

PART A



ANNUAL REPORT 2018-19

TABLE OF CONTENTS

Contents

VISION AND MISSION	3
SHIRE PRESIDENT'S MESSAGE.....	4
YOUR COUNCIL	5
CHIEF EXECUTIVE OFFICER'S MESSAGE.....	6
INTEGRATED PLANNING AND REPORTING.....	8
ABOUT THIS REPORT.....	9
STATUTORY REPORTING.....	11
access & inclusion plan.....	11
record keeping.....	12
register of complaints of minor breach	12
council services	12
YEAR IN REVIEW- COMMUNITY SERVICES	15
Cummins Theatre.....	16
Library and Recreational Services.....	19
Central Wheatbelt Visitors Centre	21
YEAR IN REVIEW- DEVELOPMENT SERVICES.....	25
YEAR IN REVIEW- MEDIA AND COMMUNICATION.....	26
YEAR IN REVIEW- WORKS AND SERVICES	27
YEAR IN REVIEW- CORPORATE SERVICES.....	28
OUR KEY ACTIONS LINKED TO THE STRATEGIC COMMUNITY PLAN.....	30

OUR

Community Vision



OUR

Our Vision

Merredin is a sustainable regional centre with a bright future

OUR

Our Mission

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

Shire President's Message

Near completion of the CEACA Project

This year has seen the ongoing construction of the CEACA independent living units not only here in Merredin but across the eleven Shires in the central east Wheatbelt. There have been some delays across some sites but the project in its entirety is nearing completion. CEACA is refining its processes for assessing eligibility of those wishing to rent a unit. It is expected that occupancy will commence towards the end of the calendar year. Some units will also be offered for sale.

North Merredin Development

With external funding provided most notably from Lotteries West but also from Collgar and from Council's own resources the project to transform the old North Merredin School site into a community hub has proceeded. Once completed it will complement the adjacent CEACA housing and will provide a venue for a number of community based activities from meeting rooms for community groups, an area dedicated to child care and a dog park. It is expected the project will be completed before the end of the year.

Water Tank

By now most residents will be aware that the now disused water tank on the tower being part of the railway complex has failed to the extent that it has become hazardous. Council commissioned a structural engineering report on the tower with a recommendation that, in the interests of public safety it should be removed. It should be noted that the tower appears to be structurally sound. Council will work with the Public Transport Authority, the Heritage Council of WA and the community over the coming months to see what opportunities there may be to recognise the significance of the site.

Apex Park

A number of Councillors together with staff have been working on a concept to redevelop part of Apex Park to renew and replace some of the ageing play equipment and generally revitalise the area. External funding will be sought through Lotteries West towards the project which has a preliminary budget of \$600,000. It is proposed that a concept will be developed over the coming months with community consultation supporting the final design. Funding applications can be finalised over the coming months and once secured tenders can be called.

I would like to thank Councillors for their contributions to the Merredin Council and their efforts for the benefit of the wider community over the last year. I would also like to thank all Council staff for their contributions towards delivering the best services and facilities we can with the resources we have available. Thank you also the many and varied community and sporting groups whom without we not be the sustainable community that we are.

YOUR COUNCIL

Cr Ken Hooper
Shire President
Term Expires 2019



Deputy Shire President
Cr Mal Willis
Term Expires 2021

Cr Matt Crisafio
Term Expires 2019



Cr Roy Butler
Term Expires 2021



Cr Romolo Patroni
Term Expires 2021



Cr Leah Boehme
Term Expires 2019



Cr Julie Flockhart
Term Expires 2021

Cr Mark Crees
Term Expires 2019



Cr Brad Anderson
Term Expires 2019

Chief Executive Officer's Message

Council adopted its refreshed Community Business Plan in July 2018 and has moved to finalise the informing strategies over the coming months. These include a Youth Strategy, Workforce Plan and an extended Strategic Resource Plan which outlines financial activity over the next 10 years together with how Council is going to maintain its extensive asset portfolio.

As Council moves on with its Integrated Planning Regime a community survey will be conducted later in year to seek community feedback on how we have gone since the last consultations earlier in 2018. The surveys are undertaken to coincide to some extent with Council elections so that the new Council can realign if necessary to meet the community's expectations and reallocate resources if necessary. The survey will be conducted by consultants and residents are encouraged to participate. A meaningful sample adds strength to the message and supports other initiatives Council may take with the feedback received such as lobbying other tiers of government or supporting grant applications.

This is the first year that Council's financial activity is audited by the Office of the Auditor General. This is a new initiative by the State Government to provide an audit of All Councils activities in greater depth than occurred previously. Included in this Annual Report are the audited financial statements and audit opinion from the Auditor General. Council's financial performance and sustainability has improved as referenced by the standard ratios of financial performance. The trends from year to year show that Council remains sustainable. Although rates continue to increase they have done so at a much reduced level recognizing the wider economic circumstances. Increases are still required however to meet increasing wages costs as determined by Award changes and to meet increasing charges as imposed by the State Government on such things as water, sewer and power charges.

Council's capital works program has largely been expended on improving the road system both in terms of construction and maintenance. Although it can always be bettered we are working within our resource constraints and declining road grants. Expansion of the footpath network around town continues with a focus this year on the area surrounding the CEACA units. This will ensure ease of movement for its residents to the MRC&LC and the shopping precinct.

There have been a number of community activities provided by our community services team this year and an offering of different performances at Cummins Theatre which are meeting the expectations as audiences are increasing substantially. With the adoption of a Youth Strategy there have also been a number of activities for youth which has seen Council partner with Avon Youth and the local Police to provide activities as diverse as speedway at Kellerberrin to murals and a public art piece in Merredin.

There has been a modest level of development over the year which is pleasing to see. The highlight was the commencement of the Risen Energy Solar Farm which will see an influx of workers into town up until its completion in early 2020. Details on other planning approvals and building permits can be found elsewhere in this Report.

Council continues to work regionally as regional initiatives and projects have a better chance of attracting attention and funding. This is evidenced by the success of a number of Councils in the Wheatbelt combining to develop a project for funding of a secondary freight network. This is likely to see benefit for Merredin as some of Council controlled roads carry a large freight task and it is hoped that funding can be found to upgrade these roads across the region which will lead to safer roads and lower freight costs. Council continues to work with its local government neighbours to achieve synergies in administrative practices which may lower costs of compliance and ensure that regulatory requirements are met.

As mentioned in last year's Annual Report and above constraints on external funding continues. Recurrent funding for maintenance works has stagnated and funding for new works is limited with very detailed business cases and funding applications required. With the demise of local government specific funding from the Royalties for Regions funding now gone discretionary funding for minor to medium works has now almost disappeared or with extended timeframes works are difficult to schedule. Council continues to take every opportunity to secure funding to lessen the financial load on ratepayers but these constraints need to be recognized if it sometimes takes longer for outcomes to be achieved.



INTEGRATED PLANNING AND REPORTING



Strategic Community Plan (10 years)

The Strategic Community Plan (SCP) is made using the Merredin community's feedback. It sets Merredin's strategic direction for the next 10 years based upon this feedback. The SCP for 2018-28 was adopted in July of 2018.



Annual Budget (1 years)

The Annual Budget sets out the operational expenditure for projects from the first year of the CBP and also general ongoing expenses. The budget is adopted at the beginning of each financial year and also sets out the fees and charges for services the Shire provides.



Corporate Business Plan (4 years)

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

Informing Strategies

Strategic Resource Plan 2016- 2031

It provides Council and community with a long term picture of the financial and asset management circumstances of the shire.

Workforce Plan 2015-2019

Identifies the workforce requirements and strategies for the current and future operations of the Shire of Merredin and supports the delivery of the Corporate Business Plan.

About this report

Welcome to the Shire of Merredin's 2018/19 Annual Report. Every year the Shire provides vital community services and the Annual Report is where we can highlight the achievements and the progress made towards reaching the strategic goals identified in the Strategic Community Plan 2018/2028.

Under the *Local Government Act 1995* all local governments are required to prepare an Annual Report at the end of each financial year. The Annual Report is one of our key reporting devices, which provides information to the community on the work completed in the past financial year. It identifies Council priorities and major projects being undertaken or planned and includes community indicators based on the goals and strategies outlined in the Strategic Community Plan. The report also details the Shire of Merredin's operational performance and outlines the achievements and challenges that were experienced throughout the year.

For the Shire of Merredin, our community comes first so we're big on providing financial and in-kind support to a number of community groups. During 2018/19 Council did so for the following community organisations.

Organisation	Cash	In-kind	Description
Merredin Community Resource Centre	\$2,400	\$1,200	Hosting Australia Day Breakfast, Senior's Luncheon & Thank a Volunteer and to facilitate 2 workshops to upskill volunteers
Merredin Community Singers (auspiced by Merredin Repertory Club)		\$858	Hosting of community dinner concert in partnership with Silver Threads
Wheatbelt Events Committee		\$1,100	Hosting of International Women's Day Luncheon
Merredin Fine Arts		\$2,321	Hosting Art Exhibit
Merredin Sports Council	\$500		Hosting Merredin Sports Awards
Merredin College		\$1,200	Support of specialised volleyball program
Merredin Military Museum	\$2,500		Installation of CCTV
Merredin Agricultural Society		\$10,200	Support for Merredin Show
Merredin College Chaplain	\$3,000		Providing support services to students
MADCAPS	\$980		Installation of outdoor seating and carpet mat

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

Each event attracted participants and spectators from within town and the surrounding areas. The main events organised/supported by the Shire during 2018/19 included ANZAC Day, the Twilight International Food Festival, NAIDOC week, Gala Night and school holiday activities run by Merredin Regional Library and Cummins Theatre.

Being accessible is vital for Councillors in making sure they can accurately represent the community they live in. Council was involved in the Create Booth at the Merredin Show in March 2019 and the Informal Community Forum held in Feb 2019 enabling one on one informal conversation. During the consultation process for the Strategic Community Plan Council and Shire staff made sure as many community groups and individuals as possible were given an opportunity to attend the workshops and provide feedback.

WHERE TO FIND THIS REPORT

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

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

COMMENTS

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



Statutory Reporting

ACCESS & INCLUSION PLAN

The *Disabilities Services Act 1993* requires Council to report on its Disability Access & Inclusion Plan (DAIP) achievements within its Annual Report. The 2018/19 DAIP progress report highlighted the following achievements.

The Shire of Merredin via its involvement in the Central Eastern Aged Care Alliance commissioned Pindan Pty Ltd to build up to 27 seniors accommodation units in Merredin. These units are currently at lockup stage and will be completed in the 2019/20 financial year. This \$5,600,000 project is located in close proximity to the Merredin Library and is linked via dual use footpaths to the Merredin shopping centre precinct, doctor's surgeries and the Merredin Hospital.

Shire staff in the Administration Building, Library and Visitor Centre that have contact with the public were requested to undertake customer service training via an online video 'You Can Make a Difference to Customer Relations for People with Disabilities in Local Government and State Government Agencies'.

The Shire of Merredin has installed a new AS 1428.1 compliant public toilet facility at the Merredin Cemetery and also provided additional footpaths linking this facility to the Cemetery.

EXECUTIVE REMUNERATION

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

As at 30 June 2019 the Shire has 4 employees entitled to an annual salary more than \$100,000:

SALARY RANGE	EMPLOYEE(S)
\$100,001 - \$110,000	2
\$110,001 - \$120,000	0
\$120,001 - \$130,000	1
\$130,001 - \$140,000	0
\$140,001 - \$150,000	0
\$150,001 - \$160,000	0
\$160,001 - \$170,000	0
\$170,001 - \$180,000	0
\$180,001 - \$190,000	0
\$190,001 - \$200,000	0
\$200,001 - \$210,000	0
\$210,001 - \$220,000	1

RECORD KEEPING

The Shire’s reviewed Record Keeping Plan, as adopted by Council at its September 2015 meeting, is in operation - as far as all incoming correspondence is captured onto the electronic records system and then allocated to the relevant officer for attention whilst the hardcopy is filed. Work continues in educating officers of the procedure for incoming and outgoing correspondence via email. Work has also commenced with regard to capturing archived “permanent records” onto the electronic system. The archived hardcopy records are being held in a secure building, however, this is not dust free nor fire protected but we are working towards satisfying regulations in this regard.

REGISTER OF COMPLAINTS OF MINOR BREACH

In accordance with Sections 5.53(2) and 5.121 of the *Local Government Act 1995*, the Annual Report is required to disclose the number of complaints of minor breach received each year. There were no complaints received in 2018/19.

COUNCIL SERVICES

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

- Provision of a Rubbish Tip
- Kerbside collection of general waste and recycling
- Sporting facilities including the Merredin Regional Community & Leisure Centre Precinct and the Merredin Olympic Swimming Pool
- Tourism Services via the Central Wheatbelt Visitor Centre
- Library services via the Merredin Regional Library
- Entertainment services via Cummins Theatre and community events such as the annual International Twilight Food Festival and Gala Night
- Maintenance of parks, gardens, public toilets and public spaces
- Maintenance of roads
- Maintenance of cemeteries including preparation of plots for burial
- Maintenance of community building facilities and grounds
- Provision of planning and building services
-

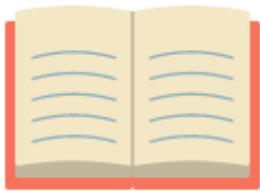
- Provision of environmental health services (septic tanks, water monitoring, etc.)
- Provision of ranger services
- Provision of registration services for cats and dogs
- Provision of fire break information and compliance
- Communication of events via social media which are happening around town and in adjacent Shires
- Provision of Natural Resource Management / Landcare Opportunities
- Provision of the Community Grant Scheme which provides applicants with funding support for a variety of events, causes, builds, etc.
- Provision of licencing services on behalf of the Department of Transport which is an invaluable core service provided. During 2017/18 the Licensing Centre processed a considerable number of transactions, with Council commissions totalling approximately \$84,258



 CUMMINS THEATRE

YEAR IN REVIEW

OUR **Community Services**



8,922 visitors
to the Library



6,759 visitors
to the visitors
centre



Sold 6,392
tickets for shows at
the Cummins
Theatre

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

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

These events include:

- Armistice Day in conjunction with the community, Merredin RSL and the Community Services team;
- Cummins Theatre 90th Birthday Celebrations;
- 2018 Gala Night in conjunction with the community and the Community Services team;
- Australia Day awards and celebrations in conjunction with the community, CRC and Community Services Team;
- Chinese New Year in conjunction with the community and Belgravia;
- Twilight International Food Festival in conjunction with the community and the Community Services Team;
- ANZAC Day Commemorations in conjunction with the community, Merredin RSL and the Community Services team;
- NAIDOC Week events;
- Restoration of the Town Hall Clock in conjunction with the community and Merredin Men's Shed;
- Ongoing development of the Dog Park, with an official opening event;

The provision of a youth strategy in conjunction with numerous community groups and youth stakeholders identified the following programs and events:

- Youth Fest;
- Avon Youth Sculpture Project;
- Wheatbelt Youth Council Blue Tree Project.

COMMUNITY SERVICES – CUMMINS THEATRE

The Cummins Theatre continues in its goal to be “The Heart of the Arts in the Wheatbelt”. Our 2018/2019 financial year built on the success of previous years as the theatre offered a program of live performances, workshops, classes and private events ensuring all members of the community could become actively involved.

Live Performances

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

Morning Melodies Concert Series

Lunchtime Escapes were introduced in 2017/2018 to encourage audiences to attend the Theatre during the day for short bi-monthly performances. With patron numbers not being sustainable for these events due to the high cost associated with some of the artists programmed the Theatre Manager started the Morning Melodies Concert Series, being a format that he had run previously in Perth. These monthly concerts started in February 2019 and have become an important part of the theatre’s calendar. Patrons pay \$15 which included morning tea and then an hour performance. The concerts have been well received with it giving seniors in the region an affordable outing and a place to catch up with old friends and meet new friends alike. The concerts have included Justin Freind, Katherine Freind, Blake Jenkins, Alli Butler and Aardvark Jazz Band.

