

Shire of Murchison

Annual Report

For the year ending 30 June 2019

Adopted by Council on 27 February 2020

Contents

Overview	3
President's Report	7
Chief Executive Officer's Report	11
Strategic Community Plan	15
Statutory Reporting Requirements	17
Financial Performance	21
Financial Report	23



Overview

Section 5.53 of the *Local Government Act 1995* requires Council to prepare, adopt and publish an Annual report for each financial year. Whilst the Act requires a raft of matters to be reported on, there is also an opportunity to highlight in summary form a range of features that make up the Murchison Shire Community, as well as actions undertaken throughout the year.

This year's 2018/19 Annual Report was finalised and adopted by Council at its Ordinary Meeting on 14 December 2019.



Shire Information

Shire Office and Chambers	3007 Carnarvon Mullewa Road, Murchison WA 6630		
Postal Address	PO Box 61, MULLEWA WA 6630		
Telephone	(08) 9963 7999		
Facsimile	(08) 9963 7966		
E-mail	admin@murchison.wa.gov.au		
Web Page	www.murchison.wa.gov.au		
Office Hours	8.00am to 5.00pm Monday to Friday		
Road Condition Reports	www.murchison.wa.gov.au/road conditions		
Population	153	Land Area	49,500 sq km
Electors	17	Length of sealed roads	184km
Employees	14	Length of unsealed roads	1,778 km
Local Government Classifications	WA - Band 4	Australian - Rural Remote Extra Small (RTX)	

Description

The Shire of Murchison lies within the Mid-West region of Western Australia. The Murchison Shire Settlement is situated on 708 hectares excised from the Wooleen pastoral lease and vested in the Council. It is located some 669km from Perth, 300 kilometres north east of Geraldton; 200 km north of Mullewa on the Carnarvon Mullewa Road.

The settlement has twelve dwellings, the Shire Office, the district museum, roadhouse, community centre, cricket pitch and practice nets, one tennis court and two lawn bowls rinks under lights, stables and horse yards, five polocrosse fields and three ablution/toilet blocks. It is home to approximately 21 people, 14 of whom are Shire employees plus others who manage the Roadhouse or also reside in the settlement. Electricity and water supplies are owned and run by the Council. It is the engine room for the entire operation of Council.

Murchison is the second least populated Local Government in Australia and is thought to be the only Shire in Australia without a gazetted town site.



top to bottom left to right – Aerial View Murchison Settlement, Gnamma Hole, Mustering at Byro Station, , Jurong Rock, CSIRO Radio Telescope, Old Ballinyoo Bridge Span, Rock Art

The surrounding country is mainly used for pastoral purposes, predominantly cattle and sheep. The Murchison River catchment has a significant influence, with sporadic and widespread flooding a feature to be managed. Tourism is developing with some stations involved in station stays. The Murchison Oasis Caravan Park and motel units located at the settlement provide facilities for tourists. There are also a few mining companies in exploration stage within the shire.

The Murchison Radio Astronomy site (MRO) has been developed by CSIRO on a portion of the Boolardy pastoral lease and will be the location for the Australian component of the Square Kilometre Array, which will be developed in future years as part of an international ground breaking science project with state of the art radio telescopes gathering data from the universe.

History

The Shire of Murchison is one of the older Local Governments in Western Australia, having its origins in the Murchison District Roads Board, established 31 August 1875 and the Upper Murchison Roads Board established 12 July 1907. These two were amalgamated in 1911 as the Murchison Roads Board. In July 1961, under the provisions of the Local Government Act, the Roads Board became the Shire of Murchison. In 2004 a portion of the then Mullewa Shire was added to the Murchison Shire.

Until 1963 the Shire was administered from one or other of the stations, and in that year 400 hectares were excised from the Wooleen pastoral lease and vested in the Shire. A house, which contained the office, was built, as was a workshop and airstrip. These were followed by sporting facilities and in 1986 a new office. Later, a museum and staff houses were constructed. The Murchison Settlement was proclaimed on 15 July 1988.

The name 'Murchison' was given to the region back in 1839 by early explorer Lt George Grey in honour of Sir Roderick Impey Murchison, the President of the Royal Geographical Society of London. The Murchison and Roderick Rivers were also named in his honour. The Shire's logo is based on the Murchison family coat of arms.

Branding

The crest we currently use in the shire is based on the Murchison family coat of arms. The Murchison family originated in the remote western coast of Scotland and the Hebrides Islands. The crest is comprised of a lion rampant on an Or (gold) backing, between two pineapples on chief vert (green) and an escallop in base azure (blue).



