



murchisonshire

Ancient land under brilliant skies

Ordinary Council Meeting

22 October 2026

Minutes Attachments

Road Use Agreement

Date ►

Between **Hancock Energy (EP512) Pty Ltd** (ACN 153 352 231) of HPPL House,
28-42 Ventnor Avenue, West Perth WA 6005 (**Company**)

Shire of Murchison, of 3007 Carnarvon-Mullewa Road, Murchison WA
6630 (**Shire**)

- Recitals
- 1 The Shire is a local government constituted under section 2.5 of the *Local Government Act 1995* (WA) and has care, control and management of the Access Roads.
 - 2 The Company is the holder of the Petroleum Title and requires access to and use of the Access Roads in order to access the area, and exercise its rights as the holder, of the Petroleum Title.
 - 3 The Shire has agreed to allow the Company and its Personnel to access and use the Access Roads to facilitate the Company's Activities, and the Company has agreed to Maintain the Access Road, on the terms of this Agreement.
-

The Parties agree as follows:

1. Definitions and Interpretations

1.1 Definitions

In this document:

Access Roads means the road network in the Shire of Murchison as shown on the map in Schedule 1.

Access Term has the meaning given in clause 2(a).

Activities means all works, developments and other activities that may lawfully be carried out by or on behalf of the Company from time to time.

Agreement means this Road Use Agreement.

Authority means:

- (a) a government or government (or semi-government) department, board, instrumentality, agency, authority or other body (whether of the Commonwealth, State, local government or otherwise); and
- (b) a governmental, semi-governmental or judicial person (whether of the Commonwealth, State, local government or otherwise).

Authorisation means any approval, consent, permit or permission (whether statutory or otherwise) and includes any condition or requirement of any such approval, consent, permit or permission;

Business Day means a day that is not a Saturday, Sunday or public holiday in Western Australia.

Contractor means a contractor of the Company or its Related Bodies Corporate and any director, officer, employee or contractor of such contractor.

Dissatisfaction Notice has the meaning given in clause 5(a).

Execution Date means the date the last of the Parties signs this Agreement or a counterpart of this Agreement in accordance with clause 12.6.

Force Majeure Event means any occurrence or omission as a direct or indirect result of which the party relying on it is prevented from, or delayed in, performing any of its obligations under this Agreement and that is beyond the reasonable control of that party its contractors, sub-contractors and agents, including an act of war (whether declared or not) or terrorism, the mobilisation of armed forces, civil commotion or riot, malicious damage, industrial action or labour disturbance or restraint, currency restriction embargo action, severe or extended weather event or inaction by a governmental agency. A Force Majeure Event also includes a court order which satisfies the following description:

- (a) the court order specifically prevents, restrains or impedes the Company or its Contractors from doing or causing to be done, work on the Access Roads;
- (b) the court order does not arise as a direct or indirect consequence of any act or omission by the Company or its Contractors, sub-contractors or agents which would constitute a breach of this Agreement; and
- (c) the making of the court order is beyond the reasonable control of the party, its Contractors sub-contractors and agents.

Maintain includes maintain, repair and resurface and **Maintenance** and **Maintaining** and **Maintenance Works** have equivalent meanings.

Notice has the meaning given in in clause 12.4.

Party means the Shire or the Company as the context requires, and **Parties** means both of them.

Personnel means all directors, officers, employees, invitees and agents of the Company, its Related Bodies Corporate and any Contractors.

Petroleum Title means exploration permit EP512 granted under PGER and includes any renewal, replacement or conversion of that exploration permit into a 'petroleum production licence' as defined in PGER.

PGER means the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967* (WA).

Related Body Corporate has the meaning given in section 9 of the *Corporations Act 2001* (Cth).

Road Condition Report

Road Condition Report means a report prepared by the Company that summarises the outcomes of the assessment undertaken pursuant to clause 4(a) and determines the condition of the Access Roads, having regard to technical, civil and road engineering considerations.

1.2 Interpretation

In this Agreement, where the context allows:

- (a) a word or expression in the singular includes the plural and the plural includes the singular;
- (b) words of one gender include any gender;
- (c) a reference to a person includes a natural person, partnership, body corporate, association, Authority or other entity;
- (d) a reference to a right includes a remedy, power or discretion;
- (e) a reference to a clause or a schedule is a reference to a clause in or a schedule to this Agreement;
- (f) a reference to this Agreement includes the Schedules to this Agreement;
- (g) a reference to a party or person includes that party's or person's executors, administrators, successors and permitted assigns;

- (h) specifying anything in this Agreement after the words 'including' or 'for example' or similar expression does not limit what else is included;
- (i) a heading in this Agreement may be used to help interpretation but is not legally binding;
- (j) a provision of this Agreement must not be construed against a party solely because that party was responsible for preparing this Agreement or that provision;
- (k) a reference to a document (including this Agreement) is a reference to that document (including any schedules or annexures) as amended, consolidated, supplemented, novated or replaced from time to time;
- (l) a reference to a law:
 - (i) includes a reference to an Act or any other legislation, treaty, judgment, rule of common law or equity or rule of any applicable stock exchange;
 - (ii) is a reference to that law as amended, consolidated, supplemented or replaced from time to time;
 - (iii) includes a reference to any regulation, rule, statutory instrument, by-law or other subordinate legislation; and
- (m) a reference to a month is to a calendar month.

2. Access term

- (a) This Agreement commences on the Execution Date and ends on the earlier of:
 - (i) 11.59pm on the date that is the 5-year anniversary of the Execution Date; or
 - (ii) the Company giving Notice to the Shire of its intention to terminate this Agreement.(the Access **Term**).

3. Permitted use

- (a) The Shire warrants and agrees that, on and from the date on which the Road Condition Report, prepared in accordance with clause 4 of this Agreement is delivered to the Shire, the Company and its Personnel shall (together with all necessary vehicles, plant and equipment) be permitted and authorised to:
 - (i) enter, make use of and travel along the Access Roads to access the Petroleum Title to undertaking the Activities; and
 - (ii) enter, make use of, remain on and travel along the Access Roads for the purposes of Maintaining the Access Roads in accordance with this Agreement.
- (b) The Shire warrants and agrees that:
 - (i) it holds all rights and Authorisations to grant the rights referred to in clause 3(a) of this Agreement to the Company; and
 - (ii) the rights referred to in clause 3(a) of this Agreement may be exercised by the Company without interruption except for those periods when the Access Roads are lawfully closed or access temporarily restricted by the Shire to all persons, including local residents, depending upon class of vehicle.

4. Company Obligations

- (a) Subject to clause 4(b), the Company, at its own expense and in the presence of an officer from the Shire, will:
 - (i) conduct a pre-works filmed road condition assessment with audio commentary within one month of the Execution Date; and
 - (ii) provide the Road Condition Report to the Shire by no later than 7 days following the assessment.
- (b) The Company and Shire acknowledge the presence of naturally occurring springs along the Access Roads and the Company shall not be liable for any improvements to the road to a standard no worse than that described in the Road Condition Report.
- (c) For the duration of the Access Term:
 - (i) The Company shall Maintain the Access Roads in a condition that is no worse than that identified in the Road Condition Report to the Shire's reasonable satisfaction and shall act in a timely manner to repair any significant damage caused by its use of the Access Roads as reasonably requested by the Shire;
 - (ii) Grading and gravel sheeting work is to require as a minimum, grading, watering and rolling of the pavement – no dry or flat grading is to be undertaken unless agreed by the Shire in writing.
 - (iii) the parties agree to arrange joint inspections of the Access Roads on as required basis; and
 - (iv) all Maintenance Works associated with the Access Roads shall be undertaken at the Company's expense and with prior written or oral approval being given by the Shire, Shire CEO, or Shire Works Manager.

By way of further detailing of the processes and outcomes referred to in clause 4:

- i. When applying to the Shire for approval to undertake Maintenance Works the Company is to include plans and details of the Maintenance Works proposed to enable the Shire to assess their adequacy.
 - ii. The Company and the Shire, through appropriate operational representatives, are to meet on site to jointly inspect the section of road proposed to be the subject of the Maintenance Works. The meeting is to occur subsequent to the lodgement of a approval request and before the grant of the approval. The meeting and inspection are to better enable the Shire to assess the adequacy of the plans and details proposed for the Maintenance Works.
 - iii. Unless the Shire dispenses with the requirements in relation to a particular section of road, the parties are to jointly inspect the Maintenance Works, through appropriate operational representatives:
 - (i) At the 50% completion point; and
 - (ii) When the Company considers it has completed the Maintenance Works to assess progress and adequacy of Maintenance Works, or to assess completion of Maintenance Works, as the case may be.
- (d) If the Company elects to perform any of its obligations through the use of a Contractor, the Company will remain directly responsible for the performance of those obligations.
- (e) The Company shall ensure that any Contractor performing Maintenance Works fully understands the Company's obligations as regards the conduct of the Maintenance Works as set out in this Agreement.
- (f) All Maintenance Works shall comply with a traffic management plan approved by the Shire, which approval must not be unreasonably withheld or delayed.

- (g) The Shire must act reasonably and in good faith to facilitate the Company's use of the Access Roads in accordance with this Agreement and shall not unreasonably withhold any Authorisations necessary or desirable in order for the Company to undertake any of the Activities and Maintenance.

5. Compliance

- (a) The Shire or its Contractors may at any time inspect the Access Roads for the purpose of monitoring compliance with this Agreement and to give directions under clause 6.
- (b) If, after inspection, the Shire, acting reasonably, is not satisfied that the Access Roads has been appropriately maintained in accordance with this Agreement, the Shire may issue a Notice to the Company specifying the failure with appropriate reference to the Road Condition Report, the rectification required and a reasonable timeframe for rectification (**Dissatisfaction Notice**).
- (c) The Company must, where there has been a failure to comply with this Agreement, comply with the Dissatisfaction Notice at the Company's cost and to the satisfaction of the Shire, acting reasonably.

6. Consultation

- (a) The Shire may make any reasonable requests by Notice to the Company with respect to the performance of the Maintenance Works, and the Company agrees to consult with the Shire on these requests and may take them into consideration when performing any further Maintenance Works.
- (b) Where the condition of the Access Roads is, in the reasonable opinion of the Company, being materially impacted by third party commercial users, the Parties shall meet to discuss and agree the proportionate reduction of Maintenance liability and obligations under this Agreement to reflect the actual impact of the Company's use of the Access Roads.

7. Access to Public

Subject to the requirements for the Maintenance Works under the terms of this Agreement, the Parties acknowledge that the Access Roads remains a public road with public access and must remain trafficable in a safe manner.