Wheatbelt Touring Circuit

A continuing partnership between West Australian Music (WAM) and the Cummins Theatre saw 10 Wheatbelt artists & bands record a CD at the Cummins Theatre in March 2019. “Demos from the Wheatbelt” was a fantastic opportunity for the Theatre to be involved in and WAM and the various artists fell in love with the recording space that was created for the project. The culmination of the project will end with the WAM “Demos from the Wheatbelt” CD Launch in August 2019.

Theatre Education Program

The education program saw a variety of productions brought to the Cummins Theatre. Specifically for school audiences these included ‘Josephine Wants To Dance’ (Monkey Baa Theatre), ‘Whoosh!’ (Sensorium Theatre) and ‘Possum Magic’ (Monkey Baa Theatre). Each performance was supported with curriculum documents accessible to schools and the opportunity to get up close with artists through workshops and question and answer sessions. In total 15 schools from around the Wheatbelt region attended the performances with some schools traveling around 3 hours return trip to see performances.

Main Stage Productions

The Cummins Theatre Main Stage productions continue to provide quality diverse performances ranging from comedy, live music, cabaret, dance and family friendly performances. Some of these performances included 'B2M Mamanta', 'A Night on Broadway' (Cummins Theatre 90th Birthday), 'Celtic Illusion' 'Perth Fringe Festival', 'The Divine Miss Bette', 'Perth Symphony Orchestra', 'A Taste of Ireland.' The Merredin Repertory Club is an important thread in the overall cultural life of the Theatre. Presenting 2 main seasons ('Harem Scarem' & 'Allo Allo') and a smaller 1 Act season the MRC continues to entertain audiences from Merredin and the surrounding towns. Patron numbers had dropped away in the previous years but in 2019 numbers grew again back to what they had seen in years gone by.

Cummins Kids

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

- Teddy Bears Picnic
- Wearable Art
- Mask Making
- Circus Skills (Fringe Festival)
- Movie Night – a presentation of short films the kids had made.
- Christmas Wonderland – making decorations for Christmas.

Funding

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

New funding opportunities continue to arise especially through the Regional Venues Improvement Fund and the Department of Culture & the Arts. Projects which have gained support in 2018-2019 include:

- Main Stage Program – Lotterywest
- Community Workshop Program – Department of Culture and the Arts
- Technical Upgrade – Department of Culture and the Arts
- Morning Melodies Concert Series – Ramelius Resources



LIBRARY SERVICES

2018/2019 saw the final year of the Regional Library System for Public Library Support in WA. The Shires supported during the year included the Shires of Bruce Rock, Kellerberrin, Mt Marshall, Mukinbudin, Naremben, Nungarin, Trayning, Westonia and Yilgarn. The support offered included staff training, meetings, on-site visits and remote assistance with library operations. The Regional Library model is one of the changes to the Public Library System in WA.

Library staff happily engaged with the local community in a number of ways including:

- Storytime sessions throughout school terms in the library, MADCAPS, and Kidslink at Merredin College as well as participating in the National Simultaneous Storytime at Merredin College;
- Participation in Eastern Wheatbelt Early Years Network Play dates;
- Liaison with the Tales of Times Past Senior Storytellers;
- Hosting the weekly Yorga's/Noongar Women's Yarning and Craft Group;
- Hosting focus groups for art and culture in the Wheatbelt;
- Hosting author Fleur McDonald;
- Hosting a Gold Club afternoon;
- Holding a Library Lovers' Day event;
- Hosting a Pink Morning Tea to raise money for Cancer Research;
- Participating in the 100 years Armistice Celebrations;
- Hosting School Holiday Activities in July, October and April;
- Hosting the induction for Mallee Fowl Monitoring; and
- Hosting Work Placement students from Merredin College.

The Merredin Library continues to offer free access to library members to e-resources including OverDrive, Bolinda BorrowBox, Zinio and Kanopy through the State Library Digital Media Collection and Ziptales and The Computer School through Merredin's suite of e-resources.

The library catalogue is available 24/7 for members to search for items or renew their borrowed items. The catalogue can be found at library.merredin.wa.gov.au.

RECREATIONAL SERVICES

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

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

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

Sporting Events and Fixtures

All winter and summer sports had successful fixtures and final games. The cricket club made it to the fourth consecutive Grand final in a row but didn't bring home the shield, the bowling club made it to the semi-final for pennants. Together the MRCLC and Merredin netball association hosted the WA Netball Wheatbelt Goldfields Regional Championships with 25 teams in attendance. Merredin Districts Tennis Club made it through to the pennant final but unfortunately missed out on the pennant flag. Country week basketball had all age group levels represented from Merredin Basketball and the golf club hosted another very successful Sands tournament. Taekwondo is offered by a private contractor. Soccer was introduced as a 'have a go'

sport in the early months of 2017 and has continued to be popular with a group of parents organising a skills, coaching session which has led to a local club being formed with about 50 primary school age children in regular attendance, and continues to run every term for a six week block.

Aqua fit and Aqua balance classes were delivered by trained instructors and all were well supported until the winter months. Classes stopped in June 2019 and will resume in October 2019. Infant swimming/water safety classes have continued and have been well supported throughout the year.

The winter sports carnival for the Wheatbelt region was held in August 2018 with over 150 children attending this one day carnival of netball, football and hockey. A well run event by a community committee.

Other Programmes

The MRCLC has supported the community 0-4 program that facilitates 4 family events each year. The baby boot camp held in the stadium was very successful with 53 participants plus parents.

Friday night sports run in a 6 week block and working with the other community seasonal sporting groups worked well. Friday night sports include Mixed Volleyball, Mixed Netball, Badminton and Basketball.

The Gold Club is a weekly activity based programme for over 50s. Activities include sports, dancing, memory games, healthy living, music, trips to other close range towns and tourist sites and there are 15-20 regular participants.

Other Programmes & Events Held

- School Holiday programs – mainly all sports based activities
- 12 x birthday parties
- GOLD Club – for active seniors held weekly
- Bingo – held fortnightly
- Chinese New Year
- Melbourne Cup luncheon
- EWEYN events for 0-4 years including Baby Boot Camp (held on 15 June) and spring in the Garden were hosted and supported by staff. Children's Week Messy Play Event to be held in October and Pool party Date held in December.
- Supervised parent child meetings
- Funeral wakes
- Quiz Nights
- Corporate/Private functions and meetings
- Entertainment nights – DJs and Karaoke
- Bogan Bingo
- Merredin Show

Initiatives

Like many small towns across Australia local children sometimes miss out on opportunities that children in larger towns and cities take for granted. Previously in Merredin this included the opportunity to access an indoor playcentre. Recognising this, Belgravia Leisure and the Shire of Merredin partnered to construct an indoor playcentre at the MRCLC, in a previously underutilised multipurpose room. The Peak Play & Café opened to the public in December 2018 and now provides an opportunity for children to access the health benefits a metropolitan standard indoor play centre, whilst their parents relax in the café or restaurant located at the centre.

Staffing

One full time centre manager, one part-time administrator, one part-time programme co-ordinator, two part time Bar managers and a part-time chef are permanent staff. Other casual staff include four junior staff and two seniors for the peak play and café, two kitchen hand staff and six casual bar staff.

Facility Maintenance

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

General

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

COMMUNITY SERVICES- VISITOR CENTRE

Annual Licence & Membership Renewals

The CWVC is committed to providing a professional accredited Level 2 regional visitor centre and with this obligation, a number of annual licences and memberships are required. The Tourism Council WA conducted an onsite Australian Tourism Accreditation Program (ATAP) assessment in February 2017 as part of their requirement for procedures and policies. A certificate of accreditation for 2018/19 was awarded and certificates for 2018/19 have been received.

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

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

The CWVC continues to support AGO in AGO/Wheatbelt marketing campaigns including:

- 2019 Perth Caravan and Camping Show – staff coordinate and attend this important trade show annually supported by sub-regional tourism professionals.
- The CWVC Manager remains the current Wheatbelt Representative on the AGO Board with the two year term expiring in October 2019.

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

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

Event Packages

- The Visitor Centre now has Merredin Escape Packages to promote Cummins Theatre events. <http://www.wheatbelttourism.com/packages>
- The CWVC partnered with 5 Merredin Accommodation providers advertising accommodation options, rail travel with Transwa and an event at Cummins Theatre.

Other Advertising – Annual Holiday Planners, Tourism & Community Publications

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

- AGO Holiday Planner 2019
 - o Self-drives Pioneers' Pathway and Golden Pipeline Heritage Trail
 - o Shire of Merredin full page town and attraction information
- Merredin and Districts Community Phone Directory – CWVC Services

Regional Tourism Promotion

- Reprinted Edition 5 of The Eastern Wheatbelt WA – A Visitors' Guide, with 25,000 copies to be distributed state wide.
- The CWVC continues to work collaboratively with subregional tourism groups, NewTravel, Roe Tourism Association and WEROC and member Shires of Cunderdin and Tammin.
- With the support of EW tourism partners, extended the EW Strategic Tourism Plan from 2017 to July 2020.
- Continue to attend the Pioneers' Pathway Advisory group meetings as required.
- Produce a monthly e-Events newsletter promoting EW regional events to a large data base

WEROC App & WEROC Website

The contract for the CWVC to service the Wheatbelt East Regional Organisation of Councils (WEROC) app expired 30 June 2019. There has been no further discussion to manage this App. The WEROC website is maintained to reflect business and event changes a required.

Central Wheatbelt Visitor Centre Membership

Working towards a more sustainable future, the CWVC continues the annual initiative to call on membership support from EW LG's, tourism groups, businesses and museums & collections. Membership strengthens EW tourism and members are listed on wheatbelttourism.com. Four levels of membership were offered including an affiliate/not-for-profit level 4. Choice if membership offers a range of benefits applying to all levels.

Central Wheatbelt Tourism Website

www.wheatbelttourism.com continues to be managed in-house by the CWVC Tourism Officer monitoring a steady increase in visitation to the site.

Retail & Consignment Stock

- Continue to increase the range of consignment products of local & regional produce, products, arts and crafts and handmade items.
- Continue to support a range of Wheatbelt local government and self-published historical and natural history publications from our retail store and from the website.
- Continue to explore new Australian made souvenirs, maps and travel atlases.

Local Initiatives

- The 'Explore Merredin' Brochure including town and regional map continues to be the key marketing tool for the Shire of Merredin and is produced and distributed by the CWVC to the Eastern Wheatbelt and state VC's as requested.
- CWVC continues to work with FORM to promote and market the Public Silo Art Trail and collect visitor data by way of a FORM Survey. The CWVC retails Silo Trail publications.
- CWVC continues to work with National Trust WA to promote and market the Golden Pipeline Heritage Trail.
- CWVC continues to work with AGO and Transwa to promote Merredin Escape packages to the Perth market.
- CWVC create and maintain a range of seasonal guides and event programs for visitor information.
- Continue to identify the need for new tourism signage or replacement and renewal of existing signage.
- Ensure our Merredin Brochure and regional maps & guides are topped up weekly in the racks at the 2 museums and in participating businesses in Barrack Street
- Provide weekly e-updates for Merredin Accommodation businesses promoting events and visitor information
- Keep in touch with Merredin businesses for changes to opening hours/days for website & handouts



YEAR IN REVIEW

OUR *Development Services*



issued 37
building
approvals



\$13,208,713
value of
development



Completed 1
Local Planning
Scheme
amendment



Issued 18
Planning
Approvals



76 dogs
registered



7 cats
registered

This year, Development Services has been focused on the planning and building approvals for the CEACA project, planning approvals for CBH extensions, the implementation of Waste Water Reuse Scheme reporting requirements and policy developments surrounding the Health and Building state legislation review. We also assessed the standard of housing and identified dilapidated buildings in the Merredin town site.

Key Achievements:

- Strengthened working relationships with other government departments; Police, Housing Authority
- Implemented a dedicated Event Management application process
- Implemented a Public Buildings and Lodging House compliance program
- New air conditioning for Shire admin
- The Curators house was demolished
- New shades and fencing for the swimming pool
- Installation of solar panels at the library and visitors centre
- Upgrade to the remainder of the buildings & classrooms at the NMPS
- Installation of cooling fans at the MRCLC
- A new disabled toilet for the cemetery

YEAR IN REVIEW

OUR **Media + Communications**



21 press releases



410 total Twitter followers



253 new likes and 721 new/increased page reach



248 Instagram followers

This year the Shire's media and communications department set a goal to improve the overall perceived reputation and transparency of the Shire.

Key Achievements:

- *Improved use of video across Shire social platforms*
- *Establishment of a Shire Instagram*

The Shire of Merredin now has a presence on Instagram, a place to share the best features of our region. Our platform is continually improving, with the recent introduction of branded story highlights.

- *Website redesign*

As part of the FY19 budget, the Shire of Merredin will be undergoing a website redesign. It was assessed that the current Shire website was falling behind the required services provided, was difficult to navigate and did not reflect the quality of service people experience in person, at the administration building. Furthermore, we wanted to update the website to keep up with the standard set by neighbouring Shires, who had recently undergone branding updates.

YEAR IN REVIEW

OUR **Works + Services**



\$665,280 on
spray seal



\$926,899
spent on road
maintenance



\$186,821 on
footpaths



\$727,126 on
resheeting



\$640,101 on
black spot



\$442,873 on
public parks,
gardens and
reserves

The works and services team delivered on a number of key road upgrades, the details of which can be found in the works and services expenditure table below.

Key Achievements:

- Dog park, fencing and footpath works
- Street Tree Master Plan
- Worked with Main Roads to get the Tantadgin and Bruce Rock roads intersection upgraded
- Continued footpath network development with new footpaths constructed in Endersbee Street and South Avenue.
- Trial and implementation of new road stabilisation product for unsealed roads for performance and cost efficiency depending on road condition.