Or Gold	In heraldry indicates generosity, valour and perseverance - all characteristics of Murchison people.
Vert Green	Represents hope vitality and plenty.
Azure Blue	Indicates loyalty and splendour.
Pineapples	Have long been the traditional symbol of hospitality and good fortune; a pleasant connotation—Mt Welcome.
Escallop	Indicates travel and can mean having been on Holy Crusade

Following input from the community, at its March 2018 ordinary meeting Council adopted a new tag line for the Shire of Murchison namely, '**Ancient Land Under Brilliant Skies**'. This reflects the beautiful part of the country in which we are fortunate to be based. During the year with the assistance of Cr Emma Foulkes-Taylor and Frances Jones; graphic designers Identify Perth were engaged to assist in the Logo and Brand development. Various concepts have been developed with finalisation expected in 2019/20.



top to bottom left to right – Murchison Settlement Entrance Sign, Capture the Cultural Book Presentation, Outgoing CEO Peter Dittrich, Murchison Innovation Days, 2018 Christmas Party, 2018 Anzac Day Volunteer of the Year Award Presentation to Paul Lukitsch by Shire President Rossco Foulkes-Taylor.

President's Report

Hello All,

I feel the Shire of Murchison has had a productive 2018/2019 financial year performing the usual services of road maintenance and Settlement upkeep alongside various office support for community and council needs.



The office crew have continued working through day to day administrative tasks while at the same time providing a good service for the local community. The Department for Local Government can't be accused of winding back their compliance demands which seem to take a lot of financial and human resources to keep up with. The construction and maintenance crews continued their programmes under the guidance of William Herold, with good road access throughout the shire being reward for their persistent efforts.

The Settlement grounds and the roadhouse continue to provide a welcoming atmosphere for those visiting and I thank all those involved.

Our CEO Peter Dittrich left us towards the end of this year and I wish him well in his future endeavours. Council appointed a new CEO in Bill Boehm, and we warmly welcome Bill and his partner Kaye to the Murchison.

To all that play a part in the operation of the Murchison Shire – I have enjoyed being part of a team that has worked hard for our community during the year.

In my Shire related roles I hear around the traps now and then (often in areas outside the Murchison) comments such as, "The Shire made this decision which will badly affect us" or, "We will have to deal with this new way of doing things but it won't bother them." When I hear such talk, it I can't really relate it to the Community I live in that much because I don't consider there is actually much separation between the Shire and the community in the Murchison. Yes, six locals have put their hands up and been elected Councillors to guide the Shire operations for the next few years, but I don't consider we are any different from the rest of the Murchison residents. With most full-time locals knowing all of us councillors, and with us all living here and being around the place most of the time, I feel there is always plenty of opportunity to have a chat and express one's opinion or wishes about what direction the Shire is heading in and I would encourage you to do so.

I have been fortunate to visit and work around a large part of Australia when I was younger, and I've had a quick look at a few places around the world at different times in later years, and I still reckon I live in one of the best spots on offer.

Rossco Foulkes-Taylor
President

Elected Members

Council has a small active team of elected members who work within and outside of Council for the betterment of the community.

Councillor

*Cr Roscco Foulkes-Taylor
Yuin Station
President*



**Term
Expiry**
Oct 2019

Committees Working Groups & Delegates

Audit Committee, Murchison Community Fund Management Committee, Local Emergency Management Committee, Plant Working Group, Settlement Drinking Water Working Group, Settlement Power Supply Working Group, Murchison Regional Road Group and WALGA Zone Delegate

*Cr Andrew Whitmarsh
Byro Station
Deputy President*



Oct 2019

Audit Committee, Settlement Building Working Group, Wild Dog Control Working Group, SKA Stakeholder Meeting Representative and WALGA Zone Delegate

*Cr Quentin Fowler
Mileura Station
Member*



Oct 2019

Audit Committee and Community Advisory Group

*Cr Paul Squires
Twin Peaks Station
Member*



Oct 2021

Audit Committee, Plant Working Group, Settlement Power Supply Working Group and Murchison Regional Road Group

*Cr Emma Foulkes-Taylor
Yuin Station
Member*



Oct 2021

Audit Committee, Settlement Building Working Group, Accident Prevention Working Group, Community Advisory Group, SKA Stakeholder Meeting Representative and Murchison GEO Region

*Cr Greydon Mead
Bullardoo Station
Member*



Oct 2021

Audit Committee, Plant Working Group and Settlement Power Supply Working Group

Councillor Meeting Attendance

There were 11 Ordinary Meetings, 1 Special Meeting and 1 Electors Meeting of Council held between 1 July 2018 and 30 June 2019. The Special Meeting was for the purposes of considering the appointment of a Chief Executive Officer to replace Peter Dittrich.

