

SHIRE OF MERREDIN

*Heart of the
Wheatbelt*



ANNUAL REPORT SUMMARY

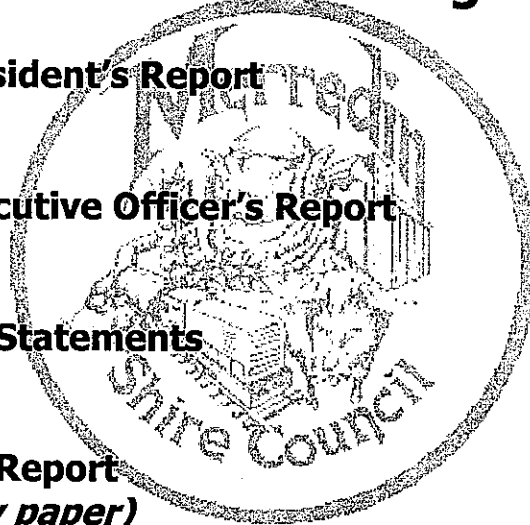
For the Financial Year ending 30 June 2005

Index

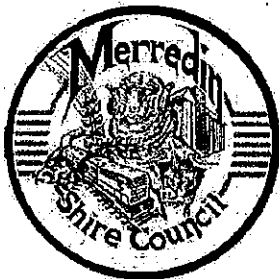
ANNUAL REPORT

For the Financial Year ending 30 June 2005

- Shire President's Report
- Chief Executive Officer's Report
- Financial Statements
- Auditor's Report
(yellow paper)
- Principal Activities Plan & Disabilities Services Plan
- General Information



FB Ludovico
CHIEF EXECUTIVE OFFICER



Merredin Shire Council
P.O. Box 42
MERREDIN WA 6415

Phone: 90411611
Fax: 90412379

Shire Website: www.merredin.wa.gov.au
Community Website: www.merredin.com

PRESIDENT'S REPORT

As I sit down to write a President's Report for 2004/2005 I try to reflect back on a busy year. This isn't the easiest of jobs as we are constantly looking forward to the things that are yet to be done, but I'm told that it is important to spend some time reflecting on achievements.

I would like to start out with a public welcome to our new CEO Frank Ludovico. He comes to us with experiences gained around the Wheatbelt and we all wish him a happy and prosperous time here.

Frank arrives because of the unexpected departure of Phil Anastasakis. Phil joined us in very difficult times and was given what I believe was a gross amount of undue criticism. Phil has to be thanked for tackling issues that may have remained unresolved for much longer. I'm sure that those people that worked closely grew to appreciate the pragmatic way Phil approached his duty and we all wish him the very best.

There were two other major staff changes that I would like to reflect on. One was Keith Dickerson. The year was very interrupted as Keith and Cheryl dealt with their personal traumas. Throughout this Keith managed to help his crew of guys keep busy and the works programme moving along.

Jim Garrett was appointed as Keith's replacement role for six months and we wish him all the best in this role. Also coming on board late in the year was John Gearing in his role as shire builder. It was a surprise to many when a very successful businessman approached us. We look forward to working with John to complete the Recreation and Leisure Centre, staff housing backlog and many other projects throughout the coming years.

As well as staff changes, we had a change on Council. Denise Clydesdale-Gebert moved with David to Moora and was elected onto the Council there. With the election upon us there was only five nominations for five positions.

Congratulations to the re-election of John Simmonds, Wayne Wallace, Stephen Marley and Grant Astbury. Also welcome back to Martin Morris. With the different views brought to Council, I look forward to the vigorous debate of Council and the resolution of many issues over the next two years that this council oversees. Remember, these were the people that gave of their time to better this community.

Again this year we had a major roads programme. As well as year to year maintenance we also had some major works. Included in these were the reconstruction of Goldfields, Crooks and Gabo Roads around the western edge of Merredin to allow for increasing grain receipts to CBH. This is a move to stop the volumes of heavy vehicles along Gamenya Avenue.

Also included were the sealing of the cemetery carpark, East Barrack Street, Burracoppin South Road amongst others.

Also completed this year was the construction of industrial lots at McKenzie Crescent and the subsequent sale of many of these.

Once again the town has progressed well with new buildings constructed in town to the value of about \$2.4 million.

A public meeting was called to debate the Merredin Regional Recreation and Leisure Centre. Although not the best of things to chair, it provided the community with a way to be heard. Council was concerned that if only 40 people turned up it wouldn't give any real indication as to which way to proceed. Thankfully almost 300 residents turned up and gave overwhelming support. To those who attended and made their views known, thank you.

From this meeting there was enough interest created to start some of the fundraising and many businesses and individuals became involved in a venture to sow a crop for this purpose. Thanks again to those people involved and hopefully your work will be rewarded.

In summing up my report, I must thank all shire staff for their efforts. There are numerous people who make a contribution whether in administration, park and gardens, road work or delivery of other services such as the Library, the Medical Centre Visitor Centre, Cummins Theatre, Swimming Pool or ranger services. These people are as committed as are your Councillors in improving the quality of services available in Merredin. This can't be achieved without the support and input of the community.

Once again, thank you and I wish you a prosperous twelve months and beyond.

Cr Ken Hooper
PRESIDENT

CHIEF EXECUTIVE OFFICER'S REPORT

It has been an interesting year for the Shire of Merredin in 2004/05 with a number of aspects creating extreme satisfaction and others causing us to reflect and take stock.

Completed Projects

I am pleased to report that Council has achieved a number of significant projects for the Shire in particular the construction of the McKenzie Crescent/Doyle Street subdivision.

This was a partnership arrangement with Landcorp where Council undertook to develop the road infrastructure in the subdivision. This was done at cost price to ensure that the land became available at a reasonable cost. Of the 16 lots developed 10 were sold at the 30th June 2005. Council believes that the availability of industrial land is important to the growth of the Shire so it rescheduled a number of jobs in order to achieve this subdivisional outcome.

In respect to road works, the following projects were achieved

- Fifth Street drainage
- Endersbee Street reseal
- Mitchell/Fifth Street drainage
- Burracoppin South Road construct and seal
- Korbel West Road resheet
- Koonadgin Road resheet
- Endersbee Road flood crossing

The other major project to receive the go ahead during the 2004/05 financial year was the Merredin Regional Community & Leisure Centre. The receipt of considerable grant funding from Regional Solutions (\$600,000), MADCAPS (\$111,000) along with funds from Department of Sport and Recreation (\$500,000) brings the grant total to \$1,211,000. Further grants are expected in the 2005/2006 financial year.

At the 30th June detailed planning was underway with a budget estimate of \$3.78 million to complete the project.

Substantial community input is required to make this project a success and sponsorship and donation packages are being developed so that the community has opportunities to invest in this project. Additionally Council will be working with community groups and other members of the public to assist with project works such as construction of the sand pads.

Council has also embarked on a 3 year project with the Rural Towns Program/Liquid Assets Project whose aim is on the abstraction and treatment of saline ground water, use and reuse of local water sources, harvesting town catchment run off and salinity control. Council has committed \$70,000 per year for the next 3 years which is a joint partnership with the Department of Agriculture and CSIRO.

Also during the year Council acted as sub contractor to Landcorp to bring the McKenzie Crescent/Doyle Street Industrial block subdivision into fruition. 16 Light Industry zoned lots were developed, 5 lots were sold almost immediately.

To balance these major achievements a number of projects have been unable to be achieved during the 2004/05 year, these include

- Goldfields/Crooks/Gabo Roads
- Caw Street
- Cummings Street footpath
- Coronation Street housing
- Strategic Plan
- Hines Hill South Road

A number of factors were involved with these projects which include change over of senior staff and the diversion of staff resources to undertake the McKenzie Crescent/Doyle Street industrial land project. This loss of momentum was unfortunate, but now has been overcome and prospects for 2005/06 year are extremely promising.

Also of concern in 2004/05 year was the completion of the 2004 Annual Compliance Return by the Department of Local Government. This review initiated by the Shire of Merredin highlighted a number of circumstances where Council could improve. This included the levying of differential rates, some tender processes and aspects of internal control. Council has used this document to improve the various aspects mentioned in the report which will improve the overall governance in the Shire.