YEAR IN REVIEW

OUR **Corporate Services**

In 2018/19 for every \$100 the Shire of Merredin spent:



\$45 on roads



\$9.50 on community amenities



\$5 on law, order and public safety



\$22.50 on recreation and culture



\$2 on health



\$5.50 on governance



\$2 on education and welfare



\$6.50 on economic services



\$2 on housing



OUR KEY ACTIONS LINKED TO THE STRATEGIC COMMUNITY PLAN

Key Zone 1 – Community & Culture								
Strategic Goal		<i>Merredin is rich in cultural diversity, performing and fine arts and a variety of sports available for both residents and visitors.</i>						
Key Priority 1.1		Supporting and facilitating engagement in the arts in all their forms						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
1.1.1	Provide facilities and services for arts and cultural programs	Effective and ongoing advocacy	Community Services	✓	()	()	()	()
	<ul style="list-style-type: none"> () - Merredin Community Events Program 2019 will include various arts and cultural program such as Harmony Week to celebrate the diverse cultural mix of Merredin. (Sept 18) () - Meetings held with the education sites for opportunities through workplace & active programs for arts and cultural programs. (Dec 18) () - The Community Development team continues to work with the schools through Early Yeas Network (EWEYN) (Mar 19) () - Implementing Merredin Youth Council Program that has activated various arts based workshops. (June 2019) 							
1.1.2	Support community organisations to provide art and cultural activities and events that celebrate and recognise the diversity and uniqueness of Merredin	Completion of investigation	Community Services	-	()	()	()	()

	<ul style="list-style-type: none"> ⌚- Festa Italiana organised for 2019 as part of the Merredin Community Events Program. (Sept 18) ⌚- Funding applications have been sent for the 2019 program and work with Youth Council for outcomes with Purple Bench, leadership camps and Youth Fest. (Dec 18) ⌚- After successful funding meetings held with Festa Italiana working group to get plans underway. (Mar 19) ⌚- Assisting various youth stakeholders to implement activities and workshops, including Avon Community Services and Merredin CRC. Implementing community events program, which is inclusive to all members of the community and promotes diversity. (Jun 19) 							
1.1.3	Develop and implement a Public Art Strategy	Effective and ongoing support	Community Services	✓	○	○⌚	○	-
	<ul style="list-style-type: none"> ○- Valuation occurred, report due 17 Sept, sourced examples of art strategies (Sept 18) ○⌚- Report taken to Council 20 Nov 18, Valuation report, Art Collection Register and Policy considered and supported by Council. Public Art Strategy survey being conducted at the present time. (Dec 18) ○- Survey was not supported to continue with a Public Art Strategy. (Mar 19) 							
Informing Strategies or Legislation Cummins Theatre Program								

Key Priority 1.2		Protecting and promoting the diverse culture and heritage of the Merredin Region						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
1.2.1	Support the preservation and promotion of heritage buildings and significant sites to include artefacts and memorabilia	Effective and ongoing advocacy	Development Services	✓	⌚	⌚	⌚	⌚
	<ul style="list-style-type: none"> ⌚- Submission to Stronger Communities Funding for the automation of the Memorial Clock at the Merredin District Hall. Application submitted on the 27th September 2018. ⌚- Review of Municipal Heritage Inventory will be progressed in the 2019/2020 (Dec 18) ⌚- Quotes for consultants are being sought to undertake a review of the inventory. (Mar 19) 							

	🕒 - The Municipal Heritage Inventory will commence in the 2019/20 financial year. (Jun 19)							
	Promote cultural awareness	Completion of investigation	Community Services	-	🕒	🕒	🕒	🕒
1.2.2	<ul style="list-style-type: none"> 🕒 - Working with Avon Youth in developing a Youth Program 2019. Submission for external funding to be completed by 30th October 2018. (Sep 18) 🕒 - Both Cummins Theatre and Community are finalising 2019 programs and still waiting on external funding to be assessed. (Dec 18) 🕒 - 2019 funding has been successful and events plans are beginning to be implemented. Library continues to investigate activities that increase cultural awareness, including Tales of Time Past Senior Storytellers and Yorga's. (Mar 19) 🕒 - NAIDOC week will be held in July and working with stakeholders for collaborated event. Plans for Festa Italiana are well underway, with plenty of interest and engagement from the community (June 19). 							
Informing Strategies or Legislation Cummins Theatre Conservation Plan Merredin Town Hall Conservation Management Plan Municipal Heritage Inventory								

Key Priority 1.3		Supporting sport activities and promoting healthy lifestyles						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
1.3.1	Support the preservation and promotion of heritage buildings and significant sites to include artefacts and memorabilia	Effective and ongoing advocacy	Community Services	✓	🕒	🕒	🕒	🕒
	<ul style="list-style-type: none"> 🕒 - Submission to Stronger Communities Funding for the automation of the Memorial Clock at the Merredin District Hall. Application submitted on the 27th September 2018. (Sep 18) 🕒 - Memorial Clock grant application has been received of the 50% amount. (Dec 18) 							

	<ul style="list-style-type: none"> ⌚ - Assisting the Merredin Military museum with seeking funding for a shelter to cover and preserve outdoor memorabilia. Library continues to local history documents and memorabilia not collected by the local Museums and is now providing a monthly column in the Phoenix highlighting important events or interesting historical facts. (Mar 19) ⌚ - Restoration of the Town Hall Clock is currently in progress. The works should be completed by the end of the month. (June 19)
--	--

Informing Strategies or Legislation
MRCLC Management Plan and Strategic Resource Plan

Key Priority 1.4		Continuing advocacy for the improvement of allied health services and facilities for the Community						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
1.4.1	Continued advocacy to ensure that necessary services are in Merredin to support the needs of the Community	Effective and ongoing advocacy	Office of the CEO	-	⌚	⌚	⌚	⌚
	<ul style="list-style-type: none"> ⌚ - CLO attending the EWEYN group with other interagency in supporting the early year's group (0-5 years) (Sept 18) ⌚ - CLO works closely with Amity Health Service in supporting Indigenous programs. (Sept 18) ⌚ - Working with CEACA on aged care services. (Dec 18 & Mar 19) ⌚ - Continued support and key stakeholder engagement for services and facilities are continually supported. (Jun 19) 							
1.4.2	Promote health and community services on the Shire website	Completion of investigation	Office of the CEO	-	⌚	⌚	⌚	⌚
	<ul style="list-style-type: none"> ⌚ - Website updated when initiatives and information available. (Sept 18) ⌚ - Working with CEACA on aged care services. (Dec 18 & Mar 19) ⌚ - Shire Officers have activated and received relevant pamphlets from Department of Health for Advance Care Planning, flyer created to advocate for library and CRC. (Jun 19) 							
1.4.3	Support initiatives to improve safety	Effective and ongoing support	Office of the CEO	●	⌚	⌚	⌚	⌚

	and reduce crime							
	<ul style="list-style-type: none"> ⌚ - Application to the Safer Communities Funding for the upgrading of the CCTV system along Barrack, Bates and other facilities in Merredin. Funding submitted on the 21st September 2018. ⌚ - Awaiting funding. Working with youth to prevent petty crime. (Dec 18) ⌚ - Funding application not successful, further discussions and considerations to review the project. (Mar 19) ⌚ - Council considering provisions in the 2019/20 budget for CCTV. (June 19) 							

Informing Strategies or Legislation

Verso Report

Key Priority 1.5		Building resilience and the capacity to manage natural and man-made emergency events						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
1.5.1	Manage the operations of the Local Emergency Management Advisory Committee	Effective and ongoing advocacy	Development Services	-	⌚	⌚	⌚	⌚
	<ul style="list-style-type: none"> ⌚ - Ongoing LEMC meetings with active participation from Emergency Services and sister agencies. (Sept 18) ⌚ - Mock exercise (Microbust) undertaken at the Bruce Rock Recreation Centre in September which was attend by Shire representatives. ⌚ - Next meeting due Feb 2019, discussions held with respect to the MRCLC electrical wiring being made Genset capability. (Dec 18) ⌚ - Meeting held in Feb 2019, minutes to be provided to Council. (Mar 19) ⌚ - Meeting held in May 19, presentation of draft contact listing, mock drill to be organised and review of LEMC documents and reference checks across all agencies involved. (June 19) 							
1.5.2	Support local emergency services	Completion of investigation	Development Services	-	⌚	⌚	⌚	⌚
	<ul style="list-style-type: none"> ⌚ - Ongoing support and provisions for BFB, volunteers, and SES including capital expenditure as part of ESL allocations. (Sep 18) ⌚ - Prestart meeting BFB to be held in 18th October 2018 ⌚ - 14 Volunteers undertaking DFES training. (Dec 18) 							

	<ul style="list-style-type: none"> ⌚ - Ongoing support for Merredin Shire BFB in vehicle replacement programme in up-grading of vehicles. Ongoing support for the training programme of Current Volunteers and the inclusions of Female Brigade members. (Mar 19) ⌚ - Ongoing support and discussions held with Chief & Deputy BFCO, Council endorsed Bush Fire Control Officers & Bushfire Notice. (Jun 19)
--	--

Informing Strategies or Legislation
Verso Report

Key Priority 1.6		Supporting and strengthening community groups, organisations and volunteers						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
1.6.1	Support community groups to deliver activities and services to the Community effectively and sustainably	Effective and ongoing advocacy	Community Services	-	⌚	⌚	⌚	⌚
	<ul style="list-style-type: none"> ⌚ - Developing the 2019 community events program with community groups and key agencies. (Sep 18) ⌚ - Armistice Day now completed, Gala Night will be held 13 Dec 18, waiting for Lotterywest and confirmation for grant approval. (Dec 18) ⌚ - Food Festival recently completed, plans for ANZAC Day and Youth Festival for April being organised (Mar 19) ⌚ - Events plan for the 19/20 has been developed and will be executed in an effective and sustainable way (June 19). 							

1.6.2	Support community groups that recognise and celebrate positive Community achievements	Completion of investigation	Community Services	-	⦿	⦿	⦿	⦿
	<ul style="list-style-type: none"> ⦿- Supports the Wheatbelt Youth Council, Avon Youth and Merredin Men's Shed with projects and programs. (Sep 18) ⦿- Annual programs supported by the community such as the Wheatbelt Medical Immersion program and John Curtin University Volunteering. ⦿- Several community events have been held over the past two months, activating Senior & Youth Groups to deliver outcomes to the community. Seniors Luncheon was held by the CRC, Armistice Day & local theatre programs have been well received. (Dec 18) ⦿- Working closely with the Men's Shed, Avon Youth, Rep Club, Merredin Police and the schools to implement activities and events (Mar 19) ⦿- Continuing to work closely with community groups (June 19) 							
Informing Strategies or Legislation Nil								

Key Priority 1.7		Providing support to local organisations which seek to enhance engagement and opportunities available to early years and youth in the Merredin region						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
1.7.1	Develop a Youth Strategy & Engagement Plan to deliver a range of youth programs	Effective and ongoing advocacy	Community Services	✓	⦿	⦿○	⦿	○
	<ul style="list-style-type: none"> ⦿- Attend monthly Wheatbelt Youth Council meetings. (Sep 18) ⦿- 200 surveys of youth have been conducted further engagement with Youth Agencies to identify outcomes for draft strategy. ⦿○- Youth Strategy will be commencing shortly. Engagement and review of current youth programs with other interagency to provide input and identify outcomes. (Dec 18) ⦿- Youth Strategy concept presented to Council at briefing session. Youth Survey to be distributed with interagencies and youth within the region and Youth Strategy to be presented to Council April/May (Mar 19) ⦿- 2019 Wheatbelt Youth Council Program being delivered. The first event will be the 2019 Youth Fest (Mar 19) ○- Youth Strategy and Engagement Plan endorsed and approved by Council. (June 19) 							
1.7.2	Support agencies and community organisations to implement early years initiatives	Completion of investigation	Community Services	-	⦿	⦿	⦿	⦿
	<ul style="list-style-type: none"> ⦿- Attend monthly EWEYN group meetings with other agencies. (Sept 18) ⦿- 4 programs developed per year to support the 0-5 age group in Merredin. 							

	<ul style="list-style-type: none"> 🕒 - Ongoing meetings and outcomes with other interagencies. (Dec 18) 🕒 - Supporting EWEYN events and meetings, attending interagencies, assisting to set up the Merredin Suicide Prevention Network. (Mar 19) 🕒 - Continue to support EWEYN network and actively assist in event organisation. (June 19)
Informing Strategies or Legislation	
Nil	

Key Priority 1.8		Ensuring the Shire's facilities and services are accessible and inclusive						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
	Ensure the Council's strategies, plans and services are current and relevant to the needs of the Community	Effective and ongoing advocacy	Corporate Services	✓	🕒	🕒	🕒	🕒
1.8.1	<ul style="list-style-type: none"> 🕒 - Continual review of all policies, strategies and plans within the Shire. Policies are reviewed on a consistent basis and as required. (Sep 18) 🕒 - Council has updated Heavy Vehicle Cost Recovery, Purchasing, Study Leave & Expenses, Retirement/Resignation of employment – Council Gifts, Long Service Leave, Sick/Personal Leave & Parental Leave and Corporate Credit Card Policies updated (Dec 18) 🕒 - Council has updated Art Collection, Donations & Loans, Eric Hind Scholarship, Fraud & Corruption, Purchasing Policies and Delegation for finances. Policies were presented for discussion at Council briefing session. (Mar 19) 🕒 - Council has adopted new Verge Treatments, Plantings and Beautification Policy, reviewed and updated the Workforce Plan, and adopted a new Youth Strategy. (June 2019) 							
Informing Strategies or Legislation								
Disability Inclusion & Access Plan Merredin Aged Friendly Community Plan								

Key Zone 2 – Economy & Growth

Strategic Goal		<i>Merredin seeks new opportunities for growth and strives to develop a rich and multifaceted economy.</i>						
Key Priority 2.1		Promoting Merredin and its potential business opportunities to facilitate targeted economic development						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
2.1.1	Support and promote the recommendations of the Merredin “Growing Our Community” economic development and implementation strategy	Effective and ongoing advocacy	Community Services	-	⦿	⦿	⦿	⦿
	<ul style="list-style-type: none"> ⦿ - Current project initiatives of CEACA are in progress (Sep 18) ⦿ - CBD revitalisation – elements to be identified and to be considered within current budget constraints. ⦿ - Ongoing. (Dec 18 & Mar 19) ⦿ - Ongoing. (June 19) 							
2.1.2	Identify, develop and implement a Merredin Marketing Plan to attract potential business, industry and residents to Merredin	Completion of investigation	Community Services	-	⦿	⦿	⦿	□
	<ul style="list-style-type: none"> ⦿ - Meeting to occur 4 October (Sep 18) ⦿ - Marketing plan had started and will be discussed with staff and council in Jan 19. (Dec 18) ⦿ - On review with consultants, the decision not to proceed with this key action. No further actions or outcomes to be achieved. (Mar 19) □ - The Marketing Plan requires additional funding to help support and activate this process. To date, Council has made a decision not to proceed on this key action. (June 19) 							
Informing Strategies or Legislation Central East Sub-Regional Economic Strategy Growing Our Community Strategy Wheatbelt Tourism Growth Plan Wheatbelt Blueprint								

Key Priority 2.2		Developing and maintaining local government infrastructure that increases the potential for business development and investment						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
2.2.1	Implement the CBD redevelopment project: Stages 2 and 3 (improve the functionality and amenity of Barrack and Bates Streets)	Effective and ongoing advocacy	Engineering Services	●	○	-	-	-
	○- Works finalised as no funding opportunities at this time.							
2.2.2	Enhance the Merredin Town Centre entrances	Completion of investigation	Engineering Services	-	○	○	-	-
	○- No action plan in place due to resourcing. To be identified through budget considerations. (Sep 18) ○- Subject to Mid-year budget review for provision of solar lighting. (Dec 18)							
Informing Strategies or Legislation Annual Roads Program CBD Upgrade Plan Growing Our Community Strategy Strategic Resource Plan								

Key Priority 2.3		Support initiatives from local businesses for growth						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19

2.3.1	Support the business community to revitalise the CBD to support all business development in Merredin	Effective and ongoing advocacy	Community Services	-	()	()	()	()
<ul style="list-style-type: none"> ()- Currently being reviewed with SMG. (Sep 18) ()- Ongoing. (Dec 18 & Mar 19) ()- Ongoing as per budget considerations and the new Merredin Tourism Brochure is currently being produced which will support the business community throughout the Wheatbelt. (June 19) 								

2.3.2	Continue to work with business networks to identify opportunities for programs that support local small business (Business Local, Progress Associations, Wheatbelt Business Network)	Effective and ongoing advocacy	Community Services	-	⦿	⦿	⦿	⦿
	<ul style="list-style-type: none"> ⦿- Gala Night Working Group made up of a number of business. Effectively organising the annual community event. (Sep 18) ⦿- Establish terms of reference for working groups and identify strategic outcomes that will building capacity in the region.(Dec 18) ⦿- Continue interagencies meetings held to further assist the local and regional community in all services. (Mar 19) ⦿- Intergencies meetings held with relevant groups to identify the needs for the region. Tourism brochures for all local businesses to be involved in the promotion of the Merredin Shire. (Mar 19) ⦿- Continued support on all levels of community collaboration and engagement occurs in every aspect to help assist and develop small businesses. (June 19) 							
Informing Strategies or Legislation Central East Sub-Regional Economic Strategy Growing Our Community Strategy Wheatbelt Tourism Growth Plan Wheatbelt Blueprint								

Key Priority 2.4		Facilitating and strengthening the development of local and regional tourism						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
2.4.1	Showcase Merredin with improved visibility and promotion through initiatives	Effective and ongoing advocacy	Community Services	-	⦿	⦿	⦿	⦿
	<ul style="list-style-type: none"> ⦿- CWVC ran a Merredin/Cummins Theatre event promotional prize package at Dowerin Field Days August 2018. Increase in Social Media presence on Instagram with 42% of followers being Perth based in the 25-55 age group. Continue to inform Merredin accommodation providers with weekly activity updates to raise awareness of events at Cummins Theatre. Continue to hold bi-monthly meetings with Merredin Tourism Group to improve relationships with stakeholders and increase visitor stay in Merredin. Visitor packages promoting Transwa rail travel to Merredin with Accommodation/Cummins Theatre Events featured on website. (Sept 18) ⦿- Maintaining Events calendar on website, distribution of flyers through monthly email, e-sign on roof, flyers on notice boards, service A-frames, bin posters and monthly promotion of new product in Phoenix, on website and social media platform. Merredin Shire page and GPHT self-drive in 2019 AGO Holiday Planner (Dec 18) ⦿- CWVC will promote upcoming CT events at the Perth C & C Show 20-24 March with promotional flyer. Increase in Social Media presence on Instagram with 64% of followers being Perth based 32% are in the 25-34 age group, 75% of audience are women. 							

