

SHIRE OF
MERREDIN
INNOVATING THE WHEATBELT



SHIRE OF MERREDIN
**ANNUAL
REPORT**
2020 - 2021

Acknowledgement to Country

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

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

Our Vision

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

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OUR ANNUAL REPORT

The Shire of Merredin is pleased to present the 2020 - 2021 Annual Report, which provides an account of the Shire's performance from 1 July 2020 to 30 June 2021, measuring against the Shire's vision and key priorities.

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 achievements and challenges that were experienced throughout the year.

For the Shire of Merredin, our community always comes first, so we like to provide financial and in-kind support to a number of community groups. You can see the full report on which community groups received funds from the Shire in 2020 - 2021 on page 29.

Strategic Community Plan

This annual report is organised to align with the Shire's Strategic Community Plan 2020 - 2030, which outlines the strategic direction for our area over the next 10 years. This plan is created in consultation with the community and sets out the community's vision, aspirations for the future and key strategies that will assist in

achieving our aspirations.

To read about the Shire's progress towards the objectives outlined in this document, please turn to page 15.

CEACA Opening

The 27 independent living unit Central East Accommodation and Care Alliance (CEACA) development in Merredin was officially opened in a ribbon cutting ceremony on Friday, 24 July 2020.

The ceremony was attended by a number of politicians including Hon. Tuck Waldron and Hon. Alannah MacTiernan MLC, representatives from the Shire of Merredin and other Local Governments from around the Wheatbelt, as well as CEACA residents and Merredin community members.

The Merredin CEACA units were completed in 2019 as part of the CEACA Senior Housing Project which has seen the construction of 71 independent living units over 11 Wheatbelt Shires. The units are located at the old North Merredin Primary School precinct adjacent to the Merredin Regional Library.

The completion of this high-quality housing project will assist in enabling many of our towns

ageing community members to remain in close proximity to local connections, services and support.

Give a Hoot, Don't Pollute

On Tuesday, 17 November, the Shire of Merredin held a short unveiling ceremony for the new Give a Hoot, Don't Pollute water refill station on the Visitor Centre lawn, funded through the Keep Australia Beautiful Grant. The artwork design of the station was chosen through the Keep Australia Beautiful Poster Competition in the Year 3/4 class at Merredin College. The selection panel for the competition consisted of the class teacher and the Community Development Officer at the Shire, with the winners being chosen as Reuben Davies and Mila Walker.

Community Citizen of the Year Awards

The Shire of Merredin continued to be a part of the Auspire Community Citizen of the Year awards program, with the winners announced at the 2021 Australia Day Breakfast. We would like to extend our congratulations to the following award recipients:

Citizen of the Year: Yvonne Gray
Senior Citizen of the Year: Mal Harper
Active Citizenship: A Choired Taste

Where to find this Report

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

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

Comments and Feedback

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

OUR SHIRE

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

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

Merredin is also a regional centre, serving the industrial and retail needs for surrounding eastern Wheatbelt Shires and as a base for a range of Government agencies and services.

Located on the Great Eastern Highway and having the benefit of railway facilities (Merredin is serviced daily by the Transwa Prospector train), it is convenient to find by road and rail.



FACT FILE

AREA



3,296
SQUARE KM

POPULATION



3,370
ESTIMATED

DWELLINGS



1,654
TOTAL

ELECTORS



2,176
PEOPLE

PATHWAYS



36,449
METRES

SEALED ROADS



565
KM

STREET TREES



3,536
ESTIMATED

PLAYGROUNDS



6

MORE ABOUT THE SHIRE OF MERREDIN

Population Density	1.02 per square km
Length of Unsealed Roads	866 km
Median Age of Residents	38
Aboriginal and Torres Strait Islander Population	7.0%
Median Weekly Household Income	\$1,364
Unemployment	5.3%

SHIRE PRESIDENT'S REPORT

On behalf of the Council, it is my pleasure to present the Shire of Merredin's 2020 - 2021 Annual Report.

Throughout the year, Councillors and Shire of Merredin staff maintained their focus on delivering high quality services and achieving the best outcomes for the future of our growing community.

Council had a strong focus on footpath upgrades, grading of gravel roads and road maintenance to ensure our residents are continued to be provided with a safe transport network. As part of this ongoing commitment to safety, the Shire constructed a new roundabout at the intersections of Woolgar Avenue and Throssell Road using allocated funds from the Local Roads and Community Infrastructure Program. This intersection had previously been identified as a concern in an independent road safety audit due to the misalignment of the roads.

The revitalisation of the southern entrance into Merredin begun in May 2021 with the planting of 340 native West Australian Eucalyptus Victrix trees, commonly known as Coolibah trees in order to create an avenue. \$282,000 of funding from the Local Roads and Community Infrastructure Program was used to complete this project.

Council continued to deliver an annual events program which included securing funding for a major festival from Lotterywest and Department of Local Government, Sport and Cultural Industries (DLGSC) and Department of Primary Industries and Regional Development.

COVID-19

Despite the easing of restrictions, COVID-19 continued to have an impact in many social and economical aspects within our community. Ongoing lockdowns in the Perth and Peel regions restricted travel to the Wheatbelt region and subsequently impacted tourism income. However, to acknowledge the ongoing hardships of local ratepayers, Council moved to not implement a rate increase for 2020 - 2021 at the July 2020 Special Council Meeting.

CBD Redevelopment

The Redevelopment of the Merredin CBD has been on Council's agenda since 2008, however, the Shire was unable to secure the required funding to be able to progress the project. The redevelopment has again come into prominence following the major community consultation for the Strategic Community Plan (SCP) 2020-2030. The main areas of focus in particular include two major infrastructure projects— Merredin Town Square and Apex Park.

In February 2021, to secure funding for the proposed Stage 1 works, Council resolved to endorse the reviewed town centre redevelopment concept plan for public consultation and, to direct the CEO to carry out the necessary work required to submit a Building Better Regions Fund (BBRF) application.

In 2021 the Shire of Merredin secured \$2,139,309 dollars in grant funding through the Federal Governments BBRF Round 5. The BBRF

funding will meet a substantial part of the cost of upgrading the main streets of Barrack and Bates and the adjacent parkland to transform Merredin's town centre. The Shire of Merredin will be matching the grant funding amount, for the development.

To ensure the smooth delivery of the CBD Redevelopment, the Shire has appointed a new Manager of Projects, who will be working closely with stakeholders and contractors to ensure that the project is completed within the allocated budget and set timeframes.

Tenders are expected to be released to the public in early 2022 with construction to commence in the new financial year and expected completion to take 18 months.

2021 Local Government Elections

I would like to congratulate and welcome new and returning Councillors Donna Crook, Julie Flockart, Romolo Patroni, and Megan Simmonds, who were elected after the reporting period at the October 2021 Local Government Elections, at which time I took on the President role.

To the departing Councillors Mal Willis and Roy Butler, thank you for your many years of service to the Shire and I wish you all the best for your future endeavours.

CEO

The Shire welcomed Ms Lisa Clack as the new Chief Executive Officer in November 2021. Ms Clack brings more than 25 years experience in State and Local Government, and I look forward to collaborating on future initiatives.

Thank you to outgoing Temporary Chief Executive Officer Mr Mark Dacombe, whom filled the role just shy of two years and was key in delivering our COVID-19 response.

Closing Comments

I would like to acknowledge all Shire of Merredin employees and thank them for their contributions over the course of the year. I would also like to thank the Shire's Executive Managers and my fellow Councillors for their ongoing dedication to ensure the Shire of Merredin community has access to essential services and facilities.

With a number of exciting key projects upcoming within the Shire, I am looking forward to working with Council and staff to achieve great results for the community, whilst also driving tourism, and increasing economic benefits for the area.



Mark McKenzie
Shire President



CHIEF EXECUTIVE OFFICER'S REPORT

The Shire of Merredin underwent a period of rapid change and adaption, as the organisation continued to navigate its way through the unpredictable and unprecedented COVID-19 pandemic.

While I was not employed during the reporting period. I am pleased to provide this CEO report for the Shire of Merredin 2020-21, on behalf of the organisation, and previous Temporary CEO Mark Dacombe.

A significant factor for the organisation during this period was the COVID-19 pandemic, though the Wheatbelt region was relatively unaffected during this time period, a number of lockdowns in the Perth and Peel regions saw flow on effects resulting in a decrease in tourism to the area, as well as a demand for suppliers and contractors.

A number of works were impacted by a decrease in resources, meaning a number of Shire works that were to be completed by the end of the 2020 - 2021 financial year were significantly delayed and would need to be completed later in the year.

New Management Recruited

A number of executive and management level staff departed the organisation during 2020 - 2021 which posed a significant challenge for business continuity and imposed some service disruptions.

Despite these challenges, the Shire was able to efficiently recruit for these positions and welcomed a number of new staff to the team. These staff were able to adapt quickly to their work environment and offered fresh and new ideas that have had a positive impact on the Shire.

Secondary Freight Route

The Shire of Merredin commenced the five year reconstruction project on Merredin-Narembeen Road as part of the Wheatbelt Secondary Freight Network which aims to upgrade 950km of high priority freight routes across 42 local governments in the Wheatbelt region. Over the duration of this project, 24km of road will be upgraded with a new seal, reconstructed cement stabilised pavement, and improved drainage works.

During 2020 - 2021, 7kms of road was completed, however this work took longer than expected to complete largely due to unfavourable weather conditions, and a high demand of contractors in the region, which impacted on the Shire's ability to complete its full road reconstruction program for 2020 - 2021.

Resources

The Shire committed to resourcing a number of new specialised roles in the Shire including Club Development and Emergency Management.

The Shire was successful in securing funding through the All West Australians Reducing Emergencies Program for a dedicated part-time Emergency Management Officer for a period of 12 months in order to undertake a number of Emergency Management related projects.

We were also able to secure funding for a Club Development Officer through the Every Club Grant Scheme through the DLGSC.. This grant

supports local governments to build the governance, planning and management practices of local sporting clubs.

Major Festival

The Shire's priority for the next portion of the year is securing further funding for Merredin's major festival, Gateway Merredin, to be held in September 2021. The festival came about after consultation with the community determined that an annual major event was valued highly by the locals, and would help boost Merredin's tourism.

CBD Redevelopment

The redevelopment of the Merredin CBD has been on Council's agenda since 2008 and was a key priority in the 2012 – 2023 Strategic Community Plan (SCP). The project has again come into prominence in the 2020 – 2030 SCP, and based on extensive community consultation, the main areas of focus have been two major infrastructure projects. These projects are defined within the overall

redevelopment staging program as Stage 1 (Pioneer Park, Merredin Town Square, and the Water Tower) and Stage 2 (Apex Park).

In February 2021, to secure funding for the proposed Stage 1 works, Council resolved to endorse the reviewed town centre redevelopment concept plan for public consultation and, to direct the CEO to carry out the necessary work required to submit a Building Better Regions Fund (BBRF) application.

In late 2021, the Shire of Merredin secured \$2,139,309 dollars in grant funding through the Federal Governments BBRF Round 5. The BBRF funding will meet a substantial part of the cost of upgrading the main streets of Barrack and Bates and the adjacent parkland to transform Merredin's town centre, however the Shire will continue to pursue funding opportunities for both Stage 1 and Stage 2 of the development.

This is an exciting project that will inject \$4.2 million into the local economy during the one-year build, creating 14 full time equivalent (FTE) direct jobs, and stimulating up to 30 jobs for locals in the broader economy.

I look forward to working with Council and Executive Management in the future to bring these projects to fruition, and provide the community with modern, vibrant and walkable spaces within our town centre.



Lisa Clack

Chief Executive Officer



OUR COUNCILLORS



JULIE FLOCKART
Shire President
Current Term: 2017 - 2021



MAL WILLIS
Deputy Shire President
Current Term: 2017 - 2021



ROSS BILLING
Current Term: 2019 - 2023



LEAH BOEHME
Current Term: 2019 - 2023



ROY BUTLER
Current Term: 2017 - 2021



RENEE MANNING
Current Term: 2019 - 2023



MARK MCKENZIE
Current Term: 2019 - 2023



ROMOLO PATRONI
Current Term: 2017 - 2021



PHIL VAN DER MERWE
Current Term: 2019 - 2023

COUNCILLOR ATTENDANCE

12 Ordinary Council Meetings



4 Special Council Meetings



1 Annual Electors Meeting



2 Audit Committee Meetings



Shire of Merredin Councillor Attendance 1 July 2021 - 30 June 2022	Ordinary Council Meeting	Special Council Meeting	Annual Electors Meeting	Audit Committee Meeting
Cr Julie Flockart	12	4	1	2
Cr Mal Willis	10	4	1	2
Cr Ross Billing	12	4	1	1
Cr Leah Boehme	11	2	1	2
Cr Roy Butler	11	4	1	1
Cr Renee Manning	12	4	1	1
Cr Mark McKenzie	12	3	1	1
Cr Romolo Patroni	12	4	1	2
Cr Phil Van Der Merwe	12	4	1	2

GENDER



LANGUAGES

English

COUNTRY OF BIRTH

Australia
England

ABORIGINAL / TORRES STRAIGHT ISLANDER

Nil

OUR ORGANISATION

COUNCILLORS

CHIEF EXECUTIVE OFFICER

DEPUTY CEO

Community Development Officer
Cummins Theatre Manager
Visitor Centre Manager
Tourism Officer
Library Manager
Library Assistant x 3
Emergency Services Officer
Admin Support Officer

**EXECUTIVE MANAGER
ENGINEERING SERVICES**

Asset Management Officer
Reticulation Officer
Construction Supervisor
Town Maintenance Supervisor
Rubbish Tip Attendant
Plant Operator x 10
Gardeners / Town Maintenance x 9

Executive Assistant to the CEO

Media and Communications Officer

Swimming Pool Manager

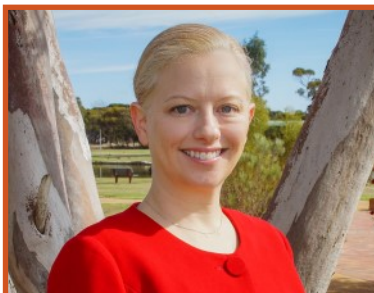
**EXECUTIVE MANAGER
CORPORATE SERVICES**

Senior Finance Officer
Finance Officer
Records Officer
Finance Support Officer
Admin / Licensing Officer

**EXECUTIVE MANAGER
DEVELOPMENT SERVICES**

Environmental Health Officer
Ranger

EXECUTIVE MANAGEMENT



Lisa Clack — Chief Executive Officer

- Governance
- Councillors and Council matters
- Strategic and Corporate Planning
- Organisational Structure



Andrina Prnich — Deputy Chief Executive Officer

- Community Development and Liaison
- Strategic Community Plan
- Emergency Management Services
- Management Library, Visitor and Theatre Services



Geoff Garside — Executive Manager Corporate Services

- Corporate Business Plan
- Financial Management
- Occupational Health and Safety
- Management Human Resources and Records



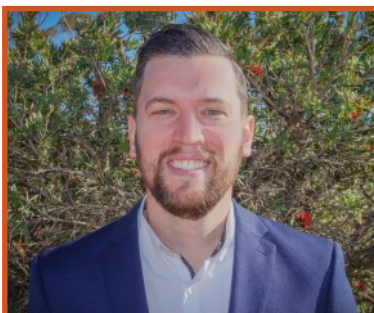
Peter Zenni — Executive Manager Development Services

- Management Environmental Health Services
- Compliance in Health, Building and Planning
- Management Ranger Services



Lindon Mellor — Executive Manager Engineering Services

- Parks and Gardens Maintenance
- Roads
- Management Infrastructure and Assets



OUR VALUES



INTEGRITY

Act in an honest, open and accountable manner in all of our activities ensuring they are equitable and socially just.