8. Indemnity

- (a) Subject to clauses 8(b) and 8(c) and for the duration of the Access Term, the Company must indemnify the Shire from and against all actions, suits, claims and demands, made or brought by any person against the Shire or its employees, contractors and agents in respect of:
 - (i) loss of, or damage to, or loss of use of, any real or personal property; or
 - (ii) personal injury to, disease or illness affecting, or death of, any person,to the extent arising directly from any:
 - (iii) negligent act or omission of the Company, or any breach of any written law by the Company, in the course of the Company utilising the Access Roads; or
 - (iv) breach of this Agreement by the Company.
- (b) The liability of the Company under clause 8(a) reduces proportionately to the extent that the loss, damage, loss of use, injury, disease or illness, death, claim or infringement was caused by:

- (i) a negligent act or omission of the Shire or its Personnel; or
 - (ii) a breach of this Agreement by the Shire.
- (c) Notwithstanding any other provisions to the contrary in this Agreement and to the extent permitted by law, neither Party is liable to the other Party in any circumstances, including under any indemnity, for any special, exemplary or punitive damages, loss of use, loss of production, loss of revenue, loss of profit or anticipated profit, loss of business reputation, business interruptions of any nature, loss of opportunities or loss of anticipated savings or wasted overheads.

9. Insurance

- (a) During the Access Term, the Company will obtain and maintain at its expense current public liability insurance for an amount of not less than \$20,000,000 for any single claim.
- (b) The Company, will on request from the Shire, provide a copy of the certificate of currency for the public liability insurance required under this clause 9.

10. Assignment

- (a) The Company cannot assign any of its rights under this Agreement without the written consent of the Shire, which consent must not be unreasonably delayed or refused, and which must be given where the assignee is of good repute, of sufficient means to discharge the obligations under this Agreement of the Company and executes an Agreement of assignment and assumption in a form reasonably required by the non-assigning party by which the assignee assumes, in place of the Company, the obligations of the Company under this Agreement to the extent of the rights assigned.
- (b) The Shire may novate or assign all its rights and obligations under this Agreement to another department, agency or statutory authority of the State of Western Australia or its government if it becomes necessary or appropriate to do so as a result of any restructure or re-allocation of responsibilities within the government of Western Australia.

11. Termination of agreement

- (a) The Company may at any time terminate this agreement for its convenience, upon which the Company's obligations under this agreement will cease, except that the Company must within a reasonable period, subject to clause 12.2, return the Access Roads to the standard that described in the Road Condition Report.
- (b) Unless the Company gives notice of an earlier termination, or the parties agree in writing to an earlier termination of this Agreement, this Agreement terminates on the expiry of the Access Term provided however that any rights, entitlements or liabilities vested or accrued prior to such termination shall survive and be enforceable following such termination.

12. General

12.1 Dispute Resolution

- (a) If a dispute between the Parties arises in relation to this Agreement, the affected Party may give the other Party a Notice setting out the material particulars of the dispute.
- (b) The Parties must continue to comply with their obligations under this Agreement despite the dispute unless the Parties agree otherwise.

- (c) If a notice is given under clause 12.1(a), each Party shall appoint a person in writing with authority to negotiate and reach settlement of the dispute to be its representative.
- (d) The Parties' representatives shall personally meet at the Shire's offices (or at a venue to be agreed by the Parties in writing) within 21 days of the date on which the Notice is received or as soon as reasonably practicable in the case of an emergency situation.
- (e) The Parties' representatives shall attempt to resolve the dispute in good faith and using their best endeavours at all times and acting reasonably.
- (f) Where the Parties are unable to resolve the dispute within 30 days of seeking to resolve the dispute, either Party may refer the dispute for determination by commercial arbitration under the *Commercial Arbitration Act 2012* (WA). In the event that the Parties disagree on the appointment of an arbitrator, the arbitrator shall be appointed by the President of the Resolution Institute.
- (g) For the avoidance of doubt, nothing in this clause 12 shall be construed as limiting the rights of either Party to seek urgent injunctive orders from a court of competent jurisdiction to restrain the other Party from an ongoing or repetitive breach of this Agreement where an order for damages would not be an adequate remedy.

12.2 Force Majeure Event

- (a) If the Company becomes, or is likely to become unable wholly or in part by a Force Majeure Event to comply with or carry out for some period, some or all of the Company's obligations:
 - (i) It must give the Shire prompt written Notice of:
 - (A) detailed particulars of the Force Majeure Event; and
 - (B) so far as is known, the probable extent to and/or time during which the Company will be unable to perform or will be delayed in performing the Company's obligations.
 - (ii) The Company must use all reasonable efforts to overcome, remove or mitigate the effects of the Force Majeure Event as quickly as possible; and
 - (iii) subject to compliance by the Company with this clause 12.2:
 - (A) the Company will be deemed to not be in breach of this Agreement; and
 - (B) the Company is not liable for any damage, loss, claim, cost, expense or other liability in relation to the Access Roads (including in respect of repair costs to restore the Access Roads to a safe condition for public use),
- to the extent that the Force Majeure Event prevented, impeded or delayed the Company in undertaking what would otherwise have been, but for this clause 12.2, the Company obligations.

12.3 Confidentiality

- (a) Each Party must keep the terms of this Agreement confidential and must not disclose the terms of this Agreement to any third party except that a Party may make any disclosure in relation to this Agreement as it thinks necessary to:
 - (i) its professional advisers, bankers, financial advisers and financiers, if those persons undertake to keep information disclosed confidential;
 - (ii) comply with any applicable law or requirement of any government agency; or
 - (iii) any of its employees to whom it is necessary to disclose the information if that employee undertakes to keep the information confidential.

12.4 Notices

- (a) A notice, approval, consent, demand, certification, process or other communication (**Notice**) relating to this Agreement must be in writing in English and may be given by an agent or solicitor of the sender.
- (b) In addition to any other lawful means, a Notice may be given under this Agreement by being:

- (i) personally delivered to the recipient at the current address for Notices;
 - (ii) left at the recipient's current address for Notices;
 - (iii) sent to the recipient's current address for Notices by pre-paid ordinary mail or, if the address is outside Australia, by pre-paid airmail; or
 - (iv) emailed to the email address last notified by the recipient.
- (c) The particulars for delivery of Notices are:
- Name: **Hancock Energy (EP512) Pty Ltd**
- For the attention of: Austen Fresson
- Address: HPPL House, 28-42 Ventnor Avenue, West Perth WA 6005
- Email: austen.fresson@hancockenergy.com.au
- Name: **Shire of Murchison**
- For the attention: Bill Boehm
- Address: PO Box 61 Mullewa 6630
- Email: ceo@murchison.wa.gov.au

A Notice is given if posted:

- (i) within Australia to an Australian address, five (5) Business Days after posting; or
 - (ii) in any other case, ten (10) Business Days after posting.
- (d) If a Notice is emailed, a delivery confirmation report received by the sender, which records the time that the email was delivered to the recipient's last notified email address is prima facie evidence of its receipt by the recipient, unless the sender receives a delivery failure notification, indicating that the electronic mail has not been delivered to the recipient.
- (e) If a Notice is given:
- (i) after 5.00 pm in the place of receipt; or
 - (ii) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt;
 - (iii) it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.
- (f) Any Party may change its details for receipt of Notices at any time by giving written notice of such change to each other Party in accordance with this clause.

12.5 Variation

This Agreement may only be varied by a document signed by or on behalf of each Party.

12.6 Counterparts

- (a) This Agreement may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A Party may execute this Agreement by signing any counterpart.

12.7 Waiver

No Party to this Agreement may rely on the words or conduct of any other Party as a waiver of any right unless the waiver is in writing and signed by the Party granting the waiver.

12.8 Entire Agreement

This Agreement states all the express terms agreed by the Parties in respect of its subject matter. It

supersedes all prior discussions, negotiations, understandings and agreements in respect of its subject matter.

12.9 Governing Law

This Agreement is governed by the laws in force in Western Australia.

EXECUTED AS A DEED

THE COMMON SEAL of the
SHIRE OF MURCHISON
was hereunto affixed pursuant
to a resolution of the Shire
in the presence of:

Shire President

Chief Executive Officer

Ross Edmund Foulkes-Taylor

William James Boehm

Shire President – Full Name

Chief Executive Officer – Full Name

Date

22 October 2026

EXECUTED by **HANCOCK ENERGY (EP512)**
PTY LTD (ACN 153 352 231) in accordance
with section 127 of the *Corporations Act 2001*
(Cth) by:

Signature of director

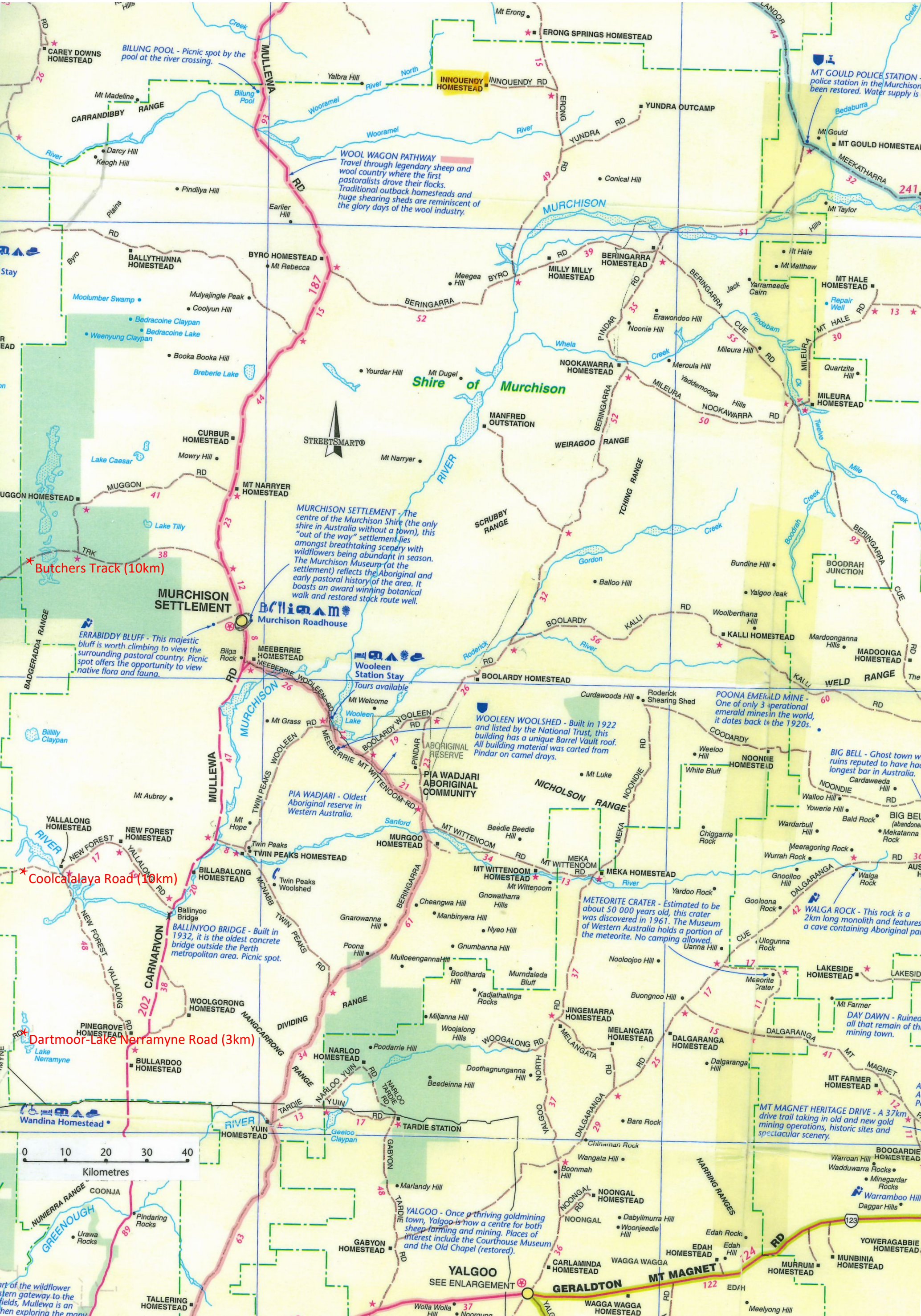
Signature of director /company secretary

