applications for a building permit;
- ▶ Providing timely advice to ratepayers on development and building proposals;
- ▶ Guidance on required documentation that needs to be incorporated into applications for development and building permit approval;
- ▶ Responding to complaints relating to dilapidated buildings and structures as well as concerns relating to substandard accommodation; and
- ▶ A firm, but fair, approach to enforcement of statutory compliance requirements.

Environmental *Health*

The focus for environmental health was food safety and public health including the inspection of food premises, lodging houses, hairdressers and public buildings.

The key achievements in this department include:

- ▶ Targeted mosquito monitoring to prevent mosquito breeding activity;
- ▶ Improvement of public health by engaging with members of the public as well as implementation of enforcement measures;
- ▶ Issued several unfit for human habitation notices and building orders relating to a number of premises in the Shire of Merredin;
- ▶ Implemented regular inspections of private swimming pool barrier fencing to prevent accidental drowning by children;
- ▶ Completed 32 public building inspections and 63 food business inspections; and
- ▶ Issued 27 stall holder permits to a number of vendors.

Waste *Management*

During 2021/22, the Shire produced;



1168.6
tonne

145.0
tonne

Ranger *Services*

Throughout 2021/22, the Shire's ranger services continued business as usual with parking patrols, burning permits issued, animal control, phone enquiries, and pound services.

Fire Control: During the bush fire season 49 infringements were issued in relation to noncompliance under Section 33(3) of the Bush Fires Act 1954 for failure to comply with the Shire of Merredin's firebreak order.

Dogs: The Ranger received 245 customer calls regarding dogs, and 30 dog related complaints. There were six dog related infringements issued for the year. In total, 182 new dogs were registered, and 26 dogs were impounded by the Shire.

Cats: The Ranger received 163 customer calls regarding cats, while the Shire registered 89 new cats and impounded 50 cats.

Parking: The Ranger completed a total of 105 parking patrols.

Vehicles: Three abandoned vehicles were reported to the Ranger, one of these vehicles was removed / impounded.

Call Outs: The Ranger attended 10 after hours call-outs



ENGINEERING *Services*

**\$ SPENT ON
FOOTPATHS**



\$277k

**\$ SPENT ON
ROADS**



\$3m

**\$ SPENT ON PARKS
AND GARDENS**



\$630k

**\$ SPENT ON
STREET LIGHTING**



\$159k

It has been a big year for the Engineering team, as we took on the CBD Revitalisation project, starting in Pioneer Park, along with several other road and infrastructure projects. The team has had faced some challenges due to COVID-19 and current economic conditions, but has continued to work hard to move the Shire forward in our maintenance scheduling, asset management planning and project delivery.

Town Maintenance

It has been another busy and productive year for the town maintenance crew performing their duties that include street and footpath maintenance, rubbish collection, gardening, slashing, spraying and the maintenance of the town parks, gardens and recreational spaces. They had the added challenges that COVID-19 brought which included sanitising the CBD and our parks daily for several months. The team were involved with a number of events and works including the Gateway Festival, Gala Night, works on South Avenue and several improvements throughout the Shire's parks and gardens.

Works and Services

Council has continued with the commitment to enhance public open spaces, roads, footpaths, and drainage infrastructure within the Shire. This is achieved through the utilisation of its own financial resources and funding from the following external sources received in 2021/2022;

- ▶ Roads to Recovery Program (Federal);
- ▶ Regional Road Group (State);
- ▶ Wheatbelt Secondary Freight Network (Federal and State);
- ▶ Local Roads and Community Infrastructure Program (Federal); and
- ▶ Building Better Regions Fund (BBRF) (Federal).

Construction Projects

Footpaths: Renewal and construction of new concrete footpaths took place on the following streets as part of the Shire annual footpath program:

- ▶ South Avenue
- ▶ Coronation Street
- ▶ Cohn Street
- ▶ Todd Street

The Shire's annual footpath program aims to

improve access and walkability throughout the town by constructing new footpaths and pram ramps as well as renewing existing ageing assets.

Merredin Cemetery Irrigation System: The installation of the new recycled water storage and irrigation system at the Merredin Cemetery was completed. This project was co-funded by the Department of Water and Environmental Regulation's (DWER) Community Water Supply Program (CWSP).

The project included the installation of a new 362 kL storage tank and a stand-alone solar recirculation and irrigation system. To connect the new storage tank to the existing Merredin Recycled Water Network, the Shire's works crew completed approximately 3 km of trenching. This has enabled the Shire to reduce its use of scheme water, saving approximately 6,720 kL per year, as well as improving water efficiency by improving the irrigation system pressure.

Pioneer Park: Construction of the Pioneer Park redevelopment began in May 2022, marking the commencement of the construction of the first stage of the CBD Redevelopment Project. This stage includes the construction of a new car park and revitalised recreation space, providing a better access to both the Military and Railway Museums and drawing visitors into Merredin off Great Eastern Highway.

The vehicle bridge and car park phase of the project has been completed with the remaining works to be finalised for a formal opening in late October 2022. This project was co-funded with funding being contributed by the Federal Government through the Local Roads and Community Infrastructure program and the BBRF..



Road Construction

Grading Program: The Shire's maintenance grading program focused on high priority road such as bus routes and high traffic roads, completing repairs as required after storm and rain events.

Roads to Recovery: The Roads to Recovery Federal Funding Program was used to complete \$594,339 of road works in the 2021/2022 financial year. This included:

- ▶ Asphalt reseals on Coronation St and Hay St;
- ▶ The reconstruction and stabilisation of Nolan Street;
- ▶ The repair and pathing of Knungajin Road; and
- ▶ Shire contribution towards the reconstruction and resealing of South Avenue (completed by Main Roads).

Regional Road Group: The Shire of Merredin received \$205,832 through Regional Road Group state funding which was put toward the following projects:

- ▶ The widening of Bulls Head Road between Merredin-Narembeen Road and the Collgar Wind Farm Lookout
- ▶ The continued reconstruction and resheeting of Burracoppin South Road

Wheatbelt Secondary Freight Route: During the 2021/2022 financial year \$649,116 of funding was received through the Wheatbelt Secondary Freight Network funding program for the upgrade of Merredin - Narembeen Road. This program is jointly funded by both Federal and State Government. This funding was utilised to finish the first 7km of pgrade works as well and complete the geotechnical assessment and pavement design for the next construction stages.

Building Better Regions Fund: In 2021/22 the Shire secured \$2,139,309 of funding through the Federal Government's Building Better Regions Fund (BBRF), round five. The BBRF program is designed to deliver

funding for regional infrastructure projects and community development activities. The Shire received the funding for the revitalisation of Pioneer Park and Merredin Town Square as part of the larger Merredin CBD Redevelopment, the BBRF funding will be matched by the Shire. The projects aim to renew the existing open and community spaces to contribute positively to economic, social and community life in Merredin. These projects will improve quality of life for residents and visitors to Merredin, by creating a vibrant area that will encourage people to meet, socialise, move, and explore while still retaining Merredin's unique regional identity.

Local Roads and Community Infrastructure: The federal initiative to help the economy and communities bounce back from the impacts of COVID-19 saw the inclusion of two more funding phases. In addition to the \$573,735 received in the 2020/2021 financial year as part of LRCI Phase One, the Shire of Merredin was allocated \$470,945 for Phase Two, and \$1,147,470 for Phase Three. These two additional stages will be used towards the revitalising of Pioneer Park and Apex Park, respectively.

EV Charging Station: The Merredin has been selected for the installation of an Electrical Vehicle (EV) charging station, as part of the State Government's \$21 million EV fast charging network. This project will create Australia's longest EV fast charging network by installing charging stations at 49 locations across the state. Installation of the charging stations is scheduled to begin in November 2022 with the network fully operational by January 2024. The Shire has been liaising with Synergy to formalise the design and formal agreement for installation of the charging

station within the carpark opposite Barrack Street, west of the Town Centre.

Natural Resource *Management*

The Waterwise Council program is a jointly run program between the Department of Water and Environmental Regulation and Water Corporation to support local governments to improve water efficiency and help create waterwise communities. The Shire was again re-endorsed as a Waterwise Council, an achievement that recognises the work of the Shire, leading by example, and inspiring residents to be waterwise.

Approximately 1000 trees were planted along the Burracoppin–Campion roadside, which included species such as salmon gum, tan wattle, jam trees, native apricots, boree and salt bush. The road was selected as the location of this project because of its low amount of vegetation, its proximity to existing remnants of vegetation, and the relatively low use of the road by traffic meant it was a safe place for volunteers to plant. The tree planting was conducted as part of the Shire’s Recovering Roadside Conservation Values Pilot Project, which is supported through funding from the Western Australian Government’s State Natural Resource Management Program.