	<p>Continue to inform Merredin accommodation providers with weekly activity updates to raise awareness of events at Cummins Theatre. Presented a Social Media Campaign proposal to DCEO for consideration to target a specific market audience.</p> <ul style="list-style-type: none"> 🕒- Maintaining Events calendar on website, distribution of flyers through a monthly CWVC event e-newsletter, e-sign on roof, posters on notice boards, A-frames A3 poster displays at shire services, CBD bin posters and monthly promotion of new product in Phoenix, on website and social media platform. (Mar 19) 🕒- CWVC ran three Merredin/Cummins Theatre Escape Packages adverts in the West Australian in cooperation with AGO's Wheatbelt Feature March 2019 edition, The Examiner SJ/Armadale region April 2019 & the Seniors Newspaper may 2019. Merredin Escape packages promoting Transwa rail travel to Merredin with accommodation/Cummins Theatre events remain featured on the website. 🕒- Increase in social media presence on Instagram with 983 followers, 65% being Perth based in the 25-55 age group which is a 23% increase from last quarter and 76% of audience are women. 🕒- Maintaining Events calendar on website, distribution of flyers through monthly e-newsletters, e-sign on roof, flyers on notice boards & in key Barrack Street businesses, on Shire and services A-frames & bin posters. Monthly promotion of new product in Phoenix, on website and social media platform. Continue to inform Merredin accommodation providers with weekly event and activity updates to raise awareness of events at Cummins Theatre. 🕒- Continue to include the Merredin Escape package flyer and Public Silo Trail brochures in visitor enquire mail-outs. 🕒- CWVC staff completed the "Rediscover Merredin" brochure in May with a marked increase in support from Merredin business attracting \$6,700 income. (June 19) 							
2.4.2	Collaborate with tourism stakeholders to increase the tourism profile of Merredin and the wider region	Completion of investigation	Community Services	-	🕒	🕒	🕒	🕒
<ul style="list-style-type: none"> 🕒- Wildflower Season – open 7 days during peak season for regional promotion. Liaise with stakeholders for weekly wildflower updates for a CWVC Wildflower Guide printed for visitors, updated on website and pdf copies emailed to stakeholders. AGO/EW Self-drives & Wildflower marketing campaign Sunday Time August 2018. CWVC staff attended Eastern Wheatbelt Tourism stand at Dowerin Field Days August 2018. Liaise with AGO for Wheatbelt Weekender marketing campaign October 2018. Completed CWVC membership drive attracting 20 Level 1, 6 Level 3 and 5 Affiliate Members totalling \$4,545 for the 2018/19 FY. Engaged 122 local & regional advertising stakeholders with income totalling \$25,800 to commence Edition 5 of the Eastern Wheatbelt Visitors Guide scheduled for distribution in mid-November. (Sept 18) 🕒- In discussion with Transwa re new Explore Regional WA campaign/flyer to include Merredin as a stop for a Merredin-Kalbarri rail/coach holiday option in near future. AGO looking at future online booking options for Merredin product/packages through AGO website (Dec 18) 🕒- Opened Australia Day public holiday Monday 28 Jan and Mon 04 March Labour Day public holiday with varying results of visitor servicing. A print media advertising campaign for Cummins Theatre Events/Accommodation/Transwa Rail Packages will run in the West Australian Wheatbelt Feature 16 March, The Senior Newspaper in April and a C5 flyer designed to hand out at the Perth Caravan & Camping Show 20-24 March. Wheatbelt /AGO Co-operative Autumn Self-Drive campaign with regional partners WEROC, Wheatbelt 								

	<p>Way & Pioneers' Pathway. Prospectus emailed 05 March to Merredin tourism and service businesses in preparation for second reprint of Merredin brochure.</p> <ul style="list-style-type: none"> 🕒 - A meeting with Transwa Agent Liaison Officer and Marketing Officer 26 Feb to include Merredin itinerary as a day (3hr) & 2 day (overnight) destination in new Transwa rail/coach promotional flyers "Get away for the day" and Take a short break". Transwa have offered to provide us with a "tile" for social media marketing. (Mar 19) 🕒 - CWVC staff attended AGO/Wheatbelt Tourism stand at Perth Caravan & Camping Show March 2019 with sub-regional partners. 🕒 - Working with AGO on a Wheatbelt Video Suite to include key Merredin attractions and Golden Pipeline Heritage Trail sites in the Shire of Merredin. This video suite will also cover the Pathways to Wave Rock and southern Wheatbelt food and wine businesses. This is made possible by AGO's marketing budget and part of a marketing campaign developed and completed for each of the AGO subregions over the 2018/19 FY. 🕒 - Following a meeting and discussions with Transwa staff early 2019, Transwa have included Merredin as a stopover on 2 new promotional flyers 'Escape for the day' and 'Take a short break' along Prospector and Merredin Link rail routes. 🕒 - Continue to work with FORM promoting the PUBLIC Silo Trail through their new marketing and promotional material and new publication 'Stories for the Silo Towns'. Continue to provide FORM with visitor feedback on the PUBLIC Silo Trail through their visitor survey. 🕒 - Continue to collaborate with TO for Wheatbelt Way, EO for Pathways to Wave Rock & attend Pioneers' Pathway Advisory Group meetings. 🕒 - In early May, met with EO for Pioneers' Pathway and EO for Creative Spaces to develop the interpretation site plan for Cummins Theatre and the Cummins family story in Merredin with CT manager & DCEO. 🕒 - Attended a FACET Forum in May on capitalising on the Wildflower season to explore opportunities to encourage our RTO AGO to develop a more consistent marketing approach with AGO for the Wheatbelt region leading up to and during the wildflower season. 🕒 - Will be attending the 2019 Dowerin Field Days after successfully co-opting with our regional tourism partners in 2018 promoting the eastern Wheatbelt. (June 19)
--	---

Informing Strategies or Legislation
 CWVC Business Plan
 Central East Sub-Regional Economic Strategy
 Growing Our Community Strategy Wheatbelt
 Tourism Growth Plan
 Wheatbelt Blueprint

Key Priority 2.5		Continuing to work with key partners to promote digital and internet connectivity across the region						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
2.5.1	Support initiatives to encourage local businesses to utilise available connectivity	Effective and ongoing advocacy	Office of the CEO	✓	()	()	()	()
	<ul style="list-style-type: none"> () - Review and collection of data collection to assist with the WEROC app and website. (Sept 18) () - External marketing of WEROC App under consideration. (Dec 18) () - WEROC to continue development of the App, subject to Grant funding (Mar 19) () - Ongoing. (Jun 19) 							
Informing Strategies or Legislation WEROC Digital Platforms								

Key Zone 3 – Environment & Sustainability

Strategic Goal		<i>Merredin values the preservation of the natural environment and researches and implements practices to ensure sustainability</i>						
Key Priority 3.1		Promoting Merredin and its potential business opportunities to facilitate targeted economic development						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
3.1.1	Increase access to and awareness of public reserves in the Shire of Merredin in consultation with appropriate stakeholders	Effective and ongoing advocacy	Engineering Services	-	⦿	⦿	⦿	⦿
	⦿ - Ongoing							
3.1.2	Support natural resource management initiatives	Completion of investigation	Engineering Services	●	⦿	⦿	⦿	⦿
	⦿ - Natural Resource Management Officer is activating baiting, water wise strategies. The installation of electric car chargers, solar powered desalination plant, VSD (Variable speed drives) activated. Applied for grant funding for revegetation for the district. (Sept 18) ⦿ - Currently ongoing until Dec 2018. (Dec 18) ⦿ - Grant funding has been received for revegetation and fencing projects. (Mar 19) ⦿ - New grant application to be applied for road reserve improvements with weed control, revegetation and engage with the community within the district on these matters. (June 19)							
Informing Strategies or Legislation								
Nil								
Key Priority 3.2		Implementing improved and innovative waste management practices						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
3.2.1	Identify initiatives to encourage recycling to reduce waste	Effective and ongoing advocacy	Engineering Services Development Services	✓	⦿	⦿	⦿	⦿
	⦿ - Ongoing and initiatives to be further investigated for long term impacts within the district and region. (Sep 18) ⦿ - Comment provided on draft Waste Strategy 2030. (Dec 18)							

	<ul style="list-style-type: none"> 🕒 - State Government has released the Containers Deposit Scheme discussion paper. Merredin has been identified as an area that will include a container deposit scheme receipt point (Mar 19) 🕒 - Progressive opportunities to collect and deposit recyclables at the Waste Facility. The main pit has been reconfigured to allow extraction of recyclables. (June 19)
Informing Strategies or Legislation	
<i>Environmental Protection Act 1986</i>	
<i>Waste Avoidance & Resource Recovery Levy Act 2007</i>	
<i>Waste Avoidance and Resources Recovery Levy Regulations 2008</i>	

Key Priority 3.3		Researching and implementing improved and innovative water reuse and renewable energy initiatives						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
3-3.1	Continue to identify and implement appropriate water reuse, water harvesting and sustainable water practices	Effective and ongoing advocacy	Engineering Services	✓	🕒	🕒	🕒	🕒
	<ul style="list-style-type: none"> 🕒 - Activate new pump within the pump station, recapture storm water for sustainable usage and continually maintain storm water network systems. (Sep 18) 🕒 - Ongoing and making the sprinkler system more efficient. (Dec 18) 🕒 - Continual monitoring of water use and sustainable levels of service (Mar 19) 🕒 - In conjunction with Water Corporation, we are assessing the use in regards to nutrients, nutrient blockers, and optimum water use requirements for the appropriate use. (June 19) 							
3-3.2	Continue to identify and implement appropriate conservation and renewable energy practices	Effective and ongoing advocacy	Development Services Engineering Services	✓	🕒	🕒	🕒	🕒
	<ul style="list-style-type: none"> 🕒 - Ongoing. Solar panels installed on CWVC and Shire Library (Sep 18) 🕒 - Ongoing new solar light placed in Apex Park & solar water pump placed in the townsite. (Dec 18) 🕒 - Solar Entrance lights at entry statements and solar lights in Roy Little Park (Mar 19) 🕒 - Increasing the number of solar lights within the district (June 2019) 							
Informing Strategies or Legislation								
Nil								

Key Zone 4 – Communication & Leadership

Strategic Goal		<i>Merredin Council engages with its Community and leads by example</i>						
Key Priority 4.1		Ensuring all planning, reporting and resourcing is in accordance with best practice, compliance and statutory requirements						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
4.1.1	Continue to update the Integrated Planning Framework, meet statutory requirements of the Local Government Act and Regulations and regulatory obligations required under other regulations	Effective and ongoing advocacy	Corporate Services	-	⓪	⓪	⓪	⓪
	<ul style="list-style-type: none"> ⓪- IPR Suite of Plans and relevant corporate governance requirements are being consistently updated. (Sep 18) ⓪- Quarterly reporting and statutory requirements are updated and reported. Delegation Register and amended policies are being completed this quarter. (Dec 18) ⓪- New policies and existing has been reviewed and adopted by Council this quarter. (Mar 19) ⓪- Workforce Plan endorsed by Council in this quarter and Strategic Resource Plan (AMP & LTFP) to be presented to Council in June 19. (Jun 19) 							
4.1.2	Continue to support a respectful, strong and supportive organisational culture	Completion of investigation	Corporate Services	-	⓪	⓪	⓪	⓪
	<ul style="list-style-type: none"> ⓪- Ongoing and continued support for the wellbeing of staff and elected members (Sep 18) ⓪- Ongoing. (Dec 18, Mar 19 & Jun 19) 							
4.1.3	Continue to participate in local government benchmarking programs to better understand business excellence and to continually strive for best practice	Effective and ongoing support	Corporate Services	-	⓪	⓪	⓪	⓪
	<ul style="list-style-type: none"> ⓪- Ongoing with benchmarking with the PWC Local Government Insights. (Sep 18) ⓪- Submitted local data to PWC as required by this quarter. Outcomes to be advised by PWC after this round. (Dec 18) ⓪- PWC report via email to Council. No further requirements until the next round of reporting as required. (Mar 19) ⓪- Ongoing as required by PWC (Jun 19) 							
Informing Strategies or Legislation								
IPR Suite of Plans								

Key Priority 4.2 Council engaging broadly and proactively with the community

No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
4.2.1	Support Councillor engagement at functions and events	Effective and ongoing advocacy	Office of the CEO	-	()	()	()	()
	() - Relevant information provided directly and through publications. (Sep 18) () - Ongoing and Council is consistently informed with information briefing sessions and other publications. (Dec 18) () - Ongoing (Mar 19 & June 19)							
	Review and implement the Community Engagement and Consultation Framework and Public Relations Marketing Strategy based on the IAP2 spectrum	Completion of investigation	Community Services	-	○	()	○	-
○ - Workshop held, first draft Strategy & Toolkit received, deadline for feedback Tuesday, 18 September. (Sep 18) ○ - Draft policy also received, provided to CEO, DCEO & MCO for comment. () ○ - Community Engagement Framework & Toolkit and Policy was resolved by Council and finalised staff training workshop completed.(Dec 18)								
4.2.3	Undertake a community scorecard survey every two years	Completion of investigation	Community Services	-	○	-	-	-
	○ - Survey to occur every second year due in 2019/2020 & 2021/2022.							