Name of director (print)

Name of director /company secretary (print)

Schedule 1 – Map of Access Roads

- A HE-512-008 Rev A - EP 512 Yuna 2D Seismic - LGA breakdown MURCHISON, SHIRE
- B Shire of Murchison Site Location Map



**State Road Funds to
Local Government
Advisory Committee**

25 September 2026

2027-28 LOCAL ROADS PROGRAM FUNDING ALLOCATIONS

A targeted review of grant programs across State Government agencies has been undertaken with one of the objectives being to achieve a "better alignment of grant expenditure estimates with project and / or program schedules". This review, included the State Road Funds to Local Government Agreement (SRFLGA), identified that Local Government Road Project Grants and BlackSpot program grants have a history of misalignment between grant expenditure estimates and project schedules. The 2025-26 outcome across the SRFLG Category 1 programs (delivered by Local Governments) was an under expenditure of \$48 million.

The State Government has determined to hold funding for SRFLGA Category 1 Programs (delivered by Local Governments) at the 2025-26 level for the final two years of the current agreement (2026-27 and 2027-28) in an effort to improve alignment between expenditure estimates and project schedules.

In taking the decision, the State Government remains committed to providing 20 per cent of Motor Vehicle Licence Fee Revenue for use on the Local Government road network and will do so by allocating additional funding to the *State Initiatives Program* in Category 2 of the Agreement (delivered by Main Roads Western Australia).

As the 2026-27 Local Roads Program had been endorsed some time ago by the State Road Funds to Local Government Advisory Committee the Government decision was made to leave the 2026-27 program unchanged and to implement the reductions as part of 2027-28 allocations. This will mean that the indicative funding for Category 1 Programs will be reduced by \$34.22 million which equates to around 15 per cent.

The State Road Funds to Local Government Advisory Committee will be considering how this change in funding available to Category 1 Programs will be implemented by grant program and by region and communicate this through the indicative allocations for 2027-28 to each Regional Road Group as quickly as possible.

Yours sincerely



John Erceg

CHAIR

MANAGING DIRECTOR OF MAIN ROADS



Nick Sloan

CHIEF EXECUTIVE OFFICER



Department of Local Government,
Industry Regulation and Safety

17.2.1 - October 2026

Our ref A117687966
Enquiries Mehul Chudasama
Phone (08) 6551 4806
Email legislation@lgirs.wa.gov.au

Mr Bill Boehm
Chief Executive Officer
Shire of Murchison
Email: CEO@murchison.wa.gov.au

Dear Mr Boehm

Shire of Murchison – 2025-2026 Annual Financial Report

Thank you for your application seeking an extension of time to complete and submit the Shire of Murchison Annual Financial Report for the 2025-2026 financial year to your Auditor.

In accordance with authority delegated by the Minister of Local Government, I have approved an extension of time until 2 October 2026 for the Shire to submit its balanced accounts and Annual Financial Report for the 2025-2026 financial year to the Auditor.

Please contact Senior Legislation Officer, Mr Mehul Chudasama, via the contact details provided if you wish to discuss this matter.

Yours sincerely

Amy Halliday

A/EXECUTIVE DIRECTOR LOCAL GOVERNMENT

2 October 2026



murchisonshire

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ABN 63 002 218 762
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SHIRE OF MURCHISON

MONTHLY FINANCIAL REPORT

For the Period Ending 30 September 2026

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



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Compilation Report

To the Council

Shire of Murchison

Scope

We have compiled the accompanying special purpose financial statements.

The specific purpose for which the special purpose financial report has been prepared is to provide information relating to the financial performance and financial position of the Shire that satisfies the information needs of the Council and the *Local Government Act 1995* and associated regulations.

The responsibility of the Shire

The Shire is solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent and are appropriate to satisfy the requirements of the Council and the *Local Government Act 1995* and associated regulations.

Our responsibility

On the basis of information provided by the Shire, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Management provided, into a financial report. Our procedures do not include any verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the Shire of Murchison, may suffer arising from negligence on our part.

This report was prepared for the benefit of the Council of the Shire of Murchison and the purpose identified above. We do not accept responsibility to any other person for the content of the report.

Travis Bate
Signed at GERALDTON

Date 17th October 2026

RSM Australia Pty Ltd
Chartered Accountants

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

Liability limited by a scheme approved under Professional Standards Legislation

General	Note
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Executive Summary	
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SHIRE OF MURCHISON
MONTHLY FINANCIAL REPORT
For the Period Ending 30 September 2026
EXECUTIVE SUMMARY

Statement of Financial Activity

Statements are presented on pages 5 and 6 showing a surplus/(deficit) as at 30 September 2026 of \$7,258,975

Significant Revenue and Expenditure

Significant Projects

	Collected / Completed %	Annual Budget \$	YTD Budget \$	YTD Actual \$
Capex - Roadhouse Business Bldg.	38%	2,600,000	649,998	-
SKA Route	70%	4,355,914	1,088,976	1,640,711
Carn- Mullewa Rd	0%	3,403,197	850,791	402,871
Roadhouse Staff Accommodation	12%	870,000	217,500	384,665
	20%	10,359,111	2,589,765	2,043,582

Grants, Subsidies and Contributions

Grants, subsidies and contributions	5%	9,075,281	2,268,810	496,602
Capital grants, subsidies and contributions	32%	8,723,504	2,180,868	2,802,099
	19%	17,798,786	4,449,678	3,298,701

Rates Levied

	100%	1,049,999	262,497	1,049,968
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% - Compares current YTD actuals to the Annual Budget

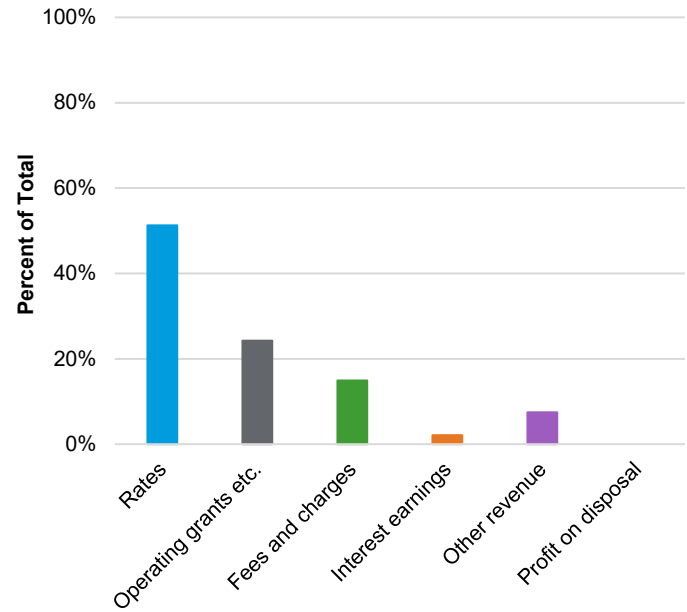
Financial Position

Account

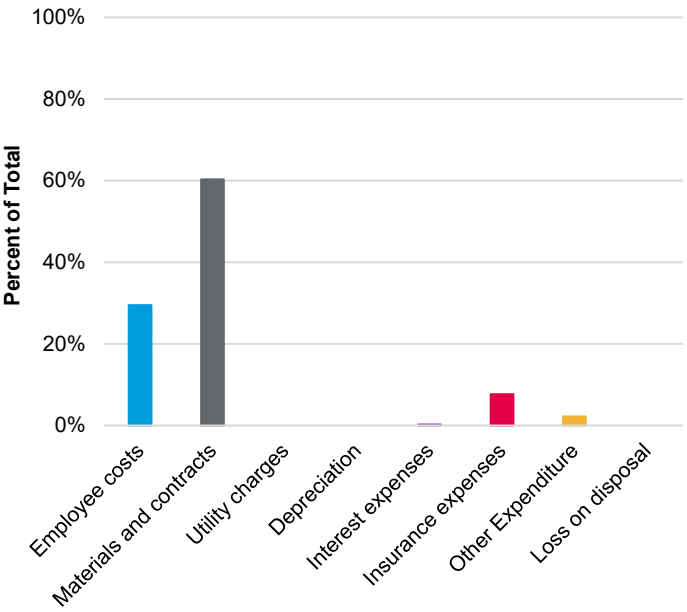
	Difference to Prior Year %	Current Year 30 Sep 26 \$	Prior Year 30 Sep 25 \$
Adjusted net current assets	178%	7,258,975	4,083,772
Cash and equivalent - unrestricted	82%	2,920,262	3,550,037
Cash and equivalent - restricted	0%	6,080,357	7,892,827
Receivables - rates	58%	1,105,565	1,891,043
Receivables - other	24%	327,737	1,360,429
Total Current Liabilities	52%	2,481,699	4,784,024