The Shire was selected to partner with Murdoch University and Water Corporation for a research project focused on sustainable groundwater supply options using on-farm desalination technology led by the Department of Primary Industry and Regional Development (DPIRD). As part of the

project, the Shire will be provided with a small-scale desalination unit to treat the saline ground water currently abstracted from aquifers below the Merredin Townsite. This saline water is abstracted to manage the water table, preventing salinity damage to infrastructure and water logging. Due to the saline nature of this water, it is currently unused and disposed of directly to drying beds. The desalination unit will enable the Shire to treat this saline water for utilisation in Merredin’s irrigation network as well as being made available for fire mitigation, construction projects and as an off-farm community water source.

The Shire applied for, and has since been successful for outside of the reporting period, a grant from the Department of Water and Environmental Regulation (DWER) through the Community Water Supply Program (CWSP) for the installation of the WaterSmart Farms desalination unit. This grant will partly fund the introduction of new infrastructure including a standpipe, upgrade of the existing hard stand, a solar power system, water pump, security fencing, and all required pipework.

The Shire has since applied for the second round of CWSP grants for the upgrade of the Merredin recycled water network. We are expected to receive notification if successful in February 2023.



CORPORATE *Services*

**ADMIN FINANCIAL
TRANSACTIONS**



4135

**DoT
TRANSACTIONS**



6740

**FTE
EMPLOYEES**



41

**WEBSITE
USERS**



32,000

The Corporate Services team encompasses many aspects of the organisation, including Finance, Records, Cemetery management, Human Resources, Customer Service, Department of Transport and Information Technology. In 2021/22 the Corporate Services team included eight staff members and was led by the Executive Manager Corporate Service, Mr Geoff Garside until Mr Lindon Mellor commenced acting in the role in early 2022.

The team had a largely operational focus during the period, finalising the 2020/21 Audit processes and managing and maintaining the budget. The decision to hold rate increases in the 2020/21 financial year due to the effects of COVID-19 had a large impact on the overall budget of the Shire and the flow on effects were felt throughout the 2021/22 year. A structural change was also implemented within the budget and CEACA's assets were written out of the Shire's financials. Increases to inflation and construction costs have also meant that the Shire has had to move cautiously and focus on expending grants and completing acquittals to ensure funding streams were reliable.

Customer Service

The customer service team answered calls, and also responded to emails and served customers face to face throughout the period. An outbreak of COVID-19 in the community meant that staff worked from home where possible for a period of time and face to face service was reduced.

Throughout 2021/22 there were a large number of service requests made, including 112 Snap Send Solve reports. On average, the team completed monetary transactions for 17 Council customers per day, equating to roughly 4135 per year, and a further 27 Department of Transport customers, totalling 6740 per year.

Phone, email and front counter enquiries that do not result in a monetary transaction are unable to be tracked, though it is estimated that the figures listed above would close to double if they could be reported.

Records Management

Work was also commenced on updating the Shire's Record Keeping Plan, and it is hoped that this will be finalised by the end of 2022. The current plan, as

adopted by Council at its September 2015 meeting, is in operation. Incoming correspondence is captured onto the electronic records system and then allocated to the relevant officer for attention whilst the hardcopy is filed. Work continues to educate officers of the procedure for recording incoming and outgoing correspondence via email. During 2021/22, the Shire of Merredin created 3366 new records.

Human Resources

During the 2021/22 financial year, the total number of Shire employees was 51, with 38 employed in full-time roles, one in a part-time position and 12 in a casual capacity. This equated to a full-time equivalent of 41 staff.

Executive Staff

Three executive staff members commenced working with the Shire during the reporting period;

- ▶ Lisa Clack, Chief Executive Officer
- ▶ Lindon Mellor, Executive Manager Engineering Services
- ▶ Chloe Townsend, Acting Deputy Chief Executive Officer

Employee Initiatives

The Shire is committed to the mental health and overall wellbeing of its staff. During the period, flu vaccinations were offered to all employees to support their health and wellbeing through flu season.

Councillor Remuneration

Details regarding the remuneration awarded to the Shire President, Deputy Shire President, and Councillors is contained on Pages 31 and 32 of the financial report.

Executive Remuneration

Regulation 19B (2) of the Local Government (Administration) Regulations 1996 states the Annual Report is to include the number of employees entitled to an annual salary of \$130,000 or more, and the number of those employees that fall within each band of \$10,000 over \$130,000. As at 30 June 2022, the Shire had five employees entitled to an annual salary of more than \$130,000:

Salary Range	No. of Employees
\$130,001—\$140,000	4
\$140,001—\$150,000	-
\$150,001—\$160,000	-
\$160,001—\$170,000	-
\$170,001—\$180,000	-
\$180,001—\$190,000	1

In accordance with changed reporting requirements, it is advised the Chief Executive Officer's total remuneration package totalled \$224,875 inclusive of salary and other benefits.

Competitive Neutrality

It is the Shire's responsibility to determine whether it is engaged in "significant business activities" within the context of its operations and therefore whether it is required to apply the competitive neutrality principles.

Local government is only required to implement the above principles to the extent that the benefits to be realised from implementation outweigh the costs in respect of individual business activities exceeding an annual income of \$500,000. Within these criteria, the Shire has not identified any business activities for the 2021/22 financial year.

Register of Complaints

In accordance with Sections 5.53(2) and 5.121 of the Local Government Act 1995, the Annual Report is required to disclose the number of complaints of minor breach received each year.

There were no complaints received in the 2021/22 reporting period.

Freedom of Information

The Western Australian Freedom of Information Act 1992 provides the public with the right to apply for access to documents held by the Shire of Merredin.

There were no Freedom of Information Applications received in the reporting period.

Compliance Audit Return

All local governments are required to carry out an annual Compliance Audit Return (CAR) for the period 1 January to 31 December as specified by the *Local Government Act 1995*. The 2021 completed CAR was considered by the Audit Committee at its March Audit Committee meeting held on 22 March 2022.

Recommendations from that meeting were then adopted by Council at their Ordinary Council Meeting on 29 March 2022.

Council Policies

There were no new Council Policies adopted by Council in 2021/22.

Register of Delegated Authority

During the reporting period, Delegation DL4.12 - Payments from the Municipal or Trust Funds was reviewed by Council.

Disability Access and Inclusion Plan

Throughout the 2021/22 financial year, the Shire held a number of community events attended by more than 500 people. These events included the inaugural Gateway Merredin Festival, the Merredin Gala Night, Australia Day pool party and the ANZAC Day Dawn Service. These events complied with AS 1428.1 with respect to access and provision of facilities for persons with a disability.

The Shire is currently redeveloping Pioneer Park as part of the broader redevelopment of the Merredin Central Business District. The

Redevelopment of Pioneer Park (Stage 1) incorporates a new carpark facility provided with dedicated ACROD parking bay.

The Shire has spent \$115,000 of its own funds in the provision of new footpaths and road crossing points within the Shire (see below).



The Shire has commenced a review of all its ACROD parking bay facilities throughout Merredin. This review and associated implementation of the resulting recommendations will take place in the 2022/23 financial year.

There has been a continuation of the review and associated improvements to the Shire website to make it more intuitive and easier to navigate by persons with a disability. The website has been developed to meet W3C Web Content Accessibility Guidelines 2.0 Level AA. The website provides updated information about Council function, facilities and services including contact information for executive staff and elected members and complaints procedures. The website has a high contrast function as well as the ability to increase font size for persons with visual difficulties. It also incorporates quick link icons to make the website easier to navigate.

The Shire has spent \$48,000 in the 2021/22 financial year on improvements to the audio / visual conferencing facilities at the Council Chambers and Function Room, thus facilitating the ability of persons with a disability to attend meetings and functions remotely.

As part of the preparation of the Shire of Merredin DAIP 2020/2025, the Shire consulted a range of stakeholders and local community representatives. One of the main areas identified as needing to be addressed was the lack of a wheelchair accessible platform at the Merredin Railway Station. Whilst the platform forms part of state government infrastructure, the Shire has lobbied the Minister for Transport, the Public Transport Authority and the Department of Communities with respect to the provision of a suitable platform that can adequately cater for needs of persons with a mobility related disability.

Shire officers met earlier in the year on site at the Merredin Railway Station together with Mr Tim Woolerson, General Manager (TransWa), and various contractors involved with the tender for the construction of the second railway platform at the Merredin Railway Station. Discussions with TransWA in late June 2022, have revealed that the new second platform will be installed at the Merredin Railway Station early in the 2022/23 financial year.