A breakdown of Councillors' presence at meetings is detailed in the following table:

Councillor		Ordinary Meeting	Special Meeting	Electors Meeting	Total
Cr Roscco Foulkes-Taylor	President	11	1	1	13
Cr Andrew Whitmarsh	Deputy President	9	1	1	11
Cr Quinten Fowler	Member	11	1	-	12
Cr Paul Squires	Member	9	1	-	10
Cr Emma Foulkes Taylor	Member	11	1	-	12
Cr Greydon Mead	Member	11	1	1	12

Other meetings attended also included Audit Committee, Local Emergency Management Committee, Various Working Groups and Tender Assessment Panels.

External meetings attended as Council representatives included Regional Road Group and Murchison sub Regional Road Group, SKA Stakeholders and WALGA Zone Meeting (Cue Parliament).

Snapshot

Council formally deliberated on a large array of governance matters during the year some of which are highlighted below:

- ~ Endorsement of the Shire of Murchison branding itself as part of the 'Western Australia's Murchison Geo Region - Home of an Aspiring Geopark', with an annual allocation for a shared project for ongoing Murchison Geo Region marketing and product
- ~ Awarded Midwest Freight Services a contract to provide Freight Services for several pickup points. Council recognises the difficulty and costs to live in a remote area and this support is critical to assist residents within the Murchison Settlement and adjacent local stations.
- ~ Reviewed but not alter Standing Orders Local Law 2001 relating to the meeting and business of Council.
- ~ Amended a Deed of Covenant for the Construction, Operation, Use and Maintenance of the Square Kilometre Array Access Road.
- ~ Subject to a future agreement, provisionally endorsed a possible change to the RAV access on the Beringarra Pindar Road to assist Adaman Resources to develop a local mine.
- ~ Accepted the quotation from Oiltech for the supply of fuel to the Shire for two years. Contract includes fuel for Shire use, for retail at the Murchison Roadhouse and for local stations.
- ~ Adopted a Workforce Plan.
- ~ Agreed to invite public tenders for the supply of two staff houses
- ~ Adopted three prequalified supplier panels; Roads (provision of plant and equipment for road making), Concrete Services and Provision of Trades.



top to bottom left to right – Council Office and Staff, Sports Club, Library, Museum Cottage & New Path, Murchison Settlement, Errabiddy Bluff

Chief Executive Officer's Report

The Shire is fortunate to have a dedicated and committed set of councillors who are well connected to the community, understand the area's history and heritage and contribute in many ways outside their formal roles.

Council's very small staff team punch well above their weight, actively assisting in a complementary fashion and, whilst very small in number, work and function across a large array of areas and, where necessary due to our small size, utilise a range of external contract resources.

During 2018/19 Council's well-respected Chief Executive Officer Peter Dittrich resigned, with Acting CEO Eddie Piper, who is well-versed with local government operations through his long-standing experience, filling the role prior to a new permanent appointment being made. Both are to be congratulated for their dedication and hard work and integration with councillors and community.

Council's Deputy CEO Rose Jones resigned in early July 2019, Technical Services Administration Officer Ms Vanessa Crisp resigned in March 2019 and Finance Officer/Administration Officer Bernie Peirl resigned in May 2019. These positions will need to be replaced in 2019/20.

We once again take this opportunity to thank all members of staff for their service to the Shire, alongside a number of contractors who support our staff and deliver portions of our construction and maintenance.

Governance

Chief Executive Officer	Mr Peter Dittrich until 30/05/19 Mr Eddie Piper from 30/05/19
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Corporate Services

Deputy Chief Executive Officer	Ms Rose Jones until 5/07/19
Finance Officer/Administration Officer	Ms Tatjana Erak
Finance Officer/Administration Officer	Ms Bernie Peirl until 9/05/19
Cleaner/Customer Service Officer (Part Time)	Ms Vicki Dumbris

Works Staff

Works Supervisor	Mr William Herold
Technical Services Administration Officer	Ms Vanessa Crisp until 8/03/19
Mechanic	Mr Stuart Broad
Leading Hand - Construction	Mr Mark Jones
Leading Hand - Maintenance	Mr Neil Combe
Plant Operator	Mr Glen Pinnegar
Plant Operator	Mr Ivor Dumbris
Plant Operator	Mr Reid Brennick
Plant Operator	Mr Greg Barr
Gardener	Mr Ryan Prow

Other Contract Staff

Environmental Health Officer / Building Surveyor	Mr Phillip Swain – Phil Swain Consulting
Ranger	Mr Peter Smith – Canine Control



top to bottom left to right – Murchison Settlement, Grid Reconstruction, Wreath Flowers, Concrete Cut-off Wall, Flood Marker over Murchison River on Byro-Beringarra Road, New Fire Shed Slab, Flood Event

Roads

The backbone of the Shire's operation involves the management, maintenance, repair, construction and reconstruction of the vast array of Council's road network. Council's small construction and maintenance crews of 6 are supplemented by various contractors for our core program, as well as one-off projects such as flood damage restoration and CSIRO road related works.