% - Compares current YTD actuals to prior year actuals

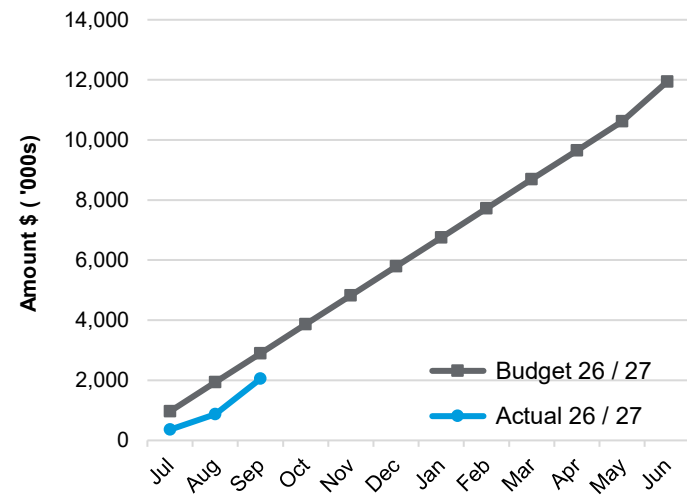
Operating Income



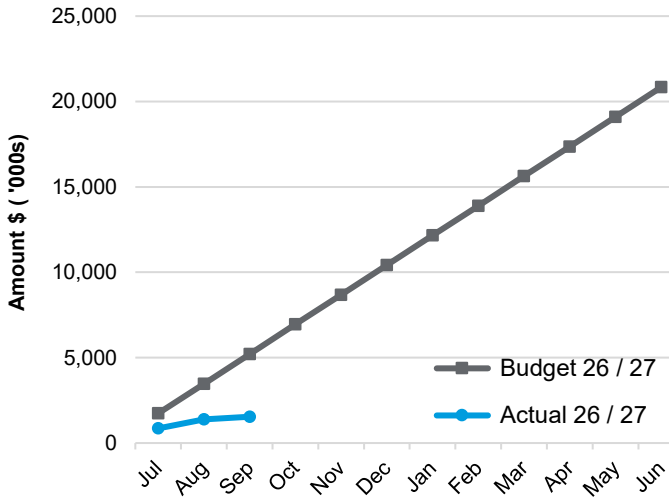
Operating Expenditure



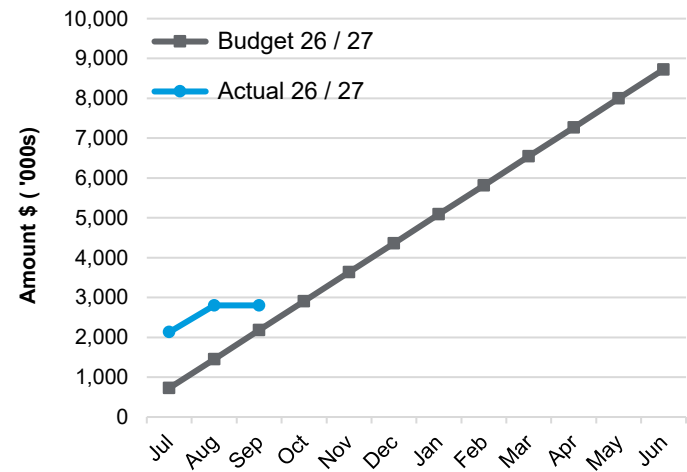
Operating Revenues



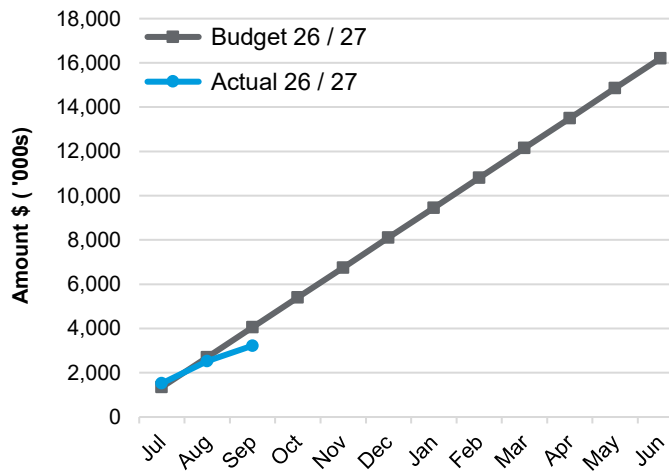
Operating Expenses



Capital Revenues - Investing



Capital Expenses



SHIRE OF MURCHISON
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 30 September 2026
NATURE OR TYPE

	Note	Annual Budget \$	YTD Budget \$	YTD Actual \$	Var* \$	Var* %	Var
Revenue from Operating Activities							
Rates	10	1,049,999	262,497	1,049,968	787,471	300%	▲
Grants, subsidies and contributions	12(a)	9,075,281	2,268,810	496,602	(1,772,208)	(78%)	▼
Fees and charges		687,368	171,825	305,521	133,696	78%	▲
Interest earnings		156,151	39,036	43,138	4,102	11%	
Other revenue		975,237	152,511	152,830	319	0%	
Profit on disposal of assets	8	-	-	-	-		
		11,944,036	2,894,679	2,048,059			
Expenditure from Operating Activities							
Employee costs		(1,866,336)	(466,305)	(454,242)	12,063	3%	
Materials and contracts		(11,101,281)	(2,634,877)	(928,775)	1,706,102	65%	▲
Depreciation on non-current assets		(7,438,077)	(1,859,460)	-	1,859,460	100%	▲
Finance cost		(41,535)	(10,380)	(4,298)	6,082	59%	
Insurance expenses		(203,494)	(50,799)	(118,165)	(67,366)	(133%)	▼
Other expenditure		(186,295)	(46,557)	(34,300)	12,257	26%	▲
Loss on disposal of assets	8	-	-	-	-		
		(20,837,019)	(5,068,378)	(1,539,779)			
Excluded Non-cash Operating Activities							
Depreciation and amortisation		7,438,077	1,859,460	-			
Movement in Employee Benefits		-	-	-			
(Profit) / loss on asset disposal		-	-	-			
Net Amount from Operating Activities		(1,454,906)	(314,239)	508,279			
Investing Activities							
Inflows from Investing Activities							
Capital grants, subsidies and contributions	12(b)	8,723,504	2,180,868	2,802,099	621,231	28%	▲
Proceeds from disposal of assets	8	220,001	-	-	-		
		8,943,505	2,180,868	2,802,099			
Outflows from Investing Activities							
Land and buildings	9(a)	(4,630,000)	(1,157,493)	(690,339)	467,154	40%	▲
Plant and equipment	9(c)	(1,846,001)	(461,496)	(261,804)	199,692	43%	▲
Furniture and equipment	9(b)	(207,500)	(51,870)	(24,302)	27,568	53%	▲
Infrastructure - roads	9(d)	(8,654,412)	(2,163,582)	(2,071,884)	91,698	4%	
Infrastructure - other	9(e)	(868,058)	(217,008)	(174,746)	42,262	19%	
		(16,205,971)	(4,051,449)	(3,223,074)			
Net Amount from Investing Activities		(7,262,466)	(1,870,581)	(420,975)			
Financing Activities							
Inflows from Financing Activities							
Transfer from reserves	7	8,698,235	-	4,259,694	4,259,694		▲
		8,698,235	-	4,259,694			
Outflows from Financing Activities							
Repayment of debentures	11(a)	(199,723)	-	-	-		
Transfer to reserves	7	(1,925,936)	(1,925,936)	(41,389)	1,884,547	98%	▲
		(2,125,659)	(1,925,936)	(41,389)			
Net Amount from Financing Activities		6,572,576	(1,925,936)	4,218,306			
Movement in Surplus or Deficit							
Opening Funding Surplus / (Deficit)							
Amount attributable to operating activities	3	(1,454,906)	(314,239)	508,279			
Amount attributable to investing activities		(7,262,466)	(1,870,581)	(420,975)			
Amount attributable to financing activities		6,572,576	(1,925,936)	4,218,306			
Closing Surplus / (Deficit)	3	10,751	(1,955,209)	7,258,975			

* - Note 2 provides an explanation for the relevant variances shown above.

This statement needs to be read in conjunction with the accompanying Financial Statements and Notes.

SHIRE OF MURCHISON
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 30 September 2026
REPORTING PROGRAM

17.3.1 - October 2026

	Note	Annual Budget \$	YTD Budget \$	YTD Actual \$	Var* \$	Var* %
Revenue from Operating Activities						
Governance		7,884	1,971	46,028	44,057	2,235%
General purpose funding		2,101,704	525,420	1,399,386	873,966	166%
Law, order and public safety		15,305	3,822	4,909	1,087	28%
Housing		-	-	3,370	3,370	
Community amenities		840	210	458	248	118%
Recreation and culture		373,406	2,052	1,950	(102)	(5%)
Transport		8,267,639	2,066,904	184,920	(1,881,984)	(91%)
Economic services		1,036,501	259,113	386,452.28	127,339	49%
Other property and services		140,756	35,187	20,586	(14,601)	(41%)
		11,944,036	2,894,678	2,048,059		
Expenditure from Operating Activities						
Governance		(707,889)	(176,889)	(217,010)	(40,121)	(23%)
General purpose funding		(39,725)	(9,927)	(9,339)	588	6%
Law, order and public safety		(73,858)	(18,456)	(10,850)	7,606	41%
Health		(34,667)	(8,658)	(8,073)	585	7%
Education and welfare		(2,000)	(498)	(1,000)	(502)	(101%)
Housing		(49,917)	(12,339)	(3,307)	9,032	73%
Community amenities		(167,902)	(41,922)	(28,544)	13,378	32%
Recreation and culture		(712,922)	(178,104)	(116,560)	61,544	35%
Transport		(16,026,411)	(3,866,434)	(435,380)	3,431,054	89%
Economic services		(2,884,312)	(720,858)	(765,300)	(44,442)	(6%)
Other property and services		(137,415)	(34,293)	55,585	89,878	262%
		(20,837,019)	(5,068,378)	(1,539,779)		
Excluded Non-cash Operating Activities						
Depreciation and amortisation		7,438,077	1,859,460	-		
Movement in Employee Benefits		-	-	-		
(Profit) / loss on asset disposal	8	-	-	-		
Net Amount from Operating Activities		(1,454,906)	(314,240)	508,279		
Investing Activities						
Inflows from Investing Activities						
Capital grants, subsidies and contribution	12(b)	8,723,504	2,180,868	2,802,099	621,231	28%
Proceeds from disposal of assets	8	220,001	-	-	-	
		8,943,505	2,180,868	2,802,099		
Outflows from Investing Activities						
Land and buildings	9(a)	(4,630,000)	(1,157,493)	(690,339)	467,154	40%
Plant and equipment	9(c)	(1,846,001)	(461,496)	(261,804)	199,692	43%
Furniture and equipment	9(b)	(207,500)	(51,870)	(24,302)	27,568	53%
Infrastructure - roads	9(d)	(8,654,412)	(2,163,582)	(2,071,884)	91,698	4%
Infrastructure - other	9(e)	(868,058)	(217,008)	(174,746)	42,262	19%
		(16,205,971)	(4,051,449)	(3,223,074)		
Net Amount from Investing Activities		(7,262,466)	(1,870,581)	(420,975)		
Financing Activities						
Inflows from Financing Activities						
Transfer from reserves	7	8,698,235	-	4,259,694	4,259,694	
		8,698,235	-	4,259,694		
Outflows from Financing Activities						
Repayment of debentures	11(a)	(199,723)	-	-	-	
Transfer to reserves	7	(1,925,936)	(1,925,936)	(41,389)	1,884,547	98%
		(2,125,659)	(1,925,936)	(41,389)		
Net Amount from Financing Activities		6,572,576	(1,925,936)	4,218,306		
Movement in Surplus or Deficit						
Opening Funding Surplus / (Deficit)	3	2,155,547	2,155,547	2,953,365		
Amount attributable to operating activities		(1,454,906)	(314,240)	508,279		
Amount attributable to investing activities		(7,262,466)	(1,870,581)	(420,975)		
Amount attributable to financing activities		6,572,576	(1,925,936)	4,218,306		
Closing Funding Surplus / (Deficit)	3	10,751	(1,955,209)	7,258,975		

This statement needs to be read in conjunction with the accompanying Financial Statements and Notes.