Another project that has been unable to be achieved is Council's new Strategic Plan, for a variety of circumstances this process was not completed during the 2004/05 year. It is hoped that this project can be rescheduled next financial year so that it can provide the blue print for the growth of the Merredin Shire and community.

Council's current position is \$1,677,576 of which \$1,512,748 is restricted. Our operating result is \$439,905 composed to a budgeted of \$4514.

As mentioned earlier this cash position can be largely attributed to \$479,944 in carry over projects which were budgeted, but not completed or commenced and grants received in advance of projects.

In respect to staffing a number of staff changes and retirements occurred during the year. This has seen a real loss in knowledge and experience from the workforce and continues to be a real concern for the local government industry in general.

Even with the disruptions, I believe staff within Council has provided excellent customer service in all aspects of our operations, be it Parks and Gardens, Library, Administration, Medical Centre, Cummins Theatre, Visitor Centre and Road Construction/Maintenance.

Finally I would like to thank the community, Councillors and staff alike for welcoming me and my family to the Merredin area and although a number of challenges exist far more opportunities await us and it is through working cohesively together that we will be able to recognize and achieve these opportunities.

Finally I would like to thank Councillors and staff for all their hard work and dedication to the Shire of Merredin is without their commitment collectively that we have been able to achieve the outcomes that we have and it's through their continued dedication often above and beyond the call of duty that we will continue to realize the opportunities before us.

F B Ludovico
CHIEF EXECUTIVE OFFICER

SHIRE OF MERREDIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2005

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Operating Statement	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to and Forming Part of the Financial Report	7 to 40
Independent Audit Report	41

SHIRE OF MERREDIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2005

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Merredin being the annual financial report and other information for the financial year ended 30th June 2005 are in my opinion properly drawn up to present fairly the financial position of the Shire of Merredin at 30th June 2005 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and regulations under that Act.

Signed on the 9 day of NOVEMBER 2005.



Frank Ludovico
Chief Executive Officer

SHIRE OF MERREDIN

OPERATING STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2005

	NOTE	2005 \$	2005 Budget \$	2004 \$
REVENUES FROM ORDINARY ACTIVITIES				
Governance		12,213	14,684	14,093
General Purpose Funding		3,155,185	3,080,384	3,023,843
Law, Order, Public Safety		158,027	83,399	141,905
Health		50,707	89,807	88,714
Education and Welfare		1,276	6,012	9,022
Housing		13,226	7,726	85,159
Community Amenities		362,853	345,043	403,885
Recreation and Culture		513,318	305,264	106,322
Transport		707,092	724,864	991,350
Economic Services		653,193	625,753	328,325
Other Property and Services		581,869	329,790	406,804
	2	<u>6,208,959</u>	<u>5,612,726</u>	<u>5,599,421</u>
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		365,096	409,099	267,061
General Purpose Funding		61,454	48,608	64,752
Law, Order, Public Safety		214,175	169,276	199,395
Health		164,791	170,827	174,947
Education and Welfare		43,233	49,847	46,029
Housing		29,742	19,917	18,348
Community Amenities		440,852	468,426	377,627
Recreation & Culture		1,017,383	1,271,064	928,783
Transport		1,612,670	1,497,190	1,553,057
Economic Services		1,056,205	972,769	668,161
Other Property and Services		706,001	471,698	444,982
	2	<u>5,711,602</u>	<u>5,548,721</u>	<u>4,743,142</u>
BORROWING COSTS EXPENSE				
Governance		20,601	18,148	20,563
Health		1,872	1,873	1,929
Recreation & Culture		9,388	9,572	1,512
Economic Services		20,919	24,066	15,696
Other Property & Services		4,672	5,833	8,898
	2	<u>57,452</u>	<u>59,492</u>	<u>48,598</u>
NET RESULT		<u>439,905</u>	<u>4,514</u>	<u>807,681</u>

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

SHIRE OF MERREDIN
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2005

	NOTE	2005 \$	2004 \$
CURRENT ASSETS			
Cash Assets	3	1,783,439	1,448,314
Receivables	4	364,053	396,813
Inventories	5	18,947	8,112
TOTAL CURRENT ASSETS		<u>2,166,439</u>	<u>1,853,239</u>
NON-CURRENT ASSETS			
Receivables	4	33,254	38,934
Inventories	5	147,186	139,458
Property, Plant and Equipment	6	8,227,432	8,099,495
Infrastructure	7	38,910,129	29,931,965
TOTAL NON-CURRENT ASSETS		<u>47,318,001</u>	<u>38,209,852</u>
TOTAL ASSETS		<u>49,484,440</u>	<u>40,063,091</u>
CURRENT LIABILITIES			
Payables	8	77,538	167,630
Interest-bearing Liabilities	9	210,366	151,511
Provisions	10	200,959	204,651
TOTAL CURRENT LIABILITIES		<u>488,863</u>	<u>523,792</u>
NON-CURRENT LIABILITIES			
Interest-bearing Liabilities	9	651,075	861,624
Provisions	10	212,330	157,189
TOTAL NON-CURRENT LIABILITIES		<u>863,405</u>	<u>1,018,813</u>
TOTAL LIABILITIES		<u>1,352,268</u>	<u>1,542,605</u>
NET ASSETS		<u>48,132,172</u>	<u>38,520,486</u>
EQUITY			
Retained Surplus		20,809,424	20,772,180
Reserves - Cash Backed	11	1,512,750	1,110,089
Reserves - Asset Revaluation	12	25,809,998	16,638,216
TOTAL EQUITY		<u>48,132,172</u>	<u>38,520,486</u>

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 2005

	NOTE	2005 \$	2004 \$
RETAINED SURPLUS			
Balance as at 1 July 2004		20,772,180	20,489,554
Net Result		439,905	807,681
Transfer from/(to) Reserves		<u>(402,661)</u>	<u>(525,055)</u>
Balance as at 30 June 2005		<u>20,809,424</u>	<u>20,772,180</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2004		1,110,089	585,034
Amount Transferred (to)/from Retained Surplus		<u>402,661</u>	<u>525,055</u>
Balance as at 30 June 2005	11	<u>1,512,750</u>	<u>1,110,089</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2004		16,638,216	0
Revaluation Increment		9,171,782	16,638,216
Revaluation Decrement		<u>0</u>	<u>0</u>
Balance as at 30 June 2005	12	<u>25,809,998</u>	<u>16,638,216</u>
TOTAL EQUITY		<u><u>48,132,172</u></u>	<u><u>38,520,486</u></u>

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 2005**

	NOTE	2005 \$	2005 Budget \$	2004 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,749,056	1,682,888	1,742,115
Grants and Subsidies - operating		1,365,551	1,637,444	1,491,725
Contributions, Reimbursements & Donations		129,072	190,689	160,828
Service Charges		0	0	0
Fees and Charges		1,031,705	538,720	735,364
Interest Earnings		51,408	30,450	34,931
Goods and Services Tax		288,372	390,676	379,753
Other		791,526	821,898	226,377
		<u>5,406,690</u>	<u>5,292,764</u>	<u>4,771,093</u>
Payments				
Employee Costs		(2,052,307)	(2,524,488)	(1,839,155)
Materials and Contracts		(1,461,534)	(1,217,555)	(1,419,926)
Utilities (gas, electricity, water, etc)		(302,056)	(261,370)	(272,134)
Insurance		0	(184,204)	0
Interest		(51,408)	(59,491)	(34,931)
Goods and Services Tax		(301,587)	(190,887)	(356,828)
Other		(638,524)	(299,583)	(69,206)
		<u>(4,807,416)</u>	<u>(4,737,578)</u>	<u>(3,992,180)</u>
Net Cash Provided By (Used In)				
Operating Activities	13(b)	<u>599,274</u>	<u>555,186</u>	<u>778,913</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		(7,728)	(779,000)	0
Payments for Purchase of Property, Plant & Equipment		(982,951)	(520,500)	(1,130,149)
Payments for Construction of Infrastructure		(719,793)	(935,000)	(1,052,114)
Grants/Contributions for the Development of Assets		1,095,026	758,057	1,101,601
Proceeds from Sale of Plant & Equipment		496,123	385,000	725,839
		<u>496,123</u>	<u>385,000</u>	<u>725,839</u>
Net Cash Provided By (Used In)				
Investing Activities		(119,323)	(1,091,443)	(354,823)
Cash Flows from Financing Activities				
Advances to Community Groups		0	0	0
Repayment of Debentures		(151,694)	(151,511)	(105,749)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		6,868	6,868	6,529
Proceeds from Advances		0	0	0
Proceeds from New Debentures		0	300,000	275,956
		<u>0</u>	<u>300,000</u>	<u>275,956</u>
Net Cash Provided By (Used In)				
Financing Activities		(144,826)	155,357	176,736
Net Increase (Decrease) in Cash Held				
		335,125	(380,900)	600,826
Cash at Beginning of Year		1,448,314	1,438,527	847,488
Cash at End of Year	13(a)	<u><u>1,783,439</u></u>	<u><u>1,057,627</u></u>	<u><u>1,448,314</u></u>

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

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards and the Local Government Act 1995 (as amended) and the Local Government Act 1995 (as amended) and accompanying regulations (as amended). The report has also been prepared on the accrual basis under the convention of historical cost accounting.