Informing Strategies or Legislation
 Communications & Engagement Framework
 Community Scorecard

Key Priority 4.3 Providing quality customer services to the community

No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
4-3.1	Develop, review and implement processes and corporate systems to be more	Effective and ongoing advocacy	Office of the CEO	-	()	○ ()	-	-

	responsive to community needs and contemporary customer interaction							
	🕒 - Ongoing and review of processes and systems. (Sep 18) 🕒 - Communication Framework completed. (Dec 18)							

Informing Strategies or Legislation
Customer Service Charter

Key Priority 4.4 **Advocating and lobbying effectively on behalf of the community**

No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
4.4.1	Maximise advocacy benefits with membership of Great Eastern Country Zone, Wheatbelt East Regional Organisation of Councils, Western Australian Local Government Association and CEACA	Effective and ongoing advocacy	Office of the CEO	-	🕒	🕒	🕒	🕒
	🕒 - Advocacy undertaken to increase funding for the project. (Sep 18) 🕒 - Ongoing. (Dec 18, Mar 19 & Jun 19)							
4.4.2	Increase collaboration amongst stakeholders and surrounding local governments to improve local and regional service delivery and identify opportunities	Completion of investigation	Office of the CEO	-	- Survey	🕒	🕒	🕒
	🕒 - Collaboration with WEROC, Wheatbelt Communities Inc, Merredin Interagency Working group and CEACA to improve services to the region. (Sep 18) 🕒 - Ongoing. (Dec 18, Mar 19 & Jun 19)							

Informing Strategies or Legislation
Nil

Key Priority 4.5		Ensuring Council has the information and support to enable informed decision making						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
4.5.1	Continue to develop a policy framework that reflects our values and decision making criteria (approach)	Effective and ongoing advocacy	Office of the CEO	-	()	()	()	()
	() - Policy Manual review is ongoing. (Sep 18) () - Ongoing. (Dec 18, Mar 19 & Jun 19)							
4.5.2	Provide opportunities for Elected Members to attend training and development	Completion of investigation	Office of the CEO	-	()	()	()	()
	() - Advocacy information provided. (Sep 18) () - Ongoing. (Dec 18, Mar 19 & Jun 19)							
4.5.3	Report to the community training and development attended by Councillors	Completion of investigation	Office of the CEO	-	()	()	()	()
	() - Undertaken through publications, particularly Annual Report. (Sep 18) () - Ongoing. (Dec 18, Mar 19 & Jun 19)							
Informing Strategies or Legislation Delegation Register <i>Local Government Act 1995</i> Policy Manual								

Key Zone 5 – Places & Spaces

Strategic Goal		<i>Merredin is an attractive regional town that creates opportunities for residents and visitors to enjoy its many attractions.</i>						
Key Priority 5.1		Designing and maintaining attractive parks, open spaces, the town centre and streetscapes that creates opportunities for people to come together, socialise and enjoy a range of activities						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
5.1.1	Develop a public open space strategy to guide future planning and decision making	Effective and ongoing advocacy	Engineering Services	-	○	○	⦿	⦿
	<ul style="list-style-type: none"> ○ - Yet to be developed. (Sept 18) ○ - Commenced investigations for the strategy. (Dec 18) ⦿ - Funding declined other avenues to be pursued. (Mar 19) ⦿ - Officers are reviewing other funding options and outcomes to achieve this key action. (June 19) 							
5.1.2	Develop and implement a Streetscape Plan to address street trees maintenance and replacement	Completion of investigation	Engineering Services	-	○	⦿	⦿	⦿
	<ul style="list-style-type: none"> ○ - In progress of the Street Trees Strategy inclusive of policy and guidelines and outcomes for ratepayers and Council. Copy of Preferred Species List provided to Council for comment, various examples of Plans provided to EMES. (Sept 18) ⦿ - Commenced and forwarded a mapped plan & tree details to an Arborist (Dec 18) ⦿ - Developed a street tree listing, agenda item to come to Council for consideration. (Mar 19) ⦿ - Policy adopted by Council and Street Trees Strategy is out for public comment (June 19) 							
5.1.3	Progressively renew and upgrade infrastructure at Apex Park and Roy Little Park	Completion of investigation	Engineering Services	✓	⦿	⦿	⦿	⦿
	<ul style="list-style-type: none"> ⦿ - Ongoing as per budget considerations. (Sept 18) ⦿ - Progressing in discussions and plans to be presented to a briefing session. (Dec 18) ⦿ - Progressing towards an agenda to be presented to Council for consideration. (Mar 19) ⦿ - As per Council resolution, funding opportunities are being sought along with budget allocations and a reserve account created in the 2019/20 budget considerations. (June 19) 							
5.1.4	Develop a Dog Off-Leash Park at the North Merredin Primary School precinct	Completion of investigation	Community Services/	●	⦿	⦿	⦿	⦿

			Engineering Services					
	<ul style="list-style-type: none"> 🕒 - As per the NMPS redevelopment project the plan to develop the park area adjacent to the NMPS is progressing with input from Engineering Services. (Sept 18) 🕒 - Design phase complete and implementation has commenced. (Dec 18) 🕒 - Construction phase near completion, opening to be closer to NMPS & CEACA sites once construction is near completion. (Mar 19) 🕒 - In final stages, Merredin Men's Shed and Avon Youth in progress of dog agility equipment. (June 19) 							
5.1.5	Develop Streetscapes initiatives to encourage local pride and sense of ownership	Completion of investigation	Engineering Services	-	🕒	🕒	🕒	🟢
	<ul style="list-style-type: none"> 🕒 - Ongoing as per budget considerations. (Sept 18) 🕒 - Commenced and forwarded a mapped plan & tree details to an Arborist (Dec 18) 🕒 - Fence line to fence line street clean up. (Mar 19) 🟢 - Strategy completed and adopted by Council and early signs of household participation. (June 19) 							
Informing Strategies or Legislation								
Street Tree Audit								

Key Priority 5.2		Providing facilities that meet our community's needs						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
5.2.1	Implement Stage 2 of the North Merredin Primary School precinct redevelopment	Effective and ongoing advocacy	Community Services	●	🟡	🕒	🕒	🕒
	<ul style="list-style-type: none"> 🟡 - Project commencing with the refurbishment of two classrooms. (Sep 18) 🕒 - Liaison with relevant parties, refurbishment has commenced and further discussions to be held with interagency groups for space activation. Expression of interest is being sought for further activation of space that includes community groups and agencies. (Dec 18) 🕒 - Work is continuously being completed at various stages with the NMPS. Class rooms near completion and commencement of the Playgroup area to start. (Mar 19) 🕒 - 2 Classroom areas complete, playgroup area near completion, work on gardens and play area commenced, Old Library and ablutions are in progress. (Jun 19) 							
5.2.2	Continue to identify opportunities to consolidate and rationalise Shire owned facilities	Completion of investigation	Community Services	-	🕒	🕒	🕒	🕒

	<ul style="list-style-type: none"> 🕒 - Activated spaces within the shire facilities is an ongoing process. Further meetings to be held with relevant groups for the NMPS. (Sep 18) 🕒 - Map layer for reserves and identified shire owned properties are being designed to help identify relevant areas. (Dec 18) 🕒 - Ongoing opportunities and discussions are always open for shire owned facilities. Expression of interests have been advertised with limited interest. (Mar 19) 🕒 - As NPMS is closer to a completion date, activated space will be available to the public and new MOU's in progress. (Jun 19)
Informing Strategies or Legislation North Merredin Primary School Redevelopment Plan	

Key Zone 6 – Transport & Networks								
Strategic Goal		<i>Merredin provides transport networks that connects it locally, nationally and internationally.</i>						
Key Priority 6.1		Developing and maintaining a road hierarchy and providing an appropriate level of service for the road network						
No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
6.1.1	Deliver annual drainage and road program	Effective and ongoing advocacy	Engineering Services	✓	🕒	🕒	🕒	🕒
	<ul style="list-style-type: none"> 🕒 - Ongoing and within budget allocations. (Sept 18) 🕒 - Ongoing as per budget allocations. (Dec 18) 🕒 - Ongoing as per budget allocations. (Mar 19) 🕒 - Ongoing as per budget allocations. (June 19) 							
6.1.2	Advocate for improved road infrastructure networks across the region	Completion of investigation	Engineering Services	-	🕒	🕒	🕒	🕒
	<ul style="list-style-type: none"> 🕒 - Ongoing and within the Regional Road Group. (Sept 18) 🕒 - Implement Heavy Vehicle Cost Recovery Policy for Sealed Roads (Dec 18) 🕒 - Legal agreement has been developed and will be presented to CBH (Mar 19) 🕒 - Ongoing (June 19) 							
Informing Strategies or Legislation 10 Year Roads Program Strategic Resource Plan								

Key Priority 6.2	Delivering adequate pedestrian services
-------------------------	--

No	Key Action	Success Measure	Directorate	External Funding	2018/19 Progress Reviews			
					Sept 18	Dec 18	Mar 19	Jun 19
6.2.1	Deliver the multi-use pathways program and maintain the network	Effective and ongoing advocacy	Engineering Services	●	⦿	⦿	⦿	⦿
	<ul style="list-style-type: none"> ⦿- Ongoing and in Annual budget allocation in relation to multi-use pathways. ⦿- Ongoing and new street/footpath sweeper has been purchased to help achieve the maintenance the network. Redesigned footpaths along the CEACA precinct. 2018/2019 Footpath contract to be advertised shortly. (Mar 19) ⦿- Contract has been awarded for 2019/20 & 2020/21. Works will commence in early June 2019. (June 19) 							
Informing Strategies or Legislation								
Nil								

PART B



ANNUAL REPORT 2018-19

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

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and forming part of the Financial Report	9
Independent Auditor's Report	51

COMMUNITY VISION

Merredin is a sustainable region

Principal place of business:
Cnr King & Barracks Street
Merredin WA 6415

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

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

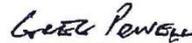
STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Merredin for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Merredin at 30 June 2019 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 17th day of SEPTEMBER 2019



Chief Executive Officer



Name of Chief Executive Officer

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
Rates	21(a)	4,195,259	4,154,607	4,043,223
Operating grants, subsidies and contributions	2(a)	2,825,432	1,580,407	2,993,599
Fees and charges	2(a)	1,359,182	1,397,107	1,324,675
Interest earnings	2(a)	439,501	482,410	574,787
Other revenue	2(a)	378,291	222,250	530,809
		<u>9,197,665</u>	<u>7,836,781</u>	<u>9,467,093</u>
Expenses				
Employee costs		(3,187,982)	(3,193,950)	(2,939,615)
Materials and contracts		(2,712,306)	(3,196,550)	(2,824,643)
Utility charges		(414,536)	(429,829)	(421,718)
Depreciation on non-current assets	9(b)	(3,426,679)	(4,063,757)	(4,118,392)
Interest expenses	2(b)	(59,943)	(55,295)	(78,743)
Insurance expenses		(176,212)	(155,535)	(180,618)
Other expenditure		(342,181)	(221,408)	(559,746)
		<u>(10,319,839)</u>	<u>(11,316,324)</u>	<u>(11,123,475)</u>
		(1,122,174)	(3,479,543)	(1,656,382)
Non-operating grants, subsidies and contributions	2(a)	3,179,026	840,463	(3,652,878)
Profit on asset disposals	9(a)	20,109	85,184	6,631
(Loss) on asset disposals	9(a)	(193,927)	(18,340)	(256,343)
		<u>3,005,208</u>	<u>907,307</u>	<u>(3,902,590)</u>
Net result for the period		1,883,034	(2,572,236)	(5,558,972)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	39,636	0	(129,678,881)
Total other comprehensive income for the period		39,636	0	(129,678,881)
Total comprehensive income for the period		1,922,670	(2,572,236)	(135,237,853)

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



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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
	2(a)			
Governance		25,146	17,800	55,317
General purpose funding		7,002,556	5,742,649	6,965,993
Law, order, public safety		255,941	215,479	243,567
Health		24,666	40,558	24,926
Education and welfare		18,727	18,728	40,102
Housing		145,411	157,886	159,084
Community amenities		768,281	560,845	823,891
Recreation and culture		387,267	572,374	659,337
Transport		281,624	213,000	213,298
Economic services		175,511	181,862	150,509
Other property and services		112,535	115,600	131,069
		<u>9,197,665</u>	<u>7,836,781</u>	<u>9,467,093</u>
Expenses				
	2(b)			
Governance		(571,307)	(659,342)	(508,826)
General purpose funding		(105,542)	(134,110)	(111,769)
Law, order, public safety		(705,159)	(684,364)	(635,284)
Health		(229,554)	(231,180)	(246,549)
Education and welfare		(98,846)	(99,182)	(104,424)
Housing		(265,007)	(257,810)	(230,719)
Community amenities		(1,268,306)	(1,060,350)	(1,390,940)
Recreation and culture		(2,790,204)	(2,944,809)	(2,881,396)
Transport		(3,400,900)	(4,119,813)	(4,156,004)
Economic services		(879,050)	(964,037)	(767,090)
Other property and services		53,979	(106,031)	(11,731)
		<u>(10,259,896)</u>	<u>(11,261,028)</u>	<u>(11,044,732)</u>
Finance Costs				
	2(b)			
Education and welfare		(37,524)	(34,391)	(45,115)
Other property and services		(22,419)	(20,905)	(33,628)
		<u>(59,943)</u>	<u>(55,296)</u>	<u>(78,743)</u>
		<u>(1,122,174)</u>	<u>(3,479,543)</u>	<u>(1,656,382)</u>
Non-operating grants, subsidies and contributions	2(a)	3,179,026	840,463	(3,652,878)
Profit on disposal of assets	9(a)	20,109	85,184	6,631
(Loss) on disposal of assets	9(a)	(193,928)	(18,340)	(256,343)
		<u>3,005,207</u>	<u>907,307</u>	<u>(3,902,590)</u>
		<u>1,883,033</u>	<u>(2,572,236)</u>	<u>(5,558,972)</u>
Net result for the period				
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	39,636	0	(129,678,881)
		<u>39,636</u>	<u>0</u>	<u>(129,678,881)</u>
Total other comprehensive income for the period		<u>39,636</u>	<u>0</u>	<u>(129,678,881)</u>
Total comprehensive income for the period		<u>1,922,669</u>	<u>(2,572,236)</u>	<u>(135,237,853)</u>

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



SHIRE OF MERREDIN
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	3	13,175,305	23,942,051
Trade receivables	5	861,495	848,776
Other financial assets at amortised cost	7(a)	30,303	28,859
Inventories	6	179,437	142,981
TOTAL CURRENT ASSETS		14,246,540	24,962,667
NON-CURRENT ASSETS			
Trade receivables	5	113,126	88,426
Other financial assets at amortised cost	7(b)	327,004	357,307
Inventories	6	446,023	580,521
Property, plant and equipment	8	57,304,049	43,823,101
Infrastructure	9	157,998,436	157,734,863
TOTAL NON-CURRENT ASSETS		216,188,638	202,584,218
TOTAL ASSETS		230,435,178	227,546,885
CURRENT LIABILITIES			
Trade and other payables	11	2,681,403	1,527,216
Borrowings	13(b)	240,400	231,069
Employee related provisions	14	535,175	508,371
TOTAL CURRENT LIABILITIES		3,456,978	2,266,656
NON-CURRENT LIABILITIES			
Borrowings	13(b)	851,824	1,092,224
Employee related provisions	14	70,481	54,783
TOTAL NON-CURRENT LIABILITIES		922,305	1,147,007
TOTAL LIABILITIES		4,379,283	3,413,663
NET ASSETS		226,055,895	224,133,222
EQUITY			
Retained surplus		79,911,035	66,517,094
Reserves - cash backed	4	8,402,833	19,913,740
Revaluation surplus	10	137,742,027	137,702,388
TOTAL EQUITY		226,055,895	224,133,222

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

SHIRE OF MERREDIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2017		66,137,616	25,852,190	267,381,272	359,371,078
Comprehensive income					
Net result for the period		(5,558,972)	0	0	(5,558,972)
Other comprehensive income	10	0	0	(129,678,881)	(129,678,881)
Total comprehensive income		(5,558,972)	0	(129,678,881)	(135,237,853)
Transfers from/(to) reserves		5,938,450	(5,938,450)	0	0
Balance as at 30 June 2018		66,517,094	19,913,740	137,702,391	224,133,225
Comprehensive income					
Net result for the period		1,883,034	0	0	1,883,034
Other comprehensive income	10	0	0	39,636	39,636
Total comprehensive income		1,883,034	0	39,636	1,922,670
Transfers from/(to) reserves	4	11,510,907	(11,510,907)	0	0
Balance as at 30 June 2019		79,911,035	8,402,833	137,742,027	226,055,895