PARTICIPATION

Provide genuine opportunities for informed community participation in decision making in a framework of local democracy.



SERVICE

Be sensitive and responsive to the needs and aspirations of our community and focusing on customer satisfaction and value for money.

LEARNING

Continue learning from training, our actions and experiences, and continually seeking better and more innovative ways of doing things.



VALUING PEOPLE

Value the contribution the people inside and outside the organisation make to the achievement of the Shire's vision.

COMMITMENT

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



SUSTAINABILITY

Have a global perspective and ensure our actions minimise the impact on the environment and the resources available for future generations.

OUR STRATEGIC COMMUNITY PLAN

All local governments are currently required to produce a plan for the future under S5.56 (1) of the *Local Government Act 1995*. The following pages outline the Shire's progress towards the objectives identified in the Strategic Community Plan (SCP) 2020—2030, while also highlighting the significant activities that are planned for the 2021-22 financial year.

At the 2021 April Ordinary Council Meeting, Council moved to adopt the SCP 2020 – 2030.

The priorities identified in this plan included;

Community Culture

- ▶ Development of cultural life: infrastructure and spaces; activation; and celebration of Njaki Njaki Nyoongar culture
- ▶ Development of sport and recreation: infrastructure and participation
- ▶ Community safety

Economy & Health

- ▶ Clearly articulate Merredin's identity and value proposition
- ▶ Tourism product development, including cultural tourism.
- ▶ Strengthening the economy through local business development
- ▶ Building on Merredin's strengths to expand the economy

Environment & Sustainability

- ▶ Address climate change
- ▶ Ensure continuous potable and non-potable water supply
- ▶ Advocacy for drylands farming support
- ▶ Developing a more efficient and sustainable

waste management service

- ▶ The Shire leading by example

Communication & Leadership

- ▶ Effective mechanisms for community representation in key decision-making
- ▶ The Shire has a strong working relationship with the Njaki Njaki Nyoongar Traditional Owners and other Aboriginal community members
- ▶ Maximising the value of Shire assets

Places & Spaces

- ▶ Revitalise the Merredin Central Business District
- ▶ Improve public open space

Transport & Networks

- ▶ Improving local roads
- ▶ Improving stormwater management

THEME 1: Community and Culture

PRIORITIES	STRATEGIES FOR CHANGE	2020-21 UPDATE
Development of cultural life: infrastructure and spaces; activation; and celebration of Njaki Njaki Nyoongar culture	The Shire actively facilitates a flourishing cultural corridor around the old North Merredin Primary School precinct, Cummins Theatre and Merredin Regional and Community Leisure Centre sports precinct	The old North Merredin Primary School precinct was completed with a range of community groups, businesses and individuals now utilising the space.
	Increasing the number and diversity of events, including a signature annual event, which celebrate the rich culture and history of the town and region	The Gateway Merredin Festival was developed and grant funding obtained for the event over the long weekend in September 2021.
	Partnering with Njaki Njaki Nyoongar leaders on the visibility of their heritage and living culture	Planning for the Njaki Njaki Nyoongar people to paint a mural in the Shire Administration Building has commenced.
Development of sport and recreation: “infrastructure and participation	Development of Merredin Regional and Community Leisure Centre as the main hub for sports and recreation in Merredin	The Shire of Merredin in conjunction with DLGSC held a sports clinic for young people to increase participation in sports
	Work with DLGSC, State sport organisations and local clubs to increase participation at player and Committee level	Grant funding was obtained for a Club Development Officer to commence in July 2021
	Review of the Merredin District Olympic Swimming Pool in order to determine life expectancy and options for short to medium term development	
Community safety	Reinvigorate emergency management structures and procedures	Grant funding was obtained to employ an Emergency Services Officer to commence July 2021
	Collaboration with WEROC on arrangements for ranger and emergency management services	Discussions have been held with WEROC

Looking Forward:

- ▶ Development of the Local Emergency Management Arrangements during 2021-22 financial year
- ▶ Club Development Officer is creating a Club Development Manual for distribution to local sporting clubs to assist with their governance
- ▶ Delivery of Gateway Merredin Event in September 2021

THEME 2: Economy and Growth

PRIORITIES	STRATEGIES FOR CHANGE	2020-21 UPDATE
Clearly articulate Merredin's identity and value proposition	Develop a marketing plan for Merredin as a place to live, work, invest and visit	Impacted by COVID-19 this did not progress during 2020-21
Tourism product development, including cultural tourism	Collaborate with WEROC to develop a tourism product investment prospectus Collaborate with the Njaki Njaki Nyoongar and other relevant organisations to develop cultural tourism	Impacted by COVID-19 this did not progress during 2020-21
Strengthening the economy through local business development	Prepare a local economic development strategy and action plan, led by business Support a local business leadership organisation to drive business development in partnership with the Shire and others Collaborate with the Njaki Njaki Nyoongar people and the wider Aboriginal community to develop local Aboriginal businesses	Independent economic evaluation of the economic outcomes of the proposed CBD redevelopment.
Building on Merredin's strengths to expand the economy	Identify business opportunities and prepare and market a Merredin investment prospectus Be a business-friendly Shire and provide a concierge service for businesses that have the potential to locate in Merredin Ensure adequate supply of industrial and commercial land	Developed a business registry on the Shire of Merredin website that allows business to upload and update their information.

Looking Forward:

- ▶ Development of a marketing plan for the Shire of Merredin
- ▶ Commencement of WEROC Tourism Product Audit
- ▶ Collaboration with Njaki Njaki Nyoongar People on the redevelopment of the CBD and Apex Park

THEME 3: Environment and Sustainability

PRIORITIES	STRATEGIES FOR CHANGE	2020-21 UPDATE
Address climate change	Develop climate change strategy and action plan	
Ensure continuous potable and non-potable water supply	Develop a water strategy and action plan	Budget allocation has been made for 2021/22 financial year
Advocacy for drylands farming support	Work with State and Federal agencies and representatives for the inclusion of our local farming community in schemes to develop drylands farming techniques and support water short regions	
Developing a more efficient and sustainable waste management service	In collaboration with WEROC, develop a regional waste management plan and solutions	Discussions held with WEROC and a Strategic Waste Management Study commencing 2021/22 financial year.
The Shire leading by example	Institute exemplary practices in energy and water efficiency and waste minimisation	The Shire was awarded Gold Status for demonstrating a sustained commitment in reducing water use and implementing effective water management at the Merredin District Olympic Pool
	Local biodiversity plan for natural areas under Shire control	Grant funding obtained for the Shire to trial an evaporation reduction product over one of its non-potable storage dams

Looking Forward:

- ▶ Further advocacy and work on developing water security options for Merredin to be progressed in the coming year
- ▶ Working with Njaki Njaki Nyoongar People on local natural environment workshops

THEME 4: Communications and Leadership

PRIORITIES	STRATEGIES FOR CHANGE	2020-21 UPDATE
Effective mechanisms for community representation in key decision-making	Design and establish mechanisms for engagement by residents/ farmers/ businesses/ groups (as applicable) in major decisions over the period of each Corporate Business Plan	Consultation on Strategic Community Plan document
The Shire has a strong working relationship with the Njaki Njaki Traditional Owners and other Aboriginal community members	Work with Njaki Njaki Nyoongar people and wider Aboriginal community to develop and implement a Reconciliation Action Plan	The Shire of Merredin now includes a Welcome to Country or an Acknowledgement to Country at all events and Council Meetings
Maximising the value of Shire assets	<p>Consolidate and rationalise Shire owned facilities and properties (e.g. old oval site, and properties in Caw Street, Endersbee Street and French Avenue)</p> <p>Respectful beautification and sustainable water management for the public cemetery</p>	Obtained funding from the Department of Water and Environmental Regulation to expand the wastewater reuse network to the cemetery. The Shire also applied Local Roads and Community Infrastructure Funding to asphalt the internal roads

Looking Forward:

- ▶ Development of a Reconciliation Action Plan for the Shire

THEME 5: Places and Spaces

PRIORITIES	STRATEGIES FOR CHANGE	2020-21 UPDATE
Revitalise the Merredin CBD	Develop a shovel ready CBD revitalisation plan in partnership with businesses and residents and actively pursue funding	Funding application to the Building Better Regions Fund was submitted and Local Roads and Community Infrastructure funding allocated Shovel ready plans have been developed ready for action
	Create more compelling and welcoming town entrances	Planting of 340 new trees to create a new avenue into the southern entrance of town.
Improve public open space	Revitalise Apex Park	Funding applications were submitted and plans commenced for the site

Looking Forward:

- ▶ The Shire of Merredin and Main Roads WA will be working in partnership to complete the South Avenue works, which include repairing surface defects and resealing the road in January 2022
- ▶ The Shire will be replacing the kerbing along South Avenue following the roadworks estimated February 2022
- ▶ Tenders for the CBD Redevelopment to be advertised and awarded with construction commencing before 30 June 2022
- ▶ The planned appointment of a Project Manager in 2021/22 further funding applications will be submitted and detailed designs will be progressed
- ▶ Further advocacy with State Government on the restoration of the Merredin Water Tower

THEME 6: Transports and Networks

PRIORITIES	STRATEGIES FOR CHANGE	2020-21 UPDATE
Improving local roads	Development of Roding Hierarchy and ten-year capital works plan to establish clear, transparent and affordable priorities to meet the needs of residents and industry	Ongoing works to improve local roads within budget allocation
Improving stormwater management	Development of a Stormwater Asset Management Plan and ten-year capital works program	

Looking Forward:

- ▶ The second year of the Wheatbelt Secondary Freight Network Merredin-Narembeen Road Project will see the pavement design and construction continue on the next section of the road
- ▶ State and Federal Government grant applications to redevelop Crooks Road

STATUTORY COMPLIANCE

Each year, the Shire of Merredin has a number of statutory requirements that must be reported on as part of the Annual Report.

Corporate Business Plan

The Corporate Business Plan (CBP) is a plan created to implement the first four years of the strategic goals outlined in the SCP. Like the SCP, it is reviewed on a minor basis every 2 years, and renewed on a major basis every 4 years. The current CBP was adopted in 2018 for the period 2018 - 2022.

The CBP is currently in the process of a major review, following on from the major review of the SCP that was finalised in March 2021.

National Competition Policy

In April 1995, the Council of Australian Governments entered into a number of agreements known as the National Competition Policy. Local Government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses.

Local Governments will also be affected where Local Laws unnecessarily affect competition. The Shire is required to comply with certain policies contained within the National Competition Policy Statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

Competitive Neutrality

It is the Shire's responsibility to determine

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

Local government is only required to implement the above principles to the extent that the benefits to be realised from implementation outweigh the costs in respect of individual business activities exceeding an annual income of \$500,000.

Within these criteria, the Shire has not identified any business activities for the 2020 - 2021 financial year.

Register of Complaints

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

There were no complaints received in 2020 – 2021.

Freedom of Information (FOI)

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

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

Disability Action and Inclusion Plan (DAIP)

The *Disabilities Services Act 1993* requires the shire to report on its Disability Access & Inclusion Plan (DAIP) achievements within its Annual Report which are highlighted below.

- ▶ The Shire has spent \$200,000 of its own funds and an additional \$54,000 received from the Federal Government Infrastructure Grant in the provision of new footpaths within the Shire, including addressing lack of suitable and safe road crossing points across the Great Eastern Highway in the area adjacent to the Merredin Military Museum and Pioneer Park.
- ▶ The Shire replaced the existing customer service counter at its administration building with a new customer service counter that allows it to be used by persons in a wheelchair.
- ▶ The Shire of Merredin has provided a handrail adjacent to the entry doors to the Merredin Fine Arts Society.