(b) The Local Government Reporting Entity

All Funds through which the Council 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, but a separate statement of those monies appears at Note 19 to this financial report.

(c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Statement of Financial Position are stated inclusive of applicable GST.

(d) Fixed Assets

Property, plant and equipment and infrastructure assets are brought to account at cost or independent or management valuation less, where applicable, any accumulated depreciation or amortisation.

The value of all infrastructure assets (other than land under roads) has been recorded in the Statement of Financial Position. Bridges and land under roads are excluded from infrastructure in accordance with legislative requirements.

(e) Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	40 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - slab	40 years

(g) 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 company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Investments

All investments are valued at cost and interest on those investments is recognised when accrued.

(i) Joint Venture

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the statement of financial position and operating statement. Information about the joint venture is set out in Note 16.

(j) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries and Annual Leave

The provision for employees' benefits to wages, salaries and annual leave represents the amount that the municipality has a present obligation to pay resulting from employees services to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Long Service Leave

The provision for employees' benefits for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees' service to balance date.

(k) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

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 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 2(e). 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 operation for the current reporting period.

(l) Superannuation

The Shire of Merredin contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Interest Rate Risk

The Shire's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is considered negligible for all financial instruments other than borrowings. Information on interest rate risk as it applies to borrowings is disclosed in Note 22(e).

(n) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of the financial report. The Shire does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Shire.

(o) Net Fair Values

The net fair value of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the Council intends to hold these assets to maturity.

The aggregate net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial report.

(p) Rounding Off Figures

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

(q) Comparative Figures

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

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2005

2. REVENUES AND EXPENSES	2005	2004	
	\$	\$	
(a) Result from Ordinary Activities			
The Result from Ordinary Activities includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
- Audit	6,750	6,400	
- Other Services	3,050	4,650	
Depreciation			
Buildings	127,890	124,522	
Furniture and Equipment	26,293	22,497	
Plant and Equipment	200,766	181,043	
Roads	875,140	775,654	
Footpaths	25,115	22,000	
Drainage	13,050	10,000	
Parks & Ovals	106	182	
	<u>1,268,360</u>	<u>1,135,898</u>	
Rental Charges			
- Operating Leases	<u>4,903</u>	<u>10,588</u>	
(ii) Crediting as Revenue:			
	2005	2005	2004
	\$	Budget	\$
		\$	
Interest Earnings			
Investments			
- Reserve Funds	13,395	10,000	11,132
- Other Funds	29,935	15,450	17,147
Other Interest Revenue (refer note 27)	<u>8,078</u>	<u>5,000</u>	<u>6,651</u>
	<u>51,408</u>	<u>30,450</u>	<u>34,931</u>

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

2. REVENUES AND EXPENSES (Continued)

(b) Revenues and Expenses from Ordinary Activities Classified According to Nature and Type	2005 \$	2004 \$
Revenues from Ordinary Activities		
Rates (refer note 23)	1,710,616	1,620,522
Grants and Subsidies - operating (refer note 29)	1,365,551	1,491,725
Grants and Subsidies - non-operating (refer note 29)	1,095,026	1,101,601
Contributions Reimbursements and Donations	129,072	160,828
Profit on Asset Disposals (refer note 20)	50,226	228,073
Fees and Charges (refer note 28)	1,031,705	735,365
Interest Earnings (refer note 2(a))	51,408	34,931
Other Revenue	775,355	226,377
	<u>6,208,959</u>	<u>5,599,421</u>
Expenses from Ordinary Activities		
Employee Costs	2,103,756	1,892,590
Materials and Contracts	1,367,828	1,337,332
Utilities (gas, electricity, water, etc)	302,056	272,134
Depreciation on Non-current Assets (refer note 2(a))	1,149,855	1,135,898
Loss on Asset Disposals (refer note 20)	46,340	54,105
Other	741,767	51,083
	<u>5,711,602</u>	<u>4,743,142</u>
Interest/Borrowing Costs (refer Note 2(c))	57,452	48,598
	<u>5,769,054</u>	<u>4,791,740</u>
(c) Borrowing Costs Expense		
Comprises:		
Finance Lease Charges	0	0
Debentures (refer Note 22(a))	57,452	48,598
	<u>57,452</u>	<u>48,598</u>

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

ENDED 30TH JUNE 2005

2. REVENUES AND EXPENSES (Continued)

(d) Statement of Objective

The Shire of Merredin is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

GOVERNANCE

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

Activities: Administration and operations of facilities and services to members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services

GENERAL PURPOSE FUNDING

Objective: To collect revenue to allow for the provision of services

Activities: Rates, general purpose grants and interest revenue

LAW, ORDER, PUBLIC SAFETY

Objective: To provide services to help ensure a safer community

Activities: Supervision of various by-laws, fire prevention, emergency services and animal control

HEALTH

Objective: To provide an operational framework for good community health

Activities: Food quality and pest control, inspection of abattoir and support of child health services

EDUCATION AND WELFARE

Objective: To meet the needs of the community in these areas

Activities: Support day care centres and pre school facilities and assistance to senior citizens and retirement villages and other voluntary services

HOUSING

Objective: To provide subsidised housing to promote youth employment in Merredin

Activities: Maintenance and rentals of single persons units and other housing

COMMUNITY AMENITIES

Objective: Provide sanitary and essential services required by the community

Activities: Refuse collection services, operation of refuse sites, administration of town planning scheme, cemetery services and maintenance, environmental services, urban stormwater drainage, women's rest centre and other development services

RECREATION AND CULTURE

Objective: To establish and manage efficiently infrastructure and resources which will help the social well being of the community

Activities: Maintenance of halls, aquatic centre, recreation centre and reserves, parks and gardens, regional library service, cultural and heritage services and facilities

TRANSPORT

Objective: To provide effective and efficient transport services to the community

Activities: Maintenance of streets, roads, footpaths, street lighting and cleaning, parking area's, transport licensing services on behalf of the Department of Planning and Infrastructure

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

2. OPERATING REVENUES AND EXPENSES (Continued)

(d) Statement of Objective (Continued)

ECONOMIC SERVICES

Objective: To help promote the Shire and improve its economic well being and provide medical services or assistance to the community

Activities: Noxious weed control, tourism and area promotion, community development and coordination, building control and services, activities related to medical locum and other economic services

OTHER PROPERTY & SERVICES

Activities: Private works operations, public works operation, plant operation costs, gross salaries and wages

	2005	2004
	\$	\$
(e) Conditions Over Contributions		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Medical Centre Grant	0	22,000
Rural Towns Grant	22,000	22,000
Road Funding Grant	20,000	20,000
	42,000	64,000
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Roads To Recovery Grant	0	20,000
Less:		
Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
Road Funding Grant	20,000	20,000
Medical Centre Grant	0	22,000
Closing balances of unexpended grants	22,000	42,000
Comprises:		
Rural Towns Grant	22,000	22,000
Roads To Recovery Grant	0	20,000
	22,000	42,000