Major capital roadworks undertaken during year included the following.

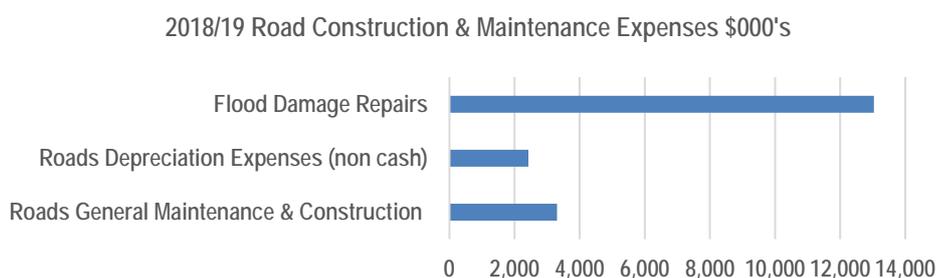
Road	SLK Location	Works
Various	Various	Replace and extend width of 5 Grids to 8m wide
Beringarra-Pindar	299.34-300.54	Culverts & gravel resheeting
Beringarra-Pindar	Various	Prepare Grid Approaches for 8 Grids
Beringarra-Pindar	284.57-289.56	Reform & resheet including 2 crossings
Beringarra-Pindar	223.69-227.20	Form up and gravel sheet
Carnarvon-Mullewa	250.00-270.35	Emergency Repair Work. Rebuild & reshape
Carnarvon-Mullewa	118.80-122.80	Form up & gravel resheet
Beringarra-Pindar	310.56-317.46	Form up & gravel resheet
Beringarra-Pindar	Various	Seal 200m at 10 grid approaches
Beringarra-Cue	Various	Transfer to Reserves for reinstatement
Various	Various	Transfer to Reserves for road sealing

The January/February 2018 rain event, which caused extensive damage across the state, resulted in \$15.3mil damage within our Shire. The repair work was funded by WANDRRA with contractors commencing working on the damaged areas in early 2018-19. Most of the work was successfully completed in 2018/19. The Shire established a line of credit with the State Government to manage cash flows during the project. At the end of the financial year \$1.55m in short-term loan payments was still outstanding. This amount was later paid in 2019/20 from flood damage grants, meaning that for practical purposes Council is almost debt free. In April 2019 Council experienced a similar rain event which will be addressed in 2019/20.

2018/19 Roadworks snapshot is as follows

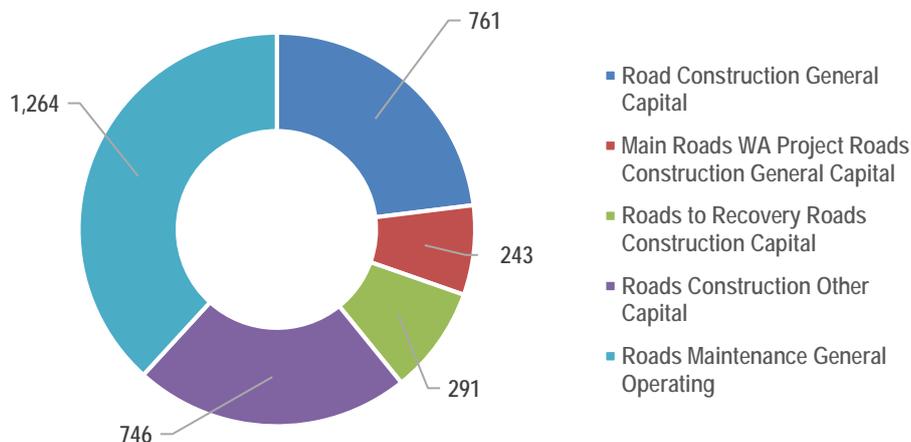
Project	Expense Type	Actual \$000's
Road Construction General	Capital	761
Main Roads WA Project Roads Construction	Capital	243
Roads to Recovery Roads Construction	Capital	291
Roads Construction Other	Capital	746
Roads Maintenance General	Operating	1,264
Flood Damage Repairs	Operating	13,040
Totals		16,347
Roads Depreciation Expenses (non-cash excluded in the above)	Operating	2,422

As can be seen, expenses on Flood Damage Repairs can significantly increase the impact on Council's normal level of operation of around \$3.3m.



