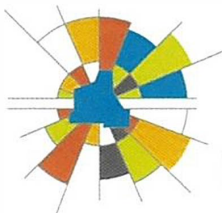
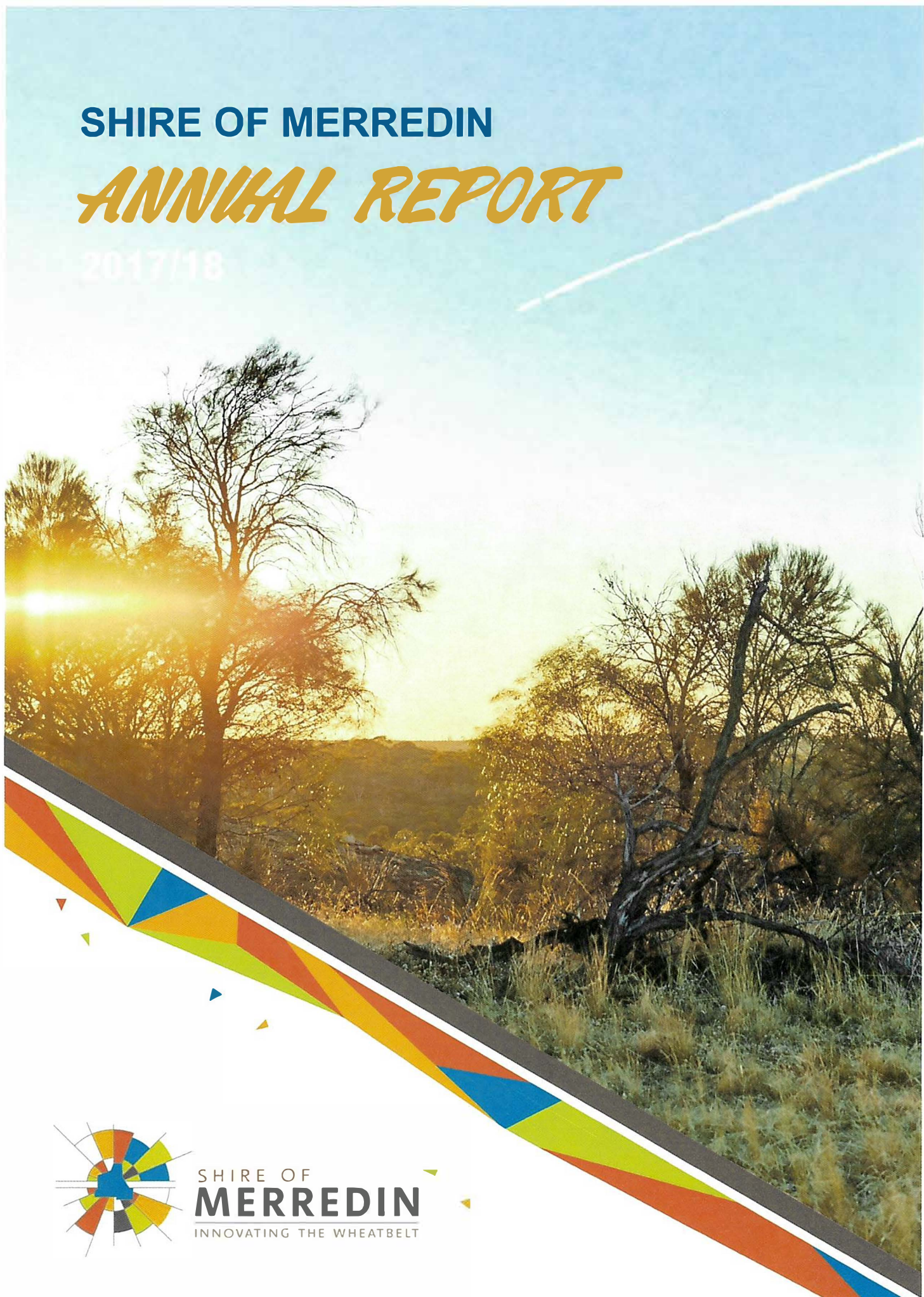


**SHIRE OF MERREDIN**

***ANNUAL REPORT***

2017/18



SHIRE OF  
**MERREDIN**  
INNOVATING THE WHEATBELT

ANZAC Day is a proud and celebrated occasion in Merredin with its long standing military history. Many Merredin Shire residents fought in many of our country's wars. In 2018 Merredin marked the occasion (as always) to allow for the community to pause for a moment and remember it's fallen.

## *Lest We Forget*





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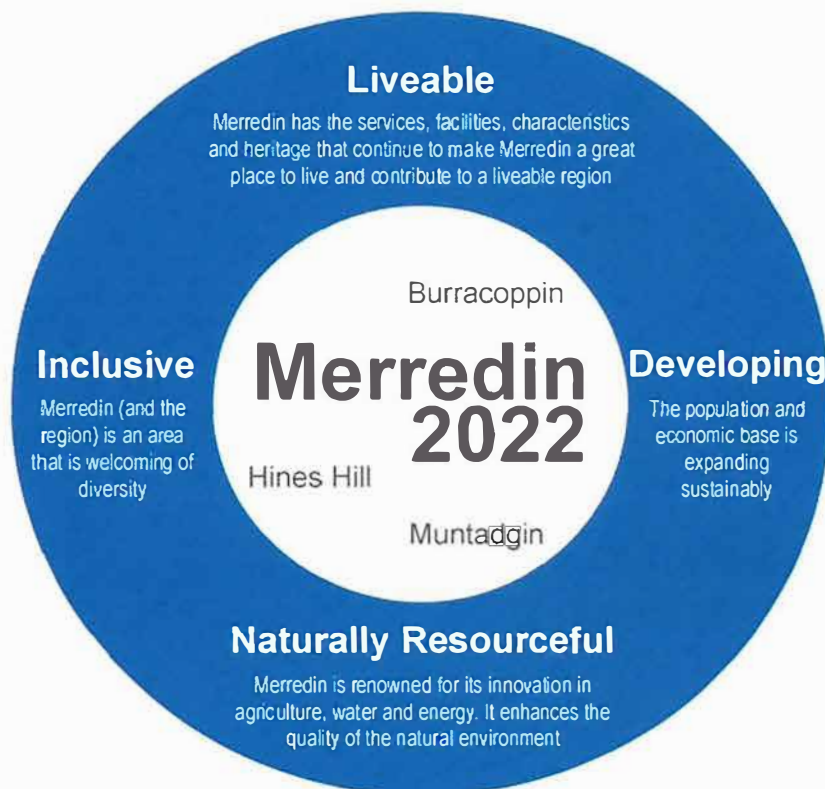
## *Our Vision*

To be a vibrant regional centre offering a comprehensive range of regional services which improves the quality of life of the people within the Shire and Central Wheatbelt.

## *Our Mission*

To work with all communities in the Central Wheatbelt to support social and economic development

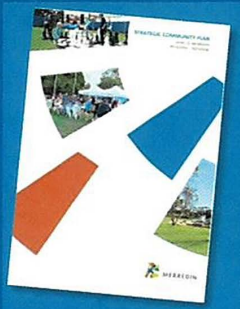
## *Our Community Vision*



# Integrated Planning & Reporting Framework

## COMMUNITY ENGAGEMENT

### Strategic Community Plan (10 Years)

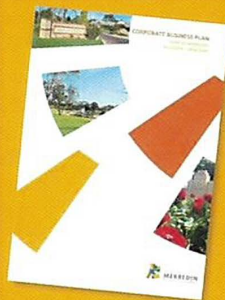


#### What's it for?

The Strategic Community Plan is made using the Merredin community's feedback. It sets Merredin's strategic direction for the next 10 years based upon this feedback.

The plan is reviewed on a minor basis every two years and on a major basis every four years. A major review was undertaken in March 2018.

### Corporate Business Plan (4 Years)

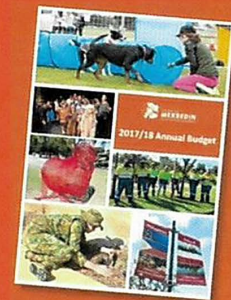


#### What's it for?

The Corporate Business Plan is the 4 year plan created to implement the first 4 years of strategic goals outlined in the Strategic Community Plan.

Like the Strategic Community Plan, it is reviewed on a minor basis every two years and a new plan is created when a major review is undertaken after 4 years. A new plan was created in March 2018.

### Annual Budget (1 Year)



#### What's it for?

The Annual Budget sets out the operational expenditure for projects from the first year of the Corporate Business Plan and also general ongoing expenses.

The Annual Budget is adopted at the beginning of each financial year and also sets out the Fees and Charges for various services the Shire provides to the Merredin community.

## OUTPUTS

### Plan Monitoring & Annual Reporting

Both the Strategic Community Plan and Corporate Business Plan will be monitored (minor review after 2 years and a major review after 4 years) and their progress reported back to the community via quarterly reports. For each financial year an Annual Report (as per the *Local Government Act 1995*) will be produced which reports back to the community the actions taken during the financial year.

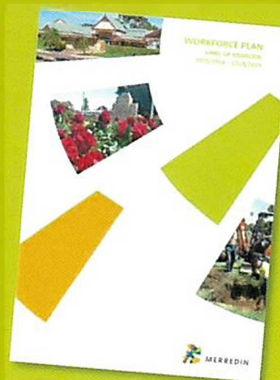
## INFORMING STRATEGIES

The 'Informing Strategies' are supporting documents which are used by Council to test and inform the long-term aspirations of the Strategic Community Plan and to guide the deliverables which can be achieved in the Corporate Business Plan and Annual Budget.



### Strategic Resource Plan 2016 – 2031

This valuable plan is part of the Shire's ongoing commitment to an integrated approach to planning for the District's future. It provides the Council and the Community with a picture of the Shire's long term financial and asset management circumstances and assists us to meet our strategic outcomes and objectives.



### Workforce Plan 2015 - 2019

The Plan identifies the workforce requirements and strategies for the current and future operations of the Shire of Merredin, ensuring the needs and limitations are met to support the delivery of the Corporate Business Plan.

# Shire President's Message



*In a year where we welcomed some new faces on Council, there has been some significant achievements and progress in key projects.*

## **CEACA INC.**

As reported in the 2016/17 Annual Report, the tender for the design and construction of the CEACA Inc independent living units was released in July 2017, and at a Special Council Meeting in October 2017 Council (as the holder of the Royalties for Regions funds for the project) adopted both WALGA's and CEACAs recommendation to award the contract to Pindan Contracting Pty Ltd.

With the change in State Government there were concerns around whether the \$22 million in previously approved funding would be honoured, with \$5 million needing to be reimbursed to the State Government, and the number of units decreased from 75 to 72 across the project. However, CEACA is grateful that the project has been able to continue whilst maintaining a great deal of the project's original intent.

Construction of the units across the 11 local governments is expected to commence early in the new financial year.

## **LOCAL GOVERNMENT ELECTIONS**

October 2017 saw 3 new faces joining Council, with Councillors Roy Butler, Julie Flockart and Romolo Patroni joining Councillor Mal Willis in being successfully elected to represent our community.

I would like to take this opportunity to thank outgoing Councillors, Caroline Blakers, John Flockart and Maria Young for their years of dedication and service whilst on Council. I would also like to acknowledge Councillor Mark Crees who chose not to renominate for the position of Deputy President, which apart from a short break between 2011-2013, was a position he had held on Council since 1999. Cr Crees is also our longest serving Councillor having served on Council for the last 23 years.

In filling the role of Deputy President I would like to congratulate Councillor Mal Willis who was elected to the position unopposed. Councillor Willis is an active member of Council and I would like to thank him for his dedication and commitment to the community.

## **NORTH MERREDIN PRIMARY SCHOOL REDEVELOPMENT**

Following a 12-month process involving comprehensive consultation with community groups to ascertain their aspirations and needs, Council adopted the Community Facilities Review at its December 2017 meeting (CMRef 82102).

The process involved the mapping of community facilities and services to assist with the setting of realistic goals

taking into account resource constraints. The purpose of the Review was to investigate opportunities to consolidate Shire owned and managed facilities and collocate services, with the overall objective being to maintain fewer facilities to a high standard whilst maintaining the current level of community organisations and associated services.

The Review identified implementing stage two of the North Merredin Primary School redevelopment as a key project. Stage one involved the refurbishment of the old administration and adjacent classrooms to accommodate the Shire library, with the relocation occurring in April 2016.

The stage two refurbishment of the remainder of the school site will include classrooms 6, 7 and 8, the old school library, school canteen, ablution facilities, under-cover area and quadrangle which will enable collaboration and collocation of identified community groups resulting in a multi-purpose, cross-generational community hub that supports a range of activities and services.

The construction of the CEACA Inc independent living units will also play an integral role in the development of the community hub. It is envisaged that the residents will utilise the facilities and services within the precinct particularly the proposed multi-purpose function room.

Also included in the redevelopment is the construction of an off-leash dog park in the eastern portion of the site. Whilst grant funding will be critical to the project, with applications being submitted to a number of agencies, Council looks forward to contributing to the project and seeing it come to fruition.

## **CLOSING ACKNOWLEDGEMENTS**

In closing I would like to extend my gratitude to those who have worked closely with the Shire of Merredin over this last financial year, specifically my fellow Councillors, our Chief Executive Officer and his hardworking team who together on a daily basis commit themselves to ensuring the best outcomes for our community.

Thank you also to the many community groups and organisations, businesses and sporting clubs who have contributed to our achievements. With ongoing cooperation and collaboration we can continue to realise our goals and objectives.

*Cr Ken Hooper*  
Shire President

# Your Council



**Cr Ken Hooper**  
**SHIRE PRESIDENT**  
Term expires 2019

## MEETINGS IN 2017/18



12 Council Meetings



1 Special Meeting



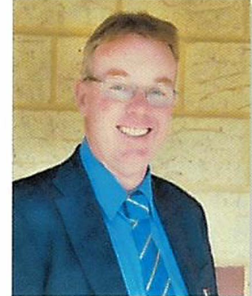
3 Audit Committee Meetings



1 Annual Electors Meeting



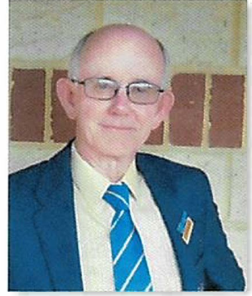
**Cr Mal Willis**  
**DEPUTY SHIRE PRESIDENT**  
Term expires 2021



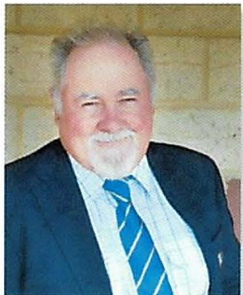
**Cr Brad Anderson**  
**COUNCILLOR**  
Term expires 2019



**Cr Julie Flockart**  
**COUNCILLOR**  
Term expires 2021



**Cr Roy Butler**  
**COUNCILLOR**  
Term expires 2021



**Cr Mark Crees**  
**COUNCILLOR**  
Term expires 2019



**Cr Matt Crisafio**  
**COUNCILLOR**  
Term expires 2019



**Cr Romolo Patroni**  
**COUNCILLOR**  
Term expires 2021



**Cr Leah Boehme**  
**COUNCILLOR**  
Term expires 2019

# Chief Executive Officer's Message



*In these challenging financial times, the Shire of Merredin continues to provide valuable services and facilities to the community.*

## **INTEGRATED PLANNING AND REPORTING – STRATEGIC COMMUNITY PLAN**

In 2012/13 the Shire of Merredin prepared its first suite of plans to meet the requirements of Western Australia's Integrated Planning and Reporting (IPR) Framework. In the 6 years since then Council and staff have worked hard to achieve the community's vision and the things we were told are important to the community.

Typically the Strategic Community Plan undergoes a major review every four years with a minor review every two years. Merredin adopted its first plan in 2012 with a minor review undertaken in 2014 and a major review in 2016. In order to bring the Strategic Community Plan in line with the Council election period, a major review was undertaken in 2018.

This review process commenced in January 2018 and included a number of community engagement meetings. The consultation was completed in April 2018 and it is anticipated that the final draft of the Strategic Community Plan: Innovating the Wheatbelt 2028+ will be adopted by Council at its July 2018 meeting. At this time the Corporate Business Plan is also expected to be adopted thus guiding the Shire forward towards 2028.

## **COOLING SYSTEM FOR MRCLC**

After many years of investigating options and consultation with the sporting clubs involved (in particular the Merredin Basketball Association) consultants were engaged in May 2017 to prepare a mechanical engineer's report to ascertain suitable cooling options and approximate costings for the MRCLC. In addition to the engineering report, staff also undertook comprehensive research with the outcome identifying that sweeping fans, in conjunction with ventilators, would be the most cost effective system. With financial contributions from the Merredin Sports Council, Merredin Basketball Association and Council the system will be installed in readiness for the 2018/19 basketball season.

## **SALE OF LAND – MERREDIN MEDICAL CENTRE**

Whilst unexpected, Council was pleased to accept an offer from Dr Gabriel Adeniyi to purchase the Merredin Medical Centre building. Dr Adeniyi had leased the property from Council for close to a decade and it is pleasing to see his commitment to the medical services available in Merredin.

Council agreed to the sale at its March 2018 meeting (CMRef 82147) and the windfall in funding will be allocated to works upgrading equipment in Apex Park. The Park was identified as a priority area by Council and

the community as a result of the Strategic Community Plan consultations.

## **MERREDIN'S GREEN CREDENTIALS**

Following on from the President's comments in the previous Annual Report, the Shire is continuing with its environmentally friendly approach with the installation of solar panels on both the Library and Central Wheatbelt Visitors Centre. While as an organisation Council is not entitled to the same rebates available to residential customers under the solar schemes, the panels still provide benefit by decreasing the ongoing operational electricity costs for both venues.

Also assisting in reducing power consumption are the recently installed variable speed drives (VSDs) at the Pool and recycled water system pumps, making them more energy efficient. Additionally, a new pump was installed to more efficiently collect water from the town's stormwater catchment network. This water is used across the Shire's parks and gardens including Roy Little Park, Apex Park, the Gt Eastern Highway gardens and the MRCLC, meaning the Shire does not need to source water from the mains Scheme system.

## **FUNDING CONSTRAINTS**

Due to the financial constraints being experienced by all tiers of government, funding for capital works is extremely limited. This, along with the low rate increases being implemented each year, means that significant capital expenditure across the Shire is severely restricted.