Upon completion this will be a great benefit to the local community, especially persons with a disability and the aged who currently experience difficulty accessing the train services in Merredin.



Media and *Communications*

The Shire is committed to the timely and accurate dissemination of news and information to the Merredin community. Each year, the Shire delivers key messages across a number of platforms, including social media, the corporate website, notice boards, local and state newspapers, as well as signage, electronic signs, and through an SMS text service.

During 2021/22, the Shire's social media accounts reached more than 60,000 people, with our total following growing to 3887 with the top locations being Merredin, Perth, Bruce Rock and Northam.

Other communications key achievements included;

- ▶ Creation and establishment of Gateway Merredin website and social media channels;
- ▶ Development of a Communications Plan for the CBD Redevelopment;
- ▶ Delivering the Gala Night marketing program; and
- ▶ Creation of a new Shire pull-up banner design.

Corporate *Website*

The Shire's corporate website continues to be the most accessed communications tool, having a total of 31,418 unique visitors during 2021/22, an increase of 36% from 2020/21. Of these, 83.7% were comprised of new users.

Sessions totalled 48,000, with the average duration being 1 minute and 23 seconds and 1.41 pages viewed per visit.

This year, the Shire implemented the Fire Danger Warning module on the main page, allowing website users quick and easy access to the fire danger ratings for the corresponding day.

Community News and *Information*

The Shire produces a monthly newsletter in both a digital and hard copy format that includes information regarding Shire projects, upcoming event information, public

notices, employment opportunities, and articles. In total, the Shire has a total of 445 subscribers, and the average open rate was 45%.

In 2021/22, the Shire composed 10 newsletters, a decrease from previous years due to a vacant media position due to employee maternity leave from April 2021 onwards.



Shire of Merredin

FINANCIAL *Report*

FOR THE YEAR ENDING 30 JULY

Contents

Statement by Chief Executive Officer.....	
Statement of Comprehensive Income by Nature or Type.....	
Statement of Comprehensive Income by Program.....	
Statement of Financial Position.....	
Statement of Changes in Equity.....	
Statement of Cash Flows.....	
Rate Setting Statement.....	
Index of Notes to the Financial Report.....	
Independent Auditor's Report.....	

Principal place of Business:

Cnr King and Barrack St
Merredin WA 6415

SHIRE OF MERREDIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Certification of Financial Report	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	47

The Shire of Merredin conducts the operations of a local government with the following community vision:

*Merredin is the commercial and cultural heart of the eastern Wheatbelt region.
A place people are proud to call home and where visitors are always welcome.*

Principal place of business:
Cnr King & Barrack Streets
MERREDIN WA 6415

**SHIRE OF MERREDIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

The attached financial report of the Shire of Merredin for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Merredin at 30 June 2022 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 20th day of December 2022



Chief Executive Officer

Lisa Clack

Name of Chief Executive Officer



SHIRE OF MERREDIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Restated Actual* \$
Revenue				
Rates	22(c),2(a)	4,671,042	4,627,400	4,435,003
Operating grants, subsidies and contributions	2(a)	4,086,381	1,935,264	3,236,996
Fees and charges	21(c),2(a)	849,001	972,875	900,866
Interest earnings	2(a)	72,235	121,700	68,188
Other revenue	2(a)	339,640	317,100	297,836
		10,018,299	7,974,339	8,938,889
Expenses				
Employee costs		(3,920,669)	(3,348,584)	(3,252,161)
Materials and contracts		(3,253,782)	(3,563,835)	(2,977,049)
Utility charges		(303,268)	(254,950)	(380,836)
Depreciation	10(a)	(5,085,197)	(3,606,900)	(4,786,805)
Finance costs	2(b)	(24,399)	(31,760)	(31,468)
Insurance		(205,427)	(130,207)	(209,102)
Other expenditure	2(b)	(356,443)	(210,180)	(182,396)
		(13,149,185)	(11,146,416)	(11,819,817)
		(3,130,886)	(3,172,077)	(2,880,928)
Non-operating grants, subsidies and contributions	2(a)	1,750,640	5,885,313	2,581,478
Profit on asset disposals	10(c)	14,418	16,100	44,504
Loss on asset disposals	10(c)	(43,541)	(36,000)	(28,251)
Fair value adjustments to financial assets at fair value through profit or loss		6,994	0	129,162
		1,728,511	5,865,413	2,726,893
Net result for the period	21(b)	(1,402,375)	2,693,336	(154,035)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	(359,019)	0	0
Other comprehensive income for the period		(359,019)	0	0
Total comprehensive (loss) for the period		(1,761,394)	2,693,336	(154,035)

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

*Refer to Note 26 'Correction of Prior Period Errors'



SHIRE OF MERREDIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTE	2022	Restated 2021	Restated* 1-Jul-20
		\$	\$	\$
CURRENT ASSETS				
Cash and cash equivalents	3	11,125,675	10,830,776	9,120,456
Trade and other receivables	5	964,836	844,238	592,264
Other financial assets	4(a)	35,080	33,409	31,818
Inventories	6	10,101	10,610	40,731
Other assets	7	132,467	205,066	0
TOTAL CURRENT ASSETS		12,268,159	11,924,099	9,785,269
NON-CURRENT ASSETS				
Trade and other receivables	5	134,382	131,073	123,942
Other financial assets	4(b)	362,853	390,939	295,186
Inventories	6	244,000	244,000	244,000
Property, plant and equipment	8	31,430,059	36,705,367	37,878,848
Infrastructure	9	158,270,433	154,956,429	155,327,292
TOTAL NON-CURRENT ASSETS		190,441,727	192,427,808	193,869,268
TOTAL ASSETS		202,709,886	204,351,907	203,654,537
CURRENT LIABILITIES				
Trade and other payables	11	669,675	1,333,520	462,370
Other liabilities	12	1,641,567	756,190	696,814
Borrowings	13	95,779	92,241	171,364
Employee related provisions	14	551,288	552,420	506,501
TOTAL CURRENT LIABILITIES		2,958,309	2,734,371	1,837,049
NON-CURRENT LIABILITIES				
Borrowings	13	489,450	585,230	677,472
Employee related provisions	14	68,143	76,928	30,603
TOTAL NON-CURRENT LIABILITIES		557,593	662,158	708,075
TOTAL LIABILITIES		3,515,902	3,396,529	2,545,124
NET ASSETS		199,193,984	200,955,378	201,109,413
EQUITY				
Retained surplus		55,870,943	58,474,273	59,015,422
Reserve accounts	25	7,013,784	5,812,829	5,425,715
Revaluation surplus	15	136,309,257	136,668,276	136,668,276
TOTAL EQUITY		199,193,984	200,955,378	201,109,413

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

*Refer to Note 26 'Correction of Prior Period Errors'



SHIRE OF MERREDIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		59,217,445	5,425,715	136,982,027	201,625,187
Correction of prior period errors	26	(202,023)	0	(313,751)	(515,774)
Restated balance at 1 July 2020		59,015,422	5,425,715	136,668,276	201,109,413
Comprehensive income for the period					
Net result for the period - restated		(154,035)	0	0	(154,035)
Total comprehensive income for the period		(154,035)	0	0	(154,035)
Transfers to reserves	25	(387,114)	387,114	0	0
Restated balance at 1 July 2021		58,474,273	5,812,829	136,668,276	200,955,378
Comprehensive income for the period					
Net result for the period		(1,402,375)	0	0	(1,402,375)
Other comprehensive income for the period	15	0	0	(359,019)	(359,019)
Total comprehensive income for the period		(1,402,375)	0	(359,019)	(1,761,394)
Transfers from reserves	25	300,000	(300,000)	0	0
Transfers to reserves	25	(1,500,955)	1,500,955	0	0
Balance as at 30 June 2022		55,870,943	7,013,784	136,309,257	199,193,984