Excluding Flood Damage Repairs and Depreciation the following snapshot highlights the extent of General Roads maintenance and construction activity undertaken during the year

2018/19 Roads General Maintenance & Construction Expense \$000's



During the year Council's small maintenance crew of 2 successfully graded, rolled and generally rebuilt approximately 25km of gravel roads, with work being prioritised on a combination of the condition of the road as well as the nature and extend of traffic.

Other Actions

- ~ Fulton Hogan completed the airstrip reseal and line marking at the Murchison Airport.
- ~ Upgraded internet access between Shire Office and Works Depot
- ~ Plant and W=Equipment. Commenced work to replace a Truck, Loader and Grader, all of which will be finalised in 2019/20.
- ~ Continued to work towards upgrading our Settlement power. During the summer period the existing generating capacity was placed under significant stress so that, whilst Council continues to work towards greening our power operation, a new generator is programmed for 2019/20.
- ~ Work towards providing potable water for Settlement residents and visitors continues.
- ~ General Community Participation;
All residents and ratepayers are encouraged to respond to surveys and provide feedback to Council on an ongoing basis to help build a stronger and economically resilient community. Council regularly updates and utilises its community email list to assist, as well as facilitating publication of the Murchison Monologue about life in the Shire of Murchison. During the year 3 newsletters were produced and distributed.
- ~ Anzac Day in April, Murchison Polocrosse Tournament in May and Shire Christmas celebrations in December continue to be the Shire's main community events.

Bill Boehm
Chief Executive Officer

Strategic Community Plan

The Local Government Act and associated Regulations require a Local Government to: ensure that a strategic community plan is made for its district

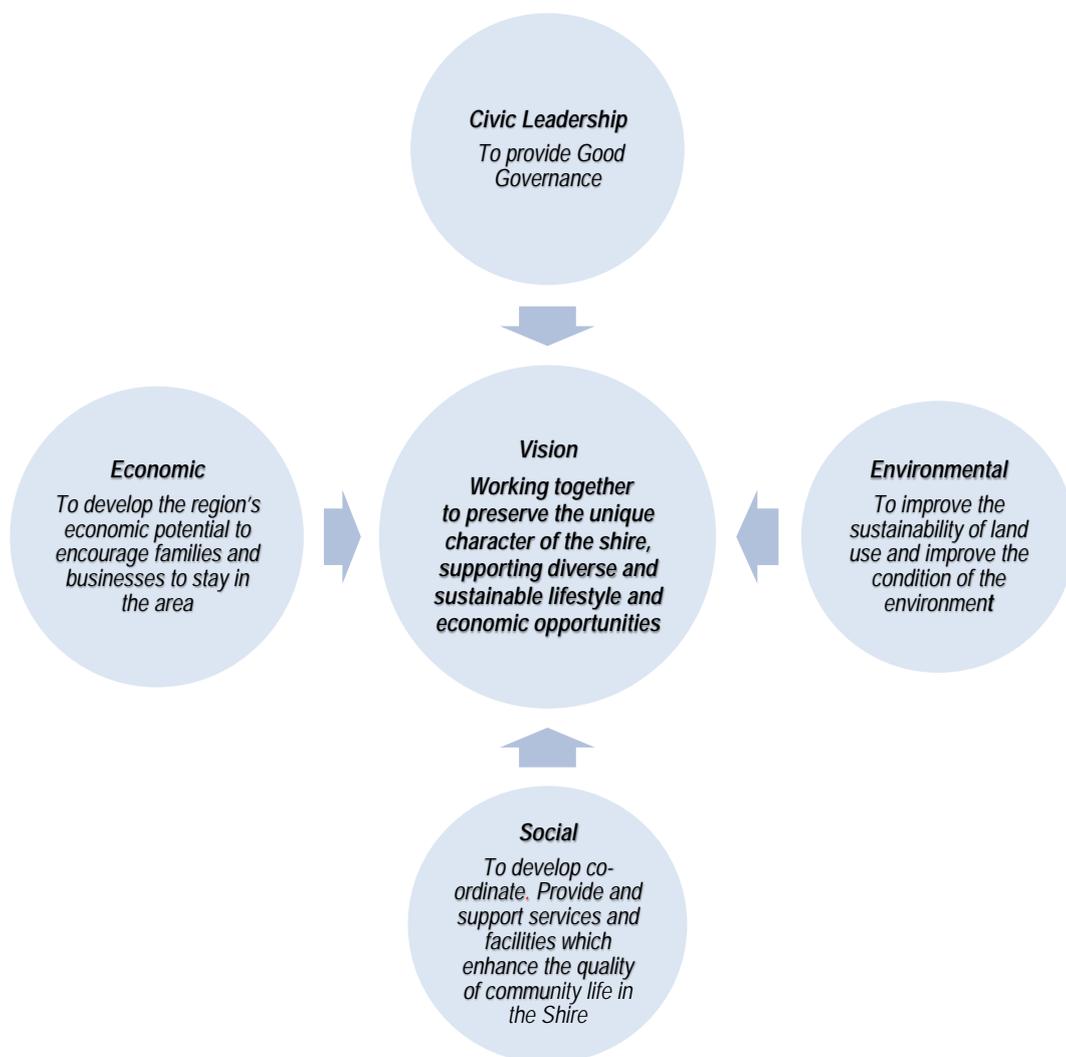
- ~ Ensure that a corporate business plan is made for its district and
- ~ include in its Annual Report an overview of the Plan for the Future, including major initiatives planned to commence or continue in the next year.