- ▶ Australia Day Celebrations were held at the Merredin Regional Swimming Pool, these were attended by 200 persons including the

elderly as well as persons with a disability. The Merredin Regional Pool complies with AS 1428.1, with respect to access and provision of facilities for persons with a disability.

- ▶ The Merredin International Food Festival was held on 2 occasions during the reporting period due to COVID-19 related considerations. The events were held in September 2020 and in March 2021, on both occasions attracting over 200 persons. The events were held at the Cummins Theatre which complies with AS 1428.1, with respect to access and provision of facilities for persons with a disability.
- ▶ The Merredin Gala Night which celebrates the Merredin community getting together was attended by 500 persons, the event is held in the Centre of Town immediately adjacent to the Merredin Visitors Centre with access to the Visitor Centre public toilet facilities which comply with AS 1428.1 with respect to access and provision of facilities for persons with a disability.
- ▶ The Shire of Merredin recognises the importance of maintaining a high level of training and customer service when dealing with members of the community. This is especially important when providing services and assistance to persons with a disability. Whilst the Shire has not engaged external training providers to assist with this process during this financial year, a number of staff joined the Shire of Merredin

during this period, the workplace induction for these staff members included information relating to equal opportunity and disability discrimination legislative requirements.

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



Register of Delegated Authority

Sections 5.18 and 5.46(2) of the *Local Government Act 1995* requires Local Government to keep a register of delegations of authority made under the Act and that these are reviewed at least once every financial year. The Shire of Merredin's Register of Delegated

Authority was reviewed and adopted in June 2021.

Compliance Audit Return

All local governments are required to carry out an annual Compliance Audit Return (CAR) for the period 1 January to 31 December as specified by the *Local Government Act 1995*. The 2020 completed CAR was considered by Audit Committee and received by Council at its March Audit Committee meeting held on 16 March 2021.

Council Policies

The following new Council Policies were adopted by Council in 2020 – 2021;

- ▶ Councillor Training and Professional Development
- ▶ CEO Employment and Review
- ▶ Mandatory Standards for CEO Recruitment, Performance and Termination
- ▶ Code of Conduct for Council Members, Committee Members and Candidates

The following Council Policies were amended and adopted by Council in 2020 - 2021;

- ▶ Senior Employees
- ▶ Purchasing Policy
- ▶ Annual Christmas Function
- ▶ Rostered Day Off and Flexible Working Arrangements



During 2020 - 2021, the Shire of Merredin created

3093

new records

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 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.

HUMAN RESOURCES

During the 2020 - 2021 financial year, the total number of Shire employees totaled 59, with 44 employed in full-time roles and 15 in part-time positions.

Executive Staff

Three executive staff members were hired during the reporting period although not all had commenced by the closure of the financial year;

- ▶ Lisa Clack, Chief Executive Officer
- ▶ Geoff Garside, Executive Manager Corporate Services
- ▶ Lindon Mellor, Executive Manager Engineering Services

Employee Initiatives

The Shire is committed to the health, mental health and wellbeing of its staff.

During the period, the following were offered to all employees;

- ▶ Staff Flu Vaccinations
- ▶ Audio Tests
- ▶ Skin Checks

The following additional staff training was also offered;

- ▶ Senior First Aid Certificate

Councillor Remuneration

Details regarding the remuneration awarded to the Shire President, Deputy Shire President, and Councillors is contained on pages 39 and 40 of the financial report.

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, the number of those employees that fall within each band of \$10,000 over \$100,000. As at 30 June 2021, the Shire had five (5) employees entitled to an annual salary of more than \$100,000:

Salary Range	Employee (s)
\$100,000—\$110,000	-
\$110,001—\$120,000	3
\$120,001—\$130,000	1
\$130,001—\$140,000	-
\$140,001—\$150,000	-
\$150,001—\$160,000	-
\$160,001—\$170,000	-
\$170,001—\$180,000	-
\$180,001—\$190,000	-
\$190,001—\$200,000	1

In accordance with changed reporting requirements, it is advised the Temporary Chief Executive Officer's total remuneration package totalled \$272,000 inclusive of salary and all other benefits.

COUNCIL SERVICES

The Shire continues to provide vital community services to the Shire of Merredin's residents. These services span across the areas of development, engineering, corporate and community.

- ▶ 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 and other platforms which are happening around town
- ▶ 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 2020 - 2021 the Licensing Centre processed a considerable number of transactions, with Council commissions totalling approximately \$60,052.63.
- ▶ Provision of train services on behalf of Transwa which is also a core service provided.

COMMUNITY SERVICES



The Community Services division kicked off the 2020 - 2021 financial year with a significant engagement exercise which would see us connecting with over 12% of our community.

Having recently come out of the first COVID-19 lockdown in Western Australia, council recognised that it was time to conduct a major review of its strategic vision and embarked on the Reset, Recover, Regenerate program. This exercise required considerable resourcing from the Community Services team and the results of this exercise ultimately became the focus of the Shire of Merredin Strategic Community Plan 2020 - 2030.

With a new vision in hand, our team diverted its attention to various major projects that were identified as a priority. Our resources quickly moved into putting together plans and proposals that would attract funding for projects including the CBD, Public Piazza, Apex Park and Gateway Merredin projects. In doing so, council was able to secure large funding sources from RAC; DLGSC; Lotterywest and also the Federal Government.

The CBD catalyst project (the public piazza pilot) attracted nearly \$60k in funding and was implemented in December 2020 and in place until March 2021. This was seen to be a test project, reigniting a community conversation

on what they would like to see in their future CBD.

COVID-19 lockdowns highlighted to all the importance of community services, culture and the arts on remaining connected and engaged and its positive impact on mental health, wellbeing, community ownership and pride. As the Shire re-opened its services and facilities, it continued to see a greater engagement across various services. It has been fantastic to continue our Library services to assist those in the community unable to leave their homes as much, as a result of the various precautions that our community need to take and we continue to deliver books to our ageing community as required. In the case of events and programs run by the community development team, including the Cummins Theatre, we monitored and revised our program as required and there were significant changes required along the way as evolving restrictions permitted or hindered scheduled events to proceed. Whilst challenging, the team enthusiastically maintained a relatively steady program across the year.

Also, \$50k was secured, to be used towards the inaugural Gateway Merredin festival which will be held later this year. A range of other funding was also provided from the Collgar Community Fund, Risen Energy, the National Australia Day Council and the Office of Multicultural Affairs, which allows the Shire to deliver our community development program (as seen in the various events the Shire is able to run across the year).



As the Merredin Youth Committee has ramped up its team, our Community Development Officer plays an active part in aligning the Shire's Youth Strategy and actions of the Committee, ensuring that our services can be adapted and of most benefit to the emerging needs of our youth.

Following the soft launch of the North Merredin Primary School precinct redevelopment last year, we have steadily seen an increase in usage of this revamped facility—with a range of community groups now able to call the precinct home. There have also been several corporate bookings for the space, which has allowed meetings, training and other presentations to be carried out from the precinct.

In the area of Tourism, we saw the impact that COVID-19 is having on the way in which West Australians are visiting the State, being unable

to travel internationally and/or across the borders. The visitation during this time has been unprecedented. A bumper wildflower season saw an extension of our increased Visitor Centre servicing during peak season at the Visitor Centre, and visitation remained steady throughout the year.

Community Funding Program

Each year, the Shire of Merredin provides financial and in-kind support to various community groups through its Community Grants Program. In the 2020 - 2021 financial year, the Shire took additional measures to ensure the success of the Community Grants Program in consideration of any disruptions and realignment taken by organisations resulting from COVID-19. Council resolved to open up a second round of funding assessments and was delighted to support the following organisations in delivering their programs and initiatives:

- ▶ Essential Personnel;
- ▶ Merredin Bootscooting;
- ▶ Merredin College P&C;
- ▶ Merredin Community Resource Centre;
- ▶ Merredin Community Singers (A Choired Taste);
- ▶ Merredin Military Museum
- ▶ Merredin Museum and Historical Society;
- ▶ Merredin SES;
- ▶ Merredin Show; and
- ▶ Wheatbelt Agcare Community Support Services Inc.



2020 - 2021 EVENTS AND PROGRAMS

JULY 2020

- ▶ CEACA Opening
- ▶ Joseph & The Amazing
- ▶ SCP Consultation Program
- ▶ Night Sports
- ▶ Morning Melodies Concert
- ▶ Senior Craft Group
- ▶ Insect Hotel Sculpture Project
- ▶ School Holidays Activities

AUGUST 2020

- ▶ Night Sports
- ▶ Morning Melodies Concert
- ▶ Comedy Gold
- ▶ 3rd Rock from the Sun
- ▶ Long Tan Day
- ▶ Arty Farty Party

SEPTEMBER 2020

- ▶ Twilight International Food Festival
- ▶ Seed Collecting Tour
- ▶ The Haze Showband
- ▶ Morning Melodies Concert

OCTOBER 2020

- ▶ Night Sports
- ▶ Games Day
- ▶ Djuki Mala
- ▶ Spring in the Garden (EWEYN)
- ▶ Pink Morning Tea
- ▶ Morning Melodies Concert
- ▶ Perth International Burlesque Festival
- ▶ School Holiday Activities

NOVEMBER 2020

- ▶ NAIDOC Week
- ▶ Remembrance Day
- ▶ #BOUNCE Reset Go
- ▶ Over 50's Board Games at the Library
- ▶ Give a Hoot Refill Station Launch
- ▶ Morning Melodies Concert
- ▶ Renegade—Legends of Country

DECEMBER 2020

- ▶ Pool Party (EWEYN)

- ▶ Gala Night
- ▶ Over 50's Board Games at the Library
- ▶ Morning Melodies Concert
- ▶ Arty Farty Party
- ▶ Wheatbelt Medical Students

JANUARY 2021

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

FEBRUARY 2021

- ▶ Morning Melodies
- ▶ Arty Farty Party
- ▶ Chinese New Year
- ▶ A Fortunate Life

MARCH 2021

- ▶ 3 Point Fridays x2
- ▶ Medical Student Immersion Program
- ▶ Twilight International Food Festival
- ▶ Morning Melodies Concert
- ▶ Mamma Mia; Indoor Movie Night

APRIL 2021

- ▶ ANZAC Day
- ▶ Youth Fest
- ▶ Arty Farty Party
- ▶ Morning Melodies Concert
- ▶ Over 50's Board Games at the Library
- ▶ Easter in the Park (EWEYN)
- ▶ School Holidays Activities

MAY 2021

- ▶ Margaret Fulton the Musical
- ▶ WA Opera
- ▶ Sculpture Project
- ▶ Pete the Sheep
- ▶ Morning Melodies Concert
- ▶ Over 50's Info Session at the Library

JUNE 2021

- ▶ The Little Prince
- ▶ Arty Farty Party
- ▶ Indigo Sands

LIBRARY

The Merredin Library continues to be a popular service amongst the Merredin Community, with activities running for both the elderly and young children.

The Library staff continued the popular 'Click and Collect' Service which commenced during the early 2020 lockdown restrictions due to COVID-19 and delivering items to people at the Berringa Lodge and Moorditj Mia.

Though there were major disruptions to the Library's event schedule last financial year, school holiday and Over 50's activities were able to resume, with the clay modelling for children and Bingo for the Over 50's proving the most popular.

Other activities completed include;

- ▶ A new e-Resource was added to the collection with free access to all members
- ▶ Each of the library sections were painted with one of the colours from the Merredin logo (pictured below)

- ▶ The Library also hosted several Work Placement students from Merredin College.
- ▶ The reading area received new furniture
- ▶ The Photographic collection is now being displayed via a new 'tree' painting on the wall. The photographs are changed on a monthly basis and reflect a new theme from iconic buildings, events, and people.

Facility Use

The Merredin Regional Library welcomed 6,523 visitors to the facility throughout the year, with a total of 12,602 checked out items, including 5,034 e-books. The Library also added 5,677 new items and resources to the collection.



CUMMINS THEATRE

The Cummins Theatre had a successful year despite a number of continued disruptions associated with the closure of the Western Australian borders and other pandemic lockdowns in Perth.

The Theatre was able to deliver a program of events including the popular and regularly sold out Arty Farty Party painting nights (and the introduction of family painting nights), concerts and theatre productions.