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

ENDED 30TH JUNE 2005

	2005	2004
	\$	\$
CASH ASSETS		
3.		
Unrestricted	248,689	296,225
Restricted	<u>1,534,750</u>	<u>1,152,089</u>
	<u><u>1,783,439</u></u>	<u><u>1,448,314</u></u>
 The following restrictions have been imposed by regulations or other externally imposed requirements:		
Long Service Leave Reserve	136,736	90,426
Plant Reserve	0	64,857
Cummins Theatre Reserve	5,651	5,622
Annual Leave Reserve	101,756	61,354
General Building Reserve	3,416	77,057
Burracoppin Sports Pavilion Reserve	84	83
Recreation Ground Lighting Reserve	1,755	1,746
Land and Development Reserve	150,481	132,975
Doctors Housing Reserve	11,106	11,048
Meat Inspectors Fund Reserve	21,523	30,881
Heritage Reserve	14,218	14,144
Medical Centre Reserve	1,103	1,098
Disaster Relief Reserve	5,426	5,397
Recreation Facilities Reserve	498,217	63,908
Road Reinstatement Reserve	17,738	17,646
Cummings Street Units Reserve	33,533	30,554
Carried Over Projects Reserve	479,945	501,294
Building Maintenance Reserve	30,061	0
Unexpended Grants	22,000	42,000
	<u><u>1,534,750</u></u>	<u><u>1,152,089</u></u>
 RECEIVABLES		
4.		
Current		
Rates Outstanding	103,145	130,118
Sundry Debtors	293,229	281,359
GST Receivable	1,673	18,469
Loans - Clubs/Institutions	6,006	6,868
Less Provision for Doubtful Debts	<u>(40,000)</u>	<u>(40,000)</u>
	<u><u>364,053</u></u>	<u><u>396,813</u></u>
 Non-Current		
Rates Outstanding - Pensioners	20,351	20,027
Loans - Clubs/Institutions	<u>12,903</u>	<u>18,907</u>
	<u><u>33,254</u></u>	<u><u>38,934</u></u>

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

	2005	2004
	\$	\$
INVENTORIES		
5. Current		
Fuel and Materials	<u>18,947</u>	<u>8,112</u>
	<u>18,947</u>	<u>8,112</u>
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	147,186	139,458
Development Costs	<u>0</u>	<u>0</u>
	<u>147,186</u>	<u>139,458</u>
PROPERTY, PLANT AND EQUIPMENT		
6. Land and Buildings - Cost	7,197,044	6,969,036
Less Accumulated Depreciation	<u>(1,482,720)</u>	<u>(1,354,831)</u>
	5,714,324	5,614,205
Furniture and Equipment - Cost	583,553	562,816
Less Accumulated Depreciation	<u>(411,277)</u>	<u>(384,984)</u>
	172,276	177,832
Plant and Equipment - Cost	3,845,748	3,730,113
Less Accumulated Depreciation	<u>(1,504,916)</u>	<u>(1,422,655)</u>
	2,340,832	2,307,458
	<u>8,227,432</u>	<u>8,099,495</u>

Valuations of Land and Buildings Measured at Cost Basis

In accordance with the requirements of AAS36 'Statement of Financial Position' the current valuation of land and buildings disclosed above and measured on the cost basis is as follows:

Current Valuation: \$10,938,135

The above valuation is a management valuation based on the written down replacement cost of all of Council's land and buildings as at 30 June 2003.

It is not considered independent in nature.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2005

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	<u>Land & Buildings \$</u>	<u>Furniture & Equipment \$</u>	<u>Plant & Equipment \$</u>	<u>Total \$</u>
Balance as at 1 July 2004	5,614,205	177,832	2,307,458	8,099,495
Additions	235,737	20,737	726,477	982,951
(Disposals)	0	0	(492,337)	(492,337)
Depreciation (Expense)	(127,890)	(26,293)	(200,766)	(354,949)
Other Movements	(7,728)	0	0	(7,728)
Balance as at 30 June 2005	<u>5,714,324</u>	<u>172,276</u>	<u>2,340,832</u>	<u>8,227,432</u>

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

	2005	2004
	\$	\$
7. INFRASTRUCTURE		
Roads - management valuation 2005	63,768,392	0
Roads - management valuation 2004	0	49,445,091
Roads - Cost	596,181	892,855
Less Accumulated Depreciation	<u>(26,904,876)</u>	<u>(21,771,072)</u>
	37,459,697	28,566,874
Footpaths - management valuation 1997	448,045	448,045
Footpaths - Cost	256,922	222,409
Less Accumulated Depreciation	<u>(299,751)</u>	<u>(274,636)</u>
	405,216	395,818
Drainage - management valuation 1997	758,100	758,100
Drainage - Cost	2,167	1,022
Less Accumulated Depreciation	<u>(309,756)</u>	<u>(296,706)</u>
	450,511	462,415
Parks & Ovals - Management valuation 1997	244,140	244,140
Parks & Ovals - Cost	350,862	262,909
Less Accumulated Depreciation	<u>(297)</u>	<u>(190)</u>
	594,705	506,858
	<u>38,910,129</u>	<u>29,931,965</u>

The valuations of the municipality's infrastructure were originally based on the written down replacement cost performed in accordance with Statement of Accounting Practice SAP 1 'Current Cost Accounting'.

Council have adopted a policy of re-valuing infrastructure with sufficient regularity to ensure the carrying amount of each road asset is fairly stated at reporting date. This policy accords with the requirements of AASB 1041.

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	<u>Roads</u> \$	<u>Footpaths</u> \$	<u>Drainage</u> \$	<u>Parks and Ovals</u> \$	<u>Total</u> \$
Balance as at 1 July 2004	28,566,874	395,818	462,415	506,858	29,931,965
Additions	596,181	34,513	1,146	87,953	719,793
Revaluation - Increments	9,171,782	0	0	0	9,171,782
Depreciation (Expense)	(875,140)	(25,115)	(13,050)	(106)	(913,411)
Balance as at 30 June 2005	<u>37,459,697</u>	<u>405,216</u>	<u>450,511</u>	<u>594,705</u>	<u>38,910,129</u>

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

	2005	2004
	\$	\$
8. PAYABLES		
Current		
Sundry Creditors	27,024	136,156
Accrued Interest on Loans	5,779	7,485
Accrued Salaries and Wages	44,735	23,989
	<u>77,538</u>	<u>167,630</u>
9. INTEREST-BEARING LIABILITIES		
Current		
Secured by Floating Charge		
Debentures	210,366	151,511
Lease Liability	0	0
	<u>210,366</u>	<u>151,511</u>
Non-Current		
Secured by Floating Charge		
Debentures	651,075	861,624
Lease Liability	0	0
	<u>651,075</u>	<u>861,624</u>
Additional detail on borrowings is provided in Note 22.		
10. PROVISIONS		
Current		
Provision for Annual Leave	118,413	137,186
Provision for Long Service Leave	82,546	67,465
	<u>200,959</u>	<u>204,651</u>
Non-Current		
Provision for Annual Leave	100,899	58,118
Provision for Long Service Leave	111,431	99,071
	<u>212,330</u>	<u>157,189</u>

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

	2005 \$	2005 Budget \$	2004 \$
11. RESERVES - CASH BACKED			
(a) Long Service Leave Reserve			
Opening Balance	90,426	60,168	49,169
Amount Set Aside / Transfer to Reserve	46,310	40,000	41,257
Amount Used / Transfer from Reserve	0	(30,000)	0
	<u>136,736</u>	<u>70,168</u>	<u>90,426</u>
(b) Plant Reserve			
Opening Balance	64,857	137,663	215,163
Amount Set Aside / Transfer to Reserve	105,551	105,000	28,663
Amount Used / Transfer from Reserve	(170,408)	(200,000)	(178,969)
	<u>0</u>	<u>42,663</u>	<u>64,857</u>
(c) Cummins Theatre Reserve			
Opening Balance	5,622	5,605	12,294
Amount Set Aside / Transfer to Reserve	29	150	43
Amount Used / Transfer from Reserve	0	0	(6,715)
	<u>5,651</u>	<u>5,755</u>	<u>5,622</u>
(d) Annual Leave Reserve			
Opening Balance	61,354	61,246	20,746
Amount Set Aside / Transfer to Reserve	40,402	40,000	40,608
Amount Used / Transfer from Reserve	0	0	0
	<u>101,756</u>	<u>101,246</u>	<u>61,354</u>
(e) General Building Reserve			
Opening Balance	77,057	2,856	2,766
Amount Set Aside / Transfer to Reserve	403	95	74,291
Amount Used / Transfer from Reserve	(74,044)	0	0
	<u>3,416</u>	<u>2,951</u>	<u>77,057</u>
(f) Burracoppin Sports Pavilion Reserve			
Opening Balance	83	86	83
Amount Set Aside / Transfer to Reserve	1	4	0
Amount Used / Transfer from Reserve	0	0	0
	<u>84</u>	<u>90</u>	<u>83</u>
(g) Recreation Ground Lighting Reserve			
Opening Balance	1,746	1,741	1,737
Amount Set Aside / Transfer to Reserve	9	65	9
Amount Used / Transfer from Reserve	0	0	0
	<u>1,755</u>	<u>1,806</u>	<u>1,746</u>