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

SHIRE OF MERREDIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,556,572	4,927,400	4,366,531
Operating grants, subsidies and contributions		4,913,080	2,005,264	3,200,995
Fees and charges		893,209	972,875	900,866
Service charges		0	121,700	0
Interest received		72,235	0	68,188
Goods and services tax received		301,738	0	267,890
Other revenue		339,640	317,100	297,836
		11,076,474	8,344,339	9,102,306
Payments				
Employee costs		(4,013,330)	(3,348,584)	(3,058,437)
Materials and contracts		(3,771,211)	(3,263,835)	(2,394,856)
Utility charges		(303,268)	(254,950)	(380,836)
Finance costs		(24,399)	(31,760)	(33,028)
Insurance paid		(205,427)	(130,207)	(209,102)
Goods and services tax paid		(287,269)	0	(408,430)
Other expenditure		(356,443)	(210,180)	(182,396)
		(8,961,347)	(7,239,516)	(6,667,085)
Net cash provided by (used in) operating activities	16(b)	2,115,127	1,104,823	2,435,221
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(669,417)	(3,475,900)	(629,034)
Payments for construction of infrastructure	9(a)	(3,047,127)	(9,956,466)	(3,138,354)
Non-operating grants, subsidies and contributions		1,750,640	5,735,313	2,640,854
Proceeds from financial assets at amortised cost - self supporting loans		33,409	(1,670)	31,818
Proceeds from sale of property, plant & equipment	10(c)	204,506	312,500	541,180
Net cash provided by (used in) investing activities		(1,727,989)	(7,386,223)	(553,536)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	24(a)	(92,242)	(92,240)	(171,365)
Proceeds from new borrowings	24(a)	0	3,039,300	0
Net cash provided by (used in) financing activities		(92,242)	2,947,060	(171,365)
Net increase (decrease) in cash held		294,896	(3,334,340)	1,710,320
Cash at beginning of year		10,830,776	10,846,770	9,120,456
Cash and cash equivalents at the end of the year	16(a)	11,125,672	7,512,430	10,830,776

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

SHIRE OF MERREDIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	23(b)	3,435,731	2,744,000	2,662,051
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	22(b)	63,201	59,709	58,687
Operating grants, subsidies and contributions		4,086,381	1,935,264	3,236,996
Fees and charges		849,001	972,875	900,866
Interest earnings		72,235	136,930	68,188
Other revenue		339,640	301,870	297,837
Profit on asset disposals	10(c)	14,418	16,100	44,504
Fair value adjustments to financial assets at fair value through profit or loss		6,994	0	129,162
		5,431,870	3,422,748	4,736,240
Expenditure from operating activities				
Employee costs		(3,920,669)	(3,348,584)	(3,252,161)
Materials and contracts		(3,253,782)	(3,566,035)	(2,977,049)
Utility charges		(303,268)	(254,950)	(380,836)
Depreciation		(5,085,197)	(3,606,900)	(4,786,806)
Finance costs		(24,399)	(31,760)	(31,468)
Insurance		(205,427)	(130,207)	(209,102)
Other expenditure		(356,443)	(207,980)	(182,396)
Loss on asset disposals	10(c)	(43,541)	(36,000)	(28,251)
		(13,192,726)	(11,182,416)	(11,848,069)
Non-cash amounts excluded from operating activities	23(a)	5,095,231	3,626,800	4,680,584
Amount attributable to operating activities		(2,665,625)	(4,132,868)	(2,431,245)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,750,640	5,885,313	2,581,478
Proceeds from disposal of assets	10(c)	204,506	312,500	541,180
Proceeds from financial assets at amortised cost - self supporting loans	24(a)	33,409	33,410	31,818
Purchase of property, plant and equipment	8(a)	(669,417)	(3,475,900)	(629,034)
Purchase and construction of infrastructure	9(a)	(3,047,130)	(9,956,466)	(3,138,354)
Amount attributable to investing activities		(1,727,992)	(7,201,143)	(612,912)
FINANCING ACTIVITIES				
Repayment of borrowings	24(a)	(92,242)	(92,240)	(171,365)
Proceeds from borrowings	24(a)	0	3,039,300	0
Transfers to reserves (restricted assets)	25	(1,500,955)	(351,010)	(387,114)
Transfers from reserves (restricted assets)	25	300,000	1,426,270	0
Amount attributable to financing activities		(1,293,197)	4,022,320	(558,479)
Surplus/(deficit) before imposition of general rates		(2,251,083)	(4,567,691)	(940,585)
Total amount raised from general rates	22(a)	4,607,841	4,567,691	4,376,316
Surplus/(deficit) after imposition of general rates	23(b)	2,356,758	0	3,435,731

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

SHIRE OF MERREDIN
FOR THE YEAR ENDED 30 JUNE 2022
INDEX OF NOTES TO THE FINANCIAL REPORT

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Trade and Other Payables	23
Note 12	Other Liabilities	24
Note 13	Borrowings	25
Note 14	Employee Related Provisions	26
Note 15	Revaluation Surplus	27
Note 16	Notes to the Statement of Cash Flows	28
Note 17	Capital Commitments	29
Note 18	Related Party Transactions	30
Note 19	Financial Risk Management	33
Note 20	Other Significant Accounting Policies	37
Note 21	Function and Activity	38
Information required by legislation		
Note 22	Rating Information	41
Note 23	Rate Setting Statement Information	43
Note 24	Borrowing and Lease Liabilities	44
Note 25	Reserves	45
Note 26	Correction of Prior Period Errors	46

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with and the Local Government Act 1995 and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the Local Government Act 1995 read with the Local Government (Financial Management) Regulations 1996 prescribe that the financial report be prepared in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, were applied where no inconsistencies exist.

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 financial 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.

The local government reporting entity

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

Judgements and 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 balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease account

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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	Timing of revenue recognition
Operating grants, subsidies and contributions 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	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance	Refund of faulty goods	Output method based on goods sold.
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	Output method based on works done

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

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature or types of goods or services is provided in the table below:

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	4,671,042	0	0	0	4,671,042
Operating grants, subsidies and contributions	4,086,381	0	0	0	4,086,381
Fees and charges	849,001	0	0	0	849,001
Interest earnings	13,776	0	56,965	1,494	72,235
Other revenue	339,640	0	0	0	339,640
Non-operating grants, subsidies and contributions	0	1,750,640	0	0	1,750,640
Total	9,959,840	1,750,640	56,965	1,494	11,768,939

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	4,435,003	0	0	0	4,435,003
Operating grants, subsidies and contributions	3,236,996	0	0	0	3,236,996
Fees and charges	900,866	0	0	0	900,866
Interest earnings		0	55,976	12,212	68,188
Other revenue	297,836	0	0	0	297,836
Non-operating grants, subsidies and contributions	0	2,581,478	0	0	2,581,478
Total	8,870,701	2,581,478	55,976	12,212	11,520,367

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

	Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings				
Financial assets at amortised cost - self supporting loans		13,776		6,544
Rates instalment and penalty interest		56,965	53,800	55,976
Other interest earnings		1,494	65,000	5,668
		72,235	118,800	68,188
(b) Expenses				
Auditors remuneration				
- Audit of the Annual Financial Report		26,000	30,000	24,550
		26,000	30,000	24,550
Finance costs				
Borrowings	24(a)	24,399	25,760	31,468
		24,399	25,760	31,468
Other expenditure				
Impairment losses on rates receivables		163,248	50,000	278
Sundry expenses		193,195	160,180	182,118
		356,443	210,180	182,396

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Total cash and cash equivalents

Held as
- Unrestricted cash and cash equivalents
- Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
	11,125,675	10,830,776
16(a)	11,125,675	10,830,776
	4,111,891	5,017,947
16(a)	7,013,784	5,812,829
	11,125,675	10,830,776

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.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. 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.

Details of restrictions on financial assets can be found at Note 16.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans receivable

Held as
- Unrestricted other financial assets at amortised cost

(b) Non-current assets

Financial assets at amortised cost
Financial assets at fair value through profit and loss

Financial assets at amortised cost

Self supporting loans receivable

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2022	2021
	\$	\$
	35,080	33,409
	35,080	33,409
	35,080	33,409
	35,080	33,409
	226,697	261,777
	136,156	129,162
	362,853	390,939
	226,697	261,777
	226,697	261,777
	136,156	129,162
	136,156	129,162

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 20 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 19.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

5. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
 Trade and other receivables
 GST receivable
 Allowance for credit losses of rates receivables
 Other receivables
 ATO Liabilities

Note	2022	2021
	\$	\$
	696,690	576,093
	183,998	120,797
	247	140,540
19(b)	(44,208)	0
	2,285	6,808
	125,824	0
	<u>964,836</u>	<u>844,238</u>
	134,382	131,073
	<u>134,382</u>	<u>131,073</u>

Non-current

Pensioner's rates and ESL deferred

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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 19.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire 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 value is considered immaterial.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

6. INVENTORIES

Note	2022	2021
	\$	\$
Current		
Fuel and materials	10,101	10,610
	10,101	10,610
Non-current		
Land held for resale	244,000	244,000
	244,000	244,000

The following movements in inventories occurred during the year:

Balance at beginning of year	254,610	486,754
Inventories expensed during the year	(362,482)	(329,064)
Additions to inventory	361,973	298,943
Balance at end of year	254,101	254,610

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

**SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

7. OTHER ASSETS

Other assets - current

Accrued income

Contract assets

	2022	2021
	\$	\$
	7,538	7,538
	124,929	197,528
	132,467	205,066

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.