SHIRE OF MURCHISON
STATEMENT OF FINANCIAL POSITION
For the Period Ending 30 September 2026

	FY 2027 30 September 2026	FY 2026 30 September 2025
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	9,000,620	11,442,864
Trade and other receivables	1,271,982	2,993,043
Inventories	335,598	201,198
Other assets	4,759,999	1,295,910
TOTAL CURRENT ASSETS	15,368,198	15,933,014
NON-CURRENT ASSETS		
Other financial assets	38,794	19,905
Property, plant and equipment	19,093,133	16,226,397
Infrastructure	99,061,592	97,896,120
TOTAL NON-CURRENT ASSETS	118,193,520	114,142,422
TOTAL ASSETS	133,561,718	130,075,436
CURRENT LIABILITIES		
Trade and other payables	1,268,026	2,280,401
Other liabilities	763,858	2,007,033
Borrowings	199,723	196,094
Employee related provisions	265,981	210,632
TOTAL CURRENT LIABILITIES	2,497,588	4,694,160
NON-CURRENT LIABILITIES		
Borrowings	945,490	1,145,213
Employee related provisions	80,610	42,400
TOTAL NON-CURRENT LIABILITIES	1,026,100	1,187,613
TOTAL LIABILITIES	3,523,688	5,881,773
NET ASSETS	130,038,030	124,193,663
EQUITY		
Retained surplus	44,541,920	36,885,774
Reserve accounts	6,081,042	7,892,821
Revaluation surplus	79,415,068	79,415,068
TOTAL EQUITY	130,038,030	124,193,663

SHIRE OF MURCHISON

STATEMENT OF CAPITAL ACQUISITIONS AND FUNDING

For the Period Ending 30 September 2026

CAPITAL ACQUISITIONS AND FUNDING

Asset Group	Note	Annual Budget \$	YTD Actual Total \$
Land and buildings	9(a)	4,630,000	690,339
Plant and equipment	9(c)	1,846,001	261,804
Furniture and equipment	9(b)	207,500	24,302
Infrastructure - roads	9(d)	8,654,412	2,071,884
Infrastructure - other	9(e)	868,058	174,746
Total Capital Expenditure		16,205,971	3,223,074
Capital Acquisitions Funded by:			
Capital grants and contributions		8,723,504	2,363,213
Other (disposals and c/fwd)		220,001	-
Council contribution - from reserves		2,728,000	150,000
Council contribution - operations		4,534,466	709,861
Total Capital Acquisitions Funding		16,205,971	3,223,074

SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 30 September 2026

1. SIGNIFICANT ACCOUNTING POLICIES

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996 Regulation 34*.

The material variance adopted by the Shire of Murchison for the 2026/27 year is \$10,000 or 10%, whichever is greater. Items considered to be of material variance are disclosed in Note 2.

The statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation. The preparation also requires management to make judgements, estimates and assumptions which effect the application of policies and the reported amounts in the statements and notes. These estimated figures are based on historical experience or other factors believed to be reasonable under the circumstances. Therefore, the actual results may differ from these reported amounts.

Actual and Budget comparatives are presented in year to date format unless otherwise stated. The Adopted Budget is used in the report until superseded by the Budget Review.

Preparation

Prepared by: Bertus Lochner
Reviewed by: Travis Bate
Date prepared: 17 Oct 26

(a) Basis of Preparation

The following financial statements are special purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Authoritative Interpretations, the *Local Government Act 1995*, and regulations, within the context in which they relate to local governments and not-for-profit entities.

With the exception of the cash flow statement and rate setting information, the following report has been prepared on an accrual basis with balances measured at historical cost unless subject to fair value adjustments. Items subject to fair value adjustments include certain non-current assets, financial assets, and financial liabilities. Items such as assets, liabilities, equity, income and expenses have been recognised in accordance with the definitions and recognition criteria set out in the Framework for the Preparation and Presentation of Financial Statements.

These financial statements comply with, and supersede, the Australian Accounting Standards with the *Local Government (Financial Management) Regulations 1996* where applicable. Further information is provided in Note 1(i).

The functional and presentation currency of the report is Australian dollars.

(b) The Local Government Reporting Entity

The Australian Accounting Standards define local government as a reporting entity which can be a single entity or a group comprising a parent and all its subsidiaries. All funds controlled by the Shire in order to provide its services have formed part of the following report. Transactions and balances related to these controlled funds, such as transfers to and from reserves, were eliminated during the preparation of the report.

Funds held in Trust, which are controlled but not owned by the Shire, do not form part of the financial statements. Further information on the Shire funds in Trust are provided in Note 5.

(c) Rounding of Amounts

The Shire is an entity to which the *Local Government (Financial Management) Regulations 1996* applies and, accordingly amounts in the financial report have been rounded to the dollar except for amounts shown as a rate in the dollar. Where total assets exceed \$10,000,000 in the prior audited annual financial report, the amounts may be rounded to the nearest \$1,000.

SHIRE OF MURCHISON**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY****For the Period Ending 30 September 2026****1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(d) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (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.

(e) 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.

(f) Cash and Cash Equivalents

Cash and cash equivalents normally include cash on hand, cash at bank, deposits on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

(g) 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.

(h) Inventories**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 related to completion and its sale.

Land Held for Resale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point. Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

(i) Trade and Other Receivables

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

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

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

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

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

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 30 September 2026

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets

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

Recognition of Assets

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

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

Gains and Losses on Disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

(i) Depreciation of Non-current Assets

The depreciable amount of fixed assets included in buildings but excluding freehold 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.

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

Asset Class	Useful life
Buildings & Improvements	7 to 90 years
Furniture and equipment	3 to 25 years
Plant and equipment	5 to 20 years
Sealed roads and streets formation	not depreciated
pavement	12 years
seal	10 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	45 years
Footpaths	10 years
Culverts	60 years
Signs	20 years
Stock Grids	80 years
Floodways	21 years
Water supply piping and drainage systems	75 years
Bridges	80 years

SHIRE OF MURCHISON**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY****For the Period Ending 30 September 2026****1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(l) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

(m) Prepaid Rates

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

(n) Employee Benefits**Short-term employee benefits**

Provision is made for the Shire's obligation 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 determination of the net current asset position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset position.

Other long-term employee benefits

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

The Shire's obligations for long-term employee benefits are presented as non-current provisions in the 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.

(o) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method. The annual government guarantee fee is expensed in the year incurred.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing Costs

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied. Fair values of borrowings are not materially different to their carrying amount, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on the discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the unobservable inputs, including own credit risk.

(p) 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 measure using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 30 September 2026

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Contract Liabilities

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

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

(r) 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.

(p) Nature or Type Classifications

Rates

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not capital grants.

Capital Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

Profit on Asset Disposal

Gain on the disposal of assets including gains on the disposal of long term investments.

Fees and Charges

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

Service Charges

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Excluding rubbish removal charges, interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Other Revenue / Income

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

Employee Costs

All costs associated with the employment of a person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 30 September 2026

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Nature or Type Classifications (Continued)

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

Utilities (Gas, Electricity, Water, etc.)

Expenditures made to the respective agencies for the provision of power, gas, water and communication expenses. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

Insurance

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

Loss on Asset Disposal

Loss on the disposal of fixed assets.

Depreciation on Non-current Assets

Depreciation expense raised on all classes of assets.

Finance Cost

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

Other Expenditure

Statutory fees, taxes, provision for bad debts, member's fees or State taxes, donations and subsidies made to community groups.

SHIRE OF MURCHISON**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY****For the Period Ending 30 September 2026****1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(q) Program Classifications (Function / Activity)**

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

GOVERNANCE

Administration and operation of facilities and services to members of Council. Other costs that relate to the task of assisting elected members and electors on matters which do not concern specific Council services.

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue.

LAW, ORDER AND PUBLIC SAFETY

Supervision of various by-laws, fire prevention and animal control.

HEALTH

Monitor health control standards within the community, provide support and assistance with airstrips to enable all residents access to the Royal Flying Doctor for regular and emergency health services.

EDUCATION AND WELFARE

Support of education facilities within the Shire and of any external resources necessary to assist with education programmes for all residents.

HOUSING

Provision and maintenance of staff housing.

COMMUNITY AMENITIES

Maintain a refuse site for the settlement.

RECREATION AND CULTURE

Provide a library and museum and operation there of. Maintain recreation centre, sports field, parks, gardens and other recreational facilities.

TRANSPORT

Construction and maintenance of roads, drainage works and traffic signs. Maintenance of the settlement airstrip.

ECONOMIC SERVICES

Building control, provision of power and water supplies. Supply and maintenance of television re-broadcasting installation. Provision of radio communication. Maintenance of caravan park. Vermin control and area promotion.

OTHER PROPERTY AND SERVICES

Private works operations, plant repairs and operation costs.

SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 30 September 2026

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Revenue Recognition Policy

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns / Refunds / Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle

SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 30 September 2026

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Revenue Recognition Policy (Continued)

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns / Refunds / Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Roadhouse fuel & kiosk sales.	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council policy & annual fees and charges review, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 30 September 2026

2. EXPLANATION OF MATERIAL VARIANCES

Variances which have exceeded the thresholds are listed below by Program. Significant variances within the Program are listed underneath it by Nature or Type.

The material variance adopted by Council for the 2026/27 year is \$10,000 and 10%.

Nature or Type	Var \$	Var %	Var	Timing / Permanent	Explanation of Variance
Operating Revenues					
Rates	787,471	300%	▲	Timing	Timing of budget profile. Rates raised Sep 26.
Grants, Subsidies and Contributions	(1,772,208)	(78%)	▼	Timing	Mainly due to timing of flood damage, refer note 12 for breakdown.
Fees and Charges	133,696	78%	▲	Timing	Above budget Roadhouse Fuel Sales \$72K, Roadhouse Accommodation and Camping \$19K and Administration Revenue \$43K.
Capital Operating Grants, Subsidies and Contributions	621,231	28%	▲	Timing	Mainly related to above budget SKA and MRWA Grants. Offset by below budget Tourism Facilities and Settlement Infrastructure grants. Refer to note 12 for breakdown.