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

	2005 \$	2005 Budget \$	2004 \$
11. RESERVES - CASH BACKED (continued)			
(h) Land and Development Reserve			
Opening Balance	132,975	138,412	146,612
Amount Set Aside / Transfer to Reserve	192,730	42,000	18,363
Amount Used / Transfer from Reserve	<u>(175,224)</u>	<u>(122,000)</u>	<u>(32,000)</u>
	<u>150,481</u>	<u>58,412</u>	<u>132,975</u>
(i) Doctors Housing Reserve			
Opening Balance	11,048	11,341	10,991
Amount Set Aside / Transfer to Reserve	58	355	57
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>11,106</u>	<u>11,696</u>	<u>11,048</u>
(j) Meat Inspectors Fund Reserve			
Opening Balance	30,881	17,833	17,231
Amount Set Aside / Transfer to Reserve	161	640	13,650
Amount Used / Transfer from Reserve	<u>(9,519)</u>	<u>0</u>	<u>0</u>
	<u>21,523</u>	<u>18,473</u>	<u>30,881</u>
(k) Recreation Facilities Reserve			
Opening Balance	63,908	54,776	63,576
Amount Set Aside / Transfer to Reserve	452,597	150,000	332
Amount Used / Transfer from Reserve	<u>(18,288)</u>	<u>0</u>	<u>0</u>
	<u>498,217</u>	<u>204,776</u>	<u>63,908</u>
(l) Heritage Reserve			
Opening Balance	14,144	21,351	20,652
Amount Set Aside / Transfer to Reserve	74	740	87
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(6,595)</u>
	<u>14,218</u>	<u>22,091</u>	<u>14,144</u>
(m) Medical Centre Reserve			
Opening Balance	1,098	1,155	1,092
Amount Set Aside / Transfer to Reserve	5	70	6
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>1,103</u>	<u>1,225</u>	<u>1,098</u>
(n) Disaster Relief Reserve			
Opening Balance	5,397	5,569	5,369
Amount Set Aside / Transfer to Reserve	29	220	28
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>5,426</u>	<u>5,789</u>	<u>5,397</u>

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

	2005 \$	2005 Budget \$	2004 \$
11. RESERVES - CASH BACKED (continued)			
(o) Road Reinstatement Reserve			
Opening Balance	17,646	18,154	17,554
Amount Set Aside / Transfer to Reserve	92	640	92
Amount Used / Transfer from Reserve	0	0	0
	<u>17,738</u>	<u>18,794</u>	<u>17,646</u>
(p) Carried Over Projects Reserve			
Opening Balance	501,294	525,928	0
Amount Set Aside / Transfer to Reserve	482,931	0	501,294
Amount Used / Transfer from Reserve	(504,280)	(525,928)	0
	<u>479,945</u>	<u>0</u>	<u>501,294</u>
(q) Cummings Street Units Reserve			
Opening Balance	30,554	0	0
Amount Set Aside / Transfer to Reserve	2,979	10,000	30,554
Amount Used / Transfer from Reserve	0	(5,000)	0
	<u>33,533</u>	<u>5,000</u>	<u>30,554</u>
(r) Building Maintenance Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	30,061	10,000	0
Amount Used / Transfer from Reserve	0	(5,000)	0
	<u>30,061</u>	<u>5,000</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u><u>1,512,750</u></u>	<u><u>575,935</u></u>	<u><u>1,110,089</u></u>

All of the cash backed 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 are as follows:

Long Service Leave Reserve

~ to be utilised to fund staff long service leave as required. Not anticipated to be used in a set period as further transfer to this reserve are expected as funds are utilised.

Plant Reserve

~ to be utilised to fund future capital plant purchases. Tied into funding the 7 year Plant Replacement Program.

Cummins Theatre Reserve

~to be utilised to fund future extension works at Cummins Theatre. Not anticipated to be utilised in a definitive period as further deliberations are needed.

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

11. RESERVES - CASH BACKED (continued)

Annual Leave Reserve

~to be utilised to fund staff annual leave as required. Not anticipated to be used in a set period as further transfers to this reserve are expected as funds are utilised.

General Building Reserve

~to be utilised to fund future building construction within the Shire of Merredin. Not anticipated to be utilised in a set period until further funds are made available to this reserve.

Burracoppin Sports Pavilion Reserve

~to be utilised for future extension at Burracoppin Sports Pavilion. Not anticipated to be utilised in a set period until further funds are made available to this reserve.

Recreation Ground Lighting Reserve

~to be utilised to fund future lighting requirements at Recreation Ground. Not anticipated to be utilised in a set period as further deliberations are needed.

Land and Development Reserve

~to be utilised to fund major land development/purchases within the Shire of Merredin. Land and Development Reserve expected to be utilised in 2004/2005.

Doctors Housing Reserve

~to be utilised to fund future housing requirements in respect of medical staff. Not anticipated to be utilised in a set period.

Meat Inspectors Fund Reserve

~to fund any possible liabilities arising from employing a full time meat inspector. Not anticipated to be utilised in a set period as the association business is currently strong.

Recreation Facilities Reserve

~to be utilised to fund future extensions at Recreation Ground. Not anticipated to be fully utilised until a final decision on the new sports complex is made.

Heritage Reserve

~to be utilised to contribute to the maintenance and capital upgrade of heritage listed localities. Not anticipated to be utilised in a set time frame.

Medical Centre Reserve

~to fund extensions and future capital upgrades to Merredin Medical Centre. This reserve was utilised in the 2002/2003 financial year.

Disaster Relief Reserve

~to be utilised to contribute to liabilities arising from a natural disaster.

Road Reinstatement Reserve

~to be utilised for emergency repairs to road infrastructure. Not anticipated to be utilised in a set period.

Carried Over Projects Reserve

~to be utilised as a cash funding source for unexpended budgeted projects not completed in previous financial year. To be expended in the following financial year.

Cummings Street Units Reserve

~to be utilised to fulfil maintenance and capital costs associated with Homeswest Joint Venture in Cummings Street, in accordance with legal agreement.

Building Maintenance Reserve

~to be utilised to fund maintenance on Council properties. Not anticipated to be utilised in a set period.

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

12. RESERVES - ASSET REVALUATION

	2005	2004
	\$	\$
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
(b) Roads		
Balance as at 1 July 2004	16,638,216	0
Revaluation Increment	9,171,782	16,638,216
Revaluation Decrement	0	0
Balance as at 30 June 2005	<u>25,809,998</u>	<u>16,638,216</u>
 TOTAL ASSET REVALUATION RESERVES	 <u>25,809,998</u>	 <u>16,638,216</u>

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments, 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:

	2005	2005	2004
	\$	Budget	\$
		\$	
Cash Assets	<u>1,783,439</u>	<u>1,057,628</u>	<u>1,448,314</u>

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

Net Result	439,905	4,514	807,681
Depreciation	1,268,360	1,111,574	1,135,898
Bad and Doubtful Debts	0	33,788	0
(Increase)/Decrease in Receivables	31,727	31,500	140,062
(Profit)/Loss on Sale of Asset	3,786	868	(173,968)
(Increase)/Decrease in Inventories	(10,835)	(10,000)	13,125
Increase/(Decrease) in Payables	(90,092)	170,999	(95,719)
Increase/(Decrease) in Employee Provisions	51,449	(30,000)	53,435
Grants/Contributions for the Development of Assets	<u>(1,095,026)</u>	<u>(758,057)</u>	<u>(1,101,601)</u>
Net Cash from Operating Activities	<u>599,274</u>	<u>555,186</u>	<u>778,913</u>