Contract assets

Contract assets primarily relate to the Shire's right to . consideration for work completed but not billed at the end of the period.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

Note	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
Balance as 1 July 2020	2,551,000	2,949,414	29,031,105	34,531,519	196,629	3,150,699	37,878,848
Additions	0	0	129,192	129,192	0	499,842	629,034
Disposals	0	(254,183)	0	(254,183)	0	(270,744)	(524,927)
Depreciation	0	(101,171)	(702,310)	(803,481)	(20,270)	(453,837)	(1,277,588)
Balance at 30 June 2021	2,551,000	2,594,060	28,457,987	33,603,047	176,360	2,925,960	36,705,367
Comprises:							
Gross balance amount at 30 June 2021	2,551,000	3,251,354	33,189,810	38,992,164	261,645	4,570,932	43,824,741
Accumulated depreciation at 30 June 2021	0	(657,294)	(4,731,823)	(5,389,117)	(85,285)	(1,644,972)	(7,119,374)
Balance at 30 June 2021	2,551,000	2,594,060	28,457,987	33,603,047	176,360	2,925,960	36,705,367
Additions	0	0	61,837	61,837	0	607,580	669,417
Disposals	0	0	0	0	0	(233,629)	(233,629)
Revaluation increments / (decrements) transferred to revaluation surplus	(291,000)	1,291,136	(1,359,155)	(359,019)	0	0	(359,019)
Depreciation	0	(96,516)	(727,341)	(823,857)	(22,369)	(363,413)	(1,209,639)
Transfers	0	0	(4,153,236)	(4,153,236)	26,666	(15,868)	(4,142,438)
Balance at 30 June 2022	2,260,000	3,788,680	22,280,092	28,328,772	180,657	2,920,630	31,430,059
Comprises:							
Gross balance amount at 30 June 2022	2,260,000	6,431,592	42,920,000	51,611,592	288,312	4,825,843	56,725,747
Accumulated depreciation at 30 June 2022	0	(2,642,912)	(20,639,908)	(23,282,820)	(107,655)	(1,905,213)	(25,295,688)
Balance at 30 June 2022	2,260,000	3,788,680	22,280,092	28,328,772	180,657	2,920,630	31,430,059

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2022	Price per hectare / market borrowing rate
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2022	Price per square metre / market borrowing rate
Buildings - specialised	3	Cost approach using current replacement cost	Independent registered valuer	June 2022	Construction costs and current condition, residual values and remaining useful life assessments 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, the valuation techniques used by the local government to determine the fair value of Building - non-specialised (Level 2) changed from Management Value to Independent registered valuer.					
(ii) Cost					
Furniture and equipment	3	Cost approach	Cost		Purchase cost
Plant and equipment	3	Cost approach	Cost		Purchase cost

SHIRE OF MERREDIN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - roads \$	Other infrastructure - Drainage \$	Other infrastructure - Footpaths \$	Other infrastructure - Parks & Ovals \$	Total Infrastructure \$
Balance at 1 July 2020	131,702,322	11,794,368	6,707,270	5,123,332	155,327,292
Additions	2,966,725	0	0	171,629	3,138,354
Depreciation	(2,877,810)	(418,740)	(191,443)	(21,224)	(3,509,217)
Balance at 30 June 2021	131,791,237	11,375,628	6,515,827	5,273,737	154,956,429
Comprises:					
Gross balance at 30 June 2021	175,362,610	24,106,456	9,225,151	5,383,512	214,077,729
Accumulated depreciation at 30 June 2021	(43,571,373)	(12,730,828)	(2,709,324)	(109,775)	(59,121,300)
Balance at 30 June 2021	131,791,237	11,375,628	6,515,827	5,273,737	154,956,429
Additions	1,735,614	0	109,568	1,201,948	3,047,130
Depreciation	(2,672,251)	(631,570)	(291,652)	(280,085)	(3,875,558)
Transfers	0	0	0	4,142,435	4,142,435
Balance at 30 June 2022	130,854,600	10,744,058	6,333,743	10,338,035	158,270,436
Comprises:					
Gross balance at 30 June 2022	177,098,224	24,106,456	9,334,720	11,980,583	222,519,983
Accumulated depreciation at 30 June 2022	(46,243,624)	(13,362,398)	(3,000,977)	(1,642,548)	(64,249,547)
Balance at 30 June 2022	130,854,600	10,744,058	6,333,743	10,338,035	158,270,436

SHIRE OF MERREDIN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using current replacement value	Management Valuation	June 2018	Construction costs and current condition, residual vales and remaining useful life assessments inputs
Other infrastructure - Drainage	3	Cost approach using current replacement value	Management Valuation	June 2018	Construction costs and current condition, residual vales and remaining useful life assessments inputs
Other infrastructure - Footpaths	3	Cost approach using current replacement value	Management Valuation	June 2018	Construction costs and current condition, residual vales and remaining useful life assessments inputs
Other infrastructure - Parks & Ovals	3	Cost approach using current replacement value	Management Valuation	June 2018	Construction costs and current condition, residual vales and remaining useful life assessments 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.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	96,516	49,300	101,171
Buildings - specialised	8(a)	727,341	863,100	702,310
Furniture and equipment	8(a)	22,369	0	20,270
Plant and equipment	8(a)	363,413	309,100	453,837
Infrastructure - roads	9(a)	2,672,251	1,697,800	2,877,810
Other infrastructure - Drainage	9(a)	631,570	445,300	418,740
Other infrastructure - Footpaths	9(a)	291,652	217,300	191,443
Other infrastructure - Parks & Ovals	9(a)	280,085	25,000	21,224
		<u>5,085,197</u>	<u>3,606,900</u>	<u>4,786,805</u>

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	31 to 50 years
Furniture and equipment	5 to 10 years
Plant and equipment	6 to 15 years
Infrastructure - roads:	
Sealed roads and streets	
Formation	not depreciated
Pavement	50 years
Seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
Formation	not depreciated
Pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

(b) Fully Depreciated Assets in Use

	2022 \$	2021 \$
Buildings - non-specialised	5,346	5,346
Furniture and equipment	11,880	11,880
Plant and equipment	799,598	799,598
Other infrastructure - Parks & Ovals	72,000	72,000
	<u>888,824</u>	<u>888,824</u>

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

SHIRE OF MERREDIN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

10. FIXED ASSETS (Continued)

(c) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - non-specialised	0	0	0	0	0	0	0	0	254,183	283,975	29,792	0
Plant and equipment	233,629	204,506	14,418	(43,541)	332,400	312,500	16,100	(36,000)	270,744	257,205	14,713	(28,252)
	233,629	204,506	14,418	(43,541)	332,400	312,500	16,100	(36,000)	524,927	541,180	44,504	(28,252)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Transport				
2008 Caterpillar 12M	141,263	97,722	0	(43,541)
FUSO FN62FK2RFAH Truck	71,128	72,239	1,111	0
KIA Stinger MY18 GT	21,238	34,545	13,307	0
	233,629	204,506	14,418	(43,541)

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

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

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

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

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates 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 revaluation date in accordance with the mandatory measurement framework.

Revaluation

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

At the end of each period the carrying amount for each asset class 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.

Revaluation (continued)

For property, plant and equipment and infrastructure, 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. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, 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 on revaluation

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

- (i) 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

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 ready 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 in the Statement of Comprehensive Income and in Note 10(a).

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 ATO liabilities
 Bonds and deposits held
 Other accrued expenses
 Other payables - ESL liability
 Accrued interest

	2022	2021
	\$	\$
	457,211	713,156
	129,570	120,134
	20,012	11,431
	0	91,325
	41,068	43,481
	12,791	344,413
	803	0
	8,220	9,580
	669,675	1,333,520

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

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

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

12. OTHER LIABILITIES

Current

Contract liabilities

Reconciliation of changes in contract liabilities

Opening balance

Additions

Revenue from contracts with customers included as a contract liability at the start of the period

The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

	2022	2021
	\$	\$
	1,641,567	756,190
	1,641,567	756,190
	756,190	696,814
	1,641,567	756,190
	(756,190)	(696,814)
	1,641,567	756,190

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

13. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		95,779	489,450	585,229	92,241	585,230	677,471
Total secured borrowings	24(a)	95,779	489,450	585,229	92,241	585,230	677,471

SIGNIFICANT ACCOUNTING POLICIES

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.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 20(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 19.

Details of individual borrowings required by regulations are provided at Note 24(a).