Operating Expense

Materials and contracts	1,706,102	65%	▲	Timing	Mostly related to below budget flood damage (\$1.64M) and general road maintenance (\$39K).
Depreciation on Non-current Assets	1,859,460	100%	▲	Timing	Depreciation will not be posted until 2026 audit is completed.
Insurance Expenses	(67,366)	(133%)	▼	Timing	Timing of budget versus actual cost.
Other expenditure	12,257	26%	▲	Timing	Timing differences on various smaller expense lines.

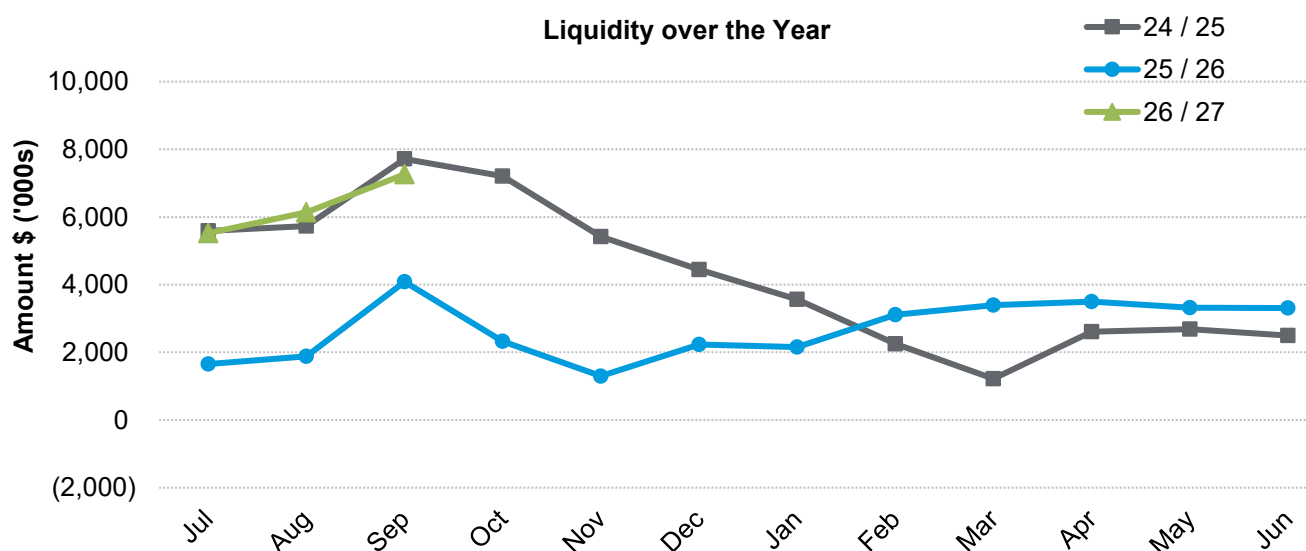
SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 30 September 2026

3. NET CURRENT FUNDING POSITION

	Note	Current Month 30 Sep 26	Prior Year Closing 30 Jun 26	This Time Last Year 30 Sep 25
Current Assets				
Cash unrestricted	4	\$ 2,920,262	\$ 1,010,428	\$ 3,550,037
Cash restricted	4	6,080,357	10,298,663	7,892,827
Receivables - rates	6(a)	1,105,565	106,090	1,891,043
Receivables - sundry	6(b)	327,737	331,340	1,360,429
Receivables - other		140,784	170,747	124,868
Accrued Income		17,923	17,923	64,522
Provision for doubtful debts		(335,915)	(335,915)	(31,258)
Contract assets		4,759,999	4,575,326	1,295,910
Inventories		335,598	354,721	201,198
Total Current Assets		15,352,310	16,529,324	16,349,576
Current Liabilities				
Payables - sundry		(789,118)	(1,161,780)	(811,279)
Payables - other		28,277	(34,822)	(207,800)
PAYG Tax withheld		(38,706)	(56,959)	(36,391)
Accrued salaries and wages		-	(68,346)	(74,735)
Accrued expenses		(71,850)	(832,651)	(653,671)
Trust Liability		49	49	(151)
Deposits and bonds		(10,924)	(526,258)	(159,659)
Contract liabilities		(763,858)	(231,010)	(2,066,056)
Murchison Community Fund		(366,177)	(364,834)	(363,235)
Loan liabilities	11(a)	(203,412)	(203,412)	(200,415)
Total Payables		(2,215,719)	(3,480,023)	(4,573,391)
Provisions		(265,981)	(265,981)	(210,632)
Total Current Liabilities		(2,481,699)	(3,746,004)	(4,784,024)
Less: cash reserves	7	(6,081,028)	(10,299,347)	(7,892,827)
Less: provisions		265,981	265,981	210,632
Add: Loan principal (current)		203,412	203,412	200,415
Net Funding Position - Surplus / (Deficit)		7,258,975	2,953,365	4,083,772



SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 30 September 2026

4. CASH AND FINANCIAL ASSETS

	Unrestricted	Restricted	Total	Institution	Interest	Maturity
	\$	\$	Amount		Rate	Date
			\$		%	
Cash						
Murchison Community Fund	366,177	-	366,177	Westpac	Variable	N/A
Municipal	2,468,133	-	2,468,133	Westpac	Variable	N/A
Cash On Hand	1,000	-	1,000	Cash on hand	Nil	N/A
Muni Short Term Investment	7,744	-	7,744	Westpac	Variable	N/A
Roadhouse	69,749	-	69,749	Westpac	Variable	N/A
CSIRO	7,459	-	7,459	Westpac	Variable	N/A
Term Deposit	-	3,837,488	3,837,488	Westpac		
Reserve Funds	-	2,242,869	2,242,869	Westpac	Variable	N/A
Total Cash and Financial Assets	2,920,262	6,080,357	9,000,619			

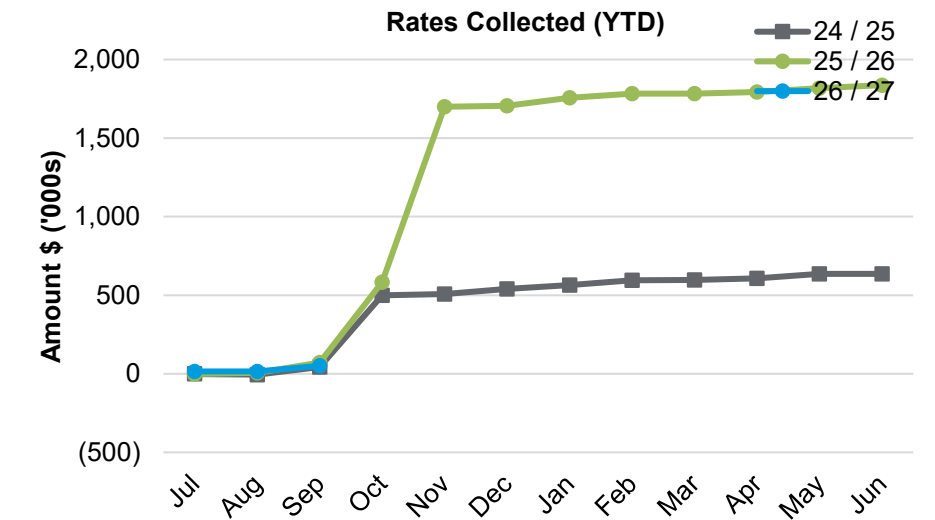
5. TRUST FUND

There are no funds held at balance date over which the Shire has no control

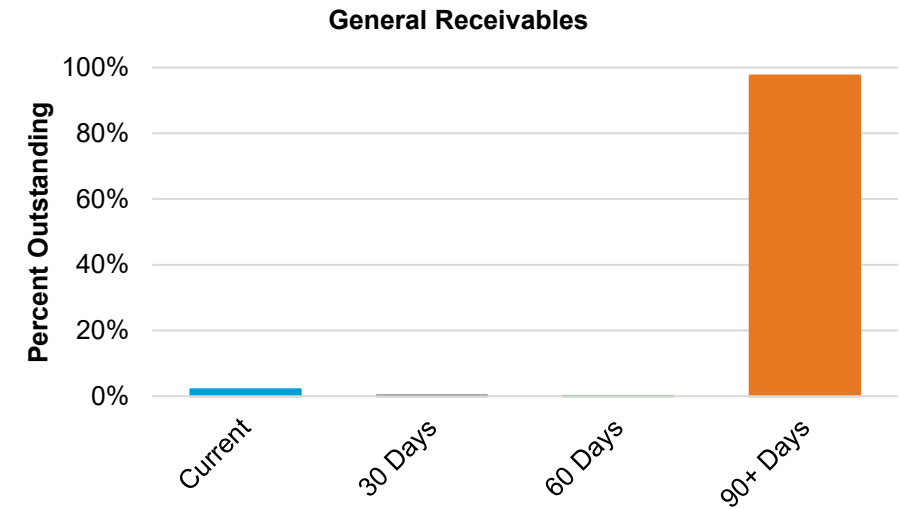
6. RECEIVABLES

(a) Rates Receivable	30 Sep 26
	\$
Rates receivables	1,105,565
Total Rates Receivable Outstanding	1,105,565
Closing balances - prior year	106,090
Rates levied this year	1,049,968
Closing balances - current month	(1,105,565)
Total Rates Collected to Date	50,494

(b) General Receivables	30 Sep 26
	\$
Current	6,889
30 Days	828
60 Days	230
90+ Days	319,790
Total General Receivables Outstanding	327,737



Comments / notes



Comments / Notes
Amounts shown above include GST (where applicable)

SHIRE OF MURCHISON

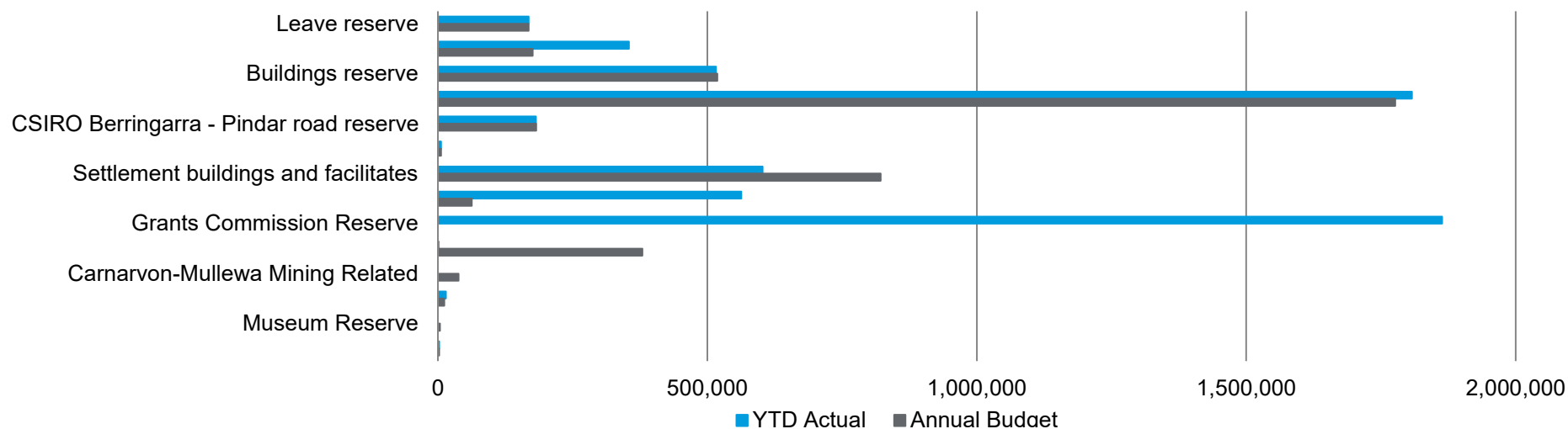
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 30 September 2026