Consequently, from an Administration perspective, activities are focussed towards maintaining, and where possible improving, the current level of access, maintenance and services in line with best practice and the level of funding available. Should additional funding be available, where appropriate it will be directed towards ensuring facilities are maintained to the highest standard for the benefit of the whole community.

## **CLOSING ACKNOWLEDGEMENTS**

The past year has seen the employees of the Shire work hard to achieve the community's vision and improve the way we deliver the services we provide. Next year we will be guided by the new Strategic Community Plan 2028+, which builds on the work already undertaken. I look forward to ensuring it all comes together.

*Greg Powell*  
Chief Executive Officer





'Green credentials' are the aim of the game for the Shire of Merredin with the installation of solar panels at the Central Wheatbelt Visitor Centre and at the Merredin Library. Wendy Porter and Pam Last (Library staff) stand beneath the panels erected on the roof of the Library in June 2018.



# Year in Review

## CORPORATE SERVICES

In 2017/18 every \$100 the Shire of Merredin spent was:

<b>\$35.50</b>	on Roads	<b>\$8.50</b>	on Community Amenities
<b>\$5.00</b>	on Law, Order & Public Safety	<b>\$29.50</b>	on Recreation & Culture
<b>\$2.50</b>	on Health	<b>\$4.50</b>	on Governance
<b>\$1.00</b>	on Education & Welfare	<b>\$8.00</b>	on Economic Services
<b>\$2.00</b>	on Housing	<b>\$4.50</b>	on Other Services

## WORKS & SERVICES

During 2017/18 the Shire:



Completed 13.3km  
Reseal (spray seal) of roads  
**\$443,990**



Completed 5km  
Reseal (asphalt) of roads  
**\$151,394**



Completed 6km  
Road reclamation projects  
**\$170,786**



Completed 14.2km  
Re-sheeted/stabilised gravel roads  
**\$586,997**



Maintenance/minor improvements  
to Parks & Gardens  
**\$406,707**



Road maintenance / grading /  
minor improvements  
**\$1,020,705**

## MEDIA & COMMUNICATION SERVICES

During 2017/18:



76 Tweets were posted  
on the Shire's Twitter page



276 Posts were posted  
on the Shire's Facebook Page



197 Posts were posted  
on the Cummins Theatre Facebook Page



155 Posts were posted  
on the Visitor Centre Facebook Page



## DEVELOPMENT SERVICES

During 2017/18 the Shire:



Issued 49  
Building Approvals  
**\$4,921,800**



Completed 2  
Local Planning Scheme  
Amendments



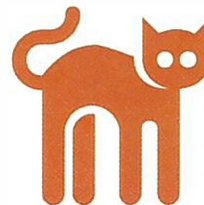
Issued 24  
Planning Approvals



Completed 2  
Re-subdivisions / Amalgamations



Reached registration of 181  
Dogs



Reached registration of 48  
Cats

## COMMUNITY SERVICES

During 2017/18 the Shire completed:



Received 8,616  
Visitors to the Library



Received 4,824  
New Items to the Library



Checked Out 13,640  
Items from the Library



Held 44  
Shows at Cummins Theatre



Sold 2,293  
Tickets to Shows at the Theatre



Organised and held 8  
Community Events

In March 2018 twenty nine doctors in training from Notre Dame and Curtin University were unleashed on Merredin when they visited the township and other country towns around the area to get a taste of practicing medicine in the Wheatbelt.

The students were billeted by local families – a very big thank you to those families. Whilst in Merredin they visited the local medical practices, the hospital, schools, took the time to check out a farm, the Central Wheatbelt Visitor Centre and other facilities and attractions. It was great to have them and Merredin can't wait to meet the 2019 batch of students.

*Pictured: Warren & Donna Crook who kindly hosted Tiffany Lee & Chris Chi from Curtin University.*



## About this Report

Welcome to the Shire of Merredin's 2017/18 Annual Report. Every year the Shire provides vital community services and the Annual Report is where we can highlight the achievements and the progress made towards reaching the strategic goals identified in the Strategic Community Plan 2016-2026.

Under the *Local Government Act 1995* all local governments are required to prepare an annual report at the end of each financial year. The Annual Report is one of our key reporting devices, which provides information to the community on the work completed in the past financial year. It identifies Council priorities and major

projects being undertaken or planned and includes community indicators based on the goals and strategies outlined in the Strategic Community Plan.

The report also details the Shire of Merredin's operational performance and outlines the achievements and challenges that were experienced throughout the year.

For the Shire of Merredin, our community comes first so we're big on providing financial and in-kind support to a number of community groups. During 2017/18 Council did so for the following community organisations:

Organisation	Cash	In-kind	Description
Merredin Community Resource Centre	\$3,000	\$900	Hosting Australia Day Breakfast, Senior's Luncheon & Thank a Volunteer and to facilitate 2 workshops to upskill volunteers
Merredin Men's Shed	\$350	\$1,250	Hosting 2017 WA Men's Shed Annual Conference
Merredin Community Singers (auspiced by Merredin Repertory Club)		\$1,800	Hosting of Songfest
Wheatbelt Agcare	\$1,000		Provision of family counselling to Merredin and surrounding districts
Agricultural Women Wheatbelt East		\$1,000	Hosting of regional conference to showcase food production in Merredin
Merredin Agricultural Society		\$11,350	Support for Merredin Show
Merredin Playgroup	\$6,050		Renewal of air-conditioning system
Merredin Museum & Historical Society	\$2,068		Installation of power on the veranda of Railway Museum
Merredin College Chaplain	\$3,000		Providing support services to students
MADCAPS	\$4,419		Provision of pool fencing and outdoor blinds

The Shire of Merredin also organises and supports a number of community events within Merredin for a variety of reasons and causes such as the inclusion of all community members, diversity of the cultural and traditional groups living in Merredin and variety for the type of events held.

Each event attracted participants and spectators from within town and the surrounding areas. The main events organised/supported by the Shire during 2017/18 included ANZAC Day, the Twilight International Food Festival, NAIDOC week, Gala Night and school holiday activities run by Merredin Regional Library and Cummins Theatre.

The Shire also supported other community events including the opening of the Rolling Stock Cover at the Merredin Railway Museum in conjunction with the completion of the CBD Upgrades – Stage 1, Curtin and Notre Dame Medical Student Immersion Program, Lenihan Park Nature Play (in partnership with various community groups and key stakeholders) and the Merredin Show.

Being accessible is vital for Councillors in making sure they can accurately represent the community they live in. Council were involved in the Create Booth at the Merredin Show in March 2018 and the Informal Community Forum held in June 2018 enabling one on one informal conversation. During the consultation process for the Strategic Community Plan Council and Shire staff made sure as many community groups and individuals as possible were given an opportunity to attend the workshops and provide feedback.

### 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](http://www.merredin.wa.gov.au)
- ▶ Email: [admin@merredin.wa.gov.au](mailto:admin@merredin.wa.gov.au)

### COMMENTS

Council and Shire officers are keen for any feedback you may have on the Annual Report. This can be in writing and dropped off at any Shire venue or emailed to the Shire at: [admin@merredin.wa.gov.au](mailto:admin@merredin.wa.gov.au).



The Merredin Show (held March 2018) brings the Merredin community and locals together for a day of fun and shopping and a night of dazzling fireworks with friends and family under the stars.

# Statutory Reporting

## ACCESS & INCLUSION PLAN

The *Disabilities Services Act 1993* requires Council to report on its Access & Inclusion Plan (AIP) achievements within its Annual Report. The 2017/18 AIP progress report highlighted the following achievements

- Fitting of automatic doors to the old Town Hall building to improve access for the elderly;
- Finalisation of the upgrades to the central business district parking facilities, incorporation of a new asphalt seal, provision of new line markings and dedicated ACROD bays, provision of additional crossovers and footpaths between Barrack Street shopping facilities and the car park; and
- Expenditure of \$280,000 in the 2017/18 financial year on the provision of new footpaths within the Shire.

## EXECUTIVE REMUNERATION

Regulation 19B of the *Local Government (Administration) Regulations 1996* states the Annual Report is to include the number of employees entitled to an annual salary of \$100,000 or more, and the number of those employees with an annual salary entitlement that fall within each band of \$10,000 over \$100,000.

As at 30 June 2017 the Shire has 4 employees entitled to an annual salary more than \$100,000:

SALARY RANGE	EMPLOYEE(S)
\$100,001 - \$110,000	1
\$110,001 - \$120,000	2
\$120,001 - \$130,000	0
\$130,001 - \$140,000	0
\$140,001 - \$150,000	0
\$150,001 - \$160,000	0
\$160,001 - \$170,000	0
\$170,001 - \$180,000	0
\$180,001 - \$190,000	0
\$190,001 - \$200,000	1

## RECORD KEEPING

The Shire's reviewed Record Keeping Plan, as adopted by Council at its September 2015 meeting, is in operation - as far as all 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 in educating officers of the procedure for incoming and outgoing correspondence via email.

Work has also commenced with regard to capturing archived "permanent records" onto the electronic system.

The archived hardcopy records are temporarily being held in a secure building, however, this is not dust free nor fire protected but we are working towards satisfying regulations in this regard.

## REGISTER OF COMPLAINTS OF MINOR BREACH

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 0 complaints received in 2017/18.

## COUNCIL SERVICES

The Shire continues to provide vital community services to the Shire of Merredin's residents. These services include:

- Provision of a Rubbish Tip
- Kerbside collection of general waste and recycling
- Sporting facilities including the Merredin Regional Community & Leisure Centre Precinct and the Merredin Olympic Swimming Pool
- Tourism Services via the Central Wheatbelt Visitor Centre
- Library services via the Merredin Regional Library
- Entertainment services via Cummins Theatre and community events such as the annual International Twilight Food Festival and Gala Night
- Maintenance of parks, gardens, public toilets and public spaces
- Maintenance of roads
- Maintenance of cemeteries including preparation of plots for burial
- Maintenance of community building facilities and grounds
- Provision of planning and building services
- Provision of environmental health services (septic tanks, water monitoring, etc.)
- Provision of ranger services
- Provision of registration services for cats and dogs
- Provision of fire break information and compliance
- Communication of events via social media which are happening around town and in adjacent Shires
- Provision of Natural Resource Management / Landcare Opportunities
- Provision of the Community Grant Scheme which provides applicants with funding support for a variety of events, causes, builds, etc.
- Provision of licencing services on behalf of the Department of Transport which is an invaluable core service provided. During 2017/18 the Licensing Centre processed a considerable number of transactions, with Council commissions totalling approximately \$84,258.



Come 16 February 2018, the Chinese calendar rolled into a new year. 2018 was Year of the Dog and to celebrate the Chung Wah Lion Dance Group was invited to perform at the Merredin Regional Community & Leisure Centre with local chef, Chen "Jimmy" Zhenyu, cooking up some of his sumptuous Chinese cuisine.





# *Strategic Community Plan*

The Shire of Merredin's Strategic Community Plan 2015-2026 is the overarching document developed to embody the aspirations and goals of the Merredin community. The themes and goals identified underpin the strategies and outcomes that Council and the Shire of Merredin will be measured against to ensure the future desires of the community are attained.

The Strategic Community Plan underwent a major review in March 2018 to obtain new feedback from the Merredin community and set new strategic goals based on that feedback. The updated plan (entitled 'Strategic Community Plan: Innovating the Wheatbelt 2028+') will be aligned with the 2018/19 Annual Report but for 2017/18 the Strategic Community Plan 2015-2026 is aligned.

## *Developing*

**Strategic Goal:** The population and economic base is expanding sustainably.

**Key Priorities:**

- Economic Development
- Accomodation
- Civic Leadership, Advocacy and Regional Collaboration
- Governance

## *Liveable*

**Strategic Goal:** Merredin has the services, facilities, characteristics and heritage that continues to make Merredin a great place to live and contribute to a liveable region.

**Key Priorities:**

- Health Facilities and Services
- Key Assets
- Built Heritage
- Town Enhancement

## *Inclusive*

**Strategic Goal:** Merredin (and the region) is an area that is welcoming of diversity.

**Key Priorities:**

- Community Spirit

## *Naturally Resourceful*

**Strategic Goal:** Merredin is renowned for its innovation in agriculture, water and energy. It enhances the quality of the natural environment.

**Key Priorities:**

- Natural Environment



*Developing*

# Developing

The following 'Strategies' (eg: SP.D1.1, etc.) are outlined in the Strategic Community Plan 2016-2026. The Plan is a 'living' document which is reviewed and updated with new Strategies as the projects known as 'Actions' under each 'Strategy' are completed.

'Actions' to be completed are listed within the Corporate Business Plan 2015-2019. This document is also a 'living' document reviewed every two years in conjunction with the Strategic Community Plan. The status of all 'Actions' has been marked as follows:

✓ <b>Completed</b>	▶ <b>Commenced</b>	✘ <b>Not Commenced</b>	↻ <b>Ongoing</b>
--------------------	--------------------	------------------------	------------------

## R Action Removed upon Review

Where an Action has been removed, this is usually because upon review there were no opportunities at the current point in time to achieve the action or it is the type of Action needing to be carried out by the private sector and cannot be achieved by the Shire of Merredin.

### SP.D1.1 – Implement recommendations identified in the 'Growing Our Community' an economic development and implementation strategy and Central East Sub-Regional Economic Strategy

- Funding approved to construct 26 Independent Living Units at North Merredin Primary School site.
- Investigations to develop Merredin as a horticulture hub has commenced but opportunities remain with the private sector.
- Investigations currently being undertaken by the Department of Primary Industries and Regional Development on biogas potential.
- Completion of Spirulina Facility Study. Opportunities remain with private sector involvement.
- Maintained financial contribution to support MADCAPS.

Corporate Business Plan Actions	
1. Advocate for the development of affordable accommodation for workers and young professionals	R
2. Investigate the feasibility of developing a desalination plant in Merredin	✘
3. Support the investigation of the feasibility of developing a biomass/biogas plant within the Shire of Merredin	↻
4. Support the investigation of the development of a local business group to engage in economic development activities	↻
5. Consideration of the Spirulina Feasibility Study	✓
6. Support the development of additional child care services and collocation of early years services.	▶

### SP.D1.2 – Proactively promote Merredin as a place to live, work and invest; within and outside the community

- Development of WEROC app and website. The platforms have the capability to promote Merredin globally.

Corporate Business Plan Actions	
1. Development and implementation of a marketing plan to attract potential business, industry and residents to Merredin	↻

### SP.D1.3 – Promote new commercial and industrial development through appropriate zoning of land, provision of suitable infrastructure and efficient and effective business approval processes

The Shire of Merredin Development (Planning) Approval and Building Permit Approval processes have been streamlined with all applications being assessed and approved within statutory mandated timeframes.

The Shire of Merredin Local Planning Scheme No. 6 was amended twice (Amendments 4 & 5) during the 2017/18 financial

# Developing

year. The Local Planning Scheme is current and in conjunction with the recently reviewed Local Planning Policies serves the needs of the community well. Advice received from the Western Australian Planning Commission (WAPC) is that the *Planning and Development (Local Planning Schemes) Regulations 2015* are in the process of being reviewed with the view of requiring a review of Local Planning Schemes once every 10 years. As such, the next review of the Shire's Local Planning Scheme will not take place until 2021.

## Corporate Business Plan Actions

1. Regular review of the Shire of Merredin Town Planning Scheme No 6



## SP.D1.4 – Pursue opportunities associated with NBN in partnership with other regional organisations

- Supported implementation of South Western Wireless rollout to commence in February 2018
- NBN available at the end of 2018 within Merredin townsite

## Corporate Business Plan Actions

1. Seek regular status of telecommunication plans and inform the community the current status of all telecommunications projects and services
2. Investigate opportunities associated with NBN



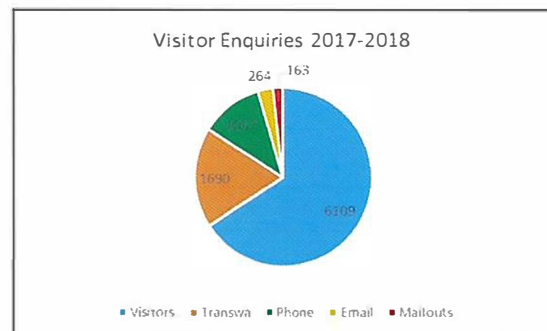
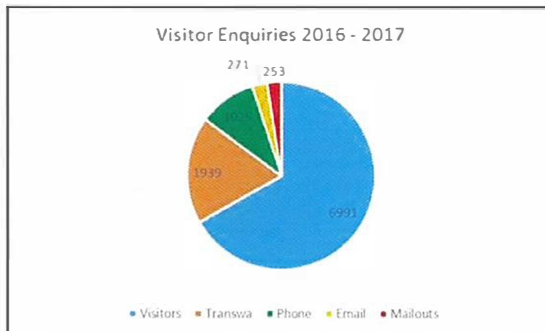
## SP.D1.5 – Facilitate further development of local and regional tourism

Initiatives developed include:

- Renewal of Signage
- Shade Shelter & Interpretative Signage at Visitor Centre precinct
- Implementation of local tourism famils
- Local Strategic Tourism Plan
- Eastern Wheatbelt Tourism Plan

### VISITOR SERVICES

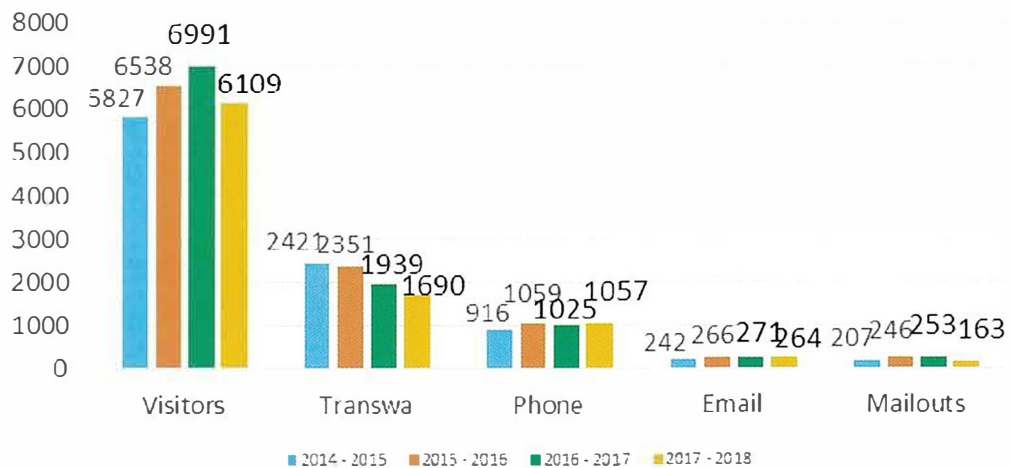
The Central Wheatbelt Visitors Centre (CWVC) continues to be the dominant hub visitor centre and professional servicing point for Merredin and the Eastern Wheatbelt. Staff provide a professional level of visitor servicing and call to action for Australia's Golden Outback (AGO) and Wheatbelt cooperative marketing campaigns. The centre is currently open Monday to Friday 8:30am to 4:30pm.