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
	293,251	314,946
	258,037	237,474
	<u>551,288</u>	<u>552,420</u>
	68,143	76,928
	<u>68,143</u>	<u>76,928</u>
	<u>619,431</u>	<u>629,348</u>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
	317,315	143,856
	302,116	485,492
	<u>619,431</u>	<u>629,348</u>

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

15. REVALUATION SURPLUS

	2022	2022	2022	2021	2021	2021	Total	2021
	Opening	Revaluation	Closing	Opening	Revaluation	Revaluation	Movement on	Closing
	Balance	(Decrement)	Balance	Balance	Increment	(Decrement)	Revaluation	Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	1,011,415	(291,000)	720,415	1,011,415	0	0	0	1,011,415
Revaluation surplus - Buildings	23,741,337	(68,019)	23,673,318	23,741,337	0	0	0	23,741,337
Revaluation surplus - Furniture and equipment	41,913	0	41,913	41,913	0	0	0	41,913
Revaluation surplus - Plant and equipment	1,239,408	0	1,239,408	1,239,408	0	0	0	1,239,408
Revaluation surplus - Infrastructure - roads	65,964,504	0	65,964,504	65,964,504	0	0	0	65,964,504
Revaluation surplus - Other infrastructure - Drainage	11,615,820	0	11,615,820	11,615,820	0	0	0	11,615,820
Revaluation surplus - Other infrastructure - Footpaths	30,954,899	0	30,954,899	30,954,899	0	0	0	30,954,899
Revaluation surplus - Other infrastructure - Parks & Ovals	2,098,980	0	2,098,980	2,098,980	0	0	0	2,098,980
	136,668,276	(359,019)	136,309,257	136,668,276	0	0	0	136,668,276

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

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) 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:

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	11,125,675	7,691,200	10,830,776
Restrictions				
The following classes of financial 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	3	7,013,784	6,076,753	5,812,829
		7,013,784	6,076,753	5,812,829
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	25	7,013,784	6,076,753	5,812,829
Total restricted financial assets		7,013,784	6,076,753	5,812,829

(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities

Net result		(1,402,375)	2,693,336	(154,035)
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(6,994)	0	(129,162)
Depreciation/amortisation		5,085,197	3,606,900	4,786,805
(Profit)/loss on sale of asset		29,123	19,900	(16,252)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		1,917	370,000	(259,105)
(Increase)/decrease in other assets		(53,225)	0	(205,066)
(Increase)/decrease in inventories		509	0	30,121
Increase/(decrease) in trade and other payables		(663,845)	300,000	871,150
Increase/(decrease) in employee related provisions		(9,917)	0	92,244
Increase/(decrease) in other liabilities		885,377	(150,000)	59,376
Non-operating grants, subsidies and contributions		(1,750,640)	(5,735,313)	(2,640,854)
Net cash provided by/(used in) operating activities		2,115,127	1,104,823	2,435,222

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Bank overdraft limit		150,000	150,000	143,000
Bank overdraft at balance date		0	0	0
Credit card limit		15,000	10,000	10,000
Credit card balance at balance date		5,462	0	3,230
Total amount of credit unused		170,462	160,000	156,230

Loan facilities

Loan facilities - current		95,779	95,800	92,241
Loan facilities - non-current		489,450	489,500	585,230
Total facilities in use at balance date		585,229	585,300	677,471

Unused loan facilities at balance date

Nil

Nil

**SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

17. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	7,882,915	0
	7,882,915	0
Payable:		
- not later than one year	7,882,915	0

The 2022 capital commitments relate to the following projects:

CBD Redevelopment	3,625,378
Apex Park	1,721,205
Reuse Water Network	150,000
Cemetery Improvement	7,000
Merredin-Narembeen Road	2,379,332
	<u>7,882,915</u>

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

18. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Councillor - Mark Mackenzie - President			
President's annual allowance	10,223	0	0
Meeting attendance fees	8,657	8,657	9,853
ICT expenses	0	0	222
	<u>18,880</u>	<u>8,657</u>	<u>10,075</u>
Councillor - Leah Boehme - Deputy President*			
Deputy President's annual allowance	2,556	0	0
Meeting attendance fees	8,657	8,657	9,853
ICT expenses	0	0	222
	<u>11,213</u>	<u>8,657</u>	<u>10,075</u>
Councillor - Ross Billing			
Meeting attendance fees	8,657	8,657	9,853
ICT expenses	0	0	222
	<u>8,657</u>	<u>8,657</u>	<u>10,075</u>
Councillor - Donna Crook			
Meeting attendance fees	6,132	0	0
	<u>6,132</u>	<u>0</u>	<u>0</u>
Former Councillor - Roy Butler			
Meeting attendance fees	2,525	8,657	9,853
ICT expenses	0	0	222
	<u>2,525</u>	<u>8,657</u>	<u>10,075</u>
Councillor - Renee Manning			
Meeting attendance fees	8,657	8,657	9,853
ICT expenses	0	0	222
	<u>8,657</u>	<u>8,657</u>	<u>10,075</u>
Councillor - Romolo Patroni			
Meeting attendance fees	8,657	8,657	9,853
ICT expenses	0	0	222
	<u>8,657</u>	<u>8,657</u>	<u>10,075</u>
Councillor - Phil Van Der Merwe			
Meeting attendance fees	8,657	8,657	9,853
ICT expenses	0	0	222
	<u>8,657</u>	<u>8,657</u>	<u>10,075</u>
Councillor - Julie Flockhart			
President's annual allowance	4,210	14,433	16,427
Meeting attendance fees	8,657	8,657	9,855
Other expenses	0	0	2,158
ICT expenses	0	0	222
	<u>12,867</u>	<u>23,090</u>	<u>28,662</u>
Councillor - Megan Simmonds			
Meeting attendance fees	6,132	0	0
	<u>6,132</u>	<u>0</u>	<u>0</u>
Former Councillor - Malcolm Willis			
Deputy President's annual allowance	1,052	3,608	4,107
Meeting attendance fees	2,525	8,657	9,853
Other expenses	0	0	712
ICT expenses	0	0	222
	<u>3,577</u>	<u>12,265</u>	<u>14,894</u>
	<u>95,954</u>	<u>95,954</u>	<u>114,081</u>

* Cr Leah Boehme resigned on the 4th August 2022 and subsequently took a role in senior management at the Shire.

Fees, expenses and allowances to be paid or reimbursed to elected council members.

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's annual allowance	14,433	14,433	16,427
Deputy President's annual allowance	3,608	3,608	4,107
Meeting attendance fees	77,913	77,913	88,679
Other expenses	0	0	2,870
ICT expenses	0	0	1,998
18(b)	95,954	95,954	114,081

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	708,427	624,325
Post-employment benefits	88,610	65,313
Employee - other long-term benefits	14,955	9,320
Employee - termination benefits	48,486	0
Council member costs	95,954	114,081
18(a)	956,432	813,039

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

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

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits

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

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

18. RELATED PARTY TRANSACTIONS

(c) Transactions with related parties

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

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

In addition to KMP compensation, the following transactions occurred with related parties:

Purchase of goods and services

2022 Actual	2021 Actual
\$ 327,228	\$ 303,877

(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

iii. Entities subject to significant influence by the Shire

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

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

19. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds 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
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.01%	11,125,675	1,256,081	9,850,641	18,952
2021					
Cash and cash equivalents	0.087%	10,830,776	3,918,210	6,911,616	950

Sensitivity

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

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

* Holding all other variables constant

	2022	2021
	\$	\$
	98,506	69,116

Borrowings

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

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 24(a).

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

19. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 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.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	12.00%	4.00%	0.00%	0.00%		
Gross carrying amount	313,083	150,320	86,049	281,620	831,072	
Loss allowance	37,942	6,266	0	0	44,208	5
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	292,105	105,673	63,062	246,326	707,166	
Loss allowance	0	0	0	0	0	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	Note
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	147,669	10,508	1,023	27,798	186,998	
Loss allowance	0	0	0	0	0	5
30 June 2021						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	85,159	2,595	-	33,043	120,797	
Loss allowance	0	0	0	0	0	5

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

19. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	163,248	278	0	0	0	0
Receivables written off during the year as uncollectible	(119,042)	0	0	0	0	0
Unused amount reversed	0	(278)	0	0	0	0
Closing loss allowance at 30 June	44,206	0	0	0	0	0

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contract Assets

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

19. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2022</u>					
Trade and other payables	669,675	0	0	669,675	669,675
Borrowings	117,999	589,997	71,380	779,376	585,229
	<u>787,674</u>	<u>589,997</u>	<u>71,380</u>	<u>1,449,051</u>	<u>1,254,904</u>
<u>2021</u>					
Trade and other payables	462,370	0	0	462,370	462,370
Borrowings	92,241	447,527	137,703	677,471	677,471
	<u>554,611</u>	<u>447,527</u>	<u>137,703</u>	<u>1,139,841</u>	<u>1,139,841</u>

20. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost 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).