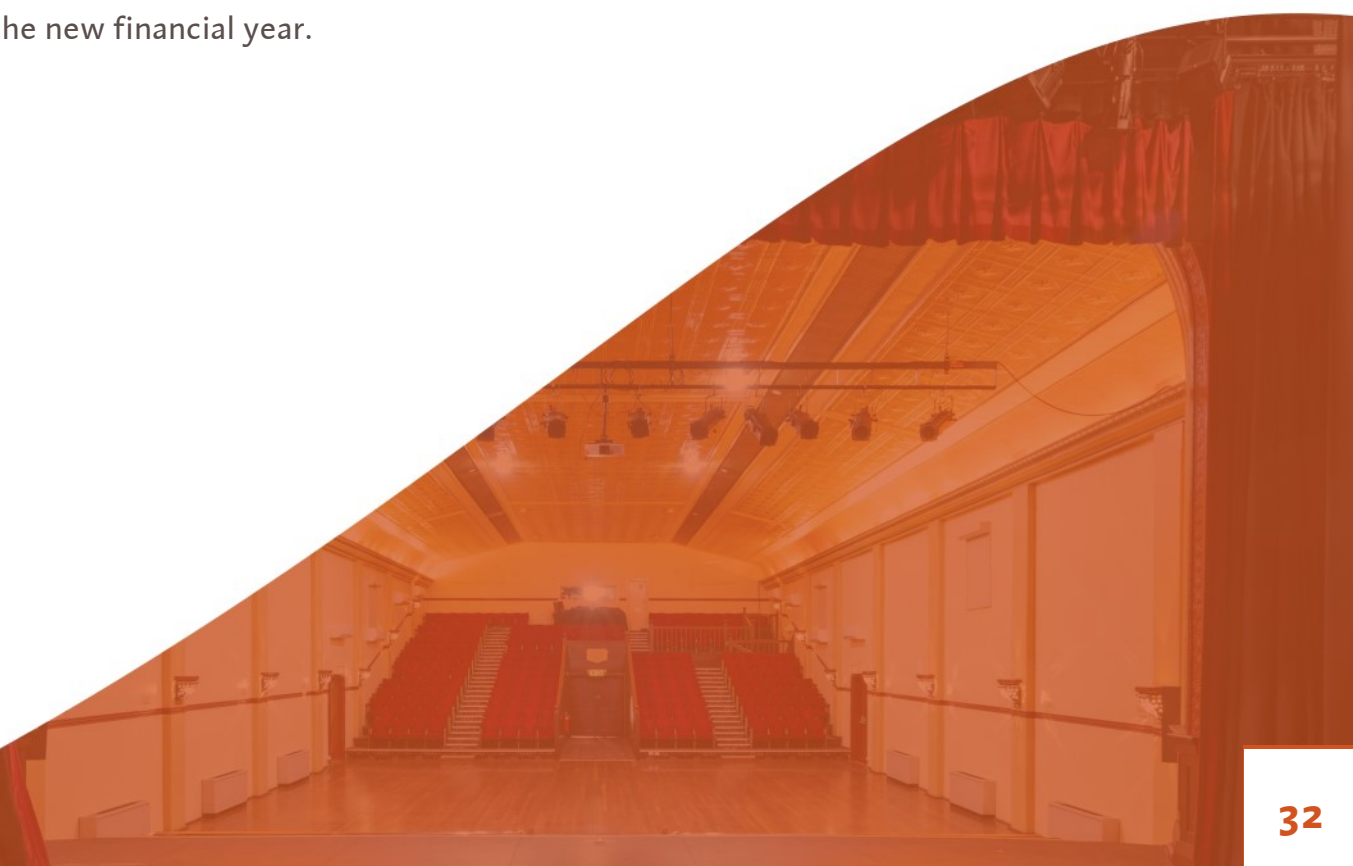
Further, it again hosted numerous corporate bookings, weddings, funerals and a range of other community groups who regularly hire the facility for dance, fitness and other meetings.

In January, the Shire was successful in securing grant funding to appoint a full time Theatre Administration and Engagement Officer. This role will focus heavily on engaging school aged students in theatre activities.

In June, the theatre stage was temporarily closed due to an OHS concern associated with the rigging. The stage is due to reopen in the first quarter of the new financial year.

Attendance

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



CENTRAL WHEATBELT VISITOR CENTRE

The Visitor Centre has benefitted from ongoing tourism development initiatives sponsored by Australia's Golden Outback (AGO) to upskill staff in social media marketing over 12 weeks from July to October 2020.

Tourism Initiatives

AGO, along with the Wheatbelt Tourism Groups, partnered in quarterly marketing campaigns in print media, social media platforms and also conducted Curtin Radio interviews featuring Wheatbelt Self-drives to 'Road Trip Country' and Wheatbelt Wildflower campaigns.

A Wheatbelt image library was commissioned by AGO with renowned WA photographer and Blogger, Jarrad Seng. The Shire of Merredin was granted access to these images for use in promotional and marketing material.

Tourism WA Deep Dive Session

On Wednesday, 21 October 2020, the Shire of Merredin & Central Wheatbelt Visitor Centre hosted one of several Tourism WA 'Our Story' Deep Dive regional workshops.

The Deep Dive workshop was our opportunity to provide Tourism WA with our very own 'Wheatbelt Story' and how we want it told. We told them how passionate we are about our region and how all our stories connect to the amazing landscapes and landforms, cultural and natural history, our stunning wildflower displays and our agricultural and built history. When completed these stories will be added to the Tourism WA Our Story assets for use in future marketing campaigns and other promotional opportunities.

Pioneers' Pathways

Four Window decals depicting stories and images of the Cummins family's contribution to the arts in Merredin and the changing roles of Cummins theatre in the community were installed on the front windows of Cummins Theatre.

There was also a foyer panel installed with a memory board for patrons to add their memories of an event, this will go towards a collection for future historical recollections, as well as three internal Artists' panels in the Tivoli Room capture past Artists who have performed at the theatre and ten key artists are featured in the Walk of Fame 'Stars' on the front pavement.

The final addition to the collection was an Audio Unit that will serve to provide audio stories to value add to the Cummins Theatre interpretation story.



MERREDIN POOL

The Merredin District Olympic Swimming Pool was opened in November 2020 and closed in late March 2021, with a total of 15,590 patrons visiting throughout the period.

COVID-19

The pool was subsequently unaffected by the COVID-19 lockdowns as it was already closed, however in the month prior to its closure, social distancing measures were observed within the facility.

Gold Waterwise Status

The Merredin District Olympic Swimming Pool was awarded a Gold Waterwise Status for Waterwise Council Program for 2019/20.

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

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

The Pool was formally awarded the Gold status at the Waterwise Recognition Breakfast in May 2021.

Attendance

In total, 75 season passes were sold for the pool, equating to \$16,210.00. Attendance numbers at the pool declined this financial year due to the

swimming club being cancelled for the 2020 - 2021 pool season.

Events

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

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



RECREATION CENTRE

The Merredin Regional Community and Leisure Centre continues to operate under the management of Belgravia Leisure, who are committed to supporting the regions they operate in by hiring local staff, engaging local suppliers, and investing in resources from the area.

COVID-19 Measures

Hygiene protocols and practices continue to be in place on a daily basis at the Rec Centre, with COVID-19 signage displayed, sanitisation stations & contactless payments. All staff have completed the Australian Government COVID-19 training which has been registered in the Belgravia HR Platform.

Facilities

The hydrotherapy pool upgrade was completed by the Shire of Merredin on 6 November 2020. The repairs were very well received by the Merredin Community, with the pool attracting 768 visitors during the reporting period.

Meanwhile, the Peak & Play Café attracted a total of 911 visitors

Staffing

The venue has a FTE of 5.5. All permanent positions were retained throughout the financial year with no significant movement of permanent staff.

Sports and other Programs

The Rec Centre offers a wide variety of sports at the facility including basketball, tennis, cricket, bowls, hockey, netball, football,

gymnastics, swimming and aqua aerobics. During the reporting period, the Rec Centre also offered social volleyball competitions.

The programs and initiatives offered over the last 12 months include;

- ▶ Gold Club for the over 50's
- ▶ Aquafit
- ▶ Infant Swimming
- ▶ WAADSA Disability Day
- ▶ Kids Programs – Gross motor skills, hand eye coordination

The Rec Centre also hosted a Summer sports activation event, #BOUNCE Forward, Reset, Go!. This session hosted a number of state sporting associations with 'come and try' activities for kids and a 'think tank' session with Caroline Robinson regarding sporting participation. Special guest Brad Hogg, former Australian Cricketer, also attended the event.



DEVELOPMENT SERVICES

BUILDING PERMITS



45

PLANNING APPROVALS



29

VALUE OF DEVELOPMENT

\$ 4,954,043

STALLHOLDER PERMITS



36

PUBLIC BUILDING INSPECTIONS



28

POOL BARRIER INSPECTIONS



52

FOOD BUSINESS INSPECTIONS



57

BUILDING AND PLANNING

The focus of the Development Services Team was to provide for the efficient assessment and approval of building applications submitted to the Shire of Merredin.

The key achievements for the Development Services team have been;

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

ENVIRONMENTAL HEALTH

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

The Shire EHO also undertook 10 mosquito monitoring activities of local water bodies and catchment areas and undertook larvicide treatment when required.

The key achievements in this department include;

- ▶ Development and Implementation of the Shire of Merredin Recycled Water Quality Management Plan (RWQMP)
- ▶ Improvement of public health by engaging with members of the public as well as implementation of enforcement measures
- ▶ including the issuing of several unfit for human habitation notices and building orders relating to a number of premises in the Shire of Merredin
- ▶ Implementation of regular inspections of private swimming pool barrier fencing to prevent accidental child drowning

Waste Management

During 2020 - 2021, the Shire produced;

Kerbside Rubbish	1331.95 tonne
Kerbside Recycling	190.59 tonne

COMMUNITY SAFETY



DOGS IMPOUNDED

 35

CATS IMPOUNDED

 37

TOTAL
INFRINGEMENTS

 52

ANIMALS
REGISTERED

 153

RANGER SERVICES

Throughout 2020 - 2021, the Shire's ranger services continued business as usual with parking patrols, burning permits issued, animal control, phone enquiries, and pound services.

Fire Control

During the bush fire season, 100 written cautions / work orders and 12 infringements were issued in relation to noncompliance under Section 33(3) of the *Bush Fires Act 1954* for failure to comply with the Shire of Merredin's firebreak order.

Dogs

The Ranger received 984 customer calls regarding dogs, and received a number of dog related complaints including 24 barking and 36 wandering dog. There were six dog related infringements issued for the year. In total, 119 new dogs were registered with the Shire.

Cats

The Ranger received 104 customer calls

regarding cats, while the Shire registered 34 new cats and impounded 37.

Parking

The Ranger completed a total of 311 parking patrols, and handed out seven written cautions and one infringement issued.

Vehicles

Twelve abandoned vehicles were reported to the Ranger, while two vehicles were also removed / impounded. No written cautions were issued.

Call Outs

The Ranger attended 17 after hours call-outs including nine dog related, five fires, and three off-road vehicle complaints.

EMERGENCY SERVICES

In the area of Emergency Services, we were fortunate to secure funding to allow the Shire to create a better focus on our emergency service capabilities, to review our local emergency management arrangements and start to focus on other areas including a better approach to bushfire management and a better service to our local SES unit as well. In doing so, we have now separated the services provided by our Rangers, who are now outsourced and have moved into the development services team. A dedicated, part-time Emergency Services Officer

will commence in a twelve month position in the new financial year.



MEDIA AND COMMS



PRESS RELEASES



6

PUBLIC NOTICES



12

NEWSLETTERS



13

TOTAL SOCIAL
MEDIA FOLLOWING

3,384

The Shire of Merredin have been expanding the way they communicate by implementing a number of new media tools and initiatives during 2020 - 2021. Most notably, videos regarding major projects such as the Pop-Up Public Piazza, the Throssell Road Roundabout, and the Strategic Community Plan consultation, have been used to encourage a higher engagement level across the Shire's social media channels. These videos have been viewed thousands of times and shared amongst the community, with many people taking the opportunity to provide feedback where they usually wouldn't.

The Shire's Harvest Ban hotline has also been rebranded as the Emergency Services hotline and has expanded to include information regarding harvest bans, hot works bans, fire bans, weather warnings, and other emergency communications.

The newsletter has increased to include 8 pages of content (originally 4) and has been focused around works updates and project information, as well as articles and public notices. These newsletters are printed as hard copies and distributed amongst subscribers, while a digital copy is also made available on the Shire's website and posted across social media.

Other media tools used by the Shire include;

- ▶ Event posters
- ▶ Event flyers
- ▶ Shire website
- ▶ Social Media including Facebook, Twitter, Instagram, and LinkedIn
- ▶ Noticeboards
- ▶ Rubbish bin frames along Barrack and Bates Streets
- ▶ CWVC revolving sign
- ▶ 2 x Coreflute signs in the CBD
- ▶ Letterbox drops

During the 2020 - 2021 financial year, the Shire's social media accounts continued to be used as active communication channels between the Shire and the community. There was a consistent emphasis on sharing public notices, project and event information, and media releases to keep the community informed in a timely manner.

Other communications key achievements included;

- ▶ Expanding the Shire's online Image Gallery
- ▶ Increasing reach and engagement on Facebook and Instagram
- ▶ Establishing a fillable Burning Permit form online
- ▶ Creation of a sign up form for Harvest Bans on the Shire website

Shire Website

The Shire of Merredin website had a total of 23,000 users, with 37,000 sessions averaging one minute and 54 seconds. The overall bounce rate was 62.39%,

ENGINEERING SERVICES



\$ SPENT ON
FOOTPATHS

 \$209k

\$ SPENT ON ROADS

 \$982k

\$ ON PARKS AND
GARDENS

 \$519k

STREET TREES

 3,536

It has been another busy and productive year for the town maintenance crew, lending support to a number of events and initiatives including the Merredin Piazza and Gala Night, and completing a preliminary works on South Avenue removing and replanting street trees in preparation for the reconstruction by Main Roads in 2021/2022. The Shire team also performed regular duties of street, footpath and verge maintenance, rubbish collection, gardening, and maintaining our parks and gardens and recreational spaces.

Works and Services

Council has continued with the 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 received in 2020/2021;

- ▶ Roads to Recovery Program (Federal)
- ▶ Regional Road Group (State)
- ▶ Wheatbelt Secondary Freight Network (Federal and State)
- ▶ Local Roads and Community Infrastructure Program (Federal)

Construction Projects

Footpath Construction

South Ave Renewal of asphalt footpath with new Dual Use Concrete Footpath

Woolgar Ave Expand footpath network with new dual use concrete footpath around School

Throssell Rd Expand footpath network with new dual use concrete footpath to the Merredin Pool

Road Construction

Springwell Valley Rd Regravel

Odgen Rd Regravel & Stabilise

Clarke Rd Regravel

Local Roads & Community Infrastructure

As part of a federal initiative to help the economy and communities bounce back from the impacts of COVID-19, the Shire of Merredin received \$573,735 of Stage 1 LRCI funding in 2020/2021 to be used towards a number of projects including;

- ▶ New Roundabout Construction
- ▶ Merredin Cemetery—asphalting new roads and kerbing

Roads to Recovery

The Roads to Recovery Federal Funding Program was used to complete \$428,837.00 of road works in the 2020/2021 financial year.