Above graphs indicates comparison of the visitor servicing enquiries between 2016/17 and 2017/18

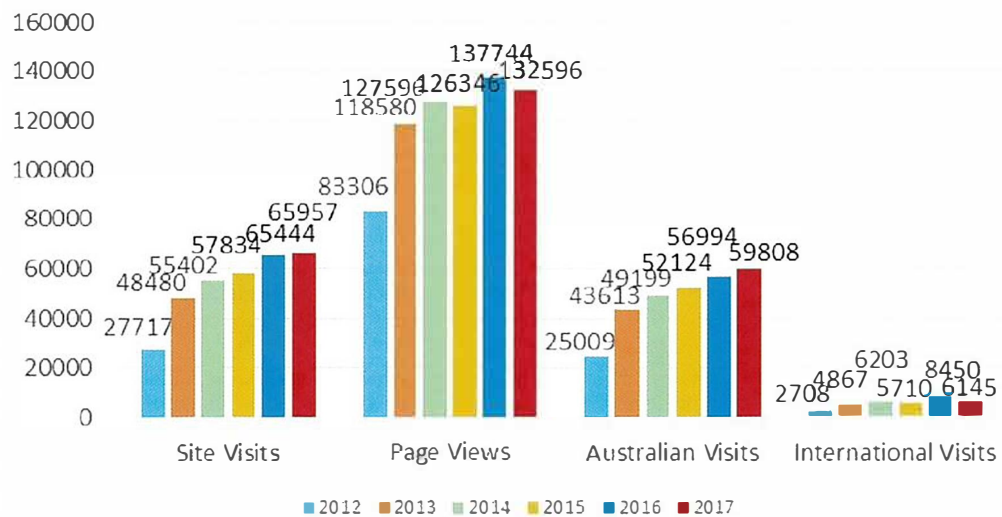
# Developing

## Visitor Enquiry 4 year Comparison



Graph indicates a 4 year comparison of the visitor servicing enquiries

## Visitation www.wheatbelttourism.com



Graph indicates a steady increase of website visitation over a 6 year period

### Annual Licence & Membership Renewals

The CWVC is committed to provide a professional accredited Level 2 regional visitor centre and with this obligation, a number of annual licences and memberships are required. The Tourism Council WA conducted an onsite Australian Tourism Accreditation Program (ATAP) assessment in February 2017 as part of their requirement for procedures and policies. A certificate of accreditation for 2017/18 was awarded.

- ASIC Australian Business Name –Renewal due April 2019
- Tourism Council WA Ltd– Renewed June 2018
  - Australian Tourism Accreditation Program (ATAP)
  - VCWA – Visitor Centre Golden I Membership
  - VC – Level 2 Membership and Marketing Levy
  - Tourism Council WA – Bronze Membership
  - Italic I Marketing
- Australia's Golden Outback (AGO) – Gold Membership renewed June 2018

#### **Australia's Golden Outback (AGO) / Wheatbelt Cooperative Marketing & Trade Shows**

The CWVC continues to support AGO in regional tourism promotion including:

- 2018 Perth Caravan and Camping Show – staff coordinate and attend this important trade show annually supported by sub-regional tourism professionals.
- 2018 VIC Caravan & Camping Show – the Tourism Officer travelled to Melbourne to represent the Wheatbelt and AGO for Tourism WA to the Victorian self-drive market.
- The CWVC Manager remains the current Wheatbelt Representative on the AGO Board with the two year term expiring in October 2019.

#### **AGO Cooperative Advertising - Weekend West Australian & Sunday Times Travel Section**

- 3 x Wheatbelt Self Drive Trail – Pioneers' Pathway and Golden Pipeline
- 1 x Wheatbelt Wildflowers – Pioneers' Pathway and Golden Pipeline in cooperation with NewTravel for the Wheatbelt Way

#### **Event Packages**

- The Visitor Centre now has Visitor Packages to promote Merredin accommodation/Cummins Theatre/tour with Transwa rail options <http://www.wheatbelttourism.com/packages>

#### **Other Advertising – Annual Holiday Planners, Tourism & Community Publications**

CWVC continues to support annual marketing tools for the promotion of Merredin including:

- AGO Holiday Planner 2018
  - Self-drives Pioneers' Pathway and Golden Pipeline Heritage Trail
  - Shire of Merredin full page town and attraction information
- Merredin and Districts Community Phone Directory – CWVC Services

#### **Regional Tourism Promotion**

- Edition 4 of The Eastern Wheatbelt WA – A Visitors' Guide - 25,000 copies distributed state wide. Edition 5 is in the process of a reprint due out October 2018
- Under the banner of the Eastern Wheatbelt Tourism Group, NewTravel, Roe Tourism Association, CWVC for WEROC and member Shires of Cunderdin and Tammin continue to hold quarterly meetings developing regional tourism initiatives that benefit all EW sub-regions and strengthening the Eastern Wheatbelt tourism.

#### **WEROC App & WEROC Website**

The CWVC Tourism Officer continues to manage the Wheatbelt East Regional Organisation of Councils (WEROC) app with data collection for businesses and tourism attractions and events updated as required.

#### **Central Wheatbelt Visitor Centre Membership**

Working towards a more sustainable future, the CWVC continues the annual initiative to call on membership support from all businesses in the Eastern Wheatbelt currently listed on [wheatbelttourism.com](http://wheatbelttourism.com). Four levels of membership were offered including an affiliate/not-for-profit level 4.

#### **Central Wheatbelt Tourism Website**

[www.wheatbelttourism.com](http://www.wheatbelttourism.com) continues to be managed in-house by the CWVC Tourism Officer monitoring a steady increase in visitation to the site.

#### **Retail & Consignment Stock**

- Continue to increase consignment stock from local produce, products and regional arts and crafts suppliers building up a range of regional handmade items.

# Developing

- Increasing our Wheatbelt historical and natural history publications, many of which are sold from the list of publications on our website.

## Local Initiatives

- The 'Explore Merredin' Brochure including town and regional map continues to be the key marketing tool for the Shire of Merredin and is distributed by the CWVC to the Eastern Wheatbelt and state VC's as requested.
- Merredin Tourism Group continues to work collaboratively with CWVC Member businesses, the Museums' volunteers and interested community members to develop and increase the interest of Merredin's attractions through families and community awareness opportunities.
- CWVC continues to work with FORM to promote and market the Public Silo Art Trail
- CWVC continues to work with National Trust WA to promote and market the Golden Pipeline Heritage Trail
- CWVC continues to work with AGO and Transwa to promote Cummins Theatre event packages to the Perth market.
- Created a local Merredin Bird Guide printout for visitors





## Regional Visitor Centre Sustainability Grant Application

Round 3 – Projects funded and completed for this third and final round

- Project 1 - Improving Image & Appearance
  - Custom book shelves, a visitor counter and seating with a USB & power charging facility, a new CWVC public notice board and upgrade of the centres public seating area with a TV monitor.
  - A second external window decal with Australian War Memorial historical images of the WWII Australian General Hospital site at Merredin Peak
  - Six Interpretation Panels inside the centre depicting the history and development of Merredin
  - CWVC branded sign for the front exterior wall
- Project 2 - WIFI hotspot for CWVC
- Project 3 - Staff Training: Social Media Tourism Workshops for whole of region, Certificate III Tourism for CWVC Staff
- Project 4 – External bike rail to secure e-Tricycles to for hire

As a funding requirement the CWVC staff underwent a Tourism Boost Visitor Centre Stream mentorship in online bookings and visitor centre experience packaging.


### Corporate Business Plan Actions

1.	Implementation of identified strategies in the CWVC Business Plan	
2.	Provision of relevant tourist information and marketing services	
3.	Provision of support for local festivals and events	
4.	Support a coordinated approach for tourism promotion and management	

## SP.D2.1 – Facilitate and develop alternative housing for professionals and workers

- Construction of 2 x 3 bedroom executive homes
- Provision of housing through lease arrangements between the Shire of Merredin and Department of Housing and local medical practitioners

### Corporate Business Actions

1.	Advocate for the development of affordable accommodation for workers and young professionals	
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# Developing

## **SP.D2.2 – Collaborate and facilitate the development of aged accommodation**

Funding confirmed for the construction of 26 Independent Living Units to be located at the North Merredin Primary School Site

### **Corporate Business Plan Actions**

1. Support CEACA Incorporated in the implementation of identified outcomes outlined in the Verso Report to construct 50 independent living units within Merredin to accommodate seniors



## **SP.D2.3 – Facilitate the improvement of housing conditions through: advocacy in relation to the condition of public housing, as a housing developer and in encouraging community pride.**

The Shire's Environmental Health Officers conducted regular inspections of caravan parks, lodging houses, bed and breakfast and other public accommodation facilities for compliance with legislative requirements relating to the provision of essential services such as adequate numbers of bathroom, toilet and laundry facilities. This included the level of hygiene of the premises and provision of emergency escape, fire detection and firefighting appliances.

### **Corporate Business Plan Actions**

1. Develop and implement an accommodation plan to include the construction of residential dwellings



## **SP.D3.1 – Collaborate with neighbouring Shires (and beyond) for the benefit of the region as a whole**

- Development of WEROC app and website platforms
- CEACA Incorporated – project to construct 72 independent living units to accommodate seniors within 11 Councils
- Wheatbelt Communities established to enable economic development in the region
- Continued Tourism Service MoU between WEROC Shires and Shires of Cunderdin and Tammin

### **Corporate Business Plan Actions**

1. Continue to progress regional collaboration by participating in Wheatbelt East Regional Organisation of Councils strategies and similar regional partnerships



## **SP.D3.2 – Seek external recognition, support and funding for Merredin's ongoing development, including as a regional centre**

- Assisted the Wheatbelt Development Commission to develop the Draft Wheatbelt Tourism Growth Plan
- Worked with the Wheatbelt Development Commission to prepare the application for the Regional Centre Development Fund

### **Corporate Business Plan Actions**

1. Actively seek external funding to support identified projects and initiatives



## **SP.D3.3 – Advocate for State infrastructure and service investments to enhance the functioning of the Eastern Wheatbelt**

Advocacy undertaken when the opportunity arises.

### **Corporate Business Plan Actions**

1. Work collaboratively with relevant State agencies to plan for future service infrastructure needs





# Developing



## SP.D4.1 – Implement accountable and good governance

Achievement of best practice in corporate governance is a major responsibility of Council. It entails the consideration and approval of Shire policies, strategic direction and resource allocation, as well as monitoring Shire performance, progress towards targets and use of resources. All policies and procedures implemented and all Compliance requirements have been met.

Of the 63 actions identified in the IPR Suite of Plans, 8 actions were fully completed, 44 are ongoing, 3 have not yet been commenced, 3 have commenced, 2 there are no current opportunities to activate the programs and 3 actions were removed.

A review and update of the existing Council policies was progressed during 2017/18. The review will confirm relevance and alignment between policies and will also help identify any areas which need to be addressed.

### Corporate Business Plan Actions

1.	Monitor, report and review IPR Suite of Plans	
2.	Ensure policies, procedures and practice are effective, transparent and aligned with program delivery	

## SP.D4.2 – Enhance interactive communication between the Shire and the community




On occasion when asked for feedback the community regularly communicates that they feel there isn't enough information provided to them by the Shire regarding events and other activities undertaken by Council. In 2017/18 the Shire has continued the same practices as usual and introduced others to improve communication. The methods of communication utilised by the Shire in 2017/18 include:

- Implementation and distribution of a monthly newsletter (known as 'Shire of Merredin Community News & Information')
- Publication of articles featured in the Phoenix newspaper fortnightly from the Library and Cummins Theatre and a 1 page feature of the Shire's most newsworthy articles from its newsletter on a monthly basis
- Daily posts relating a variety of topics on the Shire's social media channels which are Facebook, Instagram and Twitter
- Introduction in March 2018 of the 'Share It – Blare It' campaign on Facebook. This great initiative is all about sharing details relating to community events, job opportunities, business promotions, etc. which are happening in and around Merredin. Events for Shires bordering Merredin are also promoted. Feedback has consistently related that community members would have attended an event if they knew it was on so this initiative has been great for helping community groups and business to gain extra exposure to new audiences by sharing information through the Shire's Facebook page
- Updates as necessary on the Shire website
- Publication of the Annual Report which relays the achievements of the Shire for the past financial year
- Conducting an Informal Community Forum in June 2018. This was attended by approximately 40 community members who's feedback will be presented to Council as a series of actions to be undertaken at Council's July 2018 Council Meeting
- Ad hoc interaction at various community events
- Liaison conducted as per the Shire's Customer Service Charter with community members who visit the Shire Office, Library, Visitor Centre and Cummins Theatre
- Stylised posters for Shire events in bright, eye-catching colours posted on the side of bins in the main street of Merredin and notice boards around town 3 – 4 weeks in advance of the event itself

In 2018/19 it is envisaged that communication methods will continue to be built on with the following initiatives to be undertaken:

- Creation and implementation of a Communication & Engagement Plan
- Review and restructure of the Shire's website
- Development of a social media content strategy to ensure that information is being relayed to community members at the optimal times

### Corporate Business Plan Actions



1.	Communicate with the community through various mediums	
2.	Engage the community in decisions which affect them	
3.	Provide a quality customer service to the community	

## SP.D4.3 – Practice prudent management of financial resources

The Shire was successful in obtaining a range of grant funds over 2017/18 including:

FUNDING BODY	PROJECT	AMOUNT
Department of Transport	WA Bicycle Network Grants – DUP, CBD & Rail Crossing	\$40,000
Department of Local Government & Communities – Country Local Government Fund	Youth Development Program	\$10,000
The Department of the Environment & Energy	Goldfields Water Supply Scheme – No. 4 Pump Station	\$45,800
Department of Local Government, Sport & Cultural Industries	Cummins Kids Expansion Program	\$14,080
	Kidsport	\$13,500
	Country Local Government Fund – Youth Development Traineeship Program	\$17,995
Tourism WA	Regional Visitor Centre Sustainability Program – Round 3	\$20,239
Returned & Services League of Australia	ANZAC Day 2018	\$600
Wheatbelt Natural Resource Management Inc.	Engaging Landholders to combat vegetation decline within the Shire of Merredin	\$20,000
	Promoting Electric Vehicle Viability in the Wheatbelt – 2017 Sustainable Community Grants	\$13,985
	Inspiring Saline Water Processing & ReUse – 2017 Sustainable Community Grants	\$8,000
Lotterywest	Audience Development (Cummins Theatre)	\$73,840
	2018 Community Events – School NAIDOC, Cummins Theatre 90 <sup>th</sup> Birthday, Armistice Day, Gala Night, Twilight International Food Festival, ANZAC Day & Destination Merredin	\$9,000
Collgar Community Fund Pty Ltd	2018 Community Events – Twilight International Food Festival, ANZAC Day, Museum Open Days, School NAIDOC, Cummins Theatre 90 <sup>th</sup> Birthday, Armistice Day & Gala Night	\$19,925

### Corporate Business Plan Actions

1. Deliver long term financial planning for asset replacement and new capital projects	
2. Continue to provide prudent financial controls and compliance systems	

## SP.D4.4 – Develop an innovative, empowered and responsible organisation culture

The Shire strives to empower its Councillors and staff so that by extension they have the knowledge and training to perform their duties to the best of their abilities and ensure that adequate service is being provided to the Merredin community. As such, Councillors and staff undertook the following types of training during 2017/18:




- Various WALGA workshops and training sessions (new Councillors and staff)
- Department of Local Government, Sport & Cultural Industries workshop (new Councillors)
- Department of Transport course (licencing – staff only)
- Moore Stephens (WA) Pty Ltd 2017 Nuts & Bolts Financial Essentials Workshop (staff only)
- IT Vision Training Workshop (records management – staff only)
- Dangerous Dogs Assessing & Handling Course / Conference (staff only)
- 2017 WA Ranger Conference (staff only)
- Environmental Health Association 2017 State Conference & Workshop (staff only)
- Royal Life Saving Society – Life Guard Training (swimming – staff only)
- Diploma in Local Government Administration (community services – staff only)
- Age Friendly Communities Professional Development Day (tourism services – staff only)
- WA Regional Tourism Conference (tourism services – staff only)

# Developing

- Better Practice Program - Managing Social Media Impacts Forum (media & communications – staff only)
- Content Marketing Workshop with Meg Coffey (tourism & communications – staff only)
- LGIS Fire Management Workshop (staff only)
- LGIS Operational Leadership Course (finance – staff only)
- DFES Training Courses being Sector Commander, Community Engagement, Bushfire Community Safety Messages, Ground Controller, Crew Leader Bushfire, Advanced Bushfire Firefighting, Machine Supervision, Pump Operations and WAERN Basic Radio Use (ranger services – staff only)

Documents instrumental in the operation of the Shire of Merredin can also date so during 2017/18 the following documents were reviewed and updated:

- Policy Manual
- Strategic Resource Plan 2016 – 2031
- Delegations Register
- Risk Management Framework – specifically Internal Control and Legislative Compliance and Risk Management Governance Framework
- Shire of Merredin Community Facilities Report
- Annual Budget
- Business Continuity Plan
- Strategic Community Plan (to be adopted July 2018)
- Corporate Business Plan (to be adopted July 2018)

<b>Corporate Business Plan Actions</b>	
1. Implement continuous improvement plans	
2. Implement appropriate staff development and training programs	
3. Develop and foster a strong, supportive and respectful corporate culture	



## SP.L1.1 - Continue to take a proactive advocacy role to support the provision of medical facilities and services to meet the needs of the local and regional community

- Assisted with the redevelopment of the Merredin Hospital
- Supported the relocation of the medical and dental practices
- Supported the opening of the chiropractic service
- Three current leases providing accommodation to health professionals

### Corporate Business Plan Actions

1. Assist where possible with the provision of accommodation for health professionals by way of a formal commercial lease utilising Council's existing housing inventory



## SP.L1.2 – Continue to assist with the facilitation of aged care services

- Implementation of the Aged Friendly Community Plan
- Development of the CEACA project (Independent Living Units) continues
- Continued support of the Merredin Senior Citizens
- Provision of senior specific activities and events
- Implementation of the Gold Club at the MRCLC
- Continued lobbying through CEACA Inc to ensure the necessary services to support aged care are accessible to Merredin

### Corporate Business Plan Actions

1. Through CEACA Incorporated, the Shire will continue to lobby the Federal and State Governments to ensure the necessary services to support aged care are accessible in Merredin



## SP.L1.3 – Assist with raising local awareness of what health services are available to the community

*This strategy has been removed for the Strategic Community Plan upon review as no opportunities to complete it have been forthcoming.*

### Corporate Business Plan Actions

1. Assist with the development and publication of a local medical and community services directory



## SP.L2.1 – Maintain an efficient, safe and quality transport network

### ENGINEERING SERVICES

Council has continued with its commitment to enhance 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:

Federal funding:

- Roads to Recovery Program

State funding:

- State Blackspot Program
- Regional Road Group

Council is also keen to utilise new technology and resources where available to enhance efficiency and create improved operational practices. As 2017/18 draws to a close Council and staff have been working to develop and implement software technology known as Assetfinder. It has a high level of GIS integration and allows for real-time visibility of the Shire's entire asset network. In future it is hoped that this software program will reveal trends, patterns and correlations that will lead to time and money being saved in the implementation of the Shire's annual roadworks program.