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

	2005	2004
	\$	\$
(c) Credit Standby Arrangements		
Bank Overdraft limit	140,000	140,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	3,000	1,500
Credit Card Balance at Balance Date	0	0
Total Amount of Credit Unused	<u>143,000</u>	<u>141,500</u>
(d) Loan Facilities		
Loan Facilities - Current	210,366	151,511
Loan Facilities - Non-Current	651,075	861,624
Total Facilities in Use at Balance Date	<u>861,441</u>	<u>1,013,135</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>

14. CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

Payable:

- not later than one year	0	0
- later than one year but not later than five years	0	0
- later than five years	0	0
Minimum Lease Payments	<u>0</u>	<u>0</u>
Less Future Finance Charges	<u>0</u>	<u>0</u>
Total Lease Liability	<u>0</u>	<u>0</u>

(b) Operating Lease Commitments

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

Payable:

- not later than one year	2,135	4,902
- later than one year but not later than five years	0	7,362
- later than five years	0	0
	<u>2,135</u>	<u>12,264</u>

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

14. CAPITAL AND LEASING COMMITMENTS	2005	2004
	\$	\$
(c) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	479,945	501,294
- plant & equipment purchases	0	0
Payable:		
- not later than one year	479,945	501,294

The capital expenditure project outstanding at the end of the current reporting period represents capital projects not completed within current financial year, carried forward to next financial year.

15. CONTINGENT LIABILITIES

There are no known contingent liabilities at closing balance date.

16. JOINT VENTURE

The Shire of Merredin has no joint ventures with other Municipalities.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	1,566,250	1,609,358
General Purpose Funding	0	0
Law, Order, Public Safety	190,487	174,845
Health	238,420	244,301
Education and Welfare	660,348	673,913
Housing	36,910	38,145
Community Amenities	734,015	727,130
Recreation and Culture	1,718,545	1,732,043
Transport	39,161,039	30,921,462
Economic Services	1,121,530	935,871
Other Property and Services	1,886,174	1,838,580
Unallocated	2,170,722	1,167,444
	<u>49,484,440</u>	<u>40,063,091</u>

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

18. FINANCIAL RATIOS	2005	2004	2003
Current Ratio	2.19	2.23	1.23
Untied Cash to Trade Creditors Ratio	9.20	2.17	0.73
Debt Ratio	0.03	0.04	0.06
Debt Service Ratio	0.04	0.03	0.03
Gross Debt to Revenue Ratio	0.14	0.18	0.17
Gross Debt to Economically Realisable Assets Ratio	0.08	0.10	0.09
Rate Coverage Ratio	0.28	0.29	0.32
Outstanding Rates Ratio	0.06	0.08	0.07

The above rates are calculated as follows:

Current Ratio	$\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Trade Creditors Ratio	$\frac{\text{Untied cash}}{\text{Unpaid trade creditors}}$
Debt Ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$
Debt Service Ratio	$\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{Gross debt}}{\text{Total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{Gross debt}}{\text{Economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{Net rate revenue}}{\text{Operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{Rates outstanding}}{\text{Rates collectable}}$

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

19. TRUST FUNDS

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

	Balance 1-Jul-04 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-05 \$
Community Bus Fund	512	0	0	512
Housing Bonds	3,899	700	720	3,879
Recreation Hall Bonds	500	690	690	500
Possum Trap Bonds	113	375	425	63
Sale of Land for Rates	(2,119)	0	0	(2,119)
Unclaimed Monies	300	0	0	300
Hall/Gym Bonds	115	0	0	115
BCITF Levy	(120)	3,587	3,587	(120)
SBS Transmitter Fund	2,220	0	0	2,220
Overpayment of Rates	4,105	0	0	4,105
LCDC Tree Planter Fund	220	1,210	1,210	220
Poetry Book Fund	400	0	0	400
Other Bonds	2,216	0	0	2,216
Builders Reg. Board Levy	120	2,850	2,850	120
Concillor Nomination Fee	320	400	400	320
Muntadgin Farmwater Scheme	6,495	0	6,495	0
Youth Advisory Council	154	0	0	154
Pioneer Park Contribution	750	0	0	750
Regional Tourism Strategy	2,200	0	2,200	0
Australian Open Garden Scheme	15	0	0	15
Skeleton Weed	22,000	0	2,990	19,010
Envirofund	4,436	0	4,413	23
	<u>48,851</u>			<u>32,683</u>

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

20. DISPOSALS OF ASSETS - 2004/05 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant & Machinery						
Exec Vehicle - Governance	40,888	38,000	41,751	37,000	863	(1,000)
Exec Vehicle - Governance	37,955	0	34,937	0	(3,018)	0
Exec Vehicle - Governance	25,559	25,000	17,273	22,500	(8,286)	(2,500)
Ranger Utility - Law & Order	27,308	31,000	26,777	29,000	(531)	(2,000)
Ranger Utility - Law & Order	28,255	0	27,273	0	(982)	0
Exec Vehicle - Health	27,285	23,000	27,805	20,000	520	(3,000)
Exec Vehicle - Health	27,213	0	27,889	0	676	0
Exec Vehicle - Health	26,993	0	27,045	0	52	0
Exec Vehicle - Doctor	23,853	22,000	24,356	21,000	503	(1,000)
Utility - Parks & Gardens	20,921	21,000	20,001	20,000	(920)	(1,000)
Utility - Parks & Gardens	21,744	0	20,455	0	(1,289)	0
Exec Vehicle - Mgr of Works	26,612	26,000	27,690	21,000	1,078	(5,000)
Exec Vehicle - Mgr of Works	27,453	0	27,690	0	237	0
Utility - Transport	21,093	21,000	20,001	20,000	(1,092)	(1,000)
Utility - Transport	21,824	0	20,537	0	(1,287)	0
Toro Ride on Mower	31,064	5,915	7,000	5,000	(24,064)	(915)
Mitsubishi Dual Cab	19,863	11,449	23,636	21,500	3,773	10,051
Utility - Mechanic	19,177	0	14,553	0	(4,624)	0
Compactor - Emoleum Maint.	347	0	0	0	(347)	0
Cherry Picker	3,556	9,264	4,000	4,000	444	(5,264)
Isuzu 13 tonne truck	13,374	61,160	55,455	40,000	42,081	(21,160)
	492,337	294,788	496,123	261,000	3,786	(33,788)

SHIRE OF MERREDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

21. BUDGET COMPARISON

**2005
\$**

**2005
Budget
\$**

(a) Non Operating Revenue and Expenditure

The following is a comparison of capital revenue and expenditure and movements to and from reserve accounts and the amounts contained in the Rate Setting Statement in the annual budget.

Non Operating Revenue

Proceeds on sale of assets	496,123	261,000
Debentures raised	0	300,000
Repayments of self supporting loans	6,866	8,043
Transfers from Reserves	951,763	882,928

Non Operating Expenditure

Principal repayment of Debentures	(151,694)	(151,511)
Construction/Purchase of Assets		
Land and Buildings	(235,705)	(210,000)
Plant and Equipment	(726,477)	(489,500)
Furniture	(20,737)	(31,000)
Roads	(596,181)	(850,000)
Footpaths	(34,513)	(65,000)
Drainage	(1,146)	0
Parks & Ovals	(87,953)	(20,000)
Land & Development	0	(569,000)
Transfers to Reserves	(1,354,424)	(419,979)

(b) Current Position at 1st July 2004

The current position balance carried forward from the previous financial year for the purpose of the 2004/05 budget was \$625,121

The actual current position balance shown in the audited financial report as at 30th June 2004 was \$328,869

This difference amounts to \$296,252 and was due to year end audit adjustments.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2005

22. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-04 \$	New Loans \$	Principal Repayments		Principal 30-Jun-05		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance								
Loan 197b - Admin Cnt. Const.	212,597	0	29,674	29,675	182,923	181,168	13,131	13,130
Housing								
Loan 202 - 9 Cummings Street - DCEO	89,218	0	9,811	9,810	79,407	79,408	5,017	5,018
Loan 204 - 56 Kitchener Road - MDS	68,497	0	2,115	2,116	66,382	66,382	3,745	3,857
Recreation & Culture								
Loan 200 (*) Merredin Cricket Roller	1,138	0	1,138	1,140	0	0	58	60
Loan 206 (*) Muntadgin Tennis Club	10,313	0	2,398	2,398	7,915	7,915	467	467
Loan 207 (*) Merredin Golf Club	14,324	0	3,330	3,330	10,994	10,994	648	648
Loan 208 - Staff House	125,956	0	3,182	3,310	122,774	122,646	8,224	8,397
Economic Services								
Loan 202 - 13 Cummings Street - Doctor	89,218	0	9,811	9,810	79,407	79,408	5,017	5,018
Loan 205 - Merredin Medical Centre	145,737	0	4,501	4,501	141,236	141,236	7,969	7,969
Loan 211 - Mackenzie Crescent Industrial	150,000	0	34,295	33,982	115,705	116,018	8,352	9,207
Loan 209 - Whitfield Way Res.		0	0	0	0	300,000	0	0
Other Property & Services								
Loan 203 - Heavy Plant Items	106,137	0	51,439	51,440	54,698	54,697	4,824	5,833
	1,013,135	0	151,694	151,512	861,441	1,159,872	57,452	59,604

(*) Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2004/05

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Loan 209 - Whitfield Way Res	0	300,000	-	-	0	0	0	0	300,000	0

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2005

22. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-04 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-05 \$
		0	0	0	0

(d) Overdraft

Council established an overdraft facility of \$140,000 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2004 and 30 June 2005 was \$Nil.

(e) Interest Rate Risk

Council's exposure to interest rate risk as a result of borrowings and the effective weighted average interest rate on these borrowings is as follows:

<u>Borrowings</u>	2005 \$	2004 \$
Floating interest rates	0	0
Fixed interest rate maturing		
- within one year	54,698	1,138
- one to five years	317,537	282,528
- over five years	489,206	729,469
Non interest bearing	0	0
Total Borrowings	<u>861,441</u>	<u>1,013,135</u>
Weighted average effective interest rate	6.01%	5.25%

**SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2005**

31. EMPLOYEES' REMUNERATION

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

Salary Range \$	2005	2004
160,000 - 169,999	1	1

32. EMPLOYEE NUMBERS

The number of full-time equivalent
Employees at balance date

<u>52</u>	<u>52</u>
-----------	-----------

33. ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of grants from the State and Federal Government. The total of grant revenue from government sources is disclosed in Note 29.

34. MAJOR LAND TRANSACTIONS

The Shire of Merredin did not participate in any major land transactions during the 2004/2005 financial year.

35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2004/2005 financial year.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2005

36. IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRSs) (Continued)

Employee Benefits

AIFRSs require all long term employee benefits to be measured at present value. This treatment remains unchanged for the measurement of non current long service leave entitlements under current Australian GAAP. However, non current annual leave entitlements are currently measured at the amount the Shire expects to pay and not at present value.

It is not anticipated any such adjustment will be significant. However, adjustments to provisions, if any, will be made against opening retained earnings in the opening balance sheet and the effect on the year ended 30 June 2005 will also be adjusted via the operating statement for comparison purposes in the Shire's first AIFRSs financial report.

Impairment of Assets

Currently, assets are written down to recoverable amount when the asset's carrying amount exceeds recoverable amount. In determining recoverable amount, expected future cash flows are currently not discounted to their present value.

Under AIFRSs, both current and non current assets are tested for impairment on an individual basis. If this is not possible, the Shire is required to test for impairment at the "Cash Generating Unit" (CGU) level.

It is anticipated the Shire's material assets will be able to be tested for impairment on an individual basis and the CGU level will not apply.

Assets are tested for impairment where an impairment trigger (per AIFRSs) has occurred. Intangibles with indefinite useful lives will be tested annually for impairment (or more frequently if events or circumstances indicate).

To the extent any impairment is determined, this will be recognised immediately in the operating statement.

Assets may be considered impaired in one reporting period and not in subsequent periods. Therefore, it is not practicable to determine the impact of the change in accounting policy for future financial reports as any impairment or reversal thereof will be affected by future conditions.

Based upon reviews to date, it is not anticipated any impairment of assets will arise.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2005

36. IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRSs) (Continued)

Financial Assets and Financial Liabilities

Under current Australian GAAP, financial assets and financial liabilities are recognised at cost, at fair value, or at net market value.

On adoption of AIFRSs, the Shire will be required to classify these financial instruments into various specified categories (being either of trading assets, held to maturity investments, loans and receivables or available for sale financial assets). The classification of the instrument determines the instrument's subsequent measurement.

It is anticipated, based on definitions contained within AIFRSs, the Shire's financial assets and liabilities will be classified in the loans and receivables category and will be measured at their initial recognition amount.

Based on reviews performed to date, it is not anticipated any such adjustments will arise and if they do they are unlikely to be significant.

However, in accordance with AIFRSs, such financial assets will be subject to annual impairment testing and to the extent any impairment testing is determined, it will be recognised immediately in the operating statement.

Assets may be considered impaired in one reporting period and not in subsequent periods. Therefore, it is not practicable to determine the impact of the change in accounting policy for future financial reports as any impairment or reversal thereof will be affected by future conditions.

**INDEPENDENT AUDIT REPORT
TO THE ELECTORS OF THE SHIRE OF MERREDIN**

Scope

The financial report and Council's responsibility

The financial report comprises the statement of financial performance, statement of financial position, statement of cash flows and accompanying notes to the financial statements for the Shire of Merredin for the year ended 30 June 2005.

Council is responsible for the preparation and true and fair presentation of the financial report in accordance with the Local Government Act 1995 (as amended). This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the electors of the Shire. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 (as amended), including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Shire's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Council.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedure, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report presents, fairly in accordance with the requirements of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended), applicable Accounting Standards and other mandatory professional reporting requirements, the financial position of the Shire of Merredin as at 30 June 2005 and the results of its operations and its cash flows for the year then ended.

UHY Haines Norton - ABN 358 5397 1745

16 Lakeside Corporate, 24 Parkland Road Osborne Park WA 6017
PO Box 1707 Osborne Park DC WA 6916

t +61 8 9444 3400
f +61 8 9444 3430

e perth@uhyhn.com.au
w www.uhyhainesnorton.com.au

**INDEPENDENT AUDIT REPORT
TO THE ELECTORS OF THE SHIRE OF MERREDIN (continued)**

Statutory Compliance

During the course of our audit we became aware of the following instances where the Council did not comply with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Differential General Rates

- (a) Council imposed a differential general rate in the 2004/05 budget year for both GRV and UV properties which was more than twice the lowest differential rate without obtaining the approval of the Minister as required by Section 6.33(3) of the Act.
- (b) The differential general rates imposed by Council differed from those published in the local public notice. Reasons for those differences were not given by Council as required by Financial Management Regulation 56(4)(b).

Annual Financial Report

The annual financial report for the year ended 30 June 2004 was not submitted to the Executive Director of the Department of Local Government within 30 days of receipt by the CEO of the auditor's report as prescribed by Financial Management Regulation 51(2).

Other Matters

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) Except as detailed above, there are no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) All necessary information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON
CHARTERED ACCOUNTANTS



DAVID TOMASI
PARTNER

Date: 17 October 2005
Perth, WA

S:\David\Local Gov\Merredin\2005\CORRO\05 June Audit Report.doc

Principal Activities Plan

Introduction

The West Australian Local Government Act 1995 requires all Local Governments to produce a plan of its "Principal Activities" for a four year period.

The intent of this document is to allow members of the public the opportunity to make themselves aware of the potential costs and major activities being undertaken by the Council, it is no way intended as a management document, simply a public advisory document. The document also focuses on the 2004/2005 financial year achievements.

Basis of Financial Estimates

Within the document all revenue and expenditure figures are based on the most current information available at the time of preparing this report. Consequently, revision of these figures will be ongoing (annually) to ensure that the Council has disclosed the most accurate figures possible, taking into consideration items such as inflation, taxes and other price variations that are beyond the control of the Merredin Shire Council.