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

SHIRE OF MERREDIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,155,792	4,204,607	4,020,160
Operating grants, subsidies and contributions		2,954,324	1,705,407	2,735,362
Fees and charges		1,359,182	1,397,107	1,324,675
Interest received		439,501	482,410	574,787
Goods and services tax received		(126,844)	172,285	0
Other revenue		378,291	222,250	530,809
		<u>9,160,246</u>	<u>8,184,066</u>	<u>9,185,793</u>
Payments				
Employee costs		(3,104,872)	(3,193,950)	(2,915,232)
Materials and contracts		(1,529,577)	(4,396,550)	(1,667,877)
Utility charges		(414,536)	(429,829)	(421,718)
Interest expenses		(30,765)	(55,295)	(79,571)
Insurance paid		(176,212)	(155,535)	(180,618)
Other expenditure		(342,460)	(221,408)	(559,746)
		<u>(5,598,422)</u>	<u>(8,452,567)</u>	<u>(5,824,762)</u>
Net cash provided by (used in) operating activities	15	<u>3,561,824</u>	<u>(268,501)</u>	<u>3,361,031</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(14,984,302)	(17,346,123)	(2,681,451)
Payments for construction of infrastructure		(2,506,561)	(2,758,358)	(2,660,295)
Payments for Land Held For Resale		0		384,956
Non-operating grants, subsidies and contributions		3,179,026	840,463	(3,652,878)
Proceeds from sale of property, plant & equipment		185,477	245,500	442,545
Net cash provided by (used in) investment activities		<u>(14,126,360)</u>	<u>(19,018,518)</u>	<u>(8,167,123)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings		(231,069)	(231,069)	(219,405)
Proceeds from self supporting loans		28,859	28,859	27,485
Proceeds from new borrowings		0	600,000	0
Net cash provided by (used in) financing activities		<u>(202,210)</u>	<u>397,790</u>	<u>(191,920)</u>
Net increase (decrease) in cash held		<u>(10,766,746)</u>	<u>(18,889,229)</u>	<u>(4,998,012)</u>
Cash at beginning of year		23,942,051	23,942,421	28,940,062
Cash and cash equivalents at the end of the year	15	<u>13,175,305</u>	<u>5,053,192</u>	<u>23,942,050</u>

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

SHIRE OF MERREDIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	20(a)	2,984,481	2,992,743	2,904,504
		2,984,481	2,992,743	2,904,504
Revenue from operating activities (excluding rates)				
Governance		34,598	44,211	59,087
General purpose funding		2,858,880	1,639,045	2,972,811
Law, order, public safety		255,941	215,479	243,567
Health		24,666	45,592	27,787
Education and welfare		18,727	18,728	40,102
Housing		145,411	157,886	159,084
Community amenities		768,281	560,845	823,891
Recreation and culture		387,267	588,998	659,337
Transport		292,281	250,115	213,298
Economic services		175,511	181,862	150,509
Other property and services		112,535	115,600	131,069
		5,074,098	3,818,361	5,480,542
Expenditure from operating activities				
Governance		(571,307)	(659,342)	(508,826)
General purpose funding		(105,542)	(134,110)	(111,769)
Law, order, public safety		(705,159)	(684,364)	(639,096)
Health		(235,099)	(231,180)	(482,812)
Education and welfare		(136,370)	(133,573)	(149,539)
Housing		(265,007)	(257,810)	(230,719)
Community amenities		(1,268,306)	(1,060,350)	(1,390,940)
Recreation and culture		(2,791,348)	(2,944,809)	(2,881,396)
Transport		(3,410,903)	(4,138,153)	(4,164,619)
Economic services		(879,050)	(964,037)	(767,090)
Other property and services		(145,676)	(126,936)	(53,012)
		(10,513,767)	(11,334,664)	(11,379,818)
Non-cash amounts excluded from operating activities	22(a)	3,725,993	3,996,913	4,406,664
Amount attributable to operating activities		1,270,805	(526,647)	1,411,892
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	3,179,026	840,463	1,347,122
Proceeds from disposal of assets	9(a)	185,477	245,500	442,545
Purchase of property, plant and equipment	8(a)	(14,984,302)	(17,346,123)	(2,681,451)
Purchase and construction of infrastructure	9(a)	(2,506,561)	(2,758,358)	(2,660,295)
Purchase of investment property	10	0	0	384,956
Amount attributable to investing activities		(14,126,360)	(19,018,518)	(3,167,123)
FINANCING ACTIVITIES				
Repayment of borrowings	13(b)	(231,069)	(231,069)	(219,405)
Proceeds from self supporting loans	13(b)	28,859	28,859	27,485
Proceeds from borrowings	13(c)	0	600,000	0
Transfers to reserves (restricted assets)	4	(3,400,831)	(1,376,812)	(1,506,970)
Transfers from reserves (restricted assets)	4	14,911,736	16,420,582	7,445,420
Amount attributable to financing activities		11,308,695	15,441,560	5,746,530
Surplus/(deficit) before imposition of general rates		(1,546,860)	(4,103,605)	3,991,299
Total amount raised from general rates	20(a)	4,143,676	4,103,604	3,993,182
Surplus/(deficit) after imposition of general rates	22(b)	2,596,816	(1)	7,984,481

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

1. BASIS OF PREPARATION

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
General purpose funding	2,360,149	1,074,860	2,307,541
Law, order, public safety	44,683	10,117	40,999
Community amenities	24,624		41,982
Recreation and culture	173,496	367,630	454,351
Transport	191,530	115,000	111,912
Economic services	30,950	12,800	36,814
	<u>2,825,432</u>	<u>1,580,407</u>	<u>2,993,599</u>
Non-operating grants, subsidies and contributions			
Recreation and culture	9,500	19,000	0
Transport	1,017,213	821,463	1,326,883
Economic services	0	0	20,239
Other property and services	2,152,313	0	(5,000,000)
	<u>3,179,026</u>	<u>840,463</u>	<u>(3,652,878)</u>
Total grants, subsidies and contributions	<u>6,004,458</u>	<u>2,420,870</u>	<u>(659,279)</u>

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

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

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

Grants, donations and other contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 20.

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2019 Actual \$	2019 Budget \$	2018 Actual \$
Other revenue			
Reimbursements and recoveries	378,287	222,250	530,809
	<u>378,287</u>	<u>222,250</u>	<u>530,809</u>
Fees and Charges			
Governance	9,699	7,500	6,372
General purpose funding	22,334	22,000	21,190
Law, order, public safety	197,434	201,612	190,645
Health	24,666	40,558	24,926
Housing	145,002	157,886	154,539
Community amenities	629,458	558,345	625,240
Recreation and culture	209,124	204,744	172,900
Transport	17,707	18,000	17,127
Economic services	103,151	166,462	99,745
Other property and services	607	20,000	11,991
	<u>1,359,182</u>	<u>1,397,107</u>	<u>1,324,675</u>
There were no changes during the year to the amount of the fee or charges detailed in the original budget.			
Interest earnings			
Loans receivable - clubs/institutions	19,664	18,372	20,102
Reserve accounts interest	295,617	357,038	406,535
Rates instalment and penalty interest (refer Note 19(c))	71,634	57,000	66,408
Other interest earnings	52,586	50,000	81,742
	<u>439,501</u>	<u>482,410</u>	<u>574,787</u>

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Auditors remuneration			
- Audit of the Annual Financial Report	22,750	65,000	11,073
- Other services	2,058	0	800
- Disbursements	1,348	5,000	2,462
	26,156	70,000	14,335
Interest expenses (finance costs)			
Borrowings (refer Note 13(b))	59,944	55,296	78,744
	59,944	55,296	78,744
Rental charges			
- Operating leases	15,162		19,332
	15,162	0	19,332

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		13,175,305	23,942,051
		13,175,305	23,942,051
Comprises:			
- Unrestricted cash and cash equivalents		1,411,537	(12,492,409)
- Restricted cash and cash equivalents		11,763,968	36,434,460
		13,175,305	23,942,051
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Leave Reserve	4	544,027	530,972
Plant Replacement Reserve	4	798,265	780,669
Heritage Reserve	4	0	7,591
Buildings Reserve	4	922,942	827,505
Land & Development Reserve	4	1,272,888	1,161,446
Recreation Reserve	4	502,804	491,721
Disaster Recovery Reserve	4	244,215	8,074
Road Reinstatement Reserve	4	0	26,411
Cummings Street Units Reserve	4	60,504	52,363
Waster Management Reserve	4	197,266	118,725
Environmental Initiatives Reserve	4	0	51,961
Unspent Grants Reserve	4	3,451,496	15,792,424
ITC Reserve	4	258,426	63,878
Apex Park Redevelopment Reserve	4	150,000	0
		8,402,833	19,913,740
Other restricted cash and cash equivalents			
Unspent grants/contributions	20	3,361,135	16,520,720
Total restricted cash and cash equivalents		11,763,968	36,434,460

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

Cash and cash equivalents (Continued)

and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

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

4. RESERVES - CASH BACKED

	2019		2019		2019		2019		2019		2018		2018	
	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance		
(a) Leave Reserve	530,972	13,055		544,027	530,972	11,884		542,856	484,416	46,556		530,972		
(b) Plant Replacement Reserve	780,669	17,596		798,265	780,669	420,775	(430,500)	770,944	874,656	19,932	(113,919)	780,669		
(c) Heritage Reserve	7,591		(7,591)	0	7,591	170	(7,761)	0	7,429	162		7,591		
(d) Buildings Reserve	827,505	95,497		922,942	827,505	69,430	(99,000)	797,935	713,033	114,472		827,505		
(e) Land & Development Reserve	1,161,446	111,443		1,272,889	1,161,446	26,015		1,187,461	983,599	177,847		1,161,446		
(f) Recreation Reserve	491,721	11,083		502,804	491,721	11,006		502,727	259,673	232,048		491,721		
(g) Disaster Recovery Reserve	8,074	236,141		244,215	8,074	232,183		240,257	7,907	167		8,074		
(h) Road Reinstatement Reserve	26,411	0	(26,411)	0	26,411	591	(27,002)	0	25,850	561		26,411		
(i) Cummings Street Units Reserve	52,363	8,141		60,504	52,363	1,172		53,535	51,252	1,111		52,363		
(j) Waster Management Reserve	118,725	78,541		197,266	118,725	88,447		207,172	43,235	75,490		118,725		
(k) Environmental Initiatives Reserve	51,961	0	(51,961)	0	51,961	1,163	(53,124)	0	50,854	1,107		51,961		
(l) Unspent Grants Reserve	15,792,424	2,484,846	(14,825,773)	3,451,497	15,802,087	442,546	(15,803,195)	441,418	22,350,286	773,639	(7,331,501)	15,792,424		
(m) ITC Reserve	63,878	194,548		258,426	63,878	71,430		135,308	0	63,878		63,878		
(n) Apex Park Redevelopment Reserve	0	150,000		150,000	0			0	0	0		0		
	19,913,740	3,400,831	(14,911,736)	8,402,835	19,923,383	1,376,812	(16,420,582)	4,879,613	25,852,190	1,506,970	(7,445,420)	19,913,740		

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

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

Name of Reserve	Purpose of the reserve
(a) Leave Reserve	To be utilised to fund staff leave as required.
(b) Plant Replacement Reserve	To be utilised to fund future capital plant purchases.
(c) Heritage Reserve	Closed in 2018/2019
(d) Buildings Reserve	To be utilised to fund future building construction and major maintenance within the Shire of Merredin.
(e) Land & Development Reserve	To be utilised to fund major land development/purchases within the Shire of Merredin.
(f) Recreation Reserve	To be utilised to fund future development and major renewals in relation to Recreation.
(g) Disaster Recovery Reserve	To be utilised to contribute to liabilities arising from a declared natural disaster that meets WAANDRA eligibility minimum spend.
(h) Road Reinstatement Reserve	Closed in 2018/2019
(i) Cummings Street Units Reserve	To be utilised to full maintenance and capital costs associated with Council owned units in Cummings Street Merredin.
(j) Waster Management Reserve	To be utilised for the collection, transport, storage, treatment, processing, recycling or disposal of waste; or the provision of receptacles for the temporary deposit of waste; or the provision and management of waste facilities, machinery for the disposal of waste and processes for dealing with waste.
(k) Environmental Initiatives Reserve	Closed in 2018/2019
(l) Unspent Grants Reserve	To be utilised for the quaranting of Grant Monies awaiting completion of Works.
(m) ITC Reserve	To be utilised to fund future ITC within the Shire of Merredin.
(n) Apex Park Redevelopment Reserve	To be utilised to fund the redevelopment works at the Apex Park

5. TRADE RECEIVABLES

Current

Rates receivable
 Sundry receivables
 GST receivable

Non-current

Pensioner's rates and ESL deferred

	2019	2018
	\$	\$
	411,447	396,680
	59,942	188,834
	390,106	263,262
	<u>861,495</u>	<u>848,776</u>
	113,126	88,426
	<u>113,126</u>	<u>88,426</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 23.

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.

6. INVENTORIES

Current

Fuels & Materials

	2019	2018
	\$	\$
	179,437	142,981

Non-current

Land held for resale - cost

	446,23	580,521
--	--------	---------

The following movements in inventories occurred during the year

	2019	2018
Carrying amount at 1 July	723, 502	1,158,853
Land held for resale disposed of	(134,498)	384,956
Movements in fuel & materials inventory	36,456	(50,395)
Carrying amount at 30 June	625,460	723,502

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.

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

7. OTHER FINANCIAL ASSETS

	2019	2018
	\$	\$
(a) Current assets		
Other financial assets at amortised cost	30,303	28,859
	<u>30,303</u>	<u>28,859</u>
Other financial assets at amortised cost		
Self Supporting Loans	30,303	28,859
	<u>30,303</u>	<u>28,859</u>
(b) Non-current assets		
Other financial assets at amortised cost	327,004	357,307
	<u>327,004</u>	<u>357,307</u>
Other financial assets at amortised cost		
Self Supporting Loans	327,004	357,307
	<u>327,004</u>	<u>357,307</u>

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 13(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 23.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Previous accounting policy: available for sale financial assets

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

Previous accounting policy: Loans and receivables

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

Refer to Note 25 for explanations regarding the change in accounting policy and reclassification of available for sale financial assets to financial assets at fair value through profit and loss.

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - non-specialised	Buildings specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Land Freehold	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	2,329,000	760,000	3,089,000	3,188,628	32,076,333	35,264,961	38,353,961	259,830	4,249,242	224,500	43,087,533
Additions	0	0	0	72,194	2,301,558	2,373,752	2,373,752	47,103	260,596	0	2,681,451
(Disposals)	0	0	0	0	0	0	0	0	(692,257)	0	(692,257)
Depreciation (expense)	0	0	0	(103,650)	(721,098)	(824,748)	(824,748)	(19,165)	(409,713)	0	(1,253,626)
Carrying amount at 30 June 2018	2,329,000	760,000	3,089,000	3,157,172	33,656,793	36,813,965	39,902,965	287,768	3,407,868	224,500	43,823,101
Comprises:											
Gross carrying amount at 30 June 2018	2,329,000	760,000	3,089,000	3,561,354	36,267,735	39,829,089	42,918,089	334,272	4,407,197	224,500	47,884,058
Accumulated depreciation at 30 June 2018	0	0	0	(404,182)	(2,610,942)	(3,015,124)	(3,015,124)	(46,504)	(999,329)	0	(4,060,957)
Carrying amount at 30 June 2018	2,329,000	760,000	3,089,000	3,157,172	33,656,793	36,813,965	39,902,965	287,768	3,407,868	224,500	43,823,101
Additions	0	0	0	0	14,589,897	14,589,897	14,589,897	394,405	0	0	14,984,302
(Disposals)	0	0	0	0	0	0	0	(182,064)	(48,756)	(2,500)	(182,064)
Write Off of Assets under \$5K threshold	0	0	0	0	(12,146)	(12,146)	(12,146)	(69,782)	(48,756)	0	(133,184)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	0	39,636	0	0	39,636
Depreciation (expense)	0	0	0	(105,043)	(710,253)	(815,296)	(815,296)	(23,750)	(388,696)	0	(1,227,742)
Carrying amount at 30 June 2019	2,329,000	760,000	3,089,000	3,052,129	47,524,291	50,576,420	53,665,420	194,236	3,222,393	222,000	57,304,049
Comprises:											
Gross carrying amount at 30 June 2019	2,329,000	760,000	3,089,000	3,561,354	50,840,003	54,401,357	57,490,357	240,641	4,000,329	222,000	61,953,327
Accumulated depreciation at 30 June 2019	0	0	0	(509,225)	(3,315,714)	(3,824,939)	(3,824,939)	(46,405)	(777,934)	0	(4,649,278)
Carrying amount at 30 June 2019	2,329,000	760,000	3,089,000	3,052,129	47,524,289	50,576,418	53,665,418	194,236	3,222,395	222,000	57,304,049

9. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure Footpaths	Infrastructure Drainage	Infrastructure Parks & Gardens	Total Infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2017	273,374,868	5,595,154	3,462,392	5,185,801	287,618,215
Additions	2,332,353	290,087	0	37,855	2,660,295
Revaluation increments / (decrements) transferred to revaluation surplus	(140,591,164)	1,261,325	9,650,958	(29,059)	(129,678,881)
Depreciation (expense)	(1,958,022)	(386,148)	(491,537)	(29,059)	(2,864,766)
Carrying amount at 30 June 2018	133,158,035	6,760,418	12,621,813	5,194,597	157,734,863
Comprises:					
Gross carrying amount at 30 June 2018	168,342,669	8,880,209	24,106,456	5,282,521	206,611,855
Accumulated depreciation at 30 June 2018	(35,184,634)	(2,119,791)	(11,484,643)	(87,924)	(48,876,992)
Carrying amount at 30 June 2018	133,158,035	6,760,418	12,621,813	5,194,597	157,734,863
Additions	2,296,228	186,821	0	23,512	2,506,561
Write Off of Assets under \$5K threshold				(44,052)	(44,052)
Depreciation (expense)	(1,634,815)	(185,046)	(353,335)	(25,740)	(2,198,936)
Carrying amount at 30 June 2019	133,819,448	6,762,193	12,268,478	5,148,317	157,998,436
Comprises:					
Gross carrying amount at 30 June 2019	170,638,897	9,067,030	24,106,456	5,211,883	209,024,266
Accumulated depreciation at 30 June 2019	(36,819,449)	(2,304,837)	(11,837,978)	(63,566)	(51,025,830)
Carrying amount at 30 June 2019	133,819,448	6,762,193	12,268,478	5,148,317	157,998,436

9 PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Land under control

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

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

Land under roads

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

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

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

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

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

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

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

(a) Disposals of Assets

	2019		2019		2019		2019		2018		2018	
	Actual	2019	Actual	2019	Budget	Budget	Actual	Actual	Budget	Budget	Actual	Actual
	Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Net Book Value	Actual Sale Proceeds	Budget Profit	Budget Loss	Net Book Value	Actual Sale Proceeds	Budget Profit	Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	182,060	185,477	20,109	(16,692)	178,656	245,500	66,844	0	692,257	442,545	0	(249,712)
Asset Write Off Under \$5K Thres old				0				0				0
Buildings - specialised	12,146			(12,146)								0
Furniture and equipment	69,782			(69,782)								0
Plant and equipment	48,758			(48,758)								0
Land Freehold	2,500			(2,500)								0
Infrastructure Parks & Gardens	44,052	0		(44,052)								0
	359,296	185,477	20,109	(193,928)	178,656	245,500	66,844	0	692,257	442,545	0	(249,712)

The following assets were disposed of during the year.

	2019		2019	
	Actual	2019	Actual	2019
	Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Governance				
Caprice Sedan	30,086	39,538	9,452	0
Health				
Mitsubishi Sln Sedan	18,272	12,727	0	(5,545)
Recreation and culture				
Ride on Mower	13,169	8,553	0	(4,616)
Utility 1	14,663	14,545	0	(118)
Utility 2	14,663	13,636	0	(1,027)
Transport				
Utility 1	15,101	18,000	2,899	0
Isuzu D Max Utility	20,743	28,501	7,758	0
Nissan Navara	23,880	22,817	0	(1,063)
Dual Cab truck (DESC)	31,483	27,160	0	(4,323)
Other property and services				
Write off of Assets under \$5K	0			
Threshold	133,184		0	(133,184)
Property Plant & Equipment	44,052		0	(44,052)
Infrastructure	359,296	185,477	20,109	(193,928)
	359,296	185,477	20,109	(193,928)

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

(b) Depreciation	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
Buildings - non-specialised	105,043	110,000	103,650
Buildings - specialised	710,253	807,110	721,098
Furniture and equipment	23,750	48,894	19,165
Plant and equipment	388,696	331,922	409,713
Infrastructure - Roads	1,634,815	1,859,643	1,958,022
Infrastructure Footpaths	185,046	381,175	386,148
Infrastructure Drainage	353,334	490,937	491,537
Infrastructure Parks & Gardens	25,740	34,076	29,059
	3,426,677	4,063,757	4,118,392

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
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 (Continued)

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.

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

10 REVALUATION SURPLUS

	2019		2019		2018		2018		2018		2018	
	Opening Balance	Revaluation Increment	Revaluation Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Revaluation Movement on Revaluation	Closing Balance	Total Revaluation	Total Revaluation	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	25,824,503	0	0	25,824,503	25,824,503	0	0	0	0	0	0	25,824,503
Revaluation surplus - Furniture and equipment	41,913	0	0	41,913	41,913	0	0	0	0	0	0	41,913
Revaluation surplus - Plant and equipment	1,199,772	39,636	39,636	1,239,408	1,199,772	0	0	0	0	0	0	1,199,772
Revaluation surplus - Infrastructure - Roads	65,964,504	0	0	65,964,504	206,555,668	0	0	(140,591,164)	(140,591,164)	0	0	65,964,504
Revaluation surplus - Infrastructure Footpaths	11,617,820	0	0	11,617,820	10,356,495	1,261,325	0	1,261,325	0	0	0	11,617,820
Revaluation surplus - Infrastructure Drainage	30,954,899	0	0	30,954,899	21,303,941	9,650,958	0	9,650,958	0	0	0	30,954,899
Revaluation surplus - Infrastructure Parks & Gardens	2,098,980	0	0	2,098,980	2,098,980	0	0	0	0	0	0	2,098,980
	137,702,391	39,636	39,636	137,742,027	267,381,272	10,912,283	(140,591,164)	(129,678,881)	137,702,391			

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

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors	2,426,702
Rates paid in advance	110,113
Accrued salaries and wages	63,488
ATO liabilities	65,429
Accrued Interest Long Term Borrowings	12,881
Bonds Held as Deposits	2,790

	2019	2018
	\$	\$
	2,426,702	1,343,388
	110,113	80,935
	63,488	88,309
	65,429	0
	12,881	14,584
	2,790	0
	<u>2,681,403</u>	<u>1,527,216</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

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

12. SHORT-TERM BORROWINGS

Unsecured

Represented by:
Unrestricted – Municipal bank overdraft

	2019	2018
	\$	\$
	140,000	140,000
	<u>140,000</u>	<u>140,000</u>

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

13. INFORMATION ON BORROWINGS

	2019	2018
(a) Borrowings	\$	\$
Current	240,400	231,069
Non-current	851,824	1,092,224
	1,092,224	1,323,293

(b) Repayments - Borrowings

Particulars	30 June 2019			30 June 2018			30 June 2018											
	Actual Principal 1 July 2018	Actual Interest repayments	Actual Principal outstanding	Budget Principal 1 July 2018	Budget Interest repayments	Budget Principal outstanding	Actual Principal 1 July 2018	Actual Interest repayments	Actual Principal outstanding	Budget Principal 1 July 2018	Budget Interest repayments	Budget Principal outstanding	Actual Principal 1 July 2017	Actual Interest repayments	Actual Principal outstanding	Actual Principal 1 July 2017	Actual Interest repayments	Actual Principal outstanding
Governance																		
Amalgamated Loans	388,985	6.08%	240,342	388,985	148,643	20,905	388,985	148,643	20,905	388,985	148,643	240,342	528,987	33,628	388,985	140,002	33,628	388,985
Education and welfare	548,082	3.17%	494,515	548,082	53,567	16,019	548,082	53,567	16,019	548,082	53,567	494,515	600,000	22,581	548,082	51,918	22,581	548,082
CEACA Contribution	937,067		734,857	937,067	202,210	36,924	937,067	202,210	36,924	937,067	202,210	734,857	1,128,987	56,209	937,067	191,920	56,209	937,067
Self Supporting Loans																		
Education and welfare	386,225	4.94	357,366	386,225	28,859	18,372	386,225	28,859	18,372	386,225	28,859	357,366	413,710	22,535	386,225	27,485	22,535	386,225
Merretville	386,225		357,366	386,225	28,859	18,372	386,225	28,859	18,372	386,225	28,859	357,366	413,710	22,535	386,225	27,485	22,535	386,225
	1,323,292		1,092,223	1,323,292	231,069	55,286	1,323,292	231,069	55,286	1,323,292	231,069	1,092,223	1,542,697	78,744	1,323,292	219,405	78,744	1,323,292

Self supporting loans are financed by payments from third parties. These are shown in Note 7 as other financial assets at amortised cost.
 All other loan repayments were financed by general purpose revenue.

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

13. INFORMATION ON BORROWINGS (Continued)

	2019	2018
(c) Undrawn Borrowing Facilities	\$	\$
Loan facilities		
Loan facilities - current	240,400	231,069
Loan facilities - non-current	851,824	1,092,224
Total facilities in use at balance date	1,092,224	1,323,293

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 23.

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions	Provision for	Provision for	Total
	Annual Leave	Long Service Leave	
	\$	\$	\$
Opening balance at 1 July 2018			
Current provisions	318,377	189,994	508,371
Non-current provisions		54,783	54,783
	318,377	244,777	563,154
Additional provision	21,853	20,649	42,502
Balance at 30 June 2019	340,230	265,426	605,656
Comprises			
Current	340,230	194,945	535,175
Non-current		70,481	70,481
	340,230	265,426	605,656
	2019	2018	
Amounts are expected to be settled on the following basis:	\$	\$	
Less than 12 months after the reporting date	341,713		
More than 12 months from reporting date	256,757	563,154	
Expected reimbursements from other WA local governments	7,186		
	605,656	563,154	

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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.

15. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	13,175,305	5,053,192	23,942,051
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	1,883,034	(2,572,236)	(5,558,972)
Non-cash flows in Net result:			
Depreciation	3,426,677	4,063,757	4,118,392
(Profit)/loss on sale of asset	173,819	(66,844)	249,712
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(37,419)	347,285	(281,300)
(Increase)/decrease in inventories	98,042	0	50,395
Increase/(decrease) in payables	1,154,194	(1,200,000)	1,113,907
Increase/(decrease) in provisions	42,502		16,019
Grants contributions for the development of assets	(3,179,026)	(840,463)	3,652,878
Net cash from operating activities	3,561,824	(268,501)	3,361,031

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	30,000	34,448
Law, order, public safety	738,531	900,687
Health	189,617	472,293
Education and welfare	2,763,937	2,851,320
Housing	1,802,155	1,595,344
Community amenities	3,139,051	3,149,172
Recreation and culture	21,058,464	21,430,464
Transport	75,661,716	72,175,538
Economic services	792,635	830,406
Other property and services	5,468,070	5,413,711
Unallocated	118,791,002	118,693,502
	<u>230,435,178</u>	<u>227,546,885</u>

17. CONTINGENT LIABILITIES

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

Management are not in a position to reliably estimate the cost of the potential liability, however the Current Waste Management Reserve Fund Account currently has a balance of \$197,266 with a further allocation to this Reserve fund of \$92,733 to be made in 2019/2020.

It should be noted that some rehabilitation occurs on an annual basis and is funded from the operating budget.

18. LEASING COMMITMENTS

(a) Operating Lease Commitments

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

Payable:
 - not later than one year

	2019	2018
	\$	\$
	16,828	1,608
	16,828	1,608

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

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

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

19. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

	2019 Actual	2019 Budget	2018 Actual
The following fees, expenses and allowances were paid to council members and/or the President.	\$	\$	\$
Meeting Fees	75,033	75,033	68,832
Presidents Allowance	13,900	13,900	13,494
Deputy Presidents Allowance	3,475	3,475	3,374
Councillors Wardrobe	558	1,500	4,968
Councillor Communications	5,193	8,000	0
	98,159	101,908	90,668

Key Management Personnel (KMP) Compensation Disclosure

	2019 Actual	2018 Actual
The total of remuneration paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	820,354	799,553
Post-employment benefits	101,930	89,374
Other long-term benefits	71,107	76,076
	993,391	965,003

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP.

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.

19. 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 and balances occurred with related parties:	2019 Actual \$	2018 Actual \$
Amounts payable to related parties:		
Purchase of Goods, Services - other related parties	0	0
Trade, other payables - other related parties	8,288	55,241

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.

KMP are employed by the Shire under normal employment terms and conditions.

ii. Other Related Parties

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 activities of the entity, directly or indirectly are considered related parties in relation to the Shire.

iii. Entities subject to significant influence by the Shire

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

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

20. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾		Received ⁽²⁾		Expended ⁽³⁾		Closing Balance ⁽¹⁾		Received ⁽²⁾		Expended ⁽³⁾		Closing Balance	
	1/07/17	2017/18	2017/18	2018/19	2017/18	2018/19	30/06/18	2018/19	2018/19	2018/19	2018/19	2018/19	30/06/19	30/06/19
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Law, order, public safety														
Youth Development	10,000	93	(10,093)	0	20,297	0	20,297	0	20,297	0	20,297	0	20,297	0
Community amenities														
Barriers To Bailing	12,955	211	(4,192)	8,974	136	8,974	8,974	136	9,110	0	(9,110)	0	(9,110)	0
Promoting Electric Vehicle Viability	0	13,981	(7,686)	6,295	95	6,295	6,295	95	(6,390)	0	(6,390)	0	(6,390)	0
Inspiring Saline Water	0	8,000	(7,178)	822	0	822	822	0	(822)	0	(822)	0	(822)	0
Combating Vegetation Decline	0	20,000	0	20,000	206	20,206	20,000	206	(20,206)	0	(20,206)	0	(20,206)	0
Combating Vegetation Decline ST II	0	0	0	0	21,581	0	0	21,581	0	21,581	0	21,581	0	21,581
Recreation and culture														
Kids Sport	5,551	10,052	(15,603)	0	0	0	0	0	0	0	0	0	0	0
Audience Development	14,660	34,846	(18,316)	31,190	522	(31,712)	31,190	522	(31,712)	0	(31,712)	0	(31,712)	0
Lenihan Park	10,000	93	(10,093)	0	0	0	0	0	0	0	0	0	0	0
Variable Speed Drives	0	25,000	(25,000)	0	0	0	0	0	0	0	0	0	0	0
Raise the Roof	0	121,352	(29,038)	121,352	3,005	(45,294)	121,352	3,005	(45,294)	0	(45,294)	0	(45,294)	0
Dept of Culture (RVIF)	28,640	398	0	40,000	602	(40,602)	40,000	602	(40,602)	0	(40,602)	0	(40,602)	0
CT Participation Grant	0	40,000	0	17,995	271	(18,266)	17,995	271	(18,266)	0	(18,266)	0	(18,266)	0
CT Trainee	0	17,995	0	5,000	75	(5,075)	5,000	75	(5,075)	0	(5,075)	0	(5,075)	0
CT Cummins Kids	0	5,000	0	0	1,818	0	0	1,818	0	1,818	0	1,818	0	1,818
Swimming Pool Disabled Access Steps														
Transport														
Totaigin Hall Rd	92,775	88,632	(89,375)	181,407	203,192	(384,599)	181,407	203,192	(384,599)	0	(384,599)	0	(384,599)	0
CBD Upgrade	87,943	1,432	(89,375)	0	0	0	0	0	0	0	0	0	0	0
CBD Business Case	27,840	453	(5,750)	22,543	632	0	22,543	632	0	0	0	0	23,175	0
Economic services														
CWVC Destinations Merredin	14,850	138	(14,988)	0	0	0	0	0	0	0	0	0	0	0
Community Development Grants	0	9,000	0	9,000	22,835	(9,135)	9,000	22,835	(9,135)	0	(9,135)	0	(9,135)	0
Other property and services														
CEACA Stage I	1,919,024	28,503	(35,461)	1,912,066	16,401	(1,352,595)	1,912,066	16,401	(1,352,595)	575,872	(575,872)	0	575,872	0
CEACA Stage II	20,126,047	245,534	(6,227,505)	14,144,076	129,760	(11,780,503)	14,144,076	129,760	(11,780,503)	2,493,333	(2,493,333)	0	2,493,333	0
CEACA	0	0	0	0	2,173,084	(2,049,788)	0	2,173,084	(2,049,788)	123,296	(123,296)	0	123,296	0
Total	22,350,285	670,713	(6,500,278)	16,520,720	2,594,513	(15,754,097)	16,520,720	2,594,513	(15,754,097)	3,361,135	(3,361,135)	0	3,361,135	0