In accordance with Integrated Planning and Reporting Requirements, the Shire of Murchison has developed a ten-year Strategic Community Plan, a 15-year Long Term Financial Plan and a four-year Corporate Business Plan.

The Strategic Community Plan was originally developed in 2013 after extensive community consultation. The Plan reflects the Community's vision for the future and is the principal strategic guide for our future planning and activities.

A full review of the plan was undertaken and the revised 2016/17 to 2026/27 Strategic Community Plan was adopted on the 29 March 2017 as per the following overview:

t



Various major initiatives were planned to commence or continue in the next few years. The proposed desktop review of the plan may alter priorities but, in the meantime, the original planned capital program with updated comments is shown in the following table:

Action	Project	2019 \$000's	2020 \$000's	2021 \$000's	Comments
4.3.1.2	Plant replacement	959	461	494	Program managed within general roadworks program
4.3.1.2	Plant and equipment renewals - minor plant	15	16	16	Program managed within general roadworks program
3.1.1.1	Chlorinator	0	0	0	
2.3.1.2	Fertigation	0	0	0	
2.2.1.1.	Green energy solution	1,100	0	0	Reprogrammed to 2021
3.2.1.3	DFES - fast attack	0	120	0	
1.1.1.3	Road construction and renewal	1,403	1,425	1,827	Generally exceeded targets
3.1.1.1	Other Infrastructure	0	0	0	
1.1.1.3	Historic Ballinyoo bridge span	0	0	0	Completed in 2017/18
3.1.1.3	Cemetery beautification	0	0	0	
1.1.1.3	Storage bunkers for road building materials	25	0	0	
4.3.1.2	Furniture and equipment renewals	15	16	16	
1.2.1.1	Interpretive centre	1,500	0	0	To be reviewed
1.2.1.2	Backpackers accommodation and camper's kitchen	500	0	0	Yet to commence
3.1.1.1	Extend administration offices	0	0	500	
3.1.1.1	Sheds for residential houses	0	0	0	
3.1.1.1	Staff housing	0	0	0	Included in 2019/20
3.1.1.1	Administration office carports	0	0	45	
3.2.1.3	First aid transfer room	0	0	0	
3.1.1.1	Sports club BBQ rotunda	30	0	0	
3.1.1.1	Tyre storage	0	0	0	
3.1.3.2	Community centre - renewal	50	0	0	
Grand Total		5,597	2,037	2,898	

Statutory Reporting Requirements

The following are statutory reporting requirements for inclusion into Council's Annual Report

National Competition Policy

In 1995 the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy. Local government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses. Local government will also be affected where local laws unnecessarily affect competition.

Local Government is required to comply with certain policies contained within the National Competition Policy Statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

It is Council's responsibility to determine whether it is engaged in "significant business activities" within the context of its operations and therefore whether it is required to apply the competitive neutrality principles. Local government is only required to implement the above principles to the extent that the benefits to be realised from implementation outweigh the costs in respect of individual business activities exceeding an annual income of \$500,000.

Regarding Council's responsibilities in relation to National Competition Policy and Competitive Neutrality, the Shire reports that:

- ~ Council does not undertake any business enterprises that are classified as either a Public Trading Enterprise or Public Financial Enterprise.
- ~ Competitive neutrality has not been applied to any activities undertaken by the Shire in 2018-19 and no allegations of non-compliance with competitive neutrality principals have been made by any private entity.
- ~ The Shire continues to monitor Council Polices and Local Laws for anti-competitive practices.

Register of Certain Complaints of Minor Breaches

The Local Government Act requires the annual report to contain details about entries made during the financial year in the register of complaints, including:

- ~ the number of complaints; and
- ~ how the recorded complaints were dealt with; and
- ~ any other details that the regulations may require.

Generally, a minor breach is a breach of a local law or code of conduct and the action taken may be public censure, making the person say sorry or sending them to training. A register must be kept of all such breaches.

The Shire of Murchison does not have a designated Complaints Officer and so the Chief Executive Officer fulfils this role.