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*
- AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

It is not expected these standards will have an impact on the financial report.

**SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

21. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective

Description

Governance

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

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

General purpose funding

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

Law, order, public safety

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

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

Health

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provisions.

Education and welfare

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

Maintenance of child-minding centre, playgroup centre, senior citizens centre and aged-care centre. Provision and maintenance of home and community care programs and youth services.

Housing

To provide and maintain elderly residents housing.

Provision and maintenance of elderly residents housing.

Community amenities

To provide services required by the community.

Rubbish collection services, operation of refuse disposal sites construction and maintenance urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public convenience.

Recreation and culture

To establish and effectively manage infrastructure and resource which will help the social well-being of the community.

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

Transport

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

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

Economic services

To help promote the Shire and its economic well being.

Tourist and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

Other property and services

To monitor and control council's overheads operating accounts.

Private works operations, plant repairs and operating cost and engineering operation costs.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

21. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	72,038	26,000	38,637
General purpose funding	4,765,821	4,819,800	4,725,429
Law, order, public safety	18,535	24,500	18,118
Health	13,582	12,000	17,073
Education and welfare	13,776	0	(18)
Housing	29,828	114,800	60,284
Community amenities	628,487	626,500	660,379
Recreation and culture	159,018	193,750	142,412
Transport	103,426	85,100	72,612
Economic services	77,288	76,725	73,393
Other property and services	71,531	76,000	67,241
	5,953,330	6,055,175	5,875,560
Grants, subsidies and contributions			
General purpose funding	3,305,782	1,256,000	2,383,386
Law, order, public safety	88,181	112,845	100,960
Education and welfare	1,709	54,541	69,519
Housing	68,824	0	68,072
Community amenities	0	15,562	45,238
Recreation and culture	66,772	3,685,652	194,875
Transport	2,018,043	2,072,177	2,719,815
Economic services	28,205	79,300	60,265
Other property and services	259,505	544,500	176,344
	5,837,021	7,820,577	5,818,474
Total Income	11,790,351	13,875,752	11,694,034
Expenses			
Governance	(628,238)	(655,600)	(614,172)
General purpose funding	(227,090)	(147,800)	(120,660)
Law, order, public safety	(474,016)	(587,489)	(485,116)
Health	(244,052)	(232,900)	(209,510)
Education and welfare	(176,065)	(175,001)	(177,796)
Housing	(272,243)	(339,785)	(219,378)
Community amenities	(1,221,678)	(1,242,790)	(1,102,180)
Recreation and culture	(3,348,498)	(2,982,811)	(2,651,816)
Transport	(5,467,083)	(3,861,800)	(4,973,400)
Economic services	(803,688)	(829,940)	(826,768)
Other property and services	(330,075)	(126,500)	(467,273)
Total expenses	(13,192,726)	(11,182,416)	(11,848,069)
Net result for the period	(1,402,375)	2,693,336	(154,035)

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

21. FUNCTION AND ACTIVITY (Continued)

	2022	2022	2021
	Actual	Budget	Actual
(c) Fees and Charges	\$	\$	\$
General purpose funding	16,801	22,700	22,162
Law, order, public safety	8,648	16,300	12,089
Health	13,582	12,000	17,074
Housing	29,828	114,800	30,492
Community amenities	628,487	625,900	660,379
Recreation and culture	83,869	151,350	96,478
Economic services	48,684	25,825	48,574
Other property and services	19,102	4,000	13,618
	849,001	972,875	900,866
	2022	2021	
(d) Total Assets	\$	\$	
Governance	167,668	30,000	
General purpose funding	786,864	707,166	
Law, order, public safety	439,924	468,053	
Health	170,837	177,036	
Education and welfare	2,767,205	2,591,342	
Housing	1,382,391	1,422,191	
Community amenities	3,562,479	2,659,276	
Recreation and culture	23,502,070	24,007,207	
Transport	152,673,431	149,832,299	
Economic services	1,168,067	758,651	
Other property and services	5,544,355	6,066,843	
Unallocated	10,544,595	15,631,843	
	202,709,886	204,351,907	

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
Rate Description		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross Rental Valuations	Gross rental valuation	0.10796	1,235	18,492,902	1,996,564	(1,109)	(12,763)	1,982,692	1,956,328	0	0	1,956,328	1,971,629
Rural	Unimproved valuation	0.01963	318	97,015,500	1,905,254	536	10,317	1,916,107	1,902,198	0	0	1,902,198	1,722,745
Urban Rural	Unimproved valuation	0.03163	43	3,720,000	117,664	0	3,732	121,396	119,874	0	0	119,874	116,563
Mining	Unimproved valuation	0.03743	13	142,105	5,319	523	0	5,842	5,318	0	0	5,318	2,514
Power Generation	Unimproved valuation	0.03743	13	4,211,500	157,636	0	0	157,636	157,620	0	0	157,620	149,242
Airstrips	Unimproved valuation	0.03743	1	168,000	6,288	0	0	6,288	6,288	0	0	6,288	6,183
Sub-Total			1,623	123,750,007	4,188,725	(50)	1,286	4,189,961	4,147,626	0	0	4,147,626	3,968,876
Minimum payment													
		\$											
Gross Rental Valuations	Gross rental valuation	910	250		227,500		0	227,500	230,230	0	0	230,230	218,050
Rural	Unimproved valuation	1,130	125		141,250		0	141,250	141,250	0	0	141,250	142,080
Urban Rural	Unimproved valuation	1,130	38		42,940		0	42,940	42,940	0	0	42,940	42,180
Mining	Unimproved valuation	200	14		2,800		0	2,800	2,255	0	0	2,255	1,800
Power Generation	Unimproved valuation	1,130	3		3,390		0	3,390	3,390	0	0	3,390	3,330
Airstrips	Unimproved valuation	1,130	0					0	0	0	0	0	
Sub-Total			430	0	417,880	0	0	417,880	420,065	0	0	420,065	407,440
			2,053	123,750,007	4,606,605	(50)	1,286	4,607,841	4,567,691	0	0	4,567,691	4,376,316
Total amount raised from general rates								4,607,841				4,567,691	4,376,316
* Rateable value is based on the value of properties at the time the rate is raised.													
(b) Rates (excluding general rates)													
Ex-gratia Rates													
Ex-gratia rates					63,201			63,201	59,709			59,709	58,687
Sub-Total			0	0	63,201	0	0	63,201	59,709	0	0	59,709	58,687
Total amount raised from rates (excluding general rates)								63,201				59,709	58,687
(c) Total Rates													
								4,671,042				4,627,400	4,435,003

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	15/10/2021	0.00	0.00%	0.00%
Option Three				
First instalment	15/10/2021	0.00	0.00%	0.00%
Second instalment	17/12/2021	13.00	5.50%	5.50%
Third instalment	18/02/2022	13.00	5.50%	5.50%
Fourth instalment	22/04/2022	13.00	5.50%	5.50%

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Interest on unpaid rates	39,318	32,800	35,229
Interest on instalment plan	17,647	21,000	20,747
Charges on instalment plan	16,796	22,000	20,150
	73,761	75,800	76,126

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2021/22	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(1 July 2021 Brought Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	10(c)	(14,418)	(16,100)	(44,504)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(6,994)	0	(129,162)
Add: Loss on disposal of assets	10(c)	43,541	36,000	28,251
Add: Depreciation	10(a)	5,085,197	3,606,900	4,786,805
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(3,310)	0	(7,131)
Employee benefit provisions		(8,785)	0	46,325
Non-cash amounts excluded from operating activities		5,095,231	3,626,800	4,680,584
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	25	(7,013,784)	(5,759,026)	(5,812,829)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(35,080)	(33,410)	(33,409)
Less: Current assets not expected to be received at end of year				
- Land held for resale	6	0	(412,613)	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13	95,779	96,480	92,241
- Current portion of contract liability held in reserve		0	210,477	0
- Employee benefit provisions		0	374,729	0
Total adjustments to net current assets		(6,953,085)	(5,523,363)	(5,753,997)
Net current assets used in the Rate Setting Statement				
Total current assets		12,268,155	8,640,454	11,924,099
Less: Total current liabilities		(2,958,309)	(3,117,091)	(2,734,371)
Less: Total adjustments to net current assets		(6,953,085)	(5,523,363)	(5,753,997)
Net current assets used in the Rate Setting Statement		2,356,761	0	3,435,731