7. CASH BACKED RESERVES

Restricted by council:	Balance	Annual Budget		Balance	Balance	YTD Actual		Balance
	01 Jul 26	Transfers	Transfer	30 Jun 27	01 Jul 26	Transfers	Transfer	30 Sep 26
	\$	from	to	\$	\$	from	to	\$
Reserve Name		\$	\$			\$	\$	
Leave reserve	168,014	-	298	168,312	168,014	-	282	168,296
Plant reserve	353,680	(1,678,000)	1,500,000	175,680	353,680	-	591	354,271
Buildings reserve	515,126	-	3,615	518,742	515,126	-	860	515,986
Berringarra - Cue road reserve	1,776,470	-	-	1,776,470	1,776,470	-	31,180	1,807,650
CSIRO Berringarra - Pindar road reserve	181,481	-	900	182,381	181,481	-	303	181,784
Flood damage repairs reserve	6,005	-	11	6,016	6,005	-	10	6,015
Settlement buildings and facilities	1,220,195	(400,000)	1,335	821,529	751,278	(150,000)	1,095	602,373
Road Asset Reserve	561,884	(500,000)	998	62,882	561,884	-	938	562,822
Grants Commission Reserve	4,857,958	(4,857,958)	-	-	4,857,956	(3,000,000)	5,426	1,863,382
Community Economic Development Fund	1,356	-	377,940	379,296	1,356	-	3	1,359
Carnarvon-Mullewa Mining Related	-	-	38,238	38,238	-	-	-	-
Asset Management Reserve	1,124,001	(1,112,277)	-	11,724	1,124,001	(1,109,694)	697	15,004
Museum Reserve	1,382	-	2,600	3,982	-	-	-	-
Workforce Accommodation Reserve	152,097	(150,000)	-	2,097	2,097	-	3	2,100
Total Cash Backed Reserves	10,919,648	(8,698,235)	1,925,936	4,147,349	10,299,347	(4,259,694)	41,389	6,081,042

Annual Budget v YTD Actual



SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 30 September 2026

8. DISPOSAL OF ASSETS

Annual Budget

	WDV	Proceeds	Profit	(Loss)
	\$	\$	\$	\$
Transport				
Plant and Equipment				
Plant and Equipment	220,001	220,001	-	-
Total Disposal of Assets	220,001	220,001	-	-
Total Profit or (Loss)				-

YTD Actual

	WDV	Proceeds	Profit	(Loss)
	\$	\$	\$	\$
Other Property & Services				
Plant and Equipment				
Plant and Equipment	-	-	-	-
Total Disposal of Assets	-	-	-	-
Total Profit or (Loss)				-

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 30 September 2026

9. CAPITAL ACQUISITIONS

(a) Land and Buildings	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	Completion %
Recreation & Culture						
	Community / Sports Centre Refurbishments	70,000	17,499	-	17,499	0%
Housing						
	Capex - Construct Staff Housing	560,000	139,998	210,782	(70,784)	38%
Community Amenities						
	Public Conveniences Refurbishment	-	-	19,000	(19,000)	#DIV/0!
Other Culture						
	Old Works Supervisors Shed Improvements	300,000	75,000	-	75,000	0%
Economic Services						
	Capex - Roadhouse Business Bldg.	2,600,000	649,998	-	649,998	0%
	Depot Buildings & Improvements	230,000	57,498	75,892	(18,394)	33%
	Roadhouse Staff Accommodation	870,000	217,500	384,665	(167,165)	44%
Total Land and Buildings		4,630,000	1,157,493	690,339	467,154	

(b) Furniture & Equipment	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	Completion %
Economic Services						
	Roadhouse Appliances	5,000	1,248	-	1,248	0%
	Roadhouse Appliances	2,500	624	-	624	0%
	Server Replacement	200,000	49,998	-	49,998	0%
	Freight Shed Coolroom	-	-	24,302	(24,302)	
Total Furniture & Equipment		207,500	51,870	24,302	27,568	

(c) Plant and Equipment	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	Completion %
Transport						
	Road Plant Purchases	1,696,001	423,999	261,804	162,195	15%
	Minor Plant Purchases	25,000	6,249	-	6,249	0%
	Administration Vehicles Purchases	125,000	31,248	-	31,248	0%
Total Plant and Equipment		1,846,001	461,496	261,804	199,692	

9. CAPITAL ACQUISITIONS (Continued)

(d) Infrastructure - Roads

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	Completion %
Transport						
Roads Construction General		531,212	132,798	-	132,798	0%
Unallocated Roads Expenses		-	-	6,193	(6,193)	
Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen Various		-	-	15,608	(15,608)	
General Road Sealing Works		-	-	6,500	(6,500)	
Reseal Works		284,050	71,010	-	71,010	0%
SKA Route		4,355,914	1,088,976	1,640,711	(551,735)	38%
Carn- Mullewa Rd		3,403,197	850,791	402,871	447,920	12%
Capex Grids General		80,040	20,007	-	20,007	
		8,654,412	2,163,582	2,071,884	91,698	
Total Infrastructure - Roads		8,654,412	2,163,582	2,071,884	91,698	

(e) Infrastructure - Other

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	Completion %
Economic Services						
Caravan Park Precinct Works		55,000	13,749	537	13,212	
Roadhouse Other Equipment		58	12	-	12	
Tourism Information Bays & Signage		10,000	2,499	-	2,499	
Caravan Park Non Ensuities Cabins Conversion		160,000	39,999	-	39,999	0%
Power Supply Capital		300,000	75,000	-	75,000	0%
Power Supply Upgrade		250,000	62,499	174,209	(111,710)	70%
Roadhouse Fuel Facilities Browsers Upgrade		93,000	23,250	-	23,250	0%
		868,058	217,008	174,746	42,262	
Total Infrastructure - Other		868,058	217,008	174,746	42,262	
Total Capital Expenditure		16,205,971	4,051,449	3,223,074	828,375	

SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 30 September 2026

10. RATING INFORMATION

	Rateable Value \$	Rate in \$	Number of Properties #	Annual Budget Revenue \$	Rate Revenue \$	Interim Rates CY \$	Interim Rates PY \$	YTD Actual Revenue \$
General Rates								
UV Pastoral	1,273,495	0.144010	22	183,396	183,370			183,370
UV Mining	2,271,757	0.287540	14	653,221	653,217			653,217
UV Prospecting and exploration	689,928	0.287540	38	198,382	198,381			198,381
Total General Rates				1,034,999	1,034,968	-	-	1,034,968
Minimum Rates								
UV Pastoral	20,042	1,000	5	5,000	5,000			5,000
UV Mining	1,974	1,000	1	1,000	1,000			1,000
UV Prospecting and exploration	15,885	1,000	9	9,000	9,000			9,000
Total Minimum Rates				15,000	15,000	-	-	15,000
Total General and Minimum Rates				1,049,999	1,049,968	-	-	1,049,968
Other Rate Revenue								
Interim Rates CY/PY				-				
Total Rate Revenue				1,049,999				1,049,968

SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 30 September 2026

11. INFORMATION ON BORROWINGS

(a) Debenture Repayments

(i) Loan 2 Roadworks in 2020-21

	Annual Budget	YTD Budget	YTD Actual
	\$	\$	\$
Transport			
Opening balance	1,144,913	-	1,145,213
Principal payment	(199,723)	-	-
Principal Outstanding	945,190	-	1,145,213
Finance cost payment	(40,531)	-	(4,196)
Service fee			
Total Principal, Finance Cost and Fees Paid	(240,254)	-	(4,196)
Total Principal Outstanding	945,190	-	1,145,213
Total Principal Repayments	(199,723)	-	-

SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 30 September 2026

12. GRANTS, SUBSIDIES AND CONTRIBUTIONS

(a) Grants, Subsidies and Contributions

Program / Details	Grant Provider	Annual Budget \$	YTD Budget \$	YTD Actual \$
General Purpose Funding				
F.A.G Grant - General	WALGGC	715,086	178,770	258,910
F.A.G. Grant - Roads	WALGGC	179,568	44,892	47,235
Law, Order and Public Safety				
DFES Operating Grant	DFES	14,795	3,696	4,909
Transport				
Income Relating to Streets, Roads, Bridge	MRWA	5,000	1,248	-
MRWA Direct	MRWA	321,214	80,301	-
WANDRRA Flood Damage	MRWA	7,107,890	1,776,972	184,672
MRWA - SKA Roads	MRWA	601,729	150,432	-
Economic Services				
Tour Area Prom Revenue		65,000	16,248	876
Tour Area Prom Other Revenue		15,000	3,750	-
Other Property & Services				
Workers Compensation Reimbursements		50,000	12,501	-
Total Grants, Subsidies and Contributions		9,075,281	2,268,810	496,602

(b) Capital Grants, Subsidies and Contributions

Transport				
MRWA Specific	MRWA	2,127,406	531,849	978,710
Roads to Recovery		1,159,686	289,920	-
MRWA - SKA Roads	MRWA	4,791,505	1,197,876	1,823,389
Mining Related Road Contributions		38,238	9,558	-
Economic Services				
Tourism Facilities Capital Grants		200,000	49,998	-
Settlement Infrastructure Grants		406,670	101,667	-
Total Capital Grants, Subsidies and Contributions		8,723,504	2,180,868	2,802,099
Total Grants, Subsidies and Contributions		17,798,786	4,449,678	3,298,701



Audit Risk & Improvement Committee

Terms of Reference

Revised by Council on 22 October 2026

1 Establishment

The Audit Risk & Improvement Committee is established by Council in accordance with Part 7 Division 1A of the *Local Government Act 1995*

2 Objectives

The primary objective of the Audit Risk & Improvement Committee (ARIC) is to receive and review reports and make recommendations to Council in relation to audits, compliance audits, local government systems and procedures in accordance with the Committee's functions as laid out in the *Local Government Act 1995* and *Local Government (Audit) Regulations 1996*.