## ROAD CONSTRUCTION & MAINTENANCE

Footpath Construction	
Haig Road	New multi-use path
Morton Street	New multi-use path
Growden Street	New multi-use path
Macdonald Street	New multi-use path
CBD Link to GEH	New multi-use path
Road Construction	
Goldfields Road	Gravel sheeting/stabilisation
Barnes Road	Gravel sheeting
Booran South Road	Gravel sheeting
Briant Road	Gravel sheeting
Nukarni East Road	Gravel sheeting
Coulahan Road	Gravel sheeting
Hughes Road	Gravel sheeting
Baandee South Road	Gravel sheeting/Stabilisation
Barr Road	Gravel sheeting
Willis Road	Gravel sheeting/Stabilisation
Telfer Road	Edge repairs
Woolgar Avenue	Asphalt seal
CBD Upgrade	Asphalt seal / Spray Seal / Landscaping
General Maintenance	
General road maintenance	Grading, road stabilisation, vegetation clearance, pothole repairs and road sign replacement ongoing. Kerb replacement
<b>Total Cost - O/R</b>	<b>\$1,914,435.25</b>

## REGIONAL ROAD GROUP (RRG)

Construction/Maintenance	
Burracoppin South Road	Spray seal and gravel re-sheet
Goldfields Road	Stabilise and re-seal
Hines Hill North Road	Spray seal
Crossland Road	Spray seal
<b>Total Cost - RRG</b>	<b>\$770,103.93 (includes \$231,031.18 of own resources)</b>

## ROADS TO RECOVERY (R2R)

Construction/Maintenance	
Haines Street	Asphalt seal
Duff Street	Asphalt seal
Kitchener Road	Asphalt seal
Muscat Street	Asphalt seal
Pool Street	Asphalt seal
Fifth Street	Asphalt seal
Princess Street	Asphalt seal
Lefroy Street	Spray seal

Growden Street	Asphalt seal
Stephen Street	Asphalt seal
Oats Street	Spray seal
Mary Street	Asphalt seal
Alfred Street	Asphalt seal
Acacia Way	Asphalt seal
Yorrell Way Intersection	Asphalt seal
Gilmore Street	Asphalt seal
Boyd Street	Asphalt seal
Warne Street	Asphalt seal
Davis Street	Spray seal
Walder Road	Spray seal
Nokaning West Road	Edge repairs
Merredin- Naremben Road	Cement stabilisation and seal
<b>Total Cost - R2R</b>	<b>\$778,348.91</b>

STATE BLACK SPOT FUNDING (SBSF)	
<b>Construction/Maintenance</b>	
Totadgin Hall Road	Main Roads WA have taken on the responsibility to deliver the project
<b>Total Cost - SBSF</b>	<b>\$0</b>

### Corporate Business Plan Actions

1. Implementation of the Ten Year Construction Program	↻
2. The Shire will advocate the option to install a pedestrian crossing on the Great Eastern Highway	↻
3. The Shire will promote and communicate the annual construction program providing regular updates	↻
4. Ongoing implementation of the footpath program	↻

### SP.L2.2 – Investigate opportunities to consolidate Shire owned facilities and collocate services

The Community Facilities Review (Stage 1) report was finalised in December 2017. Stage 2 forms part of the Communities Facility Review. The North Merredin Primary School Redevelopment Implementation Plan has been completed and discussions with potential funding bodies have been undertaken and preparation for grant applications has commenced.

### Corporate Business Plan Actions

1. Review and implementation and rationalisation options for recreational and community facilities and services	↻
2. Develop and implement Stage 2 of the North Merredin Primary School Redevelopment	▶

## SP.L2.3 – Develop, maintain and support appropriate recreational facilities and services through the Shire

See 'Recreation Services' under strategy SP.I1.1 which addresses this strategy.

### Corporate Business Plan Actions

1. Implement renewal projects in accordance to the Strategic Resource Plan
2. Implementation of strategies and actions identified in the MRCLC Business Plan



## SP.L2.4 – Partner with stakeholders to achieve greater community participation in recreational facilities and services

Provision of administration to support Kidsports Program. Implementation of MRCLC Business and Management Plan. See Strategy SP.L2.3 on page 31 for further details.

### Corporate Business Plan Actions

1. Development and implementation of MRCLC annual programs plan



## SP.L3.1 – Protect and promote the Shire's diverse culture and heritage

The Shire of Merredin maintains a Local Heritage Inventory which currently has 59 premises listed on it as being of significant local heritage and cultural value.

Any proposed development is vetted against the Local Heritage Inventory to ensure that it does not adversely affect heritage listed sites.

### Corporate Business Plan Actions

1. Support the preservation of heritage buildings and significant sites
2. Support projects that preserve and promote the Shire's historical artefacts and memorabilia



## Strategy SP.L4.1 – Enhance the public amenity and functionality of Merredin

### CBD UPGRADES

As part of the CBD Upgrades – Stage 1 additional park benches and shelters were constructed on Barrack Street. The new RV parking area was sealed and marked for visitors. Several areas of the car park were resealed and additional kerbing constructed. New pathways were constructed around the CWVC and across to Great Eastern Highway to create linkage to the CBD.

New tourism signage was also installed at Pioneer Park and at the Merredin Regional Community & Leisure Centre. New bins with historical memorabilia photos were designed, commissioned and then positioned along Barrack Street.

### BUILDING SERVICES

The Shire utilises a registered builder in the position of Building Project Manager who acts as the Main Contractor in any building capital works and coordinates the yearly maintenance program.

During the reporting period the following major projects were undertaken:

- Ongoing Strategic Planning of Council's building assets;
- CBD Upgrade – Stage 1 (officially opened 14 April 2018);
- Town Signage renewal (as necessary);
- Painting of signal box at the Railway Museum;
- Upgrades to Shire housing – specifically 5 Dobson Avenue;



# Liveable

- Upgrading of kitchen appliances at Cummins Theatre;
- Installation of automatic doors and exterior painting of Old Town Hall;
- Installation of solar panels at Merredin Regional Library and the Central Wheatbelt Visitor Centre; and
- Demolition of the old Scout Hall and old Bowling Club.

## TOWN MAINTENANCE

The crew had another busy and productive year performing their duties which included gardening, slashing, spraying and the maintenance of the Recreation Centre oval and town parks and surrounds.

### Corporate Business Plan Actions

1.	Implement the CBD redevelopment project: Stage 1 (renewal of carpark and streetscaping)	✓
2.	Implement the CBD redevelopment project: Stage 2 (improve functionality of Barrack Street)	✗
3.	Enhance entries into Merredin	✓
4.	Progressively renewal direction and attraction signage	↻
5.	Progressively renew public open spaces to include public amenities, parks and gardens within Merredin	↻



*Inclusive*

## SP.11.1 – Maintain a community that is well informed, creating opportunities for community involvement and supporting a caring and healthy community

### LIBRARY SERVICES

As part of the State Library of Western Australia (SLWA) Regional Services program the Merredin Regional Library continued its support of libraries in the Wheatbelt. Shires supported include Bruce Rock, Kellerberrin, Mt Marshall, Mukinbudin, Narembeen, Nungarin, Trayning, Westonia and Yilgarn.

The support offered included staff training, workshops, meetings and remote assistance with library operations and lending. This support is funded by the SLWA and the participating local governments.

The library continued to engage with the local community through a number of activities including:

- Storytime held in the Library on Tuesday mornings throughout the school term, MADCAPS on a monthly basis and on Thursday and Friday mornings at Merredin College;
- participation in the Family Fun Days held in conjunction with Amity Health;
- continued support of the Tales of Times Past Senior Storytellers and hosting the weekly Yorga's/Noongar Women's Yarning and Craft Group;
- Opened the Merredin Memorabilia Room and hosting an event for visitors from the RSL;
- Hosted the Boomerang Bag sewing sessions;
- Hosted a consultation for the future of the WA Museum;
- hosting authors Robina Haines, Hellie Turner, Karina McRoberts and Anthea Hodgson;
- again hosting a Pink Morning Tea raising money for Cancer Research; and
- school holiday programs run in July, October, January and April.

Library staff work continuously to ensure that all library visitors feel welcome and have access to new stock or required information.

Funding was acquired from Lotterywest to create a memorabilia area / reading area in the library. The Merredin Memorabilia Room was opened in November 2017 with the collection including items on either temporary or permanent loan from local community members. The collection continues to grow and is dedicated to the social history of Merredin.

The Library continues to offer free access for library members to eBooks, eAudiobooks, eMagazines and now Kanopy (video streaming) through the WA Public Library Digital Media Collection and the SLWA. The Merredin Library has also been working towards achieving its eSmart accreditation and as such has access to a number of resources to help people use eResources in a safe and effective manner.

The library also provides its members free access to online tutorials through its subscription to The Computer School. Members can access over 10,000 tutorials, from the comfort of their own home, covering topics such as Windows10, digital photography, using social media, coding and much more. A new Literacy platform, Ziptales, has also been added to Merredin Library's suite of eResources. This allows children to work from home to improve their literacy skills at their own pace.

The Library's catalogue continues to be available online for members to search or renew their borrowed items. The catalogue can be accessed via [library.merredin.wa.gov.au](http://library.merredin.wa.gov.au).

### RECREATIONAL SERVICES

The daily operational management of the Merredin Regional Community & Leisure Centre (MRCLC) is contracted to Belgravia Health and Leisure Pty Ltd. Where able, the Shire supports events and initiatives run by the MRCLC – in particular if it provides a service to the community that is otherwise not available. Generally Shire support consists of designing posters for sporting events and assisting to advertise the event through social media via the 'Share It – Blare It' campaign.

Shire support also extends to the maintenance of the sporting oval, cricket pitch and hockey/tennis turf.

Separate to the MRCLC the Shire operates the Merredin Olympic Swimming Pool and ensures the maintenance of the grounds and pool facilities.

### Sporting Events and Fixtures

All winter and summer sports had successful fixtures and final games. The cricket club won their competition, the bowling club won two individual player championship matches for the season and the ladies won their grand final of pennants. Country week basketball had all age group levels represented from Merredin Basketball and the golf club hosted another very successful Sands tournament. Little Athletics returned to the MRCLC for their 2017/18 fixtured season and Tae

Kwondo was offered by a private contractor July to May 2018. Soccer was introduced as a 'have a go' sport in the early months of 2017 with limited success however in February 2018 a group of parents organised a skills, coaching session which has led to a local club being formed with about 50 primary school age children in regular attendance.

Aquafit classes were delivered by trained instructors and all were well supported until the winter months. Classes stopped in June 2018 and will resume in October 2018. Infant swimming/water safety classes have continued and have been well supported throughout the year. The introduction of learn to swim classes for all ages has seen increasing numbers including three adults. 'AquaBalance' is a new programme introduced in May.

The winter sports carnival for the Wheatbelt region was held in August 2017 with over 150 children attending this one day carnival of netball, football and hockey. A well run event by a community committee.

### Other Programmes

A 0-4 program was facilitated by staff on a weekly basis. The program focussed on social and creative activity and physical exercise. It is another program where weather conditions affect the attendance of. The MRCLC have supported the community 0-4 program that facilitates 4 family events each year and the baby bootcamp held in the stadium was very successful with 53 participants plus parents.

The Gold Club is a weekly activity based programme for over 50s. Activities include sports, dancing, memory games, healthy living, music, trips to other close range towns and tourist sites and there are 15-20 regular participants. In January 2018 a group of 14 went to Tasmania on a 10 day trip. It was one of the group's 'bucket list' priorities.

### Other Programmes & Events Held

- Fun Run event - supporting the MRCLC programmes for people living with disability
- School Holiday programs – mainly all sports based activities
- Youth Week WA – grant received \$1,500; cooking, basketball, pallet recycling, first aid, archery, soccer
- 12 x birthday parties
- GOLD Club – for active seniors held weekly
- Bingo – held weekly
- Rock n Roll Night
- Sydney Hotshots
- Chinese New Year
- Melbourne Cup luncheon
- High profile boxing match on FOXTEL
- EWEYN events for 0-4 years including Baby Boot Camp (held on 15 June) and Spring in the Garden (held on 7 September) were hosted and supported by staff. Children's Week Messy Play Event to be held in October and Pool party Date held in December.
- Supervised parent child meetings
- Funeral wake
- Quiz Nights - 5 nights over 5 months – fundraising for sports groups
- Corporate/Private functions and meetings

### Initiatives

In November 2017 it was recognised that there was a marketing gap for evening food services to the community with the unfortunate fire event that destroyed the Chinese restaurant and then the closing of another food premises in the main street. The restaurant service opened on 29 January 2018 with a Monday to Friday dinner service out of the Grandstand Bar. A local chef was employed along with other casual staff to cater for the operation. It has been successful in providing a very good choice of evening dining to the community and our visiting tourists. Friday night meals was previously an opportunity for sports groups to fundraise under their own risk and using their volunteers. So that all sports groups did not lose that fundraising option, the MRCLC offered a 50/50 profit share arrangement with groups with them providing volunteers to deliver meals and clear tables. From February to June 2018 over \$7,000 was shared back to the sports groups.

In October 2017 the idea of an indoor playground was discussed to better utilise the large empty space at the west end of the MRCLC building. This project was consulted, scoped, costed, proposed and was approved in June 2018. It is now expected to be operational by November 2018.

### Staffing

One full time centre manager, one part-time administrator, one part-time programme co-ordinator and a part-time chef are our permanent staff. The resignation of our full time bar manager changed the position to a part-time role and casual staff covering the operational service hours.

## Facility Maintenance

Maintenance of the building included a full deep clean of the kitchen and bar area along with all carpets and chairs steam cleaned twice during the year. The pool plant, air conditioners, glass/dish washers, stadium floor scrubber, water heaters and gas ovens were all fully serviced. All other maintenance was minor repairs.

## General

The MRCLC facility is one of the best facilities for social community and sporting events in the region. It is a privilege to manage it for the whole community. Feedback from the community has been both supportive and complementary and also encouraging that the centre is meeting their needs. Continuing to do so means taking action on their ideas and delivering fun recreational uses of all the facilities all age groups and interests.

## NATURAL RESOURCE MANAGEMENT

### Re-vegetation

The Shire of Merredin was successful in obtaining \$20,000 (ex GST) for two revegetation projects. The projects will see the planting of nearly 13,000 biodiverse native seedlings in the next financial year around July 2018. The project also covers the erection of 4.2 kilometres of fencing. These revegetation sites will connect existing patches of remnant vegetation.

### Feral Pests

The Shire of Merredin was successful in receiving \$12,955 (ex GST) in funding from the State NRM Office for a project called, 'Overcoming Barriers to Baiting' in the Eastern Wheatbelt. The project also covered the Shires of Mt Marshall, Nungarin, and Trayning. Four 1080 accreditation workshops were held resulting in sixteen new 1080 permit applications across the region. By 30 June 2018, 1,400 fox and wild dog baits had been provided to eligible participants.

## Corporate Business Plan Actions

1.	Support the development of youth infrastructure, spaces, youth education and engagement programs	↻
2.	Involve youth in a more central role in community planning	↻
3.	Support early years initiatives and programs	↻
4.	Aged Friendly Community: support and promote identified initiatives and programs	↻
5.	Support (directly and indirectly) events and activities that encourage and enhance community pride and cohesion	↻
6.	Review and implement the Disability Access and Inclusion Plan to guide operations and services to ensure they are inclusive of all members of the community	↻

## SP.11.2 – Provide services and processes to enhance public safety

### HEALTH SERVICES

During the reporting period the following major projects were completed:

- Annual lodging house, Caravan Park, food and public buildings inspections;
- Annual inspection of hairdressers and beauticians;
- A number of written requests were issued to food business proprietors relating the *Food Act 2008* and have been complied with;
- Certificates of approval were issued for most of the public buildings;
- Swimming pool inspections have been completed as part of the 4 yearly cycle of inspections under the *Building Act 2012*;
- The domestic/commercial waste management contract with Avon Waste is going well;
- 2x *Health Act 1911* Unfit for Human Habitation notices were issued (resulting in the demolition of 2 substandard dwellings).
- 2x Building Orders under the *Building Act 2011* were issued (resulting in the demolition of 2 substandard dwellings).
- 4 x septic tank and leach drain installations were approved with permits to use issued;
- All compliance and annual reports were submitted to the relevant State and Federal agencies;
- Implementation of a regular mosquito surveillance and treatment program; and
- Participation in the audit of the Shire of Merredin Waste Water Reuse Scheme.

The Executive Manager Development Services is involved with a number of departmental working groups and has had input into the development of *Public Health Act 2016* related legislation.

Staff have been working proactively with the local community to improve public health standards and it is pleasing to note that there is a general acceptance in the community of the need to improve public health practices and standards with respect to food and public building requirements.

#### **PUBLIC CLOSED CIRCUIT TELEVISION (CCTV)**

CCTV systems have been maintained and we are currently upgrading our CCTV system to ensure we have a good system that covers the requirements of the Shire and public safety.