Principal Activities Commenced or Continued:

Principal Activity Plan 1

- *Town Planning Scheme* – The development of a new Town Planning Scheme has been progressing and the Local Planning Strategy has been developed in draft form.
- *Regional Tourism Strategy* – The Central Eastern Wheatbelt Regional Tourism Strategy was commenced during the year and involves the Shire of Merredin and surrounding Shires.
- *Whitfield Way* – Did not progress due to negotiations to deliver essential services. Loan was not raised in 2004/2005.
- *East Barrack Street* – Continued negotiations with the Public Transport Authority to purchase the East Barrack Street land.

Principal Activity Plan 2

- *Playground Equipment Upgrade* – The Apex Park playground equipment was upgraded to meet the Australian Standards. Department of Local Government Community Development Fund assisted Council in installing shade structures over playground.
- *Recreation Centre* – Council consolidated centre design and acquired Regional Partnerships funding of \$600 000. Construction to commence in August 2005.
- *Townscape* – Town tree plan has been completed and additional seats and tables installed.

Principal Activity Plan 4

- *Waste Management Strategy* – Burraacoppin and Muntadgin waste transfer stations constructed and opened.
- *Salinity Management* – Council committed to Rural Towns/Liquid Assets program in partnership with the Rural Towns project.

Principal Activity Plan 5

- *Strategic Plan* – Currently developing and Council engaged a consultant to develop the strategic plan and conducted community consultation in March 2005.
- *Disability Service* – Installed automatic doors at the library.
- *Records Management* – Initiated first stage of records keeping plan. Council employed a 0.5 Full Time Employee for the purpose of implementing the plan.

Performance:

The Shire of Merredin implemented a number of activities during the year which were noted in the Principal Activities Plan. These were implemented in accordance with budget provisions and plans and assisted in improving overall performance of the operations of the Shire. Some of the activities included Plant & machinery replacement, roadworks maintenance and construction, townscape works, promotions and events, Salinity Management Strategy, and Customer Service Actions.

Overview of Principal Activities Proposed to Commence or Continue:

- ***Whitfield Way Sub-division*** – This semi rural sub-division has resulted in the release of 14 vacant lots on the outskirts of the Merredin townsite.
- ***East Barrack Street Light Industrial Land*** – This light industrial land sub-division is part of a current Town Planning Scheme amendment which has had to undergo a number of environmental assessments before developing further. It is proposed to purchase this land from Westrail once the sub-division is approved and commence development.
- ***Cummings Crescent Sub-division*** – This residential sub-division development within the Merredin townsite has been put back to later years due to costs associated with development. It will be budgeted in the next financial year to complete the subdivisional planning.
- ***Recreation Facilities*** – Construction to commence in August 2005 including the indoor playground.
- ***Accounting System Upgrade*** – The purchase of leased computer hardware and upgrading of the current accounting system is budgeted for the coming financial year.

National Competition Policy

The Shire of Merredin has incorporated the principles and assessment of National Competition Policy into its practices and activities, and does not believe to have undertaken activities that have been anti-competitive in nature.

State Records Act

2004/2005 Achievements

The Shire's Record Keeping Plan, as required by the State Records Act 2000, was approved by the State Records Commission in April 2004. In 2004/2005, the Merredin Shire Council dedicated resources, both human and financial, to meet the objectives of the Plan.

The work conducted during the reporting period is summarised below :

- Adoption of Thesaurus : The Shire adopted Records Keyword for Councils as the corporate language for all records titling and recording purposes. The consistency of a language will alleviate identified short-comings in consistency of in records titles that previously was based on alphabetical, *ad hoc* or property name titling.
- Centralisation : Past trends in record keeping habits commonly lead to many records, some of permanent archival value, being retained in a satellite system with no master reference to their location. Centralisation of records during the year includes improved physical storage with high quality records files purchased with funds provided in the 2004/2005 Budget.
- Subject-Based and Property-Based System : Consistent naming and central storage of records was enhanced during the year with the relocation of property based records (building plans and licenses, planning approvals etc) relocated from off-site storage to the Shire Office. Property file referencing was based on the relevant rate assessment number, for consistency of titling and ease of location. Non property-based records are held in the subject-based section of the records compactus. This aspect of the records management upgrade has resulted in direct customer service and efficiency outcomes with Development Services staff in particular, able to locate old property records within minutes, rather than waiting days for records to be located and returned from off-site storage.

Future Objectives – Compliance with SRO Principle 6

Minimum reporting requirements for local governments are detailed in Principle 6 of the Recordkeeping Plan :

1. The efficiency and effectiveness of the organization's recordkeeping systems is evaluated not less than once every 5 years.
2. The organization conducts a recordkeeping training program.
- 3 The efficiency and effectiveness of the recordkeeping training program is reviewed from time to time.
- 4 The organization's induction program addresses employee roles and responsibilities in regard to their compliance with the organization's recordkeeping plan.
- 5 The organization includes within its annual report an appropriate section that addresses points 1-4.

As described in the report, the Shire spent 2004/2005 ensuring physical safe guarding and efficient records keeping practises were introduced. It is recognised the future focus and direction of records management will concentrate on meeting compliance with Principle 6, particularly the introduction and documentation of induction and ongoing training needs of staff, to ensure there is awareness of adopted record keeping practises.

Disability Services Plan

The Manager of Development Services retains responsibility for the implementation of the principles and projects within the Disability Services Plan (the plan).

The Disability Services Committee has been reformed and has undertaken assessment of the plan with a view to completing a revision and update.

The major project for the 2004/2005 financial year has been the installation of the automatic control doors at the Merredin Library.

Completion of the hard standing (hotmix) to the carpark at to the Merredin Medical Centre and associated identification of accessible carparking spaces was also a significant project for the Shire of Merredin.

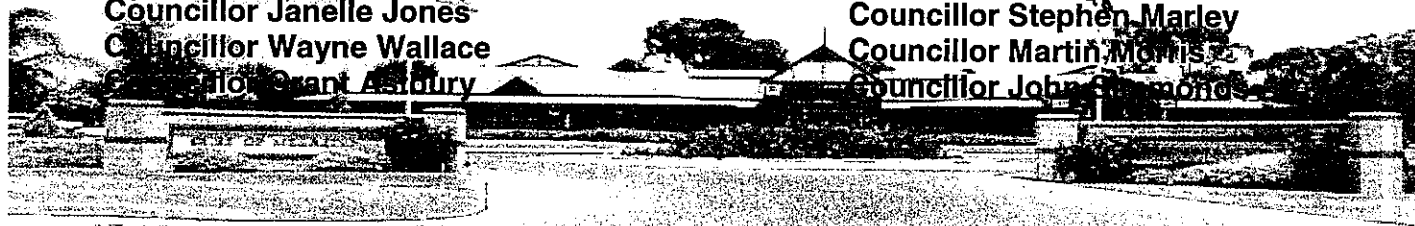
Merredin Shire Council

**Councillor Ken Hooper
Shire President**

**Councillor Mark Crees
Deputy Shire President**

**Councillor Neil Hooper
Councillor Janelle Jones
Councillor Wayne Wallace
Councillor Grant Ashbury**

**Councillor Julie Townrow
Councillor Stephen Marley
Councillor Martin Morris
Councillor John Hammond**



Council Offices:

Situated on the Cnr King/Barrack Street, Merredin

Postal Address: P.O. Box 42, Merredin, W.A. 6415

Office Hours: Monday to Friday, 8.00am to 4.30pm

Telephone: (08) 9041 1611

Facsimile: (08) 9041 2379

Email: admin@merredin.wa.gov.au

Website: www.merredin.wa.gov.au

SENIOR MANAGEMENT:

Chief Executive Officer Mr Frank Ludovico	Deputy Chief Executive Officer Mr James McGovern	Acting Manager of Works Mr James Garrett	Manager of Development Services Mr Warren Bow

SUPERVISORS, MANAGERS & SPECIALISED STAFF:

Works Supervisor: Rodney Robertson

Swimming Pool Manager: Terry Robartson

Ranger: Mike Sims

Community Development Coordinator: Samantha Barnett

Manager Cummins Theatre: Richard Salisbury-Sexton

Mechanic: Mick Fiegert

Recreation Ground Curator: Graham Motzel

Construction Supervisor: Troy Davey

Regional Librarian: Ian Stone

Senior Finance Officer: Natalie Purdy