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

24. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at	New Loans	Principal	Principal at 30	New Loans	Principal	Principal at	Principal at 1	New Loans	Principal	Principal at
		1 July 2020	During 2020-21	Repayments	June 2021	During 2021-22	Repayments	30 June 2022	July 2021	During 2021-22	Repayments	30 June 2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
CEACA		439,248	0	(57,022)	382,226	0	(58,833)	323,393	382,225	0	(58,830)	323,395
Amalgamated Loans		82,525	0	(82,525)	0	0	0	0	0	0	0	0
Governance		0	0	0	0	0	0	0	0	2,139,300	0	2,139,300
Housing		0	0	0	0	0	0	0	0	900,000	0	900,000
Total		521,773	0	(139,547)	382,226	0	(58,833)	323,393	382,225	3,039,300	(58,830)	3,362,695
Self Supporting Loans												
Merritville		327,063	0	(31,818)	295,245	0	(33,409)	261,836	295,246	0	(33,410)	261,836
Total Self Supporting Loans		327,063	0	(31,818)	295,245	0	(33,409)	261,836	295,246	0	(33,410)	261,836
Total Borrowings	13	848,836	0	(171,365)	677,471	0	(92,242)	585,229	677,471	3,039,300	(92,240)	3,624,531

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year	Budget for	Actual for year
						ending	year ending	ending
						30 June 2022	30 June 2022	30 June 2021
						\$	\$	\$
CEACA		Education and welfare	217	WATC	3.17%	(10,623)	(11,580)	(10,194)
Amalgamated Loans		Governance	214	WATC	6.08%			(3,580)
Total						(10,623)	(11,580)	(13,774)
Self Supporting Loans Interest Repayments								
Merritville		Education and welfare	215	WATC	4.94%	(13,776)	(14,180)	(17,694)
Total Self Supporting Loans Interest Repayments						(13,776)	(14,180)	(17,694)
Total Interest Repayments	2(b)					(24,399)	(25,760)	(31,468)

* WA Treasury Corporation

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

25. RESERVE ACCOUNTS

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Employee Entitlements Reserve	370,719	0	0	370,719	371,819	2,910	0	374,729	370,302	417	0	370,719
(b) Plant Replacement Reserve	916,986	555,000	(300,000)	1,171,986	1,169,705	310,040	(831,800)	647,945	915,953	1,033	0	916,986
(c) Buildings Reserve	934,508	100,000	0	1,034,508	1,037,279	8,130	(158,170)	887,239	933,456	1,052	0	934,508
(d) Land & Development Reserve	1,288,763	285,000	0	1,573,763	1,577,583	12,360	0	1,589,943	1,287,312	1,451	0	1,288,763
(e) Apex Park Redevelopment Reserve	302,393	100,000	0	402,393	403,136	920	(286,300)	117,756	227,053	75,340	0	302,393
(f) ICT Reserve	316,632	0	0	316,632	317,530	2,490	0	320,020	296,276	20,356	0	316,632
(g) Disaster Relief Reserve	247,284	0	0	247,284	248,018	1,940	0	249,958	247,006	278	0	247,284
(h) Cummins Street Units Reserve	61,254	0	0	61,254	61,436	480	0	61,916	61,185	69	0	61,254
(i) Recreation Facilities Reserve	911,064	0	0	911,064	913,356	7,160	0	920,516	710,039	201,025	0	911,064
(j) Waste Management Reserve	374,651	0	0	374,651	375,587	2,940	0	378,527	288,658	85,993	0	374,651
(k) Unspent Capital Works Reserve	88,575	280,000	0	368,575	358,837	1,640	(150,000)	210,477	88,475	100	0	88,575
(l) Merredin-Narabbeen Road	0	180,955	0	180,955	0	0	0	0	0	0	0	0
	5,812,829	1,500,955	(300,000)	7,013,784	6,834,286	351,010	(1,426,270)	5,759,026	5,425,715	387,114	0	5,812,829

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash 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:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Employee Entitlements Reserve	Ongoing	To be utilised to fund staff leave as required
(b) Plant Replacement Reserve	Ongoing	To be utilised to fund future capital plant purchases
(c) Buildings Reserve	Ongoing	To be utilised to fund future building construction and major maintenance within the Shire of Merredin
(d) Land & Development Reserve	Ongoing	To be utilised to fund major land development/purchases within the Shire of Merredin
(e) Apex Park Redevelopment Reserve	Ongoing	To be utilised to fund the redevelopment of works at Apex Park
(f) ICT Reserve	Ongoing	To be utilised to fund future information and communications technology (ICT) within the Shire of Merredin
(g) Disaster Relief Reserve	Ongoing	To be utilised to contribute to liabilities arising from a declared natural disaster that meets Disaster Recovery Funding Arrangements WA (DRFAWA) eligibility minimum spend.
(h) Cummins Street Units Reserve	Ongoing	To be utilised to full maintenance and capital costs associated with Council owned units in Cummings Street Merredin.
(i) Recreation Facilities Reserve	Ongoing	To be utilised to fund future development and major renewals in relation to Recreation.
(j) Waste Management Reserve	Ongoing	To be utilised for the collection, transport, storage, treatment, processing, sorting, recycling or disposal of waste; or the provision of receptacles for the temporary deposit of waste; or the provision and management of waste facilities, machinery for the disposal of waste and processes for dealing with waste.
(k) Unspent Capital Works Reserve	Ongoing	To be utilised for the quaranting of Grant Monies awaiting completion of Works.
(l) Merredin-Narabbeen Road	Ongoing	To be utilised for the maintenance, renewal and upgrade of the Merredin-Narabbeen Road

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

26. CORRECTION OF PRIOR PERIOD ERRORS

a) Land Held for Resale

Management performed a detailed review of the Shire's Land Held for Resale listing and noted errors in the report. The errors amounted to \$202K, and they were related to lands that were not held for sale in nature and also not owned by the Shire. Those lands were incorrectly taken up in the financial report years ago as part of a proposed development which the Shire was planning, but the project did not proceed. Corrections have been made to the financial report to correct these errors in the current year.

b) Joint arrangement - Share of accommodation units

The Shire has a joint agreement with the Department of Communities for the provision of rental accommodation in Merredin. This joint arrangement is a joint operation. The assets involved are the land and accommodation units on 1, Cummings Street, Merredin. The units comprise 2x2 bedroom and 3x1 bedroom units.

The ownership of the assets is determined by an equity agreement, which includes the percentage of each parties equitable interest. The Shire's share is 13.42%

The Shire had incorrectly recognised the full share of the fair value of these assets and associated depreciation expense, instead of just their share as per the agreement. Corrections have been made to the affected financial statement line items as at 1 July 2020 and 30 June 2021 to only include the Shire's share of the assets. Adjustments were also made in 2020-21 to reflect only the Shire's share of depreciation expense in the financial statements.

Statement of Financial Position (Extract)	30 June 2021	Increase/ (Decrease)	30 June 2021 (Restated)	01 July 2020	Increase/ (Decrease)	01 July 2020 (Restated)
	\$	\$	\$	\$	\$	\$
Property, plant and equipment	37,007,630	(302,263)	36,705,367	38,192,599	(313,751)	37,878,848
Inventories (non-current)	446,023	(202,023)	244,000	446,023	(202,023)	244,000
Retained Surplus	58,664,808	(190,535)	58,474,273	59,217,445	(202,023)	59,015,422
Revaluation Surplus	136,982,027	(313,751)	136,668,276	136,982,027	(313,751)	136,668,276

Statement of Comprehensive Income (Extract)	2021	Increase/ (Decrease)	2021 (Restated)
	\$	\$	\$
<i>By Nature or Type</i>			
Expenses			
Depreciation	(4,798,293)	(11,488)	(4,786,805)
Net result for the period	(165,523)	(11,488)	(154,035)
Total comprehensive income for the period	(165,523)	(11,488)	(154,035)

Administration Office

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Central Wheatbelt Visitor Centre

(08) 9041 1666

wheatbelttourism.com

📍 85 Barrack Street Merredin WA 6415

Cummins Theatre

(08) 9041 1325

cumminstheatre.com.au

📍 31 Bates Street Merredin WA 6415

Merredin Library

(08) 9041 1222

📍 22 Coronation Street Merredin WA 6415

District Olympic Swimming Pool

(08) 6140 1257

📍 1 Throssell Rd, Merredin WA 6415

Merredin Regional Community & Leisure Centre

(08) 9041 3033

merredinleisurecentre.com.au

📍 Bates Street Merredin WA 6415



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SHIRE OF
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