#### **RANGER SERVICES**

The Shire Ranger has become more visible within the community and is taking a more proactive role in relation to laws enforcement, dog related issues, illegal dumping and bush fire regulation enforcement. This has resulted in the successful prosecution of two dog owners.

During the 2017/18 bush fire season 71 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. 41 were paid via the Shire, 25 sent to the Fines Enforcement registry and 5 withdrawn.

A number of infringements were also issued during the reporting period to persons parking in a parking bay reserved for use by people with a disability. The relevant bays are clearly marked and there is no excuse for an abled bodied person to utilise these bays given that there is plenty of parking available within the Merredin CBD.

There were 4 occurrences of illegal dumping of waste materials but all were of a minor nature.

It is pleasing to note the community is generally supportive of the efforts being made in the areas of need.

#### **VOLUNTEER BUSH FIRE BRIGADES**

It was ascertained that a large number of the members of the brigades had not completed the basic required courses to be active volunteers. It was resolved at the Bush Fire Brigades (BFB) AGM in March 2016 that all volunteers would, by the March 2018 AGM, have completed the two courses.

To date 24 members have completed the 'Introduction to Fire Fighting' courses and 2 members have followed up and completed the 'Bush Firefighting' course. The participants of these two courses have informed us that the courses were very good.

All BFB vehicles have now also been fitted with automatic vehicle location systems and in-cab crew protection and vehicle deluge systems.

<b>Corporate Business Plan Actions</b>	
1. Support provision of emergency services	
2. Enhance CCTV systems to uphold public safety standards	

## SP.11.3 - Support provision of facilities and services for arts and cultural programs

The Council allocated funds to the following community events throughout the 2017/18 year. Some of these events will be held in 2018/19.

Food Festival	\$6,275
ANZAC Day	\$7,100
Official Opening of Rolling Stock Cover	\$7,700
NAIDOC Celebrations	\$8,800
Cummins Theatre 90 <sup>th</sup>	\$18,300
Armistice Day 2018	\$8,000
Gala Night	\$14,000

### COMMUNITY GRANTS

Each year Council allocates funds to various not-for-profit organisations which operate within the Shire. The Community Grant Scheme is designed to provide benefits to Shire residents through recreational, sporting, social or cultural means.

The aims of the Shire of Merredin's Community Funding Program are:

1. To encourage the development of services, facilities and events that meet identified community needs;
2. To promote active participation of local residents in community initiatives and the development of skills, knowledge and opportunities;
3. To provide assistance to the community to develop initiatives and services that support the Shire of Merredin's own objectives; and
4. To enhance the image of the Shire of Merredin within the community.

In March 2018 the Shire called for applications to be made for the Community Grant Scheme. In the 2018/19 Annual Budget a total of \$23,259 will be allocated to the following organisations which applied and were successful.

Recipient	Cash	Venue Hire	Job Costs
Merredin Community Resource Centre	\$2,400	\$1,200	
Merredin Repertory Club auspicing A Choired Taste		\$858	
MADCAPS	\$980		
Merredin Agricultural Society		\$8,500	\$1,700
Wheatbelt Events Committee		\$1,100	
Merredin Fine Arts Society		\$2,321	
Merredin Sports Council	\$500		
Merredin College		\$1,200	
Merredin Military Museum	\$2,500		
<b>TOTAL</b>	<b>\$6,380</b>	<b>\$15,179</b>	<b>\$1,700</b>

### COMMUNITY SERVICES – CUMMINS THEATRE

It is an exciting time at the Cummins Theatre as we continue in our goal to be the central hub for arts and culture in the Central Eastern Wheatbelt. Our 2017/18 financial year built on the success of previous years as the theatre offered a program of live performances, workshops, simulcasts, classes and private events ensuring all members of the community could become actively involved.

#### Live Performances

The Theatre continues to delivered a diverse program of its first full year of live performance under its new programming model first introduced in late 2015. The new model is designed to offer performances for all members of the community under varying program streams.

#### Lunchtime Escapes

Lunchtime Escapes were introduced to encourage audiences to attend the Theatre during the day for short bi-monthly performances across a variety of genres. The Theatre hosted 'A Fine Romance – The Music of Fred Astaire', International

singer Cassandra Kotchie, Brianna Louwen and a performance of 'A Town Named War Boy' including Opera (Brianna Louwen), Musical Theatre (Michael Griffiths in 'Cole and A Leading Lady in Waiting' by Kimberley Diane), Drama ('Shadowboxing' by Black Swan State Theatre Company), and Comedy ('Barry Morgan World of Organs'). The performances were well received with over 200+ individuals attending the shows, many for the first time.

### **Wheatbelt Touring Circuit**

A partnership between West Australian Music (WAM) and the Cummins Theatre saw the introduction of live music concerts by visiting and local artists. In total the Theatre hosted 4 concerts, all of which featured Merredin musicians supported by artists from Perth. It has been some years since the Theatre hosted live contemporary music and the concerts were well received with all at 90% capacity or more.

### **Theatre Education Program**

This newly introduced stream of programming saw a variety of 4 theatre productions brought to the Cummins Theatre. Specifically for school audiences there was 'Shadowboxing' by Black Swan State Theatre Company, 'Odyssey' by Sensorium Theatre, 'Awesome Festival Roadshow' and 'In A Dark Dark Wood' by Barking Gecko Theatre Company, 'Family Fun Festival Day', 'Cosi', 'Squisher and Squasher', 'The Lighthouse Girl', 'A Town Named War Boy' (ATYP), 'Bambert's Book of Lost Stories' (Barking Gecko Theatre Co) and 'Josephine Wants to Dance' (Monkey Baa). Each performance was supported with curriculum documents accessible to schools and the opportunity to get up close with artists through workshops, question sessions and backstage tours. In total 5 local schools attended the performances with over 1,200 students participating in the program.

### **Main Stage Productions**

Our Main Stage productions continue to improve in quality and diversity with performances ranging from comedy, live music, cabaret, musicals, dance and family friendly performances. Special performances including 'Always...Patsy Cline', 'Michael Griffiths Cole' and 'Rumour Has It' were supported with dinner prior to the performances with all shows selling out of dinner and show tickets. Ticket sales across all shows have increased by 50% on the previous financial year. Some notable performances were – 'Opera in the Park' simulcast, 'Menopause the Musical', 'WAYJO', 'Bambert's Book of Lost Stories' and 'The Lighthouse Girl'.

There has also been more effort to link live performances to workshops with many of the main stage shows being supported by community arts based workshops in an effort to increase audience numbers and increase the number of community members participating in workshop programs.

### **Cummins Kids**

The Cummins Kids program continues to expand and has seen some amazing initiatives for young people aged 5-17 years engaging with professional arts workers and creators. Programs run have included:

- Join the Circus
- Christmas Wonderland – a week long activity workshop where children could visit the North Pole, create a different Christmas craft each day, and experience the joy of Christmas in the surrounds of the Cummins Theatre
- Photography Workshop – with visiting artists from Camera Story, children learned the skills to take their own photographs culminating in a public exhibition
- Small Voices Louder – children learned about the big questions in life and created audio recordings that were later used in a public exhibition of artworks
- Film Bites – film making workshop
- Cummins Kids and Craft

### **Workshops**

2016/17 saw the expansion of the workshop program at the Cummins Theatre. Previously the theatre had offered ad hoc workshop opportunities with visiting artists but in 2017/18 this was expanded further to include local artists who could teach skills more regularly. Throughout the year a number of workshops were run including learning skills in singing, dancing, acting, hair styling, make-up, cooking, costume design, backstage duties, set design and construction, lighting, and many others.

### **Funding**

The theatre continues to work towards reducing financial loss and seeks to increase its funding applications which serve to benefit the community through exciting new arts initiatives. Funding bodies have been responding positively to our initiatives and continue to support our projects through guidance, invitations to attend funding feedback sessions, and assisting with future planning.



# Inclusive

New funding opportunities continue to arise especially through the Regional Venues Improvement Fund and the Department of Culture & the Arts. Projects which have gained support in 2017/18 include the:

- Main Stage Program – Lotterywest
- Community Workshop Program – Department of Culture and the Arts
- The Small Voices Program – Regional Arts Fund through Country Arts WA
- Technical Upgrade – Department of Culture and the Arts
- Technical Furniture – Lotterywest

As we move into our 90<sup>th</sup> Birthday year in 2018 we hope to build on the success of the Theatre to deliver more high quality arts events for the Merredin community.

## COMMUNITY EVENTS

Community Services continues to work with residents, community based organisations and service providers to coordinate a number of community events and activities that provide social opportunities, the sharing of skills and knowledge and the opportunity to participate as families in community events.

The majority of these programs and projects rely on outside funding to be secured before the project can go ahead.

These events include:

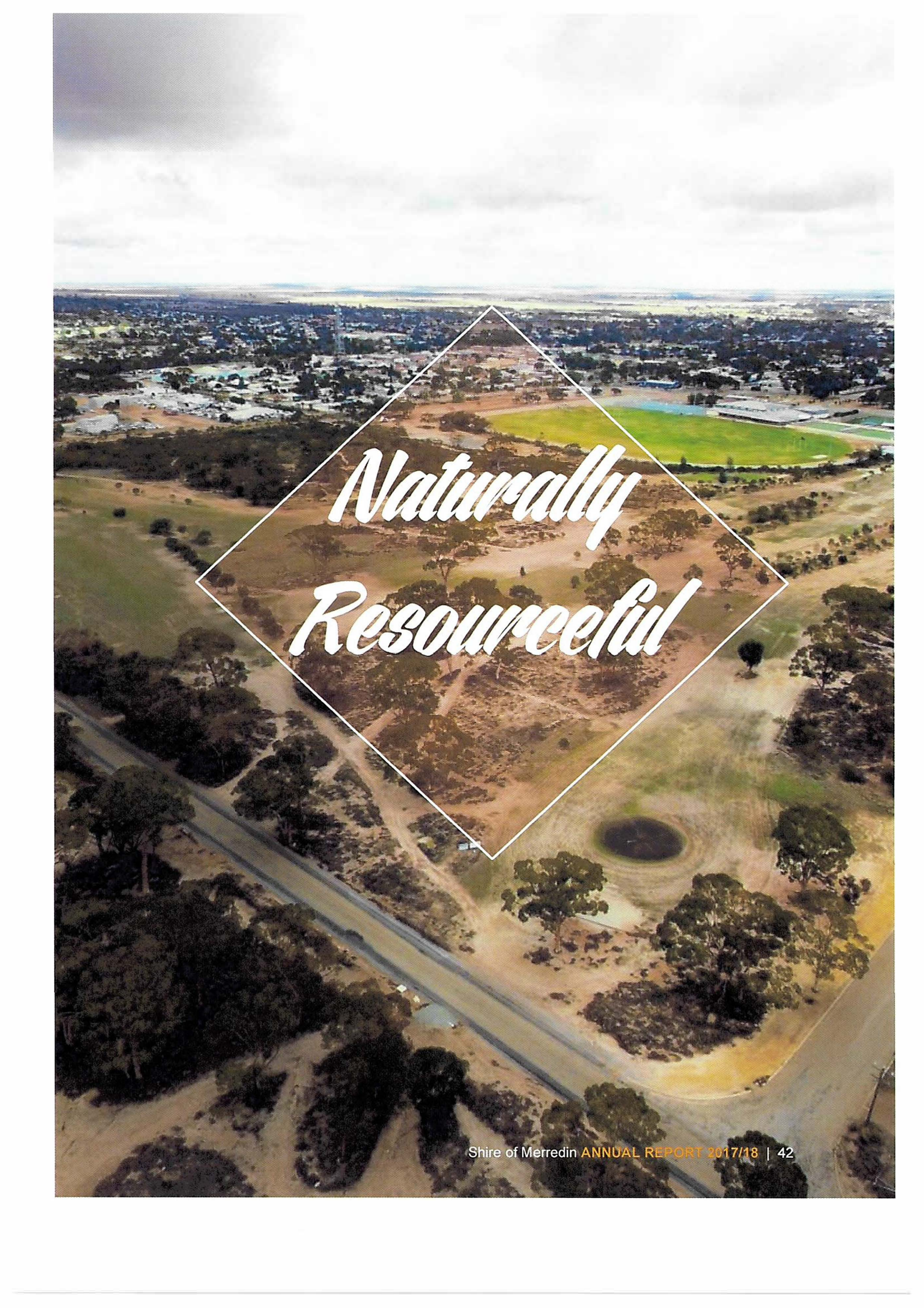
- Provision of activities for NAIDOC Week in conjunction with Merredin College;
- 2017 Gala Night in conjunction with the community and the Community Services team;
- ANZAC Day Commemorations in conjunction with the community, Merredin RSL and the Community Services team;
- Twilight International Food Festival in conjunction with the community and the Community Services Team;
- Ongoing development of the "Wool Bale" project (planter boxes); in conjunction with farm owners and community members.
- Banners in the Terrace in conjunction with the Fine Arts Society which painted the 2018 banner.;
- Lenihan Park Launch in conjunction with St Mary's Primary School and stakeholders;
- Asbestos Walk;
- Cadets Poppy Planting in conjunction with Merredin Military Cadets;
- Memorabilia Room Launch at the Merredin Regional Library; and

Research into the possibility/feasibility of a Dog Park. Funding has been applied for and is expected to be approved by Lotterywest and Collgar to pursue this project which will be situated in the park opposite the Merredin Regional Library.

## Corporate Business Plan Actions

1. Facilitation and management of art and cultural programs



An aerial photograph of a town and its surrounding natural landscape. The town is visible in the background, with a large green sports field and a swimming pool. The foreground shows a mix of green grass, brown earth, and scattered trees. A road runs diagonally across the lower part of the image. A white diamond-shaped graphic is overlaid on the center of the image, containing the text 'Naturally Resourceful' in a white, cursive font.

*Naturally  
Resourceful*



# Naturally Resourceful

## SP.E1.1 – Minimise waste production

The Senior Ranger and the Environmental Health Officer respond to incidences of illegal dumping of waste. Where an offender is not able to be identified the Shire organises for the removal of the waste materials for disposal at the Shire's landfill site.

The Shire of Merredin has a domestic and commercial recycling removal service in place with Avon Waste. Owners and occupiers of premises in Merredin are encouraged to ensure that recycling receptacles provided are utilised appropriately so that only suitable materials are placed in to the recycling stream.

### Corporate Business Plan Actions

- |    |  |   |
|----|--|---|
| 1. | Investigate and enforce compliance regards unlawful activities that are detrimental to the environment |  |
| 2. | Manage waste disposal in an environmentally sensitive manner   |  |

## SP.E1.2 – Work with relevant agencies to actively encourage the adoption of efficient energy and water usage

The Shire of Merredin utilises waste water sourced from the Water Corporation for use as part of its Waste Water Reuse Scheme. The recycled waste water, together with storm water runoff, is utilised for the watering of parks and other public open spaces within the Merredin townsite.

An audit of the Waste Water Reuse Scheme was undertaken by the Water Corporation on behalf of the Department of Health. The Audit report rates the Shire's performance as being satisfactory to very good.

As reported under strategy SP.L4.1, the Shire installed solar panels on the rooves of the Library and the Central Wheatbelt Visitor Centre. Installation of solar panels on the roof of Cummins Theatre has been investigated but it unlikely to occur given that the majority of electrical use of the facility occurs during the evening when the panels won't be functioning. Panels were installed on the roof of the Shire Administration Building and the MRCLC in previous years and have proved to be an excellent asset.

### NATURAL RESOURCE MANAGEMENT

#### Stormwater & Re-Use

The Shire of Merredin, with support of \$25,000 in funding from the Wheatbelt Development Commission, performed significant upgrades to its stormwater collection and reuse network. This included the installation of seven Variable Speed Drives (VSDs). The VSDs will enable the irrigation pumps to run more efficiently, which will save electricity and reduce wear and tear on the system as a whole. This project also upgraded an existing pump and installed a new pump. The new pump allows the Shire to transfer water from the stormwater collection drain to the storage dam at a much greater rate, increasing the amount of water collected by all but eliminating the loss of water downstream.




#### Solar Powered Desalination Plant & Electric Vehicle Charging Points

The Shire was also successful in gaining funding for two projects through Wheatbelt NRM's Sustainable Community Grants programme. The Shire received \$8,000 for the installation of a solar-powered desalination plant. The plant has been installed at the evaporation pond which is the endpoint of the groundwater pumping bore network. The other project received \$13,981.73 for the installation of Electric Vehicle (EV) chargers. This project is also supported by Tesla. Installation of two Tesla chargers at the Central Wheatbelt Visitor Centre and two generic chargers at the Merredin Regional Community & Leisure Centre will occur in the second half of 2018.

#### Waterwise

The Shire of Merredin retained its Waterwise Council endorsement for 2018 and the Merredin District Olympic Swimming Pool remained endorsed under the Waterwise Aquatic Centre program.