The following town roads were asphalted;

- ▶ Duff Street
- ▶ King Street
- ▶ Growden Street
- ▶ Hart Street
- ▶ Jellicoe Road
- ▶ Hay Street
- ▶ Colin Street

Nukarni East Road and Nukarni West Road had surface correction repairs from Roads to Recovery funding during 2020/2021.

Regional Road Group

The Shire of Merredin received \$317,625 through Regional Road Group state funding which was put toward the following projects;

- ▶ Burracoppin South Rd – Surface Correction & Reseal
- ▶ Goldfields Rd – Reconstruction

NATURAL RESOURCE MANAGEMENT

This year, work began on our State NRM Office - funded project, *Recovering Roadside Conservation Values Pilot Project*. Local seed was collected and delivered to the nursery for growing out into seedlings for planting. The Shire also held a combined seed education and Aboriginal cultural tour at Merredin Peak in September.

Waterwise Status

The Shire of Merredin was re-endorsed as a Waterwise Council, while the Merredin District Olympic Swimming Pool was re-endorsed as a Waterwise Aquatic Centre and also upgraded to Gold status.

Department of Water Funding

The Shire of Merredin was successful in receiving \$85,874 (ex GST) in funding through the Department of Water and Environmental Regulation's (DWER's) Community Water Supply Scheme. This funding was utilised for two projects;

- ▶ Bringing water to the cemetery for upkeep purposes and in doing so, removing it from the local scheme water.
- ▶ Applying a Coverguard polymer to Dams 1 and 2 to reduce evaporation.

Wildflower Friendly Town

The Shire of Merredin was one of two LGAs to achieve wildflower friendly status through the State Government's Wildflower Friendliness Award Scheme for 2020 - 2021.

The scheme is designed to increase nature based tourism in Western Australia by encouraging local governments to protect our valuable wildflowers and native vegetation along roads

and in nature reserves for the enjoyment of visitors and locals.

The panel acknowledged the quality of information provided that addressed the scheme's criteria, sound policy documents, extensive photographic evidence and local government-led initiatives to conserve and promote wildflowers.

To date, more than 980 species of wildflower have been recorded in the Shire of Merredin alone. Species of acacia and eucalypt make up the majority, but also included is some 47 species of orchids and numerous species of hakea, grevillea, verticordia and other varieties of heath land plants.

South Avenue Upgrade Project

As part of the revitalisation of the Southern entrance into Merredin, 340 Coolibah trees were planted along South Ave in May 2021. These trees were chosen due to their top water wise rating, non invasive roots, and because they are able to tolerate periods of dryness once established.



Shire of Merredin Financial Report

FOR THE YEAR ENDING 30 JULY 2021

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Community Vision

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

Principal place of Business:

Cnr King and Barrack St

Merredin WA 6415

SHIRE OF MERREDIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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COMMUNITY VISION

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Cnr King & Barrack Streets
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**SHIRE OF MERREDIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

*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 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Merredin at 30 June 2021 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 2nd day of August 2022



Chief Executive Officer

Lisa Clack

Name of Chief Executive Officer



SHIRE OF MERREDIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

		2021	2021	2020
	NOTE	Actual	Budget	Restated *
		\$	\$	\$
Revenue				
Rates	23(a)	4,435,003	4,392,497	4,290,219
Operating grants, subsidies and contributions	2(a)	3,236,996	2,014,607	3,102,156
Fees and charges	2(a)	900,866	873,683	1,035,153
Interest earnings	2(a)	68,188	128,010	197,462
Other revenue	2(a)	297,836	238,113	297,063
		<u>8,938,889</u>	<u>7,646,910</u>	<u>8,922,053</u>
Expenses				
Employee costs		(3,252,161)	(3,361,537)	(3,169,327)
Materials and contracts		(2,977,049)	(3,817,148)	(5,169,704)
Utility charges		(380,836)	(232,379)	(417,441)
Depreciation on non-current assets	11(c)	(4,798,293)	(3,456,204)	(4,716,126)
Interest expenses	2(b)	(31,468)	(30,069)	(42,939)
Insurance expenses		(209,102)	(124,690)	(120,066)
Other expenditure		(182,396)	(210,772)	(216,425)
		<u>(11,831,305)</u>	<u>(11,232,799)</u>	<u>(13,852,028)</u>
		<u>(2,892,416)</u>	<u>(3,585,889)</u>	<u>(4,929,975)</u>
Non-operating grants, subsidies and contributions	2(a)	2,581,478	8,484,144	3,437,864
Profit on asset disposals	11(a)	44,504	33,943	227
Loss on asset disposals	11(a)	(28,251)	(71,105)	(23,317)
Fair value adjustments to financial assets at fair value through profit or loss		129,162	-	-
		<u>2,726,893</u>	<u>8,446,982</u>	<u>3,414,774</u>
Net result for the period		(165,523)	4,861,093	(1,515,201)
Total other comprehensive income for the period		-	-	-
Total comprehensive income for the period		(165,523)	4,861,093	(1,515,201)

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

*Refer to Note 27 Correction of Errors.



SHIRE OF MERREDIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Restated Actual \$
Revenue				
Governance		38,637	-	49,159
General purpose funding		6,950,653	5,829,945	6,941,054
Law, order, public safety		119,078	143,400	160,670
Health		17,073	27,508	17,680
Education and welfare		69,501	58,469	37,846
Housing		98,565	118,890	123,458
Community amenities		511,745	638,212	663,263
Recreation and culture		519,469	289,279	376,159
Transport		423,872	305,445	286,450
Economic services		110,673	169,112	180,787
Other property and services		79,623	66,650	85,527
		8,938,889	7,646,910	8,922,053
Expenses				
Governance		(614,172)	(718,053)	(537,864)
General purpose funding		(120,660)	(84,405)	(88,847)
Law, order, public safety		(485,116)	(586,471)	(549,116)
Health		(209,510)	(238,065)	(213,210)
Education and welfare		(149,908)	(168,824)	(107,387)
Housing		(230,866)	(430,267)	(248,808)
Community amenities		(1,102,180)	(1,219,222)	(1,034,973)
Recreation and culture		(2,651,816)	(2,869,029)	(2,703,269)
Transport		(4,945,149)	(3,761,442)	(4,911,364)
Economic services		(826,768)	(1,062,672)	(774,043)
Other property and services		(463,692)	(64,280)	(2,640,208)
		(11,799,837)	(11,202,730)	(13,809,089)
Finance Costs				
Education and welfare		(27,888)	(27,849)	(31,241)
Other property and services		(3,580)	(2,220)	(11,698)
	2(b)	(31,468)	(30,069)	(42,939)
		(2,892,416)	(3,585,889)	(4,929,975)
Non-operating grants, subsidies and contributions	2(a)	2,581,478	8,484,144	3,437,864
Profit on disposal of assets	11(a)	44,504	33,943	227
Loss on disposal of assets	11(a)	(28,251)	(71,105)	(23,317)
Fair value adjustments to financial assets at fair value through profit or loss		129,162	-	-
		2,726,893	8,446,982	3,414,774
Net result for the period		(165,523)	4,861,093	(1,515,201)
Total other comprehensive income for the period		-	-	-
Total comprehensive income for the period		(165,523)	4,861,093	(1,515,201)

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



SHIRE OF MERREDIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021	Restated 2020	Restated 2019
		\$	\$	\$
CURRENT ASSETS				
Cash and cash equivalents	3	10,830,776	9,120,456	13,175,305
Trade and other receivables	6	844,238	592,264	861,495
Other financial assets	5(a)	33,409	31,818	30,303
Inventories	7	10,610	40,731	179,437
Other assets	8	205,066	-	-
TOTAL CURRENT ASSETS		11,924,099	9,785,269	14,246,540
NON-CURRENT ASSETS				
Trade and other receivables	6	131,073	123,942	113,126
Other financial assets	5(b)	390,939	295,186	327,004
Inventories	7	446,023	446,023	446,023
Property, plant and equipment	9	37,007,630	38,192,599	38,888,080
Infrastructure	10	154,956,429	155,327,292	156,872,774
TOTAL NON-CURRENT ASSETS		192,932,094	194,385,042	196,647,007
TOTAL ASSETS		204,856,193	204,170,311	210,893,547
CURRENT LIABILITIES				
Trade and other payables	13	1,333,520	462,370	2,681,403
Other liabilities	14	756,190	696,814	3,373,877
Borrowings	15(a)	92,241	171,364	240,400
Employee related provisions	16	552,420	506,501	535,175
TOTAL CURRENT LIABILITIES		2,734,371	1,837,049	6,830,855
NON-CURRENT LIABILITIES				
Borrowings	15(a)	585,230	677,472	851,824
Employee related provisions	16	76,928	30,603	70,481
TOTAL NON-CURRENT LIABILITIES		662,158	708,075	922,305
TOTAL LIABILITIES		3,396,529	2,545,124	7,753,160
NET ASSETS		201,459,664	201,625,187	203,140,387
EQUITY				
Retained surplus		58,664,808	59,217,445	57,755,527
Reserves - cash backed	4	5,812,829	5,425,715	8,402,833
Revaluation surplus	12	136,982,027	136,982,027	136,982,027
TOTAL EQUITY		201,459,664	201,625,187	203,140,387

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



SHIRE OF MERREDIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Restated balance as at 1 July 2019		76,537,156	8,402,835	136,982,027	221,922,018
Restatement of fixed assets due to CEACA project adjustment and accrual of depreciation.	27	(18,781,630)	-	-	(18,781,630)
Restated balance at the beginning of the financial year		57,755,526	8,402,835	136,982,027	203,140,388
Comprehensive income					
Net result for the period (restated)		(1,515,201)	-	-	(1,515,201)
Total comprehensive income		(1,515,201)	-	-	(1,515,201)
Transfers from reserves	4	3,770,584	(3,770,584)	-	-
Transfers to reserves	4	(793,464)	793,464	-	-
Restated balance at 1 July 2020		59,217,445	5,425,715	136,982,027	201,625,187
Comprehensive income					
Net result for the period		(165,523)	-	-	(165,523)
Total comprehensive income		(165,523)	-	-	(165,523)
Transfers from reserves	4	-	-	-	-
Transfers to reserves	4	(387,114)	387,114	-	-
Balance as at 30 June 2021		58,664,808	5,812,829	136,982,027	201,459,664

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

SHIRE OF MERREDIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,366,531	4,400,498	4,186,119
Operating grants, subsidies and contributions		3,200,995	1,312,793	502,802
Fees and charges		900,866	873,683	1,035,153
Interest received		68,188	128,010	197,462
Goods and services tax received		267,890	44,300	-
Other revenue		297,836	238,112	297,063
		9,102,306	6,997,396	6,218,599
Payments				
Employee costs		(3,058,437)	(3,361,537)	(3,365,520)
Materials and contracts		(2,394,856)	(3,816,148)	(7,116,578)
Utility charges		(380,836)	(232,379)	(417,441)
Interest expenses		(33,028)	(30,069)	(44,680)
Insurance paid		(209,102)	(124,690)	(120,066)
Goods and services tax paid		(408,430)	-	280,736
Other expenditure		(182,396)	(210,771)	(216,425)
		(6,667,085)	(7,775,594)	(10,999,974)
Net cash provided by /(used in) operating activities	17	2,435,221	(778,198)	(4,781,375)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(629,034)	(3,764,871)	(658,574)
Payments for construction of infrastructure	10(a)	(3,138,354)	(14,106,824)	(1,915,108)
Non-operating grants, subsidies and contributions	2(a)	2,640,854	8,484,144	3,437,864
Proceeds from financial assets at amortised cost - self supporting loans		31,818	31,818	30,303
Proceeds from sale of property, plant & equipment	11(a)	541,180	724,000	75,429
Net cash provided by (used in) investment activities		(553,536)	(8,631,733)	969,914
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	15(b)	(171,365)	(171,364)	(243,388)
Proceeds from new borrowings	15(b)	-	5,525,000	-
Net cash provided by (used in) financing activities		(171,365)	5,353,636	(243,388)
Net increase (decrease) in cash held		1,710,320	(4,056,295)	(4,054,849)
Cash at beginning of year		9,120,456	9,110,456	13,175,305
Cash and cash equivalents at the end of the year	17	10,830,776	5,054,161	9,120,456

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



SHIRE OF MERREDIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$	
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	24 (b)	2,662,051	3,156,245	(777,052)
		2,662,051	3,156,245	(777,052)
Revenue from operating activities (excluding rates)				
Governance		38,637	-	49,386
General purpose funding		2,703,499	1,490,598	2,714,918
Law, order, public safety		119,078	144,200	160,670
Health		17,073	27,908	17,680
Education and welfare		69,501	58,469	37,846
Housing		128,356	118,890	123,458
Community amenities		511,745	638,212	663,263
Recreation and culture		531,158	292,117	376,159
Transport		426,896	335,350	286,450
Economic services		110,673	169,112	180,787
Other property and services		79,623	66,650	85,527
		4,736,239	3,341,506	4,696,144
Expenditure from operating activities				
Governance		(614,172)	(723,853)	(537,864)
General purpose funding		(120,660)	(84,405)	(88,847)
Law, order, public safety		(485,116)	(586,471)	(549,116)
Health		(209,510)	(238,065)	(215,421)
Education and welfare		(177,796)	(196,673)	(138,628)
Housing		(230,866)	(433,087)	(248,808)
Community amenities		(1,102,180)	(1,219,222)	(1,034,973)
Recreation and culture		(2,651,816)	(2,872,829)	(2,703,269)
Transport		(4,973,400)	(3,820,127)	(4,932,470)
Economic services		(826,768)	(1,062,672)	(774,043)
Other property and services		(467,272)	(66,500)	(2,651,906)
		(11,859,556)	(11,303,904)	(13,875,345)
Non-cash amounts excluded from operating activities	24(a)	4,692,072	3,493,366	4,688,522
Amount attributable to operating activities		230,806	(1,312,787)	(5,267,731)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	2,581,478	8,484,144	3,437,864
Proceeds from disposal of assets	11(a)	541,180	724,000	75,429
Proceeds from financial assets at amortised cost - self supporting loans		31,818	31,818	30,303
Purchase of property, plant and equipment	9(a)	(629,034)	(3,764,871)	(658,574)
Purchase and construction of infrastructure	10(a)	(3,138,354)	(14,106,824)	(1,915,108)
		(612,912)	(8,631,733)	969,914
Amount attributable to investing activities		(612,912)	(8,631,733)	969,914
FINANCING ACTIVITIES				
Repayment of borrowings	15(b)	(171,365)	(171,364)	(243,388)
Proceeds from borrowings	15(c)	-	5,525,000	-
Transfers to reserves (restricted assets)	4	(387,114)	(695,963)	(793,464)
Transfers from reserves (restricted assets)	4	-	947,500	3,770,584
Amount attributable to financing activities		(558,479)	5,605,173	2,733,732
Surplus/(deficit) before imposition of general rates		(940,585)	(4,339,347)	(1,564,085)
Total amount raised from general rates	23(a)	4,376,316	4,339,347	4,226,136
Surplus/(deficit) after imposition of general rates	24(b)	3,435,731	-	2,662,051

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



SHIRE OF MERREDIN
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FOR THE YEAR ENDED 30 JUNE 2021

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1. BASIS OF PREPARATION

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

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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.