Notes:
(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

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

21. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19		2018/19		2018/19		2018/19		2018/19		2017/18	
			Actual Value	Actual Rate	Actual Rates	Actual Rates	Actual Revenue	Actual Back Rates	Actual Total Revenue	Budget Interim Rate	Budget Total Revenue	Budget Total Revenue	Actual Total Revenue	
Differential general rate / general rate			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross rental valuations	10.4754	1,473	17,708,773	1,855,065	10,894	(156)	1,865,803	1,849,835	586	1,850,421	1,795,105			
Gross Rental Valuations														
Unimproved valuations														
UV1 Rural	1.8700	46	85,820,500	1,604,843	354	516	1,605,713	1,604,843		1,604,843	1,557,008			
UV2 Urban Rural	3.0179	82	3,763,001	113,564			113,564	113,564		113,564	110,256			
UV3 Mining	3.5700	7	27,945	998	897		1,895	998		998	748			
UV4 Power Generation	3.5700	15	4,142,500	147,887	4,463		152,350	147,887		147,887	138,695			
UV5 Special Use Airstrip	3.5700	1	164,000	5,855			5,855	5,855		5,855	5,426			
Sub-Total		1,624	111,626,719	3,728,212	16,608	360	3,745,180	3,722,982	586	3,723,568	3,608,702			
Minimum payment														
Gross rental valuations	865	254	964,225	219,710			219,710	216,250		216,250	210,000			
Gross Rental Valuations														
Unimproved valuations														
UV1 Rural	1,071	127	3,196,400	136,017			136,017	136,017		136,017	133,120			
UV2 Urban Rural	1,071	39		41,769			41,769	41,769		41,769	40,560			
UV3 Mining	200	5		1,000			1,000	1,000		1,000	800			
UV4 Power Generation	1,071	0												
Sub-Total		425	4,160,625	398,496	0	0	398,496	395,036	0	395,036	384,480			
Discounts/concessions (refer Note 21(b))														
Total amount raised from general rate		2,049	115,787,344	4,126,708	16,608	360	4,143,676	4,118,018	586	4,118,604	3,993,182			
Ex-gratia rates										(15,000)	0			
Totals										4,103,604	3,993,182			
										51,002	50,042			
										4,154,606	4,043,224			

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

21 RATING INFORMATION (Continued)

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

Rates Discounts						
Rate or Fee Discount Granted	Discount	Discount	2019	2019	2018	Circumstances in which Discount is Granted
	%	\$	Actual	Budget	Actual	
Rates Written Off		\$	\$	\$	\$	
			0	15,000	15,000	0

21 RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Single Full Payment	31 Aug 2018		0.00%	11.00%
First Instalment				
Second Instalment				
First Instalment	31 Aug 2018	13.00	5.50%	11.00%
Second Instalment	02 Nov 2018	13.00	5.50%	11.00%
Third Instalment	04 Jan 2019	13.00	5.50%	11.00%
Fourth Instalment	08 Mar 2019	13.00	5.50%	11.00%

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Interest on unpaid rates	51,464	18,000	48,124
Interest on instalment plan	20,170	18,000	18,284
Charges on instalment plan	22,451	39,000	
	94,085	75,000	66,408

22. RATE SETTING STATEMENT INFORMATION

		2018/19 Budget	2018/19 Brought Forward
	2018/19 (30 June 2019 Carried Forward)	(30 June 2019 Carried Forward)	(1 July 2018 Brought Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
<p>The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i>.</p>			
Adjustments to operating activities			
Less: Profit on asset disposals	9(a)	(20,109)	(6,631)
Movement in pensioner deferred rates (non-current)		(24,700)	12,707
Movement in inventory (non-current)		134,498	
Movement in employee benefit provisions (non-current)		15,698	25,853
Add: Loss on disposal of assets	9(a)	193,927	18,340
Add: Depreciation on assets	9(b)	3,426,679	4,063,757
Non cash amounts excluded from operating activities		3,725,993	4,406,664
(b) Surplus/(deficit) after imposition of general rates			
<p>The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.</p>			
Adjustments to net current assets			
Less: Reserves - restricted cash	3	(8,402,833)	(4,879,613)
Less: Self Supporting Loans		(30,303)	(28,859)
Add: Borrowings	13(a)	240,400	240,400
Total adjustments to net current assets		(8,192,736)	(4,639,213)
Net current assets used in the Rate Setting Statement			
Total current assets		14,246,540	5,722,010
Less: Total current liabilities		(3,457,264)	(1,082,798)
Less: Total adjustments to net current assets		(8,192,736)	(4,639,213)
Net current assets used in the Rate Setting Statement		2,596,540	(1)

23. 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	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
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents	1.34%	13,175,305	7,278,008	5,894,607	2,890
Financial assets at amortised cost - term deposits	4.94%	357,307	357,307	0	0
2018					
Cash and cash equivalents	1.81%	23,942,051	11,740,596	12,198,855	2,600
Financial assets at amortised cost	4.94%	386,166	386,166	0	0

Sensitivity

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

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	131,753	239,420

* 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 13(b).

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2019					
Rates receivable					
Gross carrying amount	179,163	100,847	64,797	179,766	524,573
01 July 2018					
Rates receivable					
Gross carrying amount	179,211	87,946	57,020	160,929	485,106

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Sundry Receivables					
Gross carrying amount	25,728	6,376	3,177	24,661	59,942
01 July 2018					
Sundry Receivables					
Gross carrying amount	144,857	3,361	891	39,725	188,834
30 June 2019					
Other Financial Assets	357,307	0	0	0	357,307
01 July 2018					
Other Financial Assets	386,166	0	0	0	386,166

23. 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 13(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2019					
Payables	2,615,974	0	0	2,615,974	2,615,974
Borrowings	288,067	675,029	283,586	1,246,682	1,092,224
	2,904,041	675,029	283,586	3,862,656	3,708,198
2018					
Payables	1,419,153	0	0	1,419,153	1,446,281
Borrowings	231,069	702,236	389,988	1,323,293	1,323,293
	1,650,222	702,236	389,988	2,742,446	2,769,574

24. TRUST FUNDS

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

	1 July 2018	Amounts Received	Amounts Paid	30 June 2019
	\$	\$	\$	\$
BCTIF Levy	0	22,432	(22,191)	241
BRB Levy	0	18,670	(18,604)	67
Housing Bonds	8,692	300	(8,992)	0
Community Bus Fund	1,312	0	0	1,312
SBS Transmitter	2,220	0	0	2,220
Other Bonds	100	200	(300)	0
Youth Advisory Council	154	0	0	154
Hall/Gym Bonds	3,890	2,600	(6,490)	0
Retention Monies	8,974	0	0	8,974
CEACA	2,047,863	109,009	(2,152,313)	4,559
	2,073,205	153,212	(2,208,890)	17,527

25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies

In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in accumulated surplus/(deficit).

There were no adjustments as a result of adopting AASB 9.

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

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

25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

The classification and measurement requirements of AASB 9 did not have a significant impact on the Shire. The following are the changes in the classification of the Shire's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The Shire did not designate any financial assets as at fair value through profit and loss.

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, the Shire did not recognise any additional impairment on the Shire's Trade receivables.

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

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

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

(a) Revenue from Contracts with Customers

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

	AASB 118 carrying amount		AASB 15 carrying amount
Note	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Contract liabilities - current			
Unspent grants, contributions and reimbursements		3,451,497	3,451,497
Contract liabilities non-current			
Adjustment to retained surplus from adoption of AASB 15	26(d)	(3,451,497)	

(b) Leases

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

On adoption of AASB 16, the Shire will recognise lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 is 3.50%.

	Note	2019
		\$
Operating lease commitments disclosed as at 30 June 2019		16,828

On adoption of AASB 16, the Shire will recognise a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is to be measured as if AASB 16 had been applied since its commencement date by the carrying amount but discounted using the lessee's incremental borrowing rate as on 1 July 2019. Property, plant and equipment increases by \$20,000 on 1 July 2019 and the net impact on retained earnings on 1 July 2019 will be \$20,000.

On adoption of AASB 16 Leases (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.
 - The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

26. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (Continued)

(c) Income For Not-For-Profit Entities

The Shire will adopt AASB 1058 *Income for Not-for-Profit Entities* (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire will adopt the new rules retrospectively with the

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

cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes will occur to the following financial statement line items by application of AASB 1058 as compared to AASB 1004 Contributions before the change:

	AASB 1004 carrying amount		AASB 1058 carrying amount	
Note	30 June 2019	Reclassification	01 July 2019	
	\$	\$	\$	\$
Trade and other payables	1,527,216	0	1,527,216	

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

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

(d) Impact of changes to Retained Surplus

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

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019			66,137,616
Adjustment to retained surplus from adoption of AASB 15	26(a)	(3,451,497)	
Adjustment to retained surplus from adoption of AASB 1058	26(c)	0	(3,451,497)
Retained surplus - 01 July 2019			62,686,119

27. Change in Accounting Policy

On 1 July 2018 Paragraph 17A (5) was inserted into Local Government (Financial Management) Regulations 1996

The regulation stated an asset is to be excluded from the assets of a local government if the fair value of the asset at the date of acquisition by the local government is under \$5 000.

The adoption of the regulation constitutes a change in accounting policy.

Due to the effect on the financial statements not being material, the Shire did not retrospectively apply the changes in accounting policy arising from the new regulations and has not restated comparative figures

During the year assets with a fair value at the date of acquisition of under \$5,000 and purchased prior to 1 July 2018 have been excluded from the assets of the Shire and written off in the Statement of Comprehensive Income

The effect of the adjustment at 1 July 2018 is detailed below:

Statement of Financial Position	<u>01 July 2018</u>
(Extract)	\$
Property, plant and equipment	133,184
Infrastructure	44,052
Investment property	
Net assets	<u>177,236</u>
Retained earnings	<u>177,236</u>
Total equity	<u>177,236</u>
Statement of Comprehensive Income	<u>2019</u>
(Extract)	\$
<i>By Nature or Type</i>	
Loss on Assets disposed	177,236
<i>By program</i>	
Expenses	
Loss on Assets disposed	177,236
Total comprehensive income for the period	<u>177,236</u>

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

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

29. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To Provide Good Governance	Administration and operation of facilities and services to members of council. Includes fees, expenses and allowances paid to elected and committee members, election costs, insurance, subscriptions, conference expenses, council chamber expenses, members' entertainment, support staff (orderly, secretarial, receptionists etc.), printing, telephones, faxes, delivery expenses. Also includes the allocation of administration expenses for the Chief Executive Officer and staff in preparation, administration and attendance at meetings and assisting elected members and other committees of Council
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.
HOUSING To provide and maintain elderly residents housing.	Provision and maintenance of elderly residents housing.
COMMUNITY AMENITIES To provide services required by the community.	Rubbish collection services, operation of 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.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resource which will help the social well being of the community.	Maintenance of public halls, civic centres, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
TRANSPORT To provide safe, effective and efficient transport services to the community	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc. traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
ECONOMIC SERVICES To help promote the shire and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes and Building Control.
OTHER PROPERTY AND SERVICES To monitor and control Shire's overheads operating accounts.	Private works operation, plant repair and operation costs and engineering operation costs.

30. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	2.00	2.96	4.37
Asset consumption ratio	0.80	0.79	0.79
Asset renewal funding ratio	0.96	0.83	0.83
Asset sustainability ratio	5.05	1.17	0.99
Debt service cover ratio	7.53	7.68	18.27
Operating surplus ratio	(0.20)	(0.32)	0.01
Own source revenue coverage ratio	0.61	0.52	0.58

The above ratios are calculated as follows:

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



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Merredin

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Merredin which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Merredin:

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

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

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

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

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

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Shire.

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- (i) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
 - a. Accounting journal entries were posted by one employee, with no evidence of review by a second employee. Accounting journals can represent significant adjustments to previously approved accounting transactions, and should therefore be appropriately reviewed and approved.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial report of the Shire for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that financial report. The financial ratios for 2017 and 2018 in Note 30 of the audited financial report were included in the supplementary information and/or audited financial report for those years.

Matters Relating to the Electronic Publication of the Audited Financial Report

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



DON CUNNINGHAME
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
15 October 2019

SHIRE OF MERREDIN

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Journals not independently approved	✓		
2. No data recovery plan		✓	

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF MERREDIN
PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

1. Journals not independently approved

Finding

We noted that journal entries processed in the accounting system are processed and posted by the Executive Manager Corporates Services on a monthly basis in preparation of the monthly financial reports. There is no evidence that these are formally reviewed by a second officer.

Rating: Significant

Implication:

If journals are not independently reviewed and approved, there is a risk that erroneous or fraudulent transactions may pass undetected. Accounting journals can represent significant adjustments to previously approved accounting transactions, and should therefore be appropriately reviewed and approved.

Recommendation

We recommend that a person more senior than the preparer such as the Chief Executive Officer, formally authorises the journal entries and evidences this by way of signature.

Management Comment

Difficult to do in a small office, however process will be put in place to comply.

Responsible Person: CM Brown
Completion Date: 13 September 2019

SHIRE OF MERREDIN
PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

2. No data recovery plan

Finding

We noted that the Shire's Information Technology ("IT") Policy is due for review. Furthermore we note that the Shire does not appear to have a formal data recovery plan that includes details concerning back-up procedures and the protection of electronic data and records as part of the IT Policy.

Rating: Moderate

Implication:

There is a risk that electronic data and records may be lost or not protected as a result of not having a data recovery plan leading to major business disruption.

Recommendation

We recommend that the Shire's IT Policy is reviewed to ensure it meets the continued requirements of the Shire in mitigating IT risks.

We further recommend that a formal data recovery plan is implemented.

Management Comment

This has been on the "Drawing Board" for some time.

This is in place but not documented.

Completion by 31 December 2019.

To be completed in consultation with our IT Contractors.

Responsible Person: CM Brown
Completion Date: 31 December 2019



Our Ref: 8338

Mr Greg Powell
Chief Executive Officer
Shire of Merredin
PO Box 42
MERREDIN WA 6415

Dear Mr Powell

Greg



7th Floor, Albert Facey House
469 Wellington Street, Perth

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

Tel: (08) 6557 7500
Fax: (08) 6557 7600

Email: info@audit.wa.gov.au

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

The Office has completed the audit of the annual financial report for your Shire. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the President and the Minister for Local Government, as required by the Act. You are required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

Management Control Issues

While the result of the audit was generally satisfactory, I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Feel free to contact me on 6557 7609 if you would like to discuss these matters further.

Yours faithfully

JORDAN LANGFORD-SMITH
SENIOR DIRECTOR FINANCIAL AUDIT
15 October 2019

Attach



Our Ref: 8338

Mr Ken Hooper
President
Shire of Merredin
PO Box 42
MERREDIN WA 6415

7th Floor, Albert Facey House
469 Wellington Street, Perth

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

Tel: (08) 6557 7500
Fax: (08) 6557 7600
Email: info@audit.wa.gov.au

Dear President

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

The Office has completed the audit of the annual financial report for your local government. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the CEO and the Minister, as required by the Act. The CEO is required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

Management Control Issues

While the result of the audit was generally satisfactory, I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Feel free to contact me on 6557 7609 if you would like to discuss these matters further.

Yours faithfully

JORDAN LANGFORD-SMITH
SENIOR DIRECTOR FINANCIAL AUDIT

15 October 2019

Attach

Contact us:

9041 1611 | admin@merredin.wa.gov.au | www.merredin.wa.gov.au