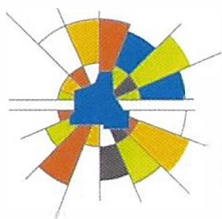
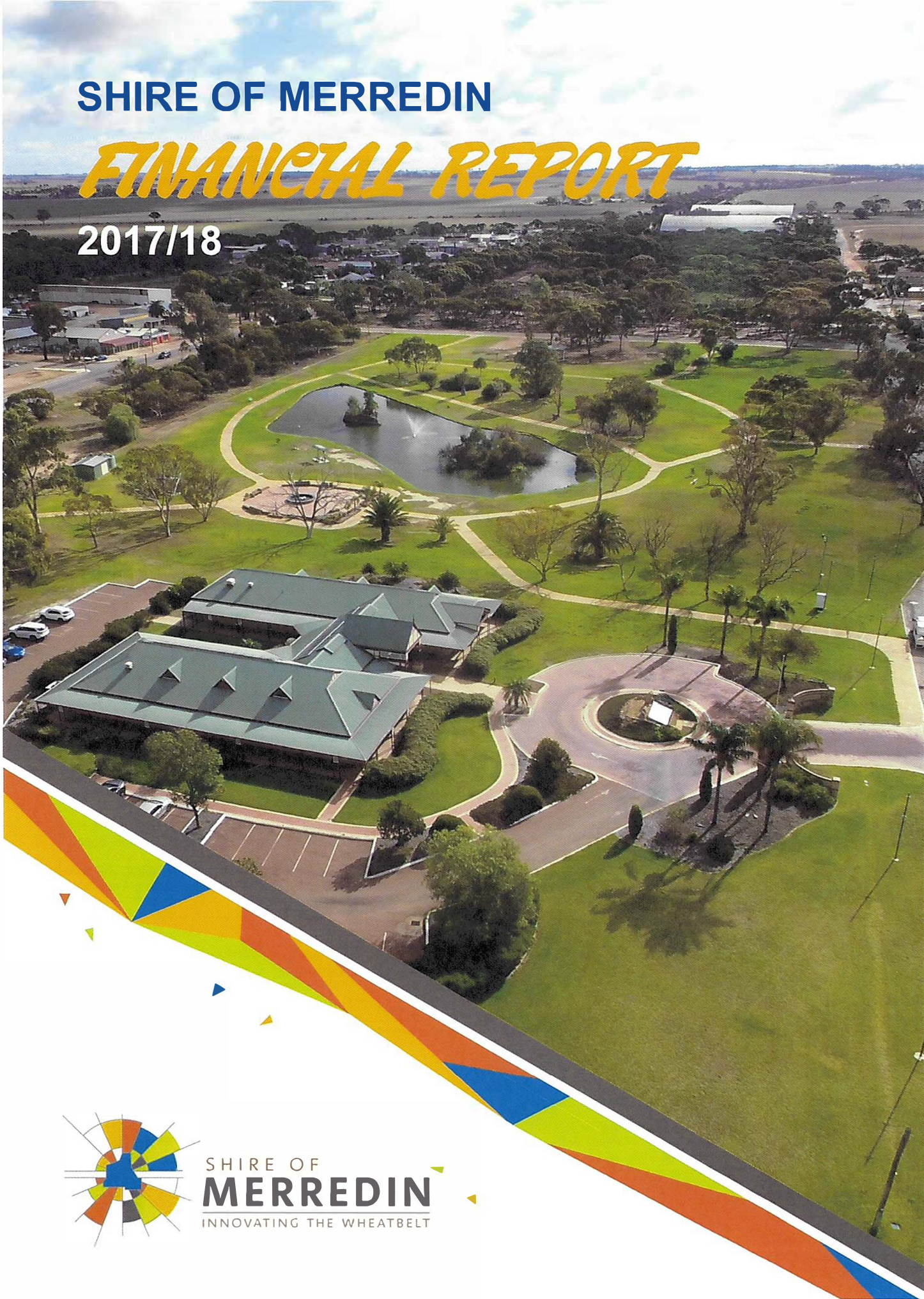
### Corporate Business Plan Actions

- |    |   |   |
|----|---|---|
| 1. | Progressively upgrade Merredin's independent water scheme   |  |
| 2. | Investigate the feasibility to extend the reticulation along the Great Eastern Highway for verge enhancement  |  |
| 3. | Investigate the feasibility and opportunity to install solar panels on Shire facilities with high power usage |  |

SHIRE OF MERREDIN

*FINANCIAL REPORT*

2017/18



SHIRE OF  
**MERREDIN**  
INNOVATING THE WHEATBELT



**SHIRE OF MERREDIN**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

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**COMMUNITY VISION**

Merredin is a sustainable regional

Principal place of business:  
Crn Barrack & Kings Street  
Merredin WA 6415

**SHIRE OF MERREDIN  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Merredin for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the Shire of Merredin at 30 June 2018 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 13th day of September 2018



**Chief Executive Officer**

Gregory Stephen Powell  
**Name of Chief Executive Officer**

**STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
Rates	21(a)	4,043,223	4,040,733	3,896,130
Operating grants, subsidies and contributions	2	2,993,599	1,891,766	4,094,823
Fees and charges	2(a)	1,324,675	1,320,892	1,614,638
Interest earnings	2(a)	574,787	514,360	564,130
Other revenue		530,809	165,450	422,643
		<u>9,467,093</u>	<u>7,933,201</u>	<u>10,592,364</u>
<b>Expenses</b>				
Employee costs		(2,939,615)	(3,174,102)	(2,978,717)
Materials and contracts		(2,824,643)	(2,755,125)	(2,345,020)
Utility charges		(421,718)	(431,695)	(458,878)
Depreciation on non-current assets	9(b)	(4,118,392)	(4,100,778)	(4,075,456)
Interest expenses	2(a)	(78,743)	(67,007)	(71,098)
Insurance expenses		(180,618)	(188,247)	(189,773)
Other expenditure		(559,746)	(158,897)	(321,892)
		<u>(11,123,475)</u>	<u>(10,875,851)</u>	<u>(10,440,834)</u>
		(1,656,382)	(2,942,650)	151,530
Non-operating grants, subsidies and contributions	2	(3,652,878)	1,754,741	1,531,634
Profit on asset disposals	9(a)	6,631	29,476	0
(Loss) on asset disposals	9(a)	(256,343)	(105,340)	(112,560)
<b>Net result</b>		<b>(5,558,972)</b>	<b>(1,263,773)</b>	<b>1,570,604</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	123,117,733	0	3,461,665
<b>Total other comprehensive income</b>		<b>123,117,733</b>	<b>0</b>	<b>3,461,665</b>
<b>Total comprehensive income</b>		<b>117,558,761</b>	<b>(1,263,773)</b>	<b>5,032,269</b>

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

**STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
<b>Revenue</b>				
	2(a)			
Governance		55,317	37,700	49,561
General purpose funding		6,965,993	5,714,499	8,001,927
Law, order, public safety		243,567	239,803	251,855
Health		24,926	39,600	52,863
Education and welfare		40,102	20,100	21,411
Housing		159,084	153,980	165,188
Community amenities		823,891	553,036	778,202
Recreation and culture		659,337	671,730	629,904
Transport		213,298	293,112	316,566
Economic services		150,509	151,841	227,570
Other property and services		131,069	57,800	97,316
		<u>9,467,093</u>	<u>7,933,201</u>	<u>10,592,363</u>
<b>Expenses</b>				
	2(a)			
Governance		(508,826)	(560,939)	(475,937)
General purpose funding		(111,769)	(82,002)	(115,878)
Law, order, public safety		(635,284)	(657,445)	(647,941)
Health		(246,549)	(281,134)	(246,521)
Education and welfare		(104,424)	(98,173)	(100,326)
Housing		(230,719)	(243,256)	(245,709)
Community amenities		(1,390,940)	(963,140)	(958,313)
Recreation and culture		(2,881,396)	(2,901,733)	(2,802,678)
Transport		(4,156,004)	(4,070,122)	(3,872,822)
Economic services		(767,090)	(963,577)	(863,227)
Other property and services		(11,731)	12,677	(40,384)
		<u>(11,044,732)</u>	<u>(10,808,844)</u>	<u>(10,369,736)</u>
<b>Finance Costs</b>				
	2(a)			
Education and welfare		(45,115)	(37,430)	(31,012)
Other property and services		(33,628)	(29,577)	(40,086)
		<u>(78,743)</u>	<u>(67,007)</u>	<u>(71,098)</u>
		<u>(1,656,382)</u>	<u>(2,942,650)</u>	<u>151,529</u>
Non-operating grants, subsidies and contributions	2	(3,652,878)	1,754,741	1,531,634
Profit on disposal of assets	9(a)	6,631	29,476	0
(Loss) on disposal of assets	9(a)	(256,343)	(105,340)	(112,561)
		<u>(3,902,590)</u>	<u>1,678,877</u>	<u>1,419,073</u>
<b>Net result</b>		<b>(5,558,972)</b>	<b>(1,263,773)</b>	<b>1,570,602</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	123,117,733	0	3,461,665
<b>Total other comprehensive income</b>		<b>123,117,733</b>	<b>0</b>	<b>3,461,665</b>
<b>Total comprehensive income</b>		<b>117,558,761</b>	<b>(1,263,773)</b>	<b>5,032,267</b>

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



**STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2018**

	NOTE	2018	2017
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	23,942,051	28,940,062
Trade and other receivables	5	796,700	501,319
Inventories	6	142,981	193,376
<b>TOTAL CURRENT ASSETS</b>		<b>24,881,732</b>	<b>29,634,757</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	5	445,733	487,299
Inventories	6	580,521	965,477
Property, plant and equipment	7	43,823,101	43,087,533
Infrastructure	8	410,531,477	287,618,215
<b>TOTAL NON-CURRENT ASSETS</b>		<b>455,380,832</b>	<b>332,158,524</b>
<b>TOTAL ASSETS</b>		<b>480,262,564</b>	<b>361,793,281</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,446,281	332,374
Current portion of long term borrowings	12(a)	231,069	219,405
Provisions	13	508,371	518,205
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,185,721</b>	<b>1,069,984</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	12(a)	1,092,224	1,323,293
Provisions	13	54,783	28,930
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,147,007</b>	<b>1,352,223</b>
<b>TOTAL LIABILITIES</b>		<b>3,332,728</b>	<b>2,422,207</b>
<b>NET ASSETS</b>		<b>476,929,835</b>	<b>359,371,074</b>
<b>EQUITY</b>			
Retained surplus		66,517,094	66,137,613
Reserves - cash backed	4	19,913,740	25,852,192
Revaluation surplus	10	390,499,001	267,381,272
<b>TOTAL EQUITY</b>		<b>476,929,835</b>	<b>359,371,077</b>

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2018**

		RESERVES			
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
<b>Balance as at 1 July 2016</b>		<b>84,464,067</b>	<b>5,955,136</b>	<b>263,919,607</b>	<b>354,338,810</b>
Comprehensive income					
Net result		1,570,602	0	0	1,570,602
Changes on revaluation of assets	10	0	0	3,461,665	3,461,665
Total comprehensive income		1,570,602	0	3,461,665	5,032,267
Transfers from/(to) reserves		(19,897,056)	19,897,056	0	0
<b>Balance as at 30 June 2017</b>		<b>66,137,613</b>	<b>25,852,192</b>	<b>267,381,272</b>	<b>359,371,077</b>
Comprehensive income					
Net result		(5,558,972)	0	0	(5,558,972)
Changes on revaluation of assets	10	0	0	123,117,733	123,117,733
Total comprehensive income		(5,558,972)	0	123,117,733	117,558,761
Transfers from/(to) reserves		5,938,452	(5,938,452)	0	0
<b>Balance as at 30 June 2018</b>		<b>66,517,094</b>	<b>19,913,740</b>	<b>390,499,001</b>	<b>476,929,838</b>

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2018**


	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		4,020,160	4,100,733	3,902,236
Operating grants, subsidies and contributions		2,735,362	1,818,955	3,991,011
Fees and charges		1,324,675	1,320,892	1,614,639
Interest earnings		574,787	514,360	564,131
Goods and services tax		0	(10,000)	
Other revenue		530,809	165,450	422,643
		<u>9,185,793</u>	<u>7,910,390</u>	<u>10,494,660</u>
<b>Payments</b>				
Employee costs		(2,915,232)	(3,267,102)	(3,026,453)
Materials and contracts		(1,667,877)	(2,845,611)	(4,475,325)
Utility charges		(421,718)	(431,695)	(458,878)
Interest expenses		(79,571)	(67,007)	(63,415)
Insurance expenses		(180,618)	(188,247)	(189,773)
Goods and services tax		0	0	14
Other expenditure		(559,746)	(158,897)	(321,892)
		<u>(5,824,762)</u>	<u>(6,958,559)</u>	<u>(8,535,722)</u>
<b>Net cash provided by (used in) operating activities</b>	14	<u>3,361,031</u>	<u>951,831</u>	<u>1,958,938</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for development of Land held for resale		384,956	178,707	55,853
Payments for purchase of property, plant & equipment		(2,681,451)	(15,524,374)	(1,982,798)
Payments for construction of infrastructure		(2,660,295)	(3,522,551)	(2,460,047)
Non-operating grants, subsidies and contributions		(3,652,878)	1,754,741	1,531,634
Proceeds from sale of fixed assets		442,545	322,501	252,794
<b>Net cash provided by (used in) investment activities</b>		<u>(8,167,123)</u>	<u>(16,790,976)</u>	<u>(2,602,564)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of long term borrowings		(219,405)	(219,405)	(158,039)
Proceeds from self supporting loans		27,485	27,485	27,485
Proceeds from new long term borrowings		0	2,000,000	600,000
<b>Net cash provided by (used in) financing activities</b>		<u>(191,920)</u>	<u>1,808,080</u>	<u>469,446</u>
<b>Net increase (decrease) in cash held</b>		<u>(4,998,012)</u>	<u>(14,031,065)</u>	<u>(174,180)</u>
Cash at beginning of year		28,940,062	28,940,406	29,114,242
<b>Cash and cash equivalents at the end of the year</b>	14	<u>23,942,050</u>	<u>14,909,341</u>	<u>28,940,062</u>

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

**RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>		2,904,504	2,865,040	20,788,501
		2,904,504	2,865,040	20,788,501
<b>Revenue from operating activities (excluding rates)</b>				
Governance		59,087	48,244	49,561
General purpose funding		2,972,811	1,723,807	4,145,826
Law, order, public safety		243,567	244,265	251,855
Health		27,787	39,600	52,863
Education and welfare		40,102	20,100	21,411
Housing		159,084	153,980	165,188
Community amenities		823,891	553,036	778,202
Recreation and culture		659,337	671,730	629,904
Transport		213,298	307,582	316,566
Economic services		150,509	151,841	227,570
Other property and services		131,069	57,800	97,316
		5,480,542	3,971,985	6,736,262
<b>Expenditure from operating activities</b>				
Governance		(508,826)	(560,939)	(475,937)
General purpose funding		(111,769)	(82,002)	(115,878)
Law, order, public safety		(639,096)	(657,445)	(647,941)
Health		(482,812)	(293,288)	(249,180)
Education and welfare		(149,539)	(135,603)	(131,338)
Housing		(230,719)	(243,256)	(245,709)
Community amenities		(1,390,940)	(963,140)	(958,313)
Recreation and culture		(2,881,396)	(2,901,733)	(2,809,244)
Transport		(4,164,619)	(4,138,865)	(3,928,030)
Economic services		(767,090)	(963,577)	(863,227)
Other property and services		(53,012)	(41,343)	(128,598)
		(11,379,818)	(10,981,191)	(10,553,395)
<b>Operating activities excluded</b>				
(Profit) on disposal of assets	9(a)	(6,631)	(29,476)	0
Loss on disposal of assets	9(a)	256,343	105,340	112,560
Movement in deferred pensioner rates (non-current)		12,707	0	(2,800)
Movement in employee benefit provisions (non-current)		25,853	0	(78,007)
Depreciation and amortisation on assets	9(b)	4,118,392	4,100,778	4,075,456
<b>Amount attributable to operating activities</b>		1,411,892	32,476	21,078,577
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		(3,652,878)	1,754,741	1,531,634
Proceeds from disposal of assets	9(a)	442,545	322,501	252,794
Purchase of land held for resale		384,956	178,707	55,853
Purchase of property, plant and equipment	7(b)	(2,681,451)	(15,524,374)	(1,982,798)
Purchase and construction of infrastructure	8(b)	(2,660,295)	(3,522,551)	(2,460,047)
<b>Amount attributable to investing activities</b>		(8,167,123)	(16,790,976)	(2,602,564)
<b>FINANCING ACTIVITIES</b>				
Repayment of long term borrowings	12(a)	(219,405)	(219,405)	(158,039)
Proceeds from new long term borrowings	12(b)	0	2,000,000	600,000
Proceeds from self supporting loans	12(a)	27,485	27,485	27,485
Transfers to reserves (restricted assets)	4	(1,506,970)	(3,498,623)	(20,861,054)
Transfers from reserves (restricted assets)	4	7,445,420	14,637,221	963,998
<b>Amount attributable to financing activities</b>		5,746,530	12,946,678	(19,427,610)
<b>Surplus(deficiency) before general rates</b>		(1,008,701)	(3,811,822)	(951,597)
<b>Total amount raised from general rates</b>	21	3,993,182	3,990,692	3,856,101
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	22	<b>2,984,481</b>	<b>178,870</b>	<b>2,904,504</b>

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



## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2018

### 1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities and to the extent they are not inconsistent with the *Local Government Act 1995* and accompanying regulations.), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

#### CRITICAL ACCOUNTING ESTIMATES

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

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

#### THE LOCAL GOVERNMENT REPORTING ENTITY

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

#### THE LOCAL GOVERNMENT REPORTING ENTITY (Continued)

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 24 to these financial statements.

#### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Land under roads

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

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES

(a) Revenue	2018 Actual	2017 Actual
	\$	\$
<b>Fees and Charges</b>		
Governance	6,372	11,924
General purpose funding	21,190	19,916
Law, order, public safety	190,645	187,062
Health	24,926	52,863
Housing	154,539	163,829
Community amenities	625,240	714,970
Recreation and culture	172,900	306,718
Transport	17,127	16,817
Economic services	99,745	125,422
Other property and services	11,991	15,117
	1,324,675	1,614,638

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

**Grant Revenue**

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

	2018	2017
	\$	\$
<b>Operating grants, subsidies and contributions</b>		
General purpose funding	2,307,541	3,517,227
Law, order, public safety	40,999	61,359
Community amenities	41,982	12,955
Recreation and culture	454,351	223,372
Transport	111,912	223,580
Economic services	36,814	56,330
	<u>2,993,599</u>	<u>4,094,823</u>
<b>Non-operating grants, subsidies and contributions</b>		
Recreation and culture	0	35,559
Transport	1,326,883	1,482,350
Economic services	20,239	13,725
Other property and services	(5,000,000)	0
	<u>(3,652,878)</u>	<u>1,531,634</u>
<b>Total grants, subsidies and contributions</b>	<u>(659,279)</u>	<u>5,626,457</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, Donations and Other Contributions**

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

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

**Grants, Donations and Other Contributions (Continued)**

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 20. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

**Interest earnings**

- Loans receivable - clubs/institutions  
- Reserve funds  
- Other funds  
Other interest revenue (refer note 21(b))

	2018	2018	2017
	Actual	Budget	Actual
	\$	\$	\$
- Loans receivable - clubs/institutions	20,102	20,100	21,411
- Reserve funds	406,535	392,260	408,428
- Other funds	81,742	40,000	65,980
Other interest revenue (refer note 21(b))	66,408	62,000	68,311
	<u>574,787</u>	<u>514,360</u>	<u>564,130</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

	2018	2017
	\$	\$
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	11,073	10,457
- Additional Annuals & Financial Management Review	800	1,600
- Disbursements	2,462	1,784
	<u>14,335</u>	<u>13,841</u>
<b>Interest expenses (finance costs)</b>		
Long term borrowings (refer Note 12(a))	78,743	71,098
	<u>78,743</u>	<u>71,098</u>
<b>Rental charges</b>		
- Operating leases	19,332	55,618
	<u>19,332</u>	<u>55,618</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

**3. CASH AND CASH EQUIVALENTS**

	NOTE	2018	2017
		\$	\$
Unrestricted		4,028,310	3,087,869
Restricted		19,913,741	25,852,193
		<u>23,942,051</u>	<u>28,940,062</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	4	530,972	484,416
Plant Replacement Reserve	4	780,669	874,657
Heritage Reserve	4	7,591	7,430
Building Reserve	4	827,505	713,033
Land & Development Reserve	4	1,161,446	983,598
Recreation Reserve	4	491,721	259,674
Disaster Relief Reserve	4	8,074	7,907
Road Reinstatement Reserve	4	26,411	25,850
Cummings Street Units Reserve	4	52,363	51,252
Waste Management Reserve	4	118,725	43,235
Environmental Initiatives Reserve	4	51,961	50,854
Unspent Grants Reserve	4	15,792,424	22,350,286
ITC Reserve	4	63,878	0
		<u>19,913,740</u>	<u>25,852,192</u>

**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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk

**Cash and cash equivalents (Continued)**

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

4. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	484,416	46,556		530,972	484,416	110,657		595,073	473,424	10,992		484,416
Plant Replacement Reserve	874,657	19,932	(113,919)	780,670	874,656	572,886	(803,600)	643,942	1,015,625	124,667	(265,636)	874,656
Heritage Reserve	7,430	162		7,592	7,430	15,687		23,117	7,242	188		7,430
Building Reserve	713,033	114,472		827,505	713,032	0		713,032	694,961	18,072		713,033
Land & Development Reserve	983,598	177,847		1,161,445	983,598	2,021,659	(90,000)	2,915,257	1,113,600	177,283	(307,285)	983,598
Recreation Reserve	259,674	232,048		491,722	259,674	229,624		489,298	272,029	6,705	(19,060)	259,674
Disaster Relief Reserve	7,907	167		8,074	7,906	174		8,080	7,706	200		7,906
Road Reinstatement Reserve	25,850	561		26,411	25,850	569		26,419	25,195	655		25,850
Cummings Street Units Reserve	51,252	1,111		52,363	51,252	1,128		52,380	49,953	1,299		51,252
Waste Management Reserve	43,235	75,490		118,725	43,235	84,299		127,534	42,139	1,096		43,235
Environmental Initiatives Reserve	50,854	1,107		51,961	50,855	1,119	(30,000)	21,974	49,489	1,366		50,855
Unspent Grants Reserve	22,350,286	773,639	(7,331,501)	15,792,424	22,350,287	397,631	(13,713,621)	9,034,297	2,203,773	20,518,531	(372,017)	22,350,287
ITC Reserve	0	63,878		63,878	0	63,190		63,190	0	0		0
	25,852,192	1,506,970	(7,445,420)	19,913,742	25,852,191	3,498,623	(14,637,221)	14,713,593	5,955,136	20,861,054	(963,998)	25,852,192

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

In accordance with council resolutions of June 2018, 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
Leave Reserve		To be utilised to fund staff leave as required.
Plant Replacement Reserve		To be utilised to fund future capital plant purchases.
Heritage Reserve		To be Closed in 2018/2019
Building Reserve		To be utilised to fund future building construction and major maintenance within the Shire of Merredin.
Land & Development Reserve		To be utilised to fund major land development/purchases within the Shire of Merredin.
Recreation Reserve		To be utilised to fund future development and major renewals in relation to Recreation.
Disaster Relief Reserve		To be utilised to contribute to liabilities arising from a declared natural disaster that meets WAANDRA eligibility minimum spend.
Road Reinstatement Reserve		To be Closed in 2018/2019
Cummings Street Units Reserve		To be utilised to fund full maintenance and capital costs associated with Council owned units in Cummings Street Merredin.
Waste Management Reserve		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.
Environmental Initiatives Reserve		To be Closed in 2018/2019
Unspent Grants Reserve		To be utilised for the quaranting of Grant Monies awaiting completion of Works.
ITC Reserve		To be utilised to fund future ITC within the Shire of Merredin.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**5. TRADE AND OTHER RECEIVABLES**

**Current**

Rates outstanding  
Sundry debtors  
Loans receivable - clubs/institutions  
Payments in Advance

**Non-current**

Rates outstanding - pensioners  
Loans receivable - clubs/institutions

Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:

**Rates outstanding**

Includes:

Past due and not impaired

**Sundry debtors**

Includes:

Past due and not impaired

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Rates outstanding	396,680	360,910
Sundry debtors	452,096	173,735
Loans receivable - clubs/institutions	28,859	27,485
Payments in Advance	(80,935)	(60,811)
	<b>796,700</b>	<b>501,319</b>
Rates outstanding - pensioners	88,426	101,133
Loans receivable - clubs/institutions	357,307	386,166
	<b>445,733</b>	<b>487,299</b>
Past due and not impaired	396,680	360,910
Past due and not impaired	13,214	100,944

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**Classification and subsequent measurement**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**6. INVENTORIES**

**Current**

Fuels & Materials

**Non-current**

Land held for resale - cost

Cost of acquisition

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
	142,981	193,376
	<b>142,981</b>	<b>193,376</b>
	580,521	965,477
	<b>580,521</b>	<b>965,477</b>

**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 sale**

Land held for development and sale 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 sale (Continued)**

Finance 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 on to the buyer at this point.

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

7 (a). PROPERTY, PLANT AND EQUIPMENT

Land and buildings	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Land - freehold land at:		
- Independent valuation 2017 - level 2 & 3	2,329,000	2,329,000
	<u>2,329,000</u>	<u>2,329,000</u>
Land - vested in and under the control of Council at:		
- Independent valuation 2017 - level 3	760,000	760,000
	<u>760,000</u>	<u>760,000</u>
<b>Total land</b>	<b>3,089,000</b>	<b>3,089,000</b>
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	3,489,161	3,489,161
- Additions	72,193	0
Less: accumulated depreciation	(404,182)	(300,533)
	<u>3,157,172</u>	<u>3,188,628</u>
Buildings - specialised at:		
- Independent valuation 2017 - level 3	34,499,151	34,567,344
- Additions	2,301,557	0
- Disposals	(532,973)	0
Less: accumulated depreciation	(2,610,942)	(1,958,038)
	<u>33,656,793</u>	<u>32,609,306</u>
<b>Total buildings</b>	<b>36,813,965</b>	<b>35,797,934</b>
<b>Total land and buildings</b>	<b>39,902,965</b>	<b>38,886,934</b>
Furniture and equipment at:		
- Independent valuation 2016 - level 3	220,527	220,527
- Management valuation 2017 - level 3	66,642	66,642
- Additions	47,103	0
Less: accumulated depreciation	(46,504)	(27,339)
	<u>287,768</u>	<u>259,830</u>
Plant and equipment at:		
- Independent valuation 2016 - level 3	3,184,510	3,184,510
- Management valuation 2016 - level 3	1,121,375	1,188,158
- Additions	260,596	0
- Disposals	(159,284)	0
Less: accumulated depreciation	(999,329)	(656,399)
	<u>3,407,868</u>	<u>3,716,269</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**7 (a). PROPERTY, PLANT AND EQUIPMENT (Continued)**

Land Freehold at:

- Management valuation 2017 - level 2 & 3

Less: accumulated depreciation

**Total property, plant and equipment**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
	224,500	224,500
	0	0
	<b>224,500</b>	<b>224,500</b>
	<b>43,823,101</b>	<b>43,087,533</b>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - non-specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Land Freehold	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	2,013,100	570,000	2,583,100	3,122,466	29,537,811	32,660,277	35,243,377	264,582	3,621,205	188,200	39,317,364
Additions			0	151,285	1,254,461	1,405,746	1,405,746	14,734	562,318		1,982,798
Revaluation increments/ (decrements) transferred to revaluation surplus	315,900	190,000	505,900	17,876	2,501,589	2,519,465	3,025,365			36,300	3,061,665
Depreciation (expense)	0	0	0	(102,999)	(684,555)	(787,554)	(787,554)	(19,486)	(467,254)		(1,274,294)
Carrying amount at 30 June 2017	2,329,000	760,000	3,089,000	3,188,628	32,609,306	35,797,934	38,886,934	259,830	3,716,269	224,500	43,087,533
Additions			0	72,194	2,301,558	2,373,752	2,373,752	47,103	260,596		2,681,451
(Disposals)			0		(532,973)	(532,973)	(532,973)		(159,284)		(692,257)
Depreciation (expense)			0	(103,650)	(721,098)	(824,748)	(824,748)	(19,165)	(409,713)		(1,253,626)
Carrying amount at 30 June 2018	2,329,000	760,000	3,089,000	3,157,172	33,656,793	36,813,965	39,902,965	287,768	3,407,868	224,500	43,823,101

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2 & 3	Observed open market valuations, adjusted for condition and comparability.	Independent Valuation	2017	Price per Hectare / Current Conditions
Land - vested in and under the control of Council	3	Market approach using recent market data/income approach using discounted cash flow methodology.	Independent Valuation	2017	Price per Hectare / Current Conditions / Market Discount Rate
Buildings - non-specialised	2	Observed open market valuations, adjusted for condition and comparability.	Independent Valuation	2017	Price per Hectare
Buildings - specialised	3	Cost approach using depreciated replacement cost.	Independent Valuation	2017	Improvements to land using construction costs and current conditions (Level 2) and remaining useful life assessments (Level 3)
<b>Furniture and equipment</b>	3	Cost approach using depreciated replacement cost.	Independent Valuation	2017	Purchase costs and current condition (Level 2) and remaining useful life assessments (Level 3)
<b>Plant and equipment</b>					
- Independent valuation 2016	3	Cost approach using depreciated replacement cost.	Independent Valuation	2016	Purchase costs and current condition (Level 2) and remaining useful life assessments (Level 3)
- Management valuation 2016	3	Cost approach using depreciated replacement cost.	Management Valuation	2016	Purchase costs and current condition (Level 2) and remaining useful life assessments (Level 3)

**Land Freehold**

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

8 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Infrastructure - Roads		
- Management valuation 2018 - level 3	421,139,283	0
- Management valuation 2017 - level 3	0	276,948,486
Less: accumulated depreciation	(35,184,634)	(3,573,618)
	<u>385,954,649</u>	<u>273,374,868</u>
Infrastructure - Footpaths		
- Management valuation 2018 - level 3	8,880,209	0
- Management valuation 2017 - level 3	0	6,231,812
Less: accumulated depreciation	(2,119,791)	(636,658)
	<u>6,760,418</u>	<u>5,595,154</u>
Infrastructure - Drainage		
- Management valuation 2018 - level 3	24,106,456	0
- Management valuation 2017 - level 3	0	4,393,889
Less: accumulated depreciation	(11,484,643)	(931,497)
	<u>12,621,813</u>	<u>3,462,392</u>
Infrastructure - Parks & Gardens		
- Management valuation 2018 - level 3	4,829,997	0
- Management valuation 2017 - level 3	452,524	5,244,666
Less: accumulated depreciation	(87,924)	(58,865)
	<u>5,194,597</u>	<u>5,185,801</u>
<b>Total infrastructure</b>	<u>410,531,477</u>	<u>287,618,215</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

**8. INFRASTRUCTURE (Continued)**

(b) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Gardens	Total Infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2016	272,987,329	5,829,475	3,937,291	5,605,235	288,359,330
Additions	2,281,898	147,218	16,262	14,669	2,460,047
Depreciation (expense)	(1,894,359)	(381,539)	(491,161)	(34,103)	(2,801,162)
Transfers				(400,000)	(400,000)
<b>Carrying amount at 30 June 2017</b>	<b>273,374,868</b>	<b>5,595,154</b>	<b>3,462,392</b>	<b>5,185,801</b>	<b>287,618,215</b>
Additions	2,332,353	290,087	0	37,855	2,660,295
Revaluation increments/ (decrements) transferred to revaluation surplus	112,205,450	1,261,325	9,650,958		123,117,733
Depreciation (expense)	(1,958,022)	(386,148)	(491,537)	(29,059)	(2,864,766)
<b>Carrying amount at 30 June 2018</b>	<b>385,954,649</b>	<b>6,760,418</b>	<b>12,621,813</b>	<b>5,194,597</b>	<b>410,531,477</b>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

8. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost.	Management Valuation	Jun 2018	Construction costs and current condition and remaining useful life assesment
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost.	Management Valuation	Jun 2018	Construction costs and current condition and remaining useful life assesment
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost.	Management Valuation	Jun 2018	Construction costs and current condition and remaining useful life assesment
Infrastructure - Parks & Gardens	3	Cost approach using depreciated replacement cost.	Management Valuation	Jun 2018	Construction costs and current condition and remaining useful life assesment

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**9. FIXED ASSETS**

**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 between mandatory revaluation dates**

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework.

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

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

**Revaluation**

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

**Land under control**

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

9. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Plant and Equipment</b>								
<b>Governance</b>								
2016 Ford Falcon Sedan	22,413	17,273	0	(5,140)	26,298	18,000	0	(8,298)
2017 Holden Caprice Sedan					35,956	46,500	10,544	0
2016 Toyota Kruger Stn Sedan	31,685	35,455	3,770	0	36,154	24,000	0	(12,154)
2015 Mazda Stn Sedan	20,514	18,000	0	(2,514)	20,991	17,000	0	(3,991)
<b>Law, order, public safety</b>								
Rangers Utility	18,357	14,545	0	(3,812)	17,538	22,000	4,462	0
<b>Health</b>								
2016 Toyota Kruger Stn Sedan	31,684	34,545	2,861	0	36,154	24,000	0	(12,154)
<b>Education and welfare</b>								
<b>Medical Centre</b>								
Medical Centre	532,738	300,000	0	(232,738)				
Auto Control Doors	235	0	0	(235)				
Compactus	1,389		0	(1,389)				
Telephone System	1,900		0	(1,900)				
<b>Transport</b>								
2016 Isuzu D Max Utility					30,890	24,000	0	(6,890)
Construction Supervisor Utility					30,224	17,000	0	(13,224)
Grader					82,115	55,000	0	(27,115)
Dual Cab Truck					34,641	30,000	0	(4,641)
Tractor	31,342	22,727	0	(8,615)	30,530	45,000	14,470	0
Sweeper					16,874	0	0	(16,874)
	692,257	442,545	6,631	(256,343)	398,365	322,500	29,476	(105,341)

(b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	103,650	102,999
Buildings - specialised	721,098	684,555
Furniture and equipment	19,165	19,486
Plant and equipment	409,713	467,254
Infrastructure - Roads	1,958,022	1,894,359
Infrastructure - Footpaths	386,148	381,539
Infrastructure - Drainage	491,537	491,161
Infrastructure - Parks & Gardens	29,059	34,103
	4,118,392	4,075,456

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**9. FIXED ASSETS (Continued)**

**(b) Depreciation (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

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

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

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

**Depreciation rates**

Major depreciation periods used for each class of depreciable asset are:

**Depreciation (Continued)**

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

10. REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation Increment	2018 Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation Increment	2017 Total Movement on Revaluation	2017 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus -Land - freehold land	25,824,503	0	0	25,824,503	22,762,838	3,061,665	3,061,665	25,824,503
Revaluation surplus -Furniture and equipment	41,913	0	0	41,913	41,913		0	41,913
Revaluation surplus -Plant and equipment	1,199,772	0	0	1,199,772	1,199,772		0	1,199,772
Revaluation surplus - Infrastructure - Roads	206,555,668	112,205,450	112,205,450	318,761,118	206,155,668	400,000	400,000	206,555,668
Revaluation surplus - Infrastructure - Footpaths	10,356,495	1,261,325	1,261,325	11,617,820	10,356,495		0	10,356,495
Revaluation surplus - Infrastructure - Drainage	21,303,941	9,650,958	9,650,958	30,954,899	21,303,941		0	21,303,941
Revaluation surplus - Infrastructure - Parks & Gardens	2,098,980	0	0	2,098,980	2,098,980		0	2,098,980
	267,381,272	123,117,733	123,117,733	390,499,001	263,919,607	3,461,665	3,461,665	267,381,272

Movements on revaluation of fixed assets 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**11. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
Accrued interest on long term borrowings  
Accrued salaries and wages  
ATO liabilities  
Accrued Expenses

	2018	2017
	\$	\$
	1,343,388	168,845
	14,584	15,412
	88,309	84,945
	0	(5,000)
	0	68,172
	<b>1,446,281</b>	<b>332,374</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other payables**

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

**Trade and other payables (Continued)**

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



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

12. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Principal	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments	
	1 July 2017		Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>								
Loan 214 Amalgamated	528,987		140,002	140,002	388,985	388,985	33,628	29,577
<b>Education and welfare</b>								
Loan 217 CEACA Units	600,000		51,918	51,918	548,082	548,082	22,581	17,667
	<u>1,128,987</u>	<u>0</u>	<u>191,920</u>	<u>191,920</u>	<u>937,067</u>	<u>937,067</u>	<u>56,209</u>	<u>47,244</u>
	Principal	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments	
	1 July 2017		Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Self Supporting Loans</b>								
<b>Education and welfare</b>								
Loan 215 Merretville	413,710	0	27,485	27,485	386,225	386,225	22,534	19,763
	<u>413,710</u>	<u>0</u>	<u>27,485</u>	<u>27,485</u>	<u>386,225</u>	<u>386,225</u>	<u>22,534</u>	<u>19,763</u>
	<u>1,542,697</u>	<u>0</u>	<u>219,405</u>	<u>219,405</u>	<u>1,323,292</u>	<u>1,323,292</u>	<u>78,743</u>	<u>67,007</u>

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

**Borrowings**

	2018	2017
	\$	\$
Current	231,069	219,405
Non-current	<u>1,092,224</u>	<u>1,323,293</u>
	<u>1,323,293</u>	<u>1,542,698</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

12. INFORMATION ON BORROWINGS (Continued)

	2018	2017
	\$	\$
<b>Loan facilities</b>		
Loan facilities - current	231,069	219,405
Loan facilities - non-current	1,092,224	1,323,293
<b>Total facilities in use at balance date</b>	<b>1,323,293</b>	<b>1,542,698</b>
<b>Unused loan facilities at balance date</b>	<b>NIL</b>	<b>NIL</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**13. PROVISIONS**

	<b>Provision for Annual Leave</b>	<b>Provision for Long Service Leave</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Opening balance at 1 July 2017</b>			
Current provisions	327,255	190,950	518,205
Non-current provisions		28,930	28,930
	<u>327,255</u>	<u>219,880</u>	<u>547,135</u>
Additional provision	(8,878)	24,897	16,019
<b>Balance at 30 June 2018</b>	<u>318,377</u>	<u>244,777</u>	<u>563,154</u>
<b>Comprises</b>			
Current	318,377	189,994	508,371
Non-current		54,783	54,783
	<u>318,377</u>	<u>244,777</u>	<u>563,154</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**Other long-term employee benefits (Continued)**

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

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

**Provisions**

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

14. NOTES TO THE STATEMENT OF CASH FLOWS

**Reconciliation of Cash**

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

	<b>2018</b>	<b>2018</b>	<b>2017</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	23,942,051	14,909,341	28,940,062
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(5,558,972)	(1,263,773)	1,570,604
Non-cash flows in Net result:			
Depreciation	4,118,392	4,100,778	4,075,456
(Profit)/loss on sale of asset	249,712	75,864	112,560
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(281,300)	(22,811)	(97,690)
(Increase)/decrease in inventories	50,395	5,000	112,346
Increase/(decrease) in payables	1,113,907	(100,486)	(2,241,455)
Increase/(decrease) in provisions	16,019	(88,000)	(41,249)
Grants contributions for the development of assets	3,652,878	(1,754,741)	(1,531,634)
Net cash from operating activities	3,361,031	951,831	1,958,938

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

**15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<u>2018</u>	<u>2017</u>
	\$	\$
Governance	34,448	34,954
Law, order, public safety	900,687	1,061,311
Health	472,293	1,247,648
Education and welfare	2,851,320	2,938,321
Housing	1,595,344	1,653,570
Community amenities	3,149,172	3,575,455
Recreation and culture	21,430,464	21,818,427
Transport	72,175,538	70,032,359
Economic services	830,406	817,910
Other property and services	5,413,711	5,368,466
Unallocated	371,409,180	253,244,860
	<u>480,262,563</u>	<u>361,793,281</u>



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**16. CONTINGENT LIABILITIES**

The Shire of Merredin has a contingent Liability for the Reinstatement/Revegetation of the Chandler Road Landfill Site.