The Shire reports no complaints as defined under s5.110 (6) (b) or (c) of the Act for the period ending 30 June 2019.

Public Interest Disclosures

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken. The Chief Executive Officer is the designated responsible officer under the Act and has complied with all obligations. There were no disclosures or complaints lodged during 2018-19.

Disability Access and Inclusion Plan

The Disability Services Act 1993 requires a local government or regional local government that has a disability access and inclusion plan must include in its annual report a report about the implementation of the plan.

The Murchison Shire Council Disability Access & Inclusion Plan was originally adopted in July 2008, then reviewed in the later part of 2015 and the review adopted by Council in February 2016, after community consultation. The Disability Access and inclusion Plan 2016–2020 includes seven outcomes and underpinning strategies to ensure that people with disability have the same opportunities as other people to access the services of public authority.

The seven outcomes and achievements against strategies for 2018-19 are:

Outcomes

- 1 People with disability have the same opportunities as other people to access the services of and any events organised by a public authority.
- 2 People with disability have the same opportunities as other people to access the buildings and other facilities of public authority
- 3 People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.
- 4 People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.
- 5 People with disability have the same opportunities as other people to make complaints to public authority.
- 6 People with disability have the same opportunities as other people to participate in any public consultation by a public authority.
- 7 People with disability have the same opportunity as other people to obtain and maintain employment with public authority.

Achievements against Strategies

- ~ Shire services are monitored to ensure equitable access and inclusion, especially in regard to events being organised or funded
- ~ The DAIP is considered a living document and is inclusive to all shire plans and strategies.
- ~ Consideration is given to providing wheelchair access for all new development works;
- ~ All recreational areas are accessible.
- ~ All Shire information is available in alternative format upon request;
- ~ Staff are aware;
- ~ Website meets contemporary good practice.
- ~ Staff and Council are aware of disability issues and provide a high standard of customer service to all who attend the Shire.
- ~ Grievance mechanisms are in place but have not yet been utilised by any people with disability.
- ~ Through our website, people with disability are encouraged to participate in any public consultation.
- ~ People with disability are encouraged to apply for any employment with the Shire.

Information About Certain Employees

In accordance with s5.53(2)(g) of the *Local Government Act 1995* and s19B of the *Local Government (Administration) Regulations 1996*, there are three employees entitled to an annual salary of \$100,000 per annum or more. The following information relates to employee remuneration bands and the number of employees within each band:

Salary Band	Number of Employees	
	2019	2018
\$100,000 to \$109,999	1	1
\$110,000 to \$119,999	0	0
\$120,000 to \$129,999	1	1
\$130,000 to \$139,999	0	0
\$140,000 to \$149,999	1	1

Freedom of Information

The Shire of Murchison complies with the Freedom of Information Act 1992 which, amongst other things, has as its objectives, to;

- ~ Enable the public to participate more effectively in governing the state; and
- ~ Make the persons and bodies that are responsible for the State and Local Government more accountable to the public.
- ~ Make available details about the kind of information they hold and enable persons to ensure that personal information held by government agencies about them is "accurate, complete, up to date and not misleading

The Chief Executive Officer is the Shire's Freedom of Information Coordinator. Any formal application for the information that is not already freely available at the Shire may be made formally through the Chief Executive Officer.

It is the aim of the Shire of Murchison to make information available promptly, at the least possible cost and wherever possible, documents will be provided outside the freedom of information (FOI) process. During 2018/19 the Shire received no Freedom of Information applications.

Record Keeping

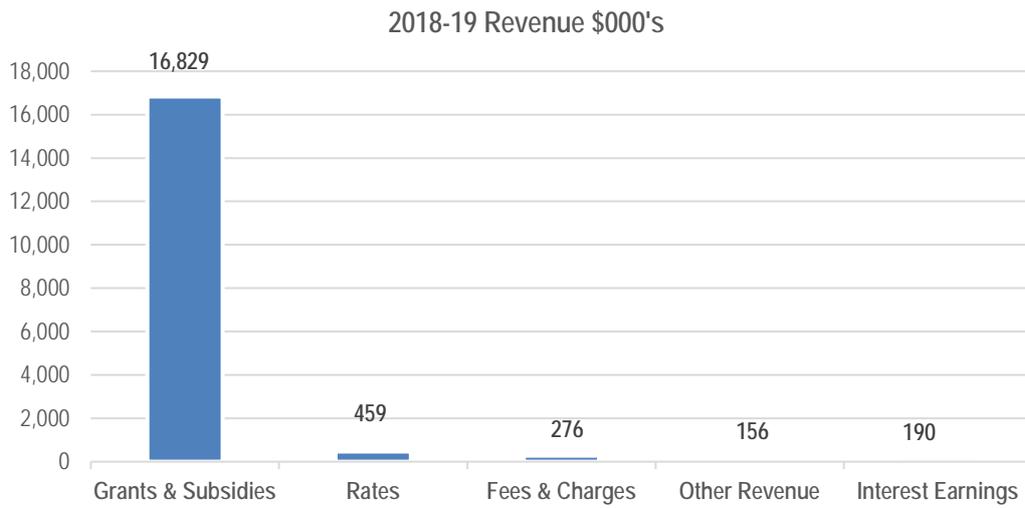
The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed matter. Council has prepared a Record Keeping Plan that is considered to comply with the Act. The record keeping plan is to provide evidence to address that;