INITIAL APPLICATION OF 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.

These were:

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

The adoption of these standards had no material impact on the financial report.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

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

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

- Employee expenses
- Other financial assets
- Property, Plant and Equipment
- Infrastructure
- Right-of-use assets
- Lease liabilities
- Borrowing liabilities
- Provisions

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	-	-	5,000
General purpose funding	2,383,386	1,264,937	2,400,441
Law, order, public safety	71,960	112,600	119,007
Education and welfare	69,519	58,469	20,935
Housing	68,072	96,390	14,569
Community amenities	45,238	53,254	10,108
Recreation and culture	194,875	137,722	249,463
Transport	354,284	225,445	222,983
Economic services	37,280	65,790	59,650
Other property and services	12,382	-	-
	3,236,996	2,014,607	3,102,156
Non-operating grants, subsidies and contributions			
Governance	-	823,735	-
Law, order, public safety	29,000	-	-
Housing	-	25,000	-
Recreation and culture	-	300,000	-
Transport	2,365,532	6,707,573	865,680
Economic services	22,985	-	-
Other property and services	163,961	627,836	2,572,184
	2,581,478	8,484,144	3,437,864
Total grants, subsidies and contributions	5,818,474	10,498,751	6,540,020
Total non-operating grants, subsidies and contributions	2,581,478	8,484,144	3,437,864
Non cash adjustment to grant liability affecting cash flow	59,376	-	-
Total as per cash flow statement	2,640,854	8,484,144	3,437,864
Fees and charges			
Governance	12,576	-	8,220
General purpose funding	22,162	22,000	22,568
Law, order, public safety	12,089	25,600	36,226
Health	17,073	27,508	17,680
Housing	30,492	22,500	108,889
Community amenities	660,379	584,358	653,155
Recreation and culture	96,478	141,457	119,540
Economic services	48,574	44,110	62,622
Other property and services	1,043	6,150	6,253
	900,866	873,683	1,035,153

There were no changes to the amounts of fees or charges detailed in the original budget.

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

**Contracts with customers and transfers
for recognisable non-financial assets**

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	3,236,996	2,014,607	3,102,156
Fees and charges	900,866	873,683	1,035,153
Other revenue	160,724	157,513	174,969
Non-operating grants, subsidies and contributions	2,581,478	8,484,144	3,437,864
	<u>6,880,064</u>	<u>11,529,947</u>	<u>7,750,142</u>

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Revenue from contracts with customers recognised during the year	4,298,586	3,045,803	4,312,278
Revenue from transfers intended for acquiring or constructing recognisable non-financial assets held as a liability at the start of the period	696,814	-	-
Revenue from transfers intended for acquiring or constructing recognisable non-financial assets during the year	1,884,664	8,484,144	3,437,864
	<u>6,880,064</u>	<u>11,529,947</u>	<u>7,750,142</u>

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Trade and other receivables from contracts with customers	120,797	-	89,880
Financial assets held from transfers for recognisable financial assets	756,190	-	696,814
Grant liabilities from transfers for recognisable non financial assets	(756,190)	-	(696,814)

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

General rates

Other revenue

Reimbursements and recoveries

Other

Interest earnings

Financial assets at amortised cost - self supporting loans

Interest on reserve funds

Rates instalment and penalty interest (refer Note 23(f))

Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	4,376,316	4,339,347	4,226,136
	4,376,316	4,339,347	4,226,136
Other revenue			
Reimbursements and recoveries	137,112	80,600	122,094
Other	160,724	157,513	174,969
	297,836	238,113	297,063
Interest earnings			
Financial assets at amortised cost - self supporting loans	-	-	16,911
Interest on reserve funds	6,544	62,010	75,121
Rates instalment and penalty interest (refer Note 23(f))	55,976	46,000	73,784
Other interest earnings	5,668	20,000	31,646
	68,188	128,010	197,462

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration				
Audit services		22,750	35,000	22,750
Other services		1,800	-	800
		24,550	35,000	23,550
Interest expenses (finance costs)				
Borrowings	15(b)	31,468	30,069	42,939
		31,468	30,069	42,939
Other expenditure				
Impairment loss on trade and other receivables		-	-	-
Sundry expenses		182,396	210,772	216,425
		182,396	210,772	216,425

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Rates - Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Rates - Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the funding bodies	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges - Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Fees and charges -Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Fees and charges -Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Fees and charges -Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges -Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges -Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Fees and charges - Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction	On entry or at conclusion of hire
Fees and charges - Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction	Output method over 12 months matched to access right
Fees and charges -Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and charges -Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction	Output method based on goods
Other Revenue - Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Other Revenue - Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. CASH AND CASH EQUIVALENTS

NOTE	2021	2020
	\$	\$
Cash at bank and on hand	10,830,776	9,120,456
Total cash and cash equivalents	10,830,776	9,120,456
Restrictions		
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:		
- Cash and cash equivalents	6,612,500	6,141,162
	6,612,500	6,141,162

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

Reserves - cash backed	4	5,812,829	5,425,715
Current liabilities from transfers for recognisable non-financial assets	14	756,190	696,814
Bonds and deposits held	13	43,481	18,633
Total restricted assets		6,612,500	6,141,162

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlements Reserve	370,301	417	0	370,718	370,301	3,702	0	374,003	544,026	6,387	(180,112)	370,301
(b) Plant Replacement Reserve	915,953	1,033	0	916,986	915,953	258,074	(635,500)	538,527	798,264	278,689	(161,000)	915,953
(c) Building Reserve	933,456	1,052	0	934,508	933,456	9,335	0	942,791	922,942	10,514	0	933,456
(d) Land & Development Reserve	1,287,312	1,451	0	1,288,763	1,287,312	12,873	0	1,300,185	1,272,890	14,422	0	1,287,312
(e) Apex Park Redevelopment Reserve	227,053	75,340	0	302,393	227,053	77,271	(300,000)	4,324	150,000	77,053	0	227,053
(f) ICT Reserve	296,276	20,356	0	316,632	296,276	23,287	(12,000)	307,563	258,426	93,446	(55,596)	296,276
(g) Disaster Relief Reserve	247,006	278	0	247,284	247,006	2,470	0	249,476	244,215	2,791	0	247,006
(h) Cummins Street Units Reserve	61,186	69	0	61,255	61,186	612	0	61,798	60,505	681	0	61,186
(i) Recreation Facilities Reserve	710,039	201,025	0	911,064	710,039	207,101	0	917,140	502,804	207,235	0	710,039
(j) Waste Management Reserve	288,658	85,993	0	374,651	288,658	91,816	0	380,474	197,266	91,392	0	288,658
(k) Unspent Grant Reserve	88,475	100	0	88,575	88,475	9,422	0	97,897	3,451,497	10,854	(3,373,876)	88,475
	5,425,715	387,114	0	5,812,829	5,425,715	695,963	(947,500)	5,174,178	8,402,835	793,464	(3,770,584)	5,425,715

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

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

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

5. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

2021	2020
\$	\$
33,409	31,818
33,409	31,818

Other financial assets at amortised cost

Self supporting loans

33,409	31,818
33,409	31,818

(b) Non-current assets

Financial assets at amortised cost

Financial assets at fair value through profit and loss

261,777	295,186
129,162	-
390,939	295,186

Financial assets at amortised cost

Self supporting loans

261,777	295,186
261,777	295,186

Financial assets at fair value through profit and loss

Units in Local Government House Trust

129,162	-
129,162	-

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 15(b) as self supporting loans.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 25.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
GST receivable	
Other receivables	

Non-current

Pensioner's rates and ESL deferred	
------------------------------------	--

	2021	2020
	\$	\$
	576,093	500,660
	120,797	89,880
	140,540	-
	6,808	1,724
	<u>844,238</u>	<u>592,264</u>
	131,073	123,942
	<u>131,073</u>	<u>123,942</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 25.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

7. INVENTORIES

Current

Fuel and materials

Non-current

Land held for resale - cost

Cost of acquisition

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	10,610	40,731
	10,610	40,731
	446,023	446,023
	446,023	446,023
	486,754	625,460
	(329,064)	(138,706)
	298,943	-
	456,633	486,754

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

8. OTHER ASSETS

Other assets - current

Accrued grants

Accrued other income

	2021	2020
	\$	\$
	197,528	-
	7,538	-
	205,066	-

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Accrued grants

Accrued grants includes grant income where the Shire has an enforceable right to receive funding from the grant funder.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021
9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non-specialised	Buildings - specialised	Buildings - work in progress*	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	2,551,000	3,052,129	30,661,574	16,862,716	53,127,419	194,236	3,222,395	56,544,050
Prior year adjustment (Refer Note 27)	-	-	(793,253)	(16,862,716)	(17,655,969)	-	-	(17,655,969)
Additions	-	-	190,333	-	190,333	21,005	447,236	658,574
Disposals	-	-	-	-	-	-	(98,519)	(98,519)
Depreciation expense	-	(102,716)	(713,798)	-	(816,514)	(18,610)	(420,413)	(1,255,537)
Balance at 30 June 2020	2,551,000	2,949,413	29,344,856	-	34,845,269	196,631	3,150,699	38,192,599
Comprises:								
Gross balance amount at 30 June 2020	2,551,000	3,561,354	33,374,369	-	39,486,723	261,645	4,341,835	44,090,203
Accumulated depreciation at 30 June 2020	-	(611,941)	(4,029,513)	-	(4,641,454)	(65,014)	(1,191,136)	(5,897,604)
Balance at 30 June 2020	2,551,000	2,949,413	29,344,856	-	34,845,269	196,631	3,150,699	38,192,599
Additions	-	-	129,192	-	129,192	-	499,842	629,034
Disposals	-	(254,183)	-	-	(254,183)	-	(270,744)	(524,927)
Depreciation expense	-	(101,171)	(713,798)	-	(814,969)	(20,270)	(453,837)	(1,289,076)
Balance at 30 June 2021	2,551,000	2,594,059	28,760,250	-	33,905,309	176,361	2,925,960	37,007,630
Comprises:								
Gross balance amount at 30 June 2021	2,551,000	3,251,354	33,503,562	-	39,305,916	261,645	4,570,932	44,138,493
Accumulated depreciation at 30 June 2021	-	(657,295)	(4,743,312)	-	(5,400,607)	(85,284)	(1,644,972)	(7,130,863)
Balance at 30 June 2021	2,551,000	2,594,059	28,760,250	-	33,905,309	176,361	2,925,960	37,007,630

* Work in progress represents construction of retirement villages on behalf of Central East Accommodation & Care Alliance Inc (CEACA).