Overall aim is to assist the Council in its legislative functions that have not been delegated to the CEO in relation to audit, risk compliance and governance.

3 Functions

The ARIC has the following functions.

- a To receive and review reports on appropriateness and effectiveness of and recommend to the council improvements to the Shire's systems and procedures in relation to financial management, legislative compliance and risk management.
- b To receive and review reports on and recommend to the council improvements to the Shire's systems and procedures in relation to financial management, legislative compliance and risk management.
- c To receive and review reports on and recommend to the council improvements to the implementation of any actions the local government is required to take in relation to
 - i the examination of the audit report and determine if any matters raised by the audit report require action by the Council and ensure that any action so required is taken.
 - ii preparing a report addressing any matters identified as significant by the auditor in the audit report and stating what actions are required to be taken with respect to those matters.
 - iii things that the Council has done or proposes to do to give effect to recommendations contained within any report of any inquiry prepared by the Local Government Inspector or Independent Inquiry.
- d Any other functions conferred on the audit risk and improvement committee under the *Local Government (Audit) Regulations 1996* or another written law.

4 Duties & Responsibilities

The ARIC has duties and responsibilities to fulfill the functions as assigned including the following.

- a Meeting with the auditor once each year and providing a report to Council on matters discussed
- b Review the draft annual financial report and consider and recommend adoption of the annual financial report to Council

- c Review reports of internal audits and monitor implementation of recommendations made through these internal audits.
- d Review the Shire; Business Continuity Plan

5 Reporting

Reports of meetings including any recommendations of the ARIC are to be presented to the next available Ordinary Meeting of Council.

6 Powers

The ARIC is a formally appointed advisory committee of Council. It does not have executive powers, management functions or delegated financial authority and cannot involve itself in the Shire's operational management processes or procedures.

7 Membership

The ARIC will comprise a total of four members acting at any one time and shall consist of one (1) Independent Presiding Member and three (3) elected members appointed by Council. One (1) Independent Deputy Presiding Member * to the independent Presiding Member shall also be appointed.

** Note on 17.09.26 the Department of Local Government Industry Regulation & Safety advised that regulatory reforms to be introduced would remove the need to appoint an independent deputy member to the independent presiding member of an Audit, Risk and Improvement Committee.*

All other councillors may attend meetings.

The Presiding Member acting will be entitled to the maximum meeting attendance fee for a Band 4 local government as determined by the Salaries and Allowances Tribunal plus applicable travel and accommodation expenses for in person attendance at meetings.

The tenure of Members to the Committee is in accordance with Section 5.11 of the Local Government Act 1995.

All members are responsible to the same rules concerning confidentiality, public statements, and conflict of interest as a member pursuant to *Policy 1.12 Code of Conduct Council Members Committee Members and Candidates*.

The CEO and other employees are not members of the ARIC. The CEO or his/her nominee is to be available to attend all meetings to provide advice and guidance to the ARIC. Other Council Officers and the Shires External appointed Financial Accountant may attend meetings as and when required.

8 Operations

The ARIC shall operate in accordance with the relevant meeting procedures in which the Council operates under. Voting shall be by simple majority. A quorum shall be at least 50% of the number of members whether vacant or not.

The Shire shall provide secretarial and administrative support to the ARIC.

9 Previous

21 October 2019

28 October 2017

Bill Boehm

From: ALGA Media Release <ALGA.Media@alga.asn.au>
Sent: Friday, 18 September 2026 8:05 AM
To: Bill Boehm
Subject: ALGA Media Release | After 2.5 years of talk, councils say it's time for action| 17 Sept 2026

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MEDIA RELEASE

Australian Local Government Association

Time for action as the Government wraps up its inquiry into local government funding and budget needs

After two and a half years of evidence, the Federal Government yesterday wrapped up hearings in its inquiry into the financial sustainability of local government, locking in years of testimony from councils, local government associations, Commonwealth departments, experts and other stakeholders from across Australia.

ALGA has consistently welcomed the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport's Inquiry into Local Government Funding and Fiscal Sustainability as an important opportunity to address the growing financial pressures facing councils and to build a stronger, more sustainable funding partnership between local

government and the Commonwealth.

However ALGA President Mayor Matt Burnett said that after more than two years of hearing from councils about the growing pressures they faced, there was little relief for local government.

“The key issues for councils remain the same: our councils need strong support as their communities face multiple challenges from housing pressures to rising cost of living to natural disasters.

“We need to see solid recommendations from the Committee and strong action from the Federal Government to ensure the grassroots level of government in this nation is not left behind.

“The Labor Party’s promises toward a Federation Compact with local government present a strong opportunity to act on the concerns raised in the Inquiry.

“And it needs to happen now. Councils can’t wait years for the Government to act on the findings of the Inquiry.”

Mayor Burnett said councils were watching today, in anticipation of the Committee’s findings.

“We call on all levels of government and all spheres of politics to take seriously the needs of local government and the important role they play in our communities.”

Appearing before the inquiry in June 2024 and July 2026, ALGA highlighted the widening gap between the responsibilities councils are being asked to carry and the funding available to meet them. Councils are managing growing community expectations, ageing infrastructure, disaster recovery, housing and planning pressures, workforce shortages and rising service delivery costs, while facing significant constraints on their revenue and funding certainty.

ALGA has consistently called for more reliable funding streams from the Commonwealth to allow local governments to meet community needs.

Over the course of the inquiry, the Committee has heard evidence across a broad range of issues affecting council financial sustainability. These have included the complexity of Commonwealth funding programs and barriers to accessing grants; the adequacy, effectiveness and coordination of existing funding mechanisms; the growing responsibilities being taken on by councils without corresponding increases in resources; and the particular capacity and funding challenges facing regional, rural, remote and Indigenous communities.

The Committee has also examined the increasing financial impact of climate change, natural disasters and infrastructure renewal on councils, as well as questions about whether Commonwealth funding arrangements adequately reflect the very different needs and revenue-raising capacities of communities across Australia.

These issues reinforce ALGA's long-standing position that sustainable local government requires more than short-term or competitive grants. Councils need a funding framework that provides certainty, flexibility and equity, and recognises the essential role local government plays in delivering services, infrastructure and national priorities in every Australian community.

//END

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Bill Boehm

From: ALGA Media Release <ALGA.Media@alga.asn.au>
Sent: Friday, 9 October 2026 11:16 AM
To: Bill Boehm
Subject: ALGA Media Release | Disaster recovery funding decision a win for councils and communities | 9 Oct 2026

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MEDIA RELEASE

Australian Local Government Association

Disaster recovery funding decision a win for councils and communities

Disaster recovery funding decision a win for councils and communities

9 October 2026

The Australian Local Government Association has welcomed the Government's decision to scrap proposed changes to the current disaster recovery funding arrangements that would have seen the Commonwealth reduce its contribution to recovery costs from up to 75 per cent to 50 per cent.

ALGA President Mayor Matt Burnett said the decision was a significant win for councils and disaster-affected communities across Australia, and demonstrated the importance of genuine consultation with local government.

“This is a very welcome announcement and a great result for councils and the communities they represent,” Mayor Burnett said.

“We thank the Prime Minister, Treasurer Jim Chalmers, Emergency Management Minister Kristy McBain and the Federal Government for listening to local government and recognising the enormous financial pressures councils face when disasters strike.

“Maintaining the Commonwealth’s contribution of up to 75 per cent is critical to ensuring councils can get on with the job of rebuilding roads, bridges and essential community infrastructure after floods, fires and other natural disasters.

“Councils are on the frontline when disasters hit, and they are often still managing the financial impacts long after the immediate emergency has passed.

“Shifting more of those costs onto councils would have placed an unsustainable burden on local government budgets and, ultimately, the communities we serve.”

Mayor Burnett acknowledged the strong advocacy of councils and local government associations across Australia.

“We welcome the decision to retain councils’ ability to claim costs under Counter Disaster Operations, and the commitment to revising funding activation thresholds to make disaster assistance more accessible.

“These are important steps towards a fairer and more effective disaster recovery funding system.

“Local governments want to work constructively with the Commonwealth and state and territory governments to strengthen disaster preparedness, response and recovery.

“Today's announcement demonstrates the value of that partnership, and we look forward to continuing to work with Minister McBain and the Government to ensure councils have the funding and certainty they need to protect and prepare their communities, and to rebuild after disasters.”

//END

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Bill Boehm

From: ALGA Media Release <ALGA.Media@alga.asn.au>
Sent: Thursday, 20 August 2026 12:21 PM
To: Bill Boehm
Subject: ALGA Media Release | Invest in councils to lift regional productivity | 20 Aug 2026

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MEDIA RELEASE

Australian Local Government Association

Lift regional productivity? Invest in the councils that deliver in regional Australia.

The Australian Local Government Association says a new report on regional productivity reinforces the case for greater direct and untied funding for councils, which are best placed to identify and deliver the infrastructure their communities need.

The Regional Australia Institute's *Regional Productivity Solutions* report highlights the importance of infrastructure, housing, workforce capacity, connectivity and resilience to stronger regional economies.

ALGA President Mayor Matt Burnett said councils were already delivering across all of these areas, but were being held back by inadequate and fragmented funding.

“Regional councils know their communities, understand their local economies and know where investment will make the biggest difference,” Mayor Burnett said.

“What they need is the financial capacity to get on with the job.

“Too much Commonwealth funding is tied up in competitive programs that require councils to spend significant time and resources applying for grants, often for priorities determined in Canberra rather than locally.

“Providing councils with more direct, untied and predictable funding would allow them to invest where it is needed most, whether that is roads, water and wastewater infrastructure, housing-enabling works, community facilities, digital connectivity or disaster resilience.”

Mayor Burnett said restoring Financial Assistance Grants to at least one per cent of Commonwealth taxation revenue would provide councils with the flexible funding needed to support productivity and growth across regional Australia.

“The report makes a strong case for a more place-based approach to regional productivity, recognising that the barriers to growth are different from one community to the next,” Mayor Burnett said.

“We strongly support its focus on housing-enabling infrastructure, transport, water security, climate resilience, digital connectivity, skills and essential services.

“These are all areas where councils have a critical delivery role, and where additional investment can unlock economic activity and improve the liveability of regional communities.”

Mayor Burnett said the report also highlighted the challenges created by fragmented grant programs, limited revenue bases and workforce shortages,

particularly for smaller rural and remote councils.

“It is important that future regional policy recognises these constraints and gives councils the capacity to plan and invest for the long term,” he said.

“ALGA also supports the report’s emphasis on better regional economic data and stronger place-based decision-making.

“Regional productivity is shaped by industry mix, private investment, commodity prices, workforce availability and local infrastructure, so policy responses need to reflect the very different circumstances of individual regions.

“The central message is one we strongly support: lifting Australia’s productivity means investing in regional communities and giving local institutions, including councils, the capacity to deliver.”

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