- ~ The efficiency and effectiveness of the Shire's record keeping system is evaluated not less than once every 5 years.
- ~ The Shire conducts a record keeping training program.
- ~ Information sessions are conducted for staff as required.
- ~ The Shire's Induction Program for new employees includes an introduction to the local government's record keeping system and program, and information on their record keeping responsibilities.

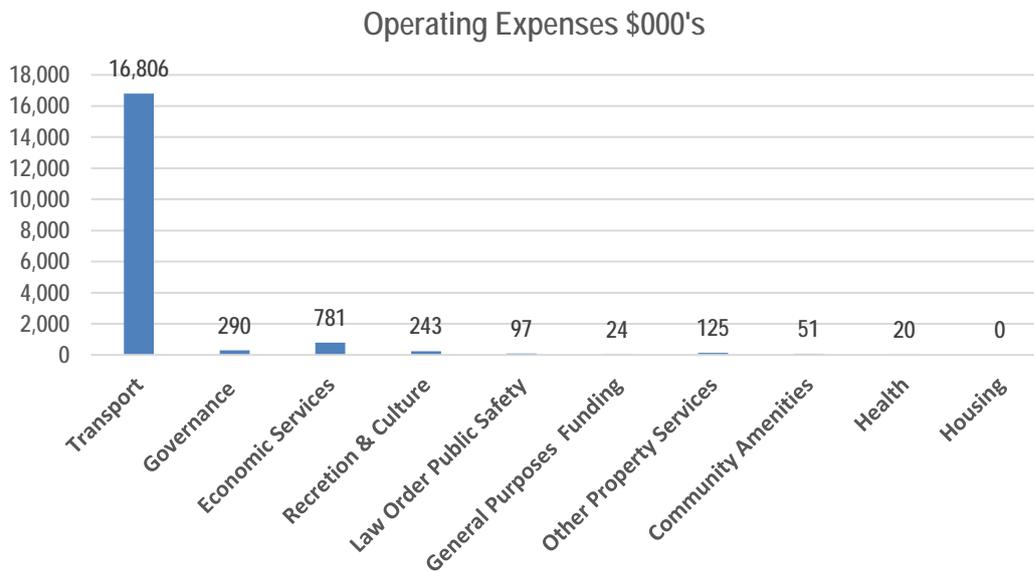
The Record Keeping Plan must be reviewed at least every five years. Between reviews, the implementation/continuation of requirements is to be further developed.

The Shire of Murchison completed a full review of its record keeping plan in November 2018 which will be submitted to the State Records Office. It is expected that a significant amount of catch-up work will be required to implement the plan.

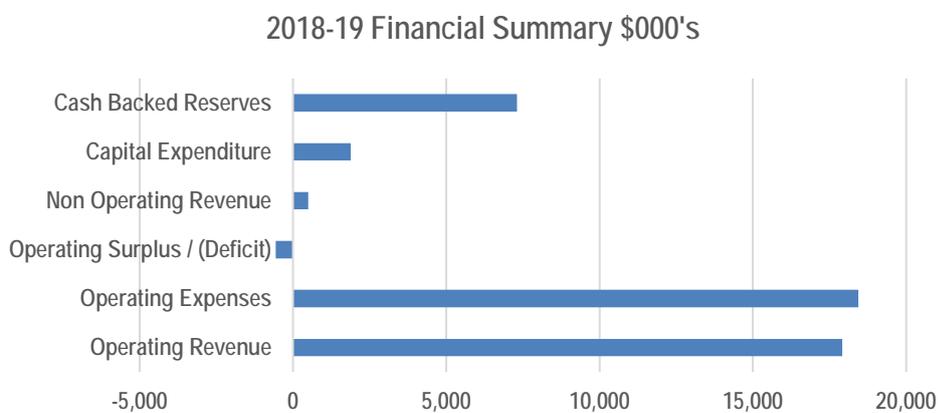
Operating Revenue



Operating Expenses



Financial Summary



Financial Performance