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land - freehold land	2	Observe open Market valuations, adjusted for conditions and comparability	Independent Valuation	2017	Price per hectare, with reference to zoning of land. Market values were used unless there were some restrictions or other factors associated with the land.
Buildings - non-specialised	2	Observe open Market valuations, adjusted for conditions and comparability	Independent Valuation	2017	Construction costs and current condition, residual value and remaining useful life assessments.
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Valuation	2017	Construction costs, current condition, residual value and remaining useful life assessments.
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.					
(ii) Cost					
Furniture and equipment	3	Cost Approach using depreciated replacement cost	Independent Valuation	2017	Purchase cost, current conditions, residual values and remaining useful life assessments.
Plant and equipment - Management valuation 2020	3	Cost approach	Cost	2020	Purchase cost

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - footpath	Infrastructure - drainage	Infrastructure - parks & gardens	Infrastructure other	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	133,819,448	6,762,193	12,268,478	5,148,317	-	157,998,436
Prior year adjustment (Refer Note 27)	(1,125,662)	-	-	-	-	(1,125,662)
Additions	1,756,988	158,120	-	-	-	1,915,108
Depreciation expense	(2,748,452)	(213,043)	(474,110)	(24,985)	-	(3,460,590)
Balance at 30 June 2020	131,702,322	6,707,270	11,794,368	5,123,332	-	155,327,292
Comprises:						
Gross balance at 30 June 2020	172,395,885	9,225,151	24,106,456	5,211,883	-	210,939,375
Accumulated depreciation at 30 June 2020	(40,693,563)	(2,517,881)	(12,312,088)	(88,551)	-	(55,612,083)
Balance at 30 June 2020	131,702,322	6,707,270	11,794,368	5,123,332	-	155,327,292
Additions	2,966,725	-	-	47,441	124,188	3,138,354
Depreciation (expense)	(2,877,810)	(191,443)	(418,740)	(21,224)	-	(3,509,217)
Transfers	-	-	-	124,188	(124,188)	0
Balance at 30 June 2021	131,791,237	6,515,827	11,375,628	5,273,737	-	154,956,429
Comprises:						
Gross balance at 30 June 2021	175,362,610	9,225,151	24,106,456	5,383,512	-	214,077,729
Accumulated depreciation at 30 June 2021	(43,571,373)	(2,709,324)	(12,730,828)	(109,775)	-	(59,121,300)
Balance at 30 June 2021	131,791,237	6,515,827	11,375,628	5,273,737	-	154,956,429

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management Valuation	2018	Construction costs and current conditions, residual values and remaining usefull life assessment
Infrastructure - footpath	3	Cost approach using depreciated replacement cost	Management Valuation	2018	Construction costs and current conditions, residual values and remaining usefull life assessment
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Management Valuation	2018	Construction costs and current conditions, residual values and remaining usefull life assessment
Infrastructure - parks & gardens	3	Cost approach using depreciated replacement cost	Management Valuation	2018	Construction costs and current conditions, residual values and remaining usefull life assessment

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

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

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

Revaluation (Continued)

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	-	-	-	-	45,000	45,000	-	-	-	-	-	-
Buildings - non-specialised	254,183	283,975	29,792	-	-	-	-	-	-	-	-	-
Buildings - specialised	-	-	-	-	242,820	240,000	-	(2,820)	-	-	-	-
Plant and equipment	270,744	257,205	14,713	(28,252)	473,342	439,000	33,943	(68,285)	98,519	75,429	227	(23,317)
	524,927	541,180	44,505	(28,252)	761,162	724,000	33,943	(71,105)	98,519	75,429	227	(23,317)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Transport				
Backhoe Loader JD 315SJ	43,259	32,727	-	(10,532)
Skid Steer JD 318D 2010	21,650	22,727	1,077	-
Ford Ranger Dual Cab	33,670	25,838	-	(7,832)
Tip Truck Fuso 2013	95,082	97,029	1,947	-
Wood Chipper 1998 PWCH02	6,039	17,728	11,689	-
2014 Mitsubishi Canter Tip Truck - 1EMK125	29,244	24,152	-	(5,092)
2017 Nissan Navara 4x4 Dual Cab Ute MD9353	29,000	24,817	-	(4,183)
2014 Kubota RTVX900 Utility Vehicle - 060RVY	12,800	12,187	-	(613)
	270,744	257,205	14,713	(28,252)
	270,744	257,205	14,713	(28,252)

(b) Fully Depreciated Assets in Use

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

	2021 \$	2020 \$
Buildings - specialised	5,346	5,346
Furniture and equipment	11,880	6,120
Plant and equipment	799,598	174,996
Infrastructure - parks & gardens	72,000	40,600
	888,824	227,062

SHIRE OF MERREDIN
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11. FIXED ASSETS

(c) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	101,171	-	102,716
Buildings - specialised	713,798	858,631	713,798
Furniture and equipment	20,270	-	18,610
Plant and equipment	453,837	285,251	420,413
Infrastructure - roads	2,877,810	1,604,825	2,748,451
Infrastructure - footpath	191,443	233,853	213,043
Infrastructure - drainage	418,740	446,528	474,110
Infrastructure - parks & gardens	21,224	27,116	24,985
	4,798,293	3,456,204	4,716,126

Revision of useful lives of plant and equipment

The remaining useful lives are assessed at the time of revaluation of assets. Management don't believe that there would be any significant changes to remaining useful lives since that time, i.e. there has been no dramatic changes in condition of assets since the last revaluation of each class.

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads:	
Sealed roads and streets	
Formation	not depreciated
Pavement	50 years
Seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
Formation	not depreciated
Pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

Depreciation on revaluation

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

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

12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Change in Accounting Policy	2020 Closing Balance
	\$	\$	\$	\$	\$
Land - freehold land	1,011,415	1,011,415	1,011,415	-	1,011,415
Revaluation surplus - Land - vested in and under the control of Council	-	-	760,000	(760,000)	-
Buildings - non-specialised	1,941,019	1,941,019	1,941,019	-	1,941,019
Buildings - specialised	22,114,069	22,114,069	22,114,069	-	22,114,069
Furniture and equipment	41,913	41,913	41,913	-	41,913
Plant and equipment	1,239,408	1,239,408	1,239,408	-	1,239,408
Infrastructure - roads	65,964,504	65,964,504	65,964,504	-	65,964,504
Infrastructure - footpath	11,615,820	11,615,820	11,615,820	-	11,615,820
Infrastructure - drainage	30,954,899	30,954,899	30,954,899	-	30,954,899
Infrastructure - parks & gardens	2,098,980	2,098,980	2,098,980	-	2,098,980
	136,982,027	136,982,027	137,742,027	(760,000)	136,982,027

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities
Bonds and deposits held
Accrued interest
Accrued expenses

2021	2020
\$	\$
713,156	299,156
120,134	106,042
11,431	-
91,325	1,276
43,481	18,633
9,580	11,140
344,413	26,123
1,333,520	462,370

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

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

Prepaid rates

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

14. OTHER LIABILITIES

Current

Contract liabilities
 Capital grant liabilities

2021	2020
\$	\$
463,983	696,814
292,207	-
756,190	696,814

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
756,190	-
756,190	-

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Grant Liabilities

Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

SHIRE OF MERREDIN
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15. INFORMATION ON BORROWINGS

(a) Borrowings	2021	2020
	\$	\$
Current	92,241	171,364
Non-current	585,230	677,472
	677,471	848,836

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020
				Principal	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Principal	Principal	Actual	Actual	Actual	Actual	Actual
				1 July 2020	New Loans	Principal repayments	Interest repayments	Principal outstanding	1 July 2020	New Loans	Principal repayments	Interest repayments	Principal outstanding	1 July 2019	New Loans	Principal repayments	Interest repayments	Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance																		
New Loan	219			-	-	-	-	-	-	4,925,000	-	-	4,925,000	-	-	-	-	-
Education and welfare																		
CEACA Council Contribution	217	WATC*	3.17%	439,248	-	(57,022)	(10,194)	382,226	439,248	-	(57,022)	(12,472)	382,226	494,515	-	(55,267)	(14,330)	439,248
Housing																		
New Loan	218			-	-	-	-	-	-	600,000	-	-	600,000	-	-	-	-	-
Other property and services																		
Amalgamated Loans	214	WATC*	6.08%	82,525	-	(82,525)	(3,580)	-	82,524	-	(82,524)	(2,220)	-	240,343	-	(157,818)	(11,698)	82,525
				521,773	-	(139,547)	(13,774)	382,226	521,772	5,525,000	(139,546)	(14,692)	5,907,226	734,858	-	(213,085)	(26,028)	521,773
Self Supporting Loans																		
Education and welfare																		
Merritville	215	WATC*	4.94%	327,063	-	(31,818)	(17,694)	295,245	327,063	-	(31,818)	(15,377)	295,245	357,366	-	(30,303)	(16,911)	327,063
				327,063	-	(31,818)	(17,694)	295,245	327,063	-	(31,818)	(15,377)	295,245	357,366	-	(30,303)	(16,911)	327,063
				848,836	-	(171,365)	(31,468)	677,471	848,835	5,525,000	(171,364)	(30,069)	6,202,471	1,092,224	-	(243,388)	(42,939)	848,836

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

SHIRE OF MERREDIN
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15. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2021 Actual	2021 Budget	2021 Actual	2021 Budget		
Housing	WATC*	P&I	10	4.00%	\$ -	\$ 600,000	\$ -	\$ (600,000)	-	-
Matching Funds	WATC*	P&I	20	4.00%	-	4,925,000	-	(4,925,000)	-	-
* WA Treasury Corporation					-	5,525,000	-	(5,525,000)	-	-

(d) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2021	2020
Bank overdraft limit	143,000	140,000
Bank overdraft at balance date	-	-
Credit card limit	10,000	20,000
Credit card balance at balance date	3,230	-
Total amount of credit unused	156,230	160,000

Loan facilities

Loan facilities - current	92,241	171,364
Loan facilities - non-current	585,230	677,472
Total facilities in use at balance date	677,471	848,836

Unused loan facilities at balance date

NIL NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 25.

16. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	258,888	247,613	506,501
Non-current provisions	-	30,603	30,603
	258,888	278,216	537,104
Additional provision			
	56,058	36,186	92,244
Balance at 30 June 2021	314,946	314,402	629,348
Comprises			
Current	314,946	237,474	552,420
Non-current	-	76,928	76,928
	314,946	314,402	629,348

	2021	2020
	\$	\$
Less than 12 months after the reporting date	143,856	315,848
More than 12 months from reporting date	460,448	247,926
Expected reimbursements from other WA local governments	25,044	(26,670)
	629,348	537,104

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date
Expected reimbursements from other WA local governments

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees.

Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

Long-term employee benefits 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.

17. 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. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	10,830,776	5,054,161	9,120,456
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result for the period	(165,523)	4,861,093	(1,515,201)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(129,162)	-	-
Depreciation on non-current assets	4,798,293	3,456,204	4,716,126
(Profit)/loss on sale of asset	(16,253)	37,162	23,090
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(259,105)	47,301	258,415
(Increase)/decrease in other assets	(205,066)	-	-
(Increase)/decrease in inventories	30,121	(24,000)	138,706
Increase/(decrease) in payables	871,150	25,000	(2,219,033)
Increase/(decrease) in employee provisions	92,244	-	(68,552)
Increase/(decrease) in other liabilities	59,376	(696,814)	(2,677,062)
Non-operating grants, subsidies and contributions	(2,640,854)	(8,484,144)	(3,437,864)
Net cash from operating activities	2,435,221	(778,198)	(4,781,375)

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	30,000	30,000
General purpose funding	707,166	625,257
Law, order, public safety	468,053	579,048
Health	177,036	210,099
Education and welfare	2,591,342	2,677,066
Housing	1,422,191	1,742,020
Community amenities	2,659,276	2,542,976
Recreation and culture	24,007,207	24,488,393
Transport	149,832,299	150,369,302
Economic services	758,651	1,228,687
Other property and services	6,066,843	5,761,720
Unallocated	16,136,129	13,915,743
	<u>204,856,193</u>	<u>204,170,311</u>

19. CONTINGENT LIABILITIES

The Shire of Merredin did not have any contingent liabilities as at 30 June 2021.

20. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

The Shire has no outstanding capital expenditure commitments at 30 June 2021.

(a) Operating Lease Commitments

The Shire had no operating leases current at 30 June 2021.

21. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Councillor - Julie Flockhart - President			
President's annual allowance	16,427	14,080	7,040
Meeting attendance fees	9,855	8,442	8,442
ICT expenses	222	-	223
Annual allowance for ICT expenses	-	400	-
Travel and accommodation expenses	2,158	3,000	1,282
	28,662	25,922	16,987
Councillor - Malcolm Willis - Deputy President			
Deputy President's annual allowance	4,107	3,520	3,520
Meeting attendance fees	9,853	8,446	8,446
ICT expenses	222	-	220
Annual allowance for ICT expenses	-	400	-
Travel and accommodation expenses	712	3,000	-
	14,894	15,366	12,186
Councillor - Ross Billing			
Meeting attendance fees	9,853	8,446	4,223
ICT expenses	222	-	220
Annual allowance for ICT expenses	-	400	-
Travel and accommodation expenses	-	3,000	-
	10,075	11,846	4,443
Councillor - Leah Boehme			
Meeting attendance fees	9,853	8,446	8,446
ICT expenses	222	-	220
Annual allowance for ICT expenses	-	400	-
Travel and accommodation expenses	-	3,000	-
	10,075	11,846	8,666
Councillor - Roy Butler			
Meeting attendance fees	9,853	8,446	8,446
ICT expenses	222	-	220
Annual allowance for ICT expenses	-	400	-
Travel and accommodation expenses	-	3,000	-
	10,075	11,846	8,666
Councillor - Renee Manning			
Meeting attendance fees	9,853	8,446	4,223
ICT expenses	222	-	220
Annual allowance for ICT expenses	-	400	-
Travel and accommodation expenses	-	3,000	-
	10,075	11,846	4,443
Councillor- Mark McKenzie			
Meeting attendance fees	9,853	8,446	4,223
ICT expenses	222	-	220
Annual allowance for ICT expenses	-	400	-
Travel and accommodation expenses	-	3,000	-
	10,075	11,846	4,443

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21 ELECTED MEMBERS REMUNERATION (continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Councillor - Romolo Patroni			
Meeting attendance fees	9,853	8,446	4,223
ICT expenses	222	-	220
Annual allowance for ICT expenses	-	400	-
Travel and accommodation expenses	-	3,000	323
	10,075	11,846	4,766
Councillor - Phil Van Der Merwe			
Meeting attendance fees	9,853	8,446	4,223
ICT expenses	222	-	220
Annual allowance for ICT expenses	-	400	-
Travel and accommodation expenses	-	3,000	-
	10,075	11,846	4,443
Councillor - Kenneth Hooper			
President's annual allowance	-	-	7,040
Meeting attendance fees	-	-	4,223
Travel and accommodation expenses	-	-	809
	-	-	12,072
Councillor - Bradley Anderson			
Meeting attendance fees	-	-	4,223
	-	-	4,223
Councillor - Mark Crees			
Meeting attendance fees	-	-	4,223
Travel and accommodation expenses	-	-	527
	-	-	4,750
Councillor - Mathew Crisafio			
Meeting attendance fees	-	-	4,223
	-	-	4,223
Elected member Councillors			
Annual allowance for ICT expenses	-	400	-
Travel and accommodation expenses	-	3,000	-
	-	3,400	-
	114,081	127,610	94,311
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	16,427	14,080	14,080
Deputy President's allowance	4,107	3,520	3,520
Meeting attendance fees	88,679	76,010	71,787
Other expenses	-	-	-
ICT expenses	1,998	-	1,983
Annual allowance for ICT expenses	-	4,000	-
Travel and accommodation expenses	2,870	30,000	2,941
	114,081	127,610	94,311

22. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual	2020 Actual
	\$	\$
Short-term employee benefits	624,325	813,787
Post-employment benefits	65,313	85,804
Other long-term benefits	9,320	36,915
	698,958	936,506

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

22. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Purchase of goods and services		
<i>i. Key management personnel</i>	303,877	-

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

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23. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
Gross rental valuations	0.106152	1,238	18,167,847	1,928,553	26,403	16,673	1,971,629	1,928,553	-	-	1,928,553	1,930,252
Unimproved valuations												
UV 1 Rural	0.019300	317	89,143,000	1,721,521	1,755	(531)	1,722,745	1,712,528	-	-	1,712,528	1,602,929
UV 2 Urban Rural	0.031100	43	3,748,000	116,563	-	-	116,563	116,563	-	-	116,563	116,563
UV 3 Mining	0.036800	4	45,934	1,690	717	107	2,514	1,690	-	-	1,690	1,842
UV 4 Power Generation	0.036800	13	485,560	149,242	-	-	149,242	166,391	-	-	166,391	161,818
UV 5 Airstrips	0.036800	1	168,000	6,183	-	-	6,183	6,182	-	-	6,182	5,962
Sub-Total		1,616	111,758,341	3,923,752	28,875	16,249	3,968,876	3,931,907	-	-	3,931,907	3,819,366
Minimum payment	Minimum \$											
Gross rental valuations												
Gross rental valuations	890	245	807,573	218,050	-	-	218,050	218,050	-	-	218,050	217,380
Unimproved valuations												
UV 1 Rural	1,110	129	3,050,500	142,080	-	-	142,080	143,190	-	-	143,190	143,190
UV 2 Urban Rural	1,110	38	700,650	42,180	-	-	42,180	42,180	-	-	42,180	42,180
UV 3 Mining	200	9	17,639	1,800	-	-	1,800	1,800	-	-	1,800	1,800
UV 4 Power Generation	1,110	3	55,200	3,330	-	-	3,330	2,220	-	-	2,220	2,220
UV 5 Airstrips	1,110	-	-	-	-	-	-	-	-	-	-	-
Sub-Total		424	4,631,562	407,440	-	-	407,440	407,440	-	-	407,440	406,770
Total amount raised from general rate		2,040	116,389,903	4,331,192	28,875	16,249	4,376,316	4,339,347	-	-	4,339,347	4,226,136
Ex-gratia rates							4,376,316				4,339,347	4,226,136
							58,687				53,150	64,083
Totals							4,435,003				4,392,497	4,290,219

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

23. RATING INFORMATION (Continued)

(c) Specified Area Rate

No specified area rates were charged in 2020/21.

(d) Service Charges

No service charges were raised in 2020/21.

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

No discounts, incentives, concessions or write offs occurred in 2020/21.

23. RATING INFORMATION (Continued)

(f) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	4/09/2020	0.00	0.00%	0.00%
Option Two				
First instalment	4/09/2020	0.00	0.00%	0.00%
Second instalment	5/11/2020	13.00	5.50%	5.50%
Third instalment	15/01/2021	13.00	5.50%	5.50%
Fourth instalment	19/03/2021	13.00	5.50%	5.50%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	35,229	25,000	52,872
Interest on instalment plan	20,747	21,000	20,912
Charges on instalment plan	20,150	22,000	22,568
	76,126	68,000	96,352

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24. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2020/21	2019/20
	2020/21 (30 June 2021 Carried Forward)	(30 June 2021 Carried Forward)	(1 July 2020 Brought Forward)	(30 June 2020 Carried Forward)
Note	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(44,504)	(33,943)	(227)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(129,162)	-	-
Movement in pensioner deferred rates (non-current)		(7,131)	(10,816)	(10,816)
Movement in employee benefit provisions (non-current)		46,325	(39,878)	(39,878)
Add: Loss on disposal of assets	11(a)	28,251	71,105	23,317
Add: Depreciation on non-current assets	11(c)	4,798,293	3,456,204	4,716,126
Non cash amounts excluded from operating activities		4,692,072	3,493,366	4,688,522
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - cash backed	4	(5,812,829)	(5,174,178)	(5,425,715)
Less: Financial assets at amortised cost - self supporting loans	5(a)	(33,409)	(33,409)	(31,818)
Less: Current assets not expected to be received at end of year				
- Land held for resale	7	-	(446,023)	-
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	15(a)	92,241	5,525,000	171,364
- Employee benefit provisions		-	374,003	-
Add: Movement in provisions between current and non-current provisions		-	22,876	-
Total adjustments to net current assets		(5,753,997)	268,269	(5,286,169)
Net current assets used in the Rate Setting Statement				
Total current assets		11,924,099	6,262,458	9,785,269
Less: Total current liabilities		(2,734,371)	(6,530,727)	(1,837,049)
Less: Total adjustments to net current assets		(5,753,997)	268,269	(5,286,169)
Net current assets used in the Rate Setting Statement		3,435,731	-	2,662,051

25. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.087%	10,830,776	3,918,210	6,911,616	950
2020					
Cash and cash equivalents	0.34%	9,120,456	-	9,117,566	2,890

Sensitivity

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

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	108,298	91,176

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 15(b).

25. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	292,105	105,673	63,062	246,326	707,166
Loss allowance	-	-	-	-	-
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	13,224	254,632	103,005	253,741	624,602
Loss allowance	-	-	-	-	-

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	85,159	2,595	-	33,043	120,797
Loss allowance	-	-	-	-	-
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	30,652	24,268	1,355	33,605	89,880
Loss allowance	-	-	-	-	-

25. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 15(d).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Payables	1,243,195	-	-	1,243,195	1,243,195
Borrowings	92,241	447,527	137,703	677,471	677,471
Other liabilities	756,190	-	-	756,190	756,190
	<u>2,091,626</u>	<u>447,527</u>	<u>137,703</u>	<u>2,676,856</u>	<u>2,676,856</u>
2020					
Payables	461,094	-	-	461,094	461,094
Borrowings	171,365	390,292	287,179	848,836	848,836
Other liabilities	696,814	-	-	696,814	696,814
	<u>2,026,087</u>	<u>390,292</u>	<u>287,179</u>	<u>2,703,558</u>	<u>2,703,558</u>

26. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events occurring after balance day which would have had an impact on the financial accounts.

27. CORRECTION OF ERRORS

(a) Depreciation on Fixed Assets

A prior year error occurred in 2018/19 and 2019/20, being depreciation not calculated on all infrastructure non-current assets except Parks and Gardens for a period of March to June 2019, and the period of April to June 2020. This resulted in a material overstatement of the carrying value of these group of assets.

The amount of depreciation corrected in these years is:

2018/19	\$1,125,662
2019/20	\$856,548
	<u>\$1,982,210</u>

(b) Aged Accommodation Project

The Shire has been participating in a project to construct and provide aged accommodation to the Eastern Wheatbelt through the Central East Aged Care Alliance Inc. (CEACA). Prior year errors occurred in 2016/17, 2017/18, 2018/19 and 2019/20, being the capitalisation of expenditure on construction of CEACA assets. The correction is to process expenses through profit and loss.

The Shire is not the owner of the assets but has agreed to act as banker for the project and to provide financial statements to participants through the CEACA Executive Committee.

The amount of capital expenditure corrected in the years to 30 June 2019 is:

2016/17	\$ 1,159,670
2017/18	\$ 2,155,624
2018/19	\$ 14,340,674
	<u>\$ 17,655,968</u>

A further correction was made in 2019/20 being the amount of:

2019/20	\$ 2,572,183
	<u>\$ 2,572,183</u>

The impact on the Statement of Financial Position and the Statement of Comprehensive Income are shown in the statements as a third column in the Statement of Financial Position showing the amended statement at the first instance of the correction of the error.

Statement of Financial Position (Extract)	30 June 2020	Increase/ (Decrease)	(Restated)	01 July 2019	Increase/ (Decrease)	01 July 2019 Restated
	\$	\$	\$	\$	\$	\$
Property, plant and equipment	58,420,751	(20,228,152)	38,192,599	56,544,049	(17,655,968)	38,888,081
Infrastructure	157,309,502	(1,982,210)	155,327,292	157,998,436	(1,125,662)	156,872,774
Net assets	<u>215,730,253</u>	<u>(22,210,362)</u>	<u>193,519,891</u>	<u>214,542,485</u>	<u>(18,781,630)</u>	<u>195,760,855</u>
Retained earnings	81,427,807	(22,210,362)	59,217,445	76,537,157	18,781,630	57,755,527
Total equity	<u>81,427,807</u>	<u>(22,210,362)</u>	<u>59,217,445</u>	<u>76,537,157</u>	<u>18,781,630</u>	<u>57,755,527</u>

The financial ratios have been effected by the above prior year adjustments, the impact of the these adjustments are detailed below

FINANCIAL RATIOS

	2021 Actual	2020 Restated	2020 As previously stated	2019 Restated	2019 As previously stated
Current ratio	3.40	4.85	2.48	2.00	2.00
Asset consumption ratio	0.68	0.76	0.78	0.78	0.80
Asset renewal funding ratio	1.02	1.06	1.06	0.96	0.96
Asset sustainability ratio	0.48	0.53	1.31	0.65	0.68
Debt service cover ratio	10.27	(0.68)	8.31	(53.14)	7.53
Operating surplus ratio	(0.49)	(0.88)	(0.28)	(3.14)	(0.20)
Own source revenue coverage ratio	0.47	0.41	0.53	0.22	0.61

27. CORRECTION OF ERRORS (continued)

Statement of Comprehensive Income (Extract)

	2020	Increase/ (Decrease)	2020
	\$	\$	(Restated) \$
<i>By Nature or Type</i>			
Depreciation on non-current assets	(3,859,579)	(856,548)	(4,716,127)
Materials and contracts	(2,597,520)	(2,572,183)	(5,169,703)
<i>By program</i>			
Expenses			
Governance	(537,864)	-	(537,864)
General purpose funding	(88,847)	-	(88,847)
Law, order, public safety	(549,116)	-	(549,116)
Health	(213,210)	-	(213,210)
Education and welfare	(107,387)	-	(107,387)
Housing	(248,808)	-	(248,808)
Community amenities	(1,034,973)	-	(1,034,973)
Recreation and culture	(2,703,269)	-	(2,703,269)
Transport	(4,054,816)	(856,548)	(4,911,364)
Economic services	(774,043)	-	(774,043)
Other property and services	(68,025)	(2,572,183)	(2,640,208)
TOTAL EXPENSES	(10,380,358)	(3,428,731)	(13,809,089)
Net result for the period	1,913,530	(3,428,731)	(1,515,201)

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28. 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 regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

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29. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE</p> <p>To provide a decision-making process for the efficient allocation of scarce resources.</p>	Administration and operation of facilities and services to Members of Council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Shire services.
<p>GENERAL PURPOSE FUNDING</p> <p>To collect revenue to allow for the provision of services.</p>	Rates, general purpose government grants, and interest revenue.
<p>LAW, ORDER, PUBLIC SAFETY</p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<p>HEALTH</p> <p>To provide an operational framework for environmental and community health.</p>	Inspection of food outlets and their control, provision of noise control and waste disposal compliance.
<p>EDUCATION AND WELFARE</p> <p>To provide services to disadvantaged persons, the elderly, children & youth.</p>	Maintenance of child minding centre, playgroup centre, senior citizens centre and aged care centres. Provision and maintenance of youth services.
<p>HOUSING</p> <p>To provide and maintain housing for elderly residents.</p>	Provision and maintenance of residential housing for the elderly.
<p>COMMUNITY AMENITIES</p> <p>To provide services required by the community.</p>	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.
<p>RECREATION AND CULTURE</p> <p>To establish and effectively manage infrastructure and resource which will help the social well being of the community.</p>	Maintenance of public halls, civic centres, aquatic centres, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museums and other cultural facilities.
<p>TRANSPORT</p> <p>To provide safe effective and efficient transport services to the community.</p>	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.
<p>ECONOMIC SERVICES</p> <p>To help promote the Shire and its economic wellbeing.</p>	Tourism and area promotion. Provision of rural services including weed control, vermin control, standpipe and building control.
<p>OTHER PROPERTY AND SERVICES</p> <p>To monitor and control the Shire's overheads operating accounts.</p>	Private works operations, Administration recharged through Activity Based costing, .

30. FINANCIAL RATIOS

	2021 Actual	2020 Restated	2019 Restated
Current ratio	3.40	4.85	2.00
Asset consumption ratio	0.68	0.76	0.78
Asset renewal funding ratio	1.02	1.06	0.96
Asset sustainability ratio	0.48	0.53	0.65
Debt service cover ratio	10.27	(0.68)	(53.14)
Operating surplus ratio	(0.49)	(0.88)	(3.14)
Own source revenue coverage ratio	0.47	0.41	0.22

The above ratios are calculated as follows:

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

Administration Office

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Central Wheatbelt Visitor Centre

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wheatbelttourism.com

📍 85 Barrack Street Merredin WA 6415

Cummins Theatre

(08) 9041 1325

cumminstheatre.com.au

📍 31 Bates Street Merredin WA 6415

Merredin Library

(08) 9041 1222

📍 22 Coronation Street Merredin WA 6415

District Olympic Swimming Pool

(08) 6140 1257

📍 1 Throssell Rd, Merredin WA 6415

Merredin Regional Community & Leisure Centre

(08) 9041 3033

merredinleisurecentre.com.au

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