The Current Waste Management Reserve Fund Account currently has a balance of \$118,725 and this is considered to be adequate for 2018/2019.

Additional funds will need to be transferred over future years to fulfil councils commitment, however it should be noted that some rehabilitation occurs on an annual basis and is funded from the operating budget.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**17. LEASING COMMITMENTS**

The capital expenditure project outstanding at the end of the current reporting period represents the construction of the new recreation centre and purchase of a new truck (the prior year commitment was for the construction of the new recreation centre).

**(a) Operating Lease Commitments**

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

Payable:

- not later than one year
- later than one year but not later than five years
- later than five years

	<b>2018</b>	<b>2017</b>
	\$	\$
	1,608	19,332
	<b>1,608</b>	<b>19,332</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

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

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

**Leases (Continued)**

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

18. RELATED PARTY TRANSACTIONS

**Elected Members Remuneration**

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

	<b>2018 Actual</b>	<b>2018 Budget</b>	<b>2017 Actual</b>
	\$	\$	\$
Meeting Fees	68,832	73,562	72,119
President's allowance	13,494	13,628	13,360
Deputy President's allowance	3,374	3,407	3,340
Councillor Wardrobe	4,968	5,000	4,968
	<u>90,668</u>	<u>95,597</u>	<u>93,787</u>

**Key Management Personnel (KMP) Compensation Disclosure**

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

	<b>2018</b>	<b>2017</b>
	\$	\$
Short-term employee benefits	799,553	643,893
Post-employment benefits	89,374	71,974
Other long-term benefits	76,076	61,265
	<u>965,003</u>	<u>777,132</u>

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

These amounts represent long service benefits accruing during the year.

**Transactions with related parties**

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

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

The following transactions occurred with related parties:

	<b>2018</b>	<b>2017</b>
	\$	\$
Purchase of goods and services Associated Companies/Individuals	55,241	92,269





**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

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

*ii. 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.



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**19. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire of Merredin has no Trading Undertakings or Major Trading Undertakings

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

20. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing
	Balance <sup>(1)</sup>			Balance <sup>(1)</sup>			Balance
	1/07/16	2016/17	2016/17	30/06/17	2017/18	2017/18	30/06/18
	\$	\$	\$	\$	\$	\$	\$
<b>Law, order, public safety</b>							
Youth Development	0	10,000	0	10,000	93	(10,093)	0
<b>Community amenities</b>							
Barriers to Baiting		12,955		12,955	211	(4,192)	8,974
Promoting Electric Vehicles Viability				0	13,981	(7,686)	6,295
Inspiring Saline Water				0	8,000	(7,178)	822
Combating Vegetation Decline				0	20,000		20,000
<b>Recreation and culture</b>							
Kids Sport		27,000	(21,449)	5,551	10,052	(15,603)	0
Audience Development (CT)		86,096	(71,436)	14,660	34,846	(18,316)	31,190
Lenihan Park		10,000		10,000	93	(10,093)	0
Variable Speed Drives				0	25,000	(25,000)	0
Raise the Roof				0	121,352		121,352
Dept of Culture (RVIF)	18,313	40,580	(30,253)	28,640	398	(29,038)	0
CT Participation Grant 18/19				0	40,000		40,000
CT Trainee				0	17,995		17,995
CT Cummins Kids				0	5,000		5,000
<b>Transport</b>							
Totagin Hall Rd (Blackspot)	91,017	1,758	0	92,775	88,632		181,407
CBD Upgrade		150,000	(62,057)	87,943	1,432	(89,375)	0
CBD Business Case		30,455	(2,615)	27,840	453	(5,750)	22,543
<b>Economic services</b>							
CWVC Destination Merredin	0	53,944	(39,094)	14,850	138	(14,988)	0
Community Development Projects				0	9,000		9,000
<b>Other property and services</b>							
CEACA Stage I	2,106,722	35,786	(223,484)	1,919,024	28,503	(35,461)	1,912,066
CEACA Stage II	19,986,439	288,141	(148,533)	20,126,047	245,534	(6,227,505)	14,144,076
<b>Total</b>	<b>22,202,491</b>	<b>746,715</b>	<b>(598,921)</b>	<b>22,350,285</b>	<b>670,713</b>	<b>(6,500,278)</b>	<b>16,520,720</b>

Notes:

(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

21. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$
Differential general rate / general rate										
<b>Gross rental valuations</b>										
Gross Rental Values	10.1703	1,211	17,554,812	1,785,377	8,206	1,522	1,795,105	1,785,754	6,000	1,791,754
<b>Unimproved valuations</b>										
UV1 Rural	1.9270	319	81,003,008	1,560,928	(3,959)	39	1,557,008	1,561,053		1,561,053
UV2 Urban Rural	2.9300	44	3,763,000	110,256			110,256	110,256		110,256
UV3 Mining	3.5700	1	13,445	480	236	32	748	464		464
UV4 Special Use Wind farm	3.5700	14	3,885,000	138,695			138,695	138,695		138,695
UV5 Special Use Airstrip	3.5700	1	152,000	5,426			5,426	5,426		5,426
UV6 Merredin Power	3.5700	1	41,000	1,464			1,464	1,464		1,464
<b>Sub-Total</b>		1,591	106,412,265	3,602,626	4,483	1,593	3,608,702	3,603,112	6,000	3,609,112
<b>Minimum payment</b>										
<b>Gross rental valuations</b>										
Gross Rental Values	840	250	964,595	210,000			210,000	210,840		210,840
<b>Unimproved valuations</b>										
UV1 Rural	1,040	128	2,978,792	133,120			133,120	132,080		132,080
UV2 Urban Rural	1,040	39	707,900	40,560			40,560	40,560		40,560
UV3 Mining	200	4	11,147	800			800	600		600
UV4 Special Use Wind farm	1,040	0	0	0			0	0		0
UV5 Special Use Airstrip	1,040	0	0	0			0	0		0
UV6 Merredin Power	1,040	0	0	0			0	0		0
<b>Sub-Total</b>		421	4,662,434	384,480	0	0	384,480	384,080	0	384,080
Discounts/concessions (refer note 21(b))		2,012	111,074,699	3,987,106	4,483	1,593	3,993,182	3,987,192	6,000	3,993,192
<b>Total amount raised from general rate</b>							0			(2,500)
Ex-gratia rates							3,993,182			3,990,692
<b>Totals</b>							50,042			50,041
							4,043,224			4,040,733

**SIGNIFICANT ACCOUNTING POLICIES**

Rates

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



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

## 22. NET CURRENT ASSETS

Composition of net current assets for  
the purposes of the Rate Setting Statement

	2018 (30 June 2018 Carried Forward) \$	2018 (1 July 2017 Brought Forward) \$	2017 (30 June 2017 Carried Forward) \$
<b>Surplus/(Deficit) 1 July 17 brought forward</b>	2,904,504	2,904,504	2,904,501
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	4,028,310	3,087,869	3,087,869
Restricted	19,913,741	25,852,193	25,852,193
Receivables			
Rates outstanding	396,680	360,910	360,910
Sundry debtors	452,096	173,735	173,735
Loans receivable - clubs/institutions	28,859	27,485	27,485
Payments in Advance	(80,935)	(60,811)	(60,811)
Inventories			
Fuels & Materials	142,981	193,376	193,376
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(1,343,388)	(168,845)	(168,845)
Accrued interest on long term borrowings	(14,584)	(15,412)	(15,412)
Accrued salaries and wages	(88,309)	(84,945)	(84,945)
ATO liabilities	0	5,000	5,000
Accrued Expenses	0	(68,172)	(68,172)
Current portion of long term borrowings	(231,069)	(219,405)	(219,405)
Provisions			
Provision for annual leave	(318,377)	(327,255)	(327,255)
Provision for long service leave	(189,994)	(190,950)	(190,950)
<b>Unadjusted net current assets</b>	<b>22,696,011</b>	<b>28,564,773</b>	<b>28,564,773</b>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(19,913,740)	(25,852,192)	(25,852,192)
Less: Loans receivable - clubs/institutions	(28,859)	(27,485)	(27,485)
Add: Current portion of long term borrowings	231,069	219,405	219,405
<b>Adjusted net current assets - surplus/(deficit)</b>	<b>2,984,481</b>	<b>2,904,504</b>	<b>2,904,501</b>

### Difference

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**23. FINANCIAL RISK MANAGEMENT**

The Shire's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Shire's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Shire.

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 Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	23,942,051	28,940,062	23,942,051	28,940,062
Receivables	1,242,433	988,618	1,242,433	988,618
	<b>25,184,484</b>	<b>29,928,680</b>	<b>25,184,484</b>	<b>29,928,680</b>
<b>Financial liabilities</b>				
Payables	1,446,281	332,374	1,446,281	332,374
Borrowings	1,323,293	1,542,698	1,323,293	1,542,698
	<b>2,769,574</b>	<b>1,875,072</b>	<b>2,769,574</b>	<b>1,875,072</b>

Fair value is determined as follows:

Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**23. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. Council has an Investment Policy and the Policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

Cash is subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the Shire.

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by Local Government (Financial Management) Regulation 19C.

*Notes:*

<sup>(1)</sup> Sensitivity percentages based on management's expectation of future possible interest rate movements.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

**23. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Receivables**

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

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

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

The Shire makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Shire's credit risk at balance date was:

	<b>2018</b>	<b>2017</b>
	%	%
Percentage of rates and annual charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of other receivables		
- Current	93.00%	42.00%
- Overdue	7.00%	58.00%

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) 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.

The contractual undiscounted cash flows of the Shire's Payables and Borrowings are set out in the Liquidity Table below:

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2018</b>					
Payables	1,419,153			1,419,153	1,446,281
Borrowings	231,069	702,236	389,988	1,323,293	1,323,293
	1,650,222	702,236	389,988	2,742,446	2,769,574
<b>2017</b>					
Payables	332,374			332,374	332,374
Borrowings	219,405	965,831	661,378	1,846,614	1,542,698
	551,779	965,831	661,378	2,178,988	1,875,072

Borrowings are also 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 following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

Year ended 30 June 2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	231,069					1,092,224	1,323,293	5.00%
Weighted average Effective interest rate						4.63%		
<b>Year ended 30 June 2017</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	219,405					1,323,293	1,542,698	5.00%
Weighted average Effective interest rate						4.63%		

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**24. TRUST FUNDS**

Funds held at balance date over which the Shire has no control and which are not included in the financial statements are as follows:

	1 July 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
BCTIF Levy	208	5,852	(6,060)	0
BRB Levy	982	7,687	(8,669)	0
Housing Bonds	8,172	1,750	(1,230)	8,692
Nomination Deposits	0	480	(480)	0
Community Bus Fund	1,312	0	0	1,312
SBS Transmitter	2,220	0	0	2,220
Other Bonds	0	450	(350)	100
Youth Advisory Council	154	0	0	154
Hall/Gym Bonds	2,240	4,820	(3,170)	3,890
Sundry	67,455	10,000	(77,455)	0
Retention Monies	8,974	0	0	8,974
CEACA	1,294,070	753,793	0	2,047,863
	1,385,787	784,832	(97,414)	2,073,205

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

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

Management's assessment of the new and amended pronouncements that are relevant to the Shire, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title	Issued / Compiled	Applicable (1)	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.  The effect of this Standard will depend on the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability into the statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position when AASB 16 is adopted.  Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

Notes:

(1) Applicable to reporting periods commencing on or after the given date.



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FOR THE YEAR ENDED 30TH JUNE 2018

Title	Issued / Compiled	Applicable (1)	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> <li>- Assets received below fair value;</li> <li>- Transfers received to acquire or construct non-financial assets;</li> <li>- Grants received;</li> <li>- Prepaid rates;</li> <li>- Leases entered into at below market rates; and</li> <li>- Volunteer services.</li> </ul> <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

(1) Applicable to reporting periods commencing on or after the given date.

Adoption of New and Revised Accounting Standards

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

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

(i) AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities	1 January 2017
(ii) AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities	1 January 2017

## 26. OTHER SIGNIFICANT ACCOUNTING POLICIES

### a) Goods and services tax (GST)

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

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

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

### b) Current and non-current classification

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

### c) Rounding off figures

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

### d) Comparative figures

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

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

### e) Budget comparative figures

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

### f) Superannuation

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

### g) Fair value of assets and liabilities

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

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

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

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

### h) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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

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

### i) Impairment of assets

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

**27. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME</b>	<b>OBJECTIVE</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b>		
<b>GENERAL PURPOSE FUNDING</b>	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b>	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.
<b>HEALTH</b>	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
<b>EDUCATION AND WELFARE</b>	To provide services to disadvantaged persons, the elderly, children and youth	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.
<b>HOUSING</b>	To provide and maintain elderly residents housing.	Provision and maintenance of elderly residents housing.
<b>COMMUNITY AMENITIES</b>	To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences
<b>RECREATION AND CULTURE</b>	To establish and effectively manage infrastructure and resource which will help the social well being of the community.	Maintenance of public halls, civic centres, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
<b>TRANSPORT</b>	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. traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
<b>ECONOMIC SERVICES</b>	To help promote the shire and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes and Building Control.
<b>OTHER PROPERTY AND SERVICES</b>	To monitor and control Shire's overheads operating accounts.	Private works operation, plant repair and operation costs and engineering operation costs.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

28. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	2.96	6.46	0.64
Asset consumption ratio	0.90	0.73	0.73
Asset renewal funding ratio	0.83	0.83	0.84
Asset sustainability ratio	1.17	0.99	1.27
Debt service cover ratio	7.68	18.27	0.49
Operating surplus ratio	(0.32)	0.01	(0.45)
Own source revenue coverage ratio	0.52	0.58	0.56

The above ratios are calculated as follows:

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

**Notes:**

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants. In addition, two of the ratios were impacted by revenue and expenses associated with flood damage re-instatement which is considered one-off in nature.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.		1,223,125	
Amount of Financial Assistance Grant received in prior year relating to current year.	1,223,125		1,112,939
Amount of reimbursement for flood damage received			
Expenditure on flood damage re-instatement			





**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

If the events detailed above did not occur, the impacted ratios in the 2018, 2017 and 2016 columns on the previous page would be as follows:

	<b>2018</b>	<b>2017</b>	<b>2016</b>
Current ratio	2.23	4.37	1.20
Debt service cover ratio	3.58	12.93	9.36
Operating surplus ratio	(0.12)	0.20	(0.26)
Own source revenue coverage ratio	0.52	0.58	0.56

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE SHIRE OF MERREDIN**

**Report on the Financial Report**

**Opinion**

We have audited the financial report of the Shire of Merredin, which comprises the statement of financial position as at 30 June 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Chief Executive Officer.

In our opinion, the financial report of the Shire of Merredin is in accordance with the underlying records of the Shire, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

**Basis for Opinion**

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.


We are independent of the Shire in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

Management is responsible for the other information. The other information comprises the information in the Shire's annual report for the year ended 30 June 2018 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Shire's Responsibility for the Financial Report**

Shire is responsible for the preparation of the financial report which gives a true and fair view in accordance with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as the Shire determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.


### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.

- 
- Conclude on the appropriateness of Shire's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Shire to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Emphasis of Matter**


Without modifying our opinion, we draw attention to page 52 and 53 of the financial report "Financial Ratios", which describes certain ratio information relating to the financial report. Management's calculation of certain of these ratios includes assumptions about future capital expenditure and hence falls outside our audit scope. We do not therefore express an opinion on these ratios.

However, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and appear reasonable.

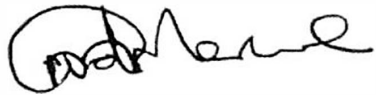
#### **Reporting on Other Legal and Regulatory Requirements**

We did not, during the course of our audit, become aware of any instances where the Shire did not comply with the statutory requirements of the Local Government Act (1995) (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

In accordance with the Local Government (audit) Regulations 1996, we also report that:

- 
- a) Apart from the operating surplus ratio that does not meet the minimum benchmark, there are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
  - b) The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).
  - c) All information and explanations required were obtained by us.
  - d) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE  
Director  
Perth  
Date: 17 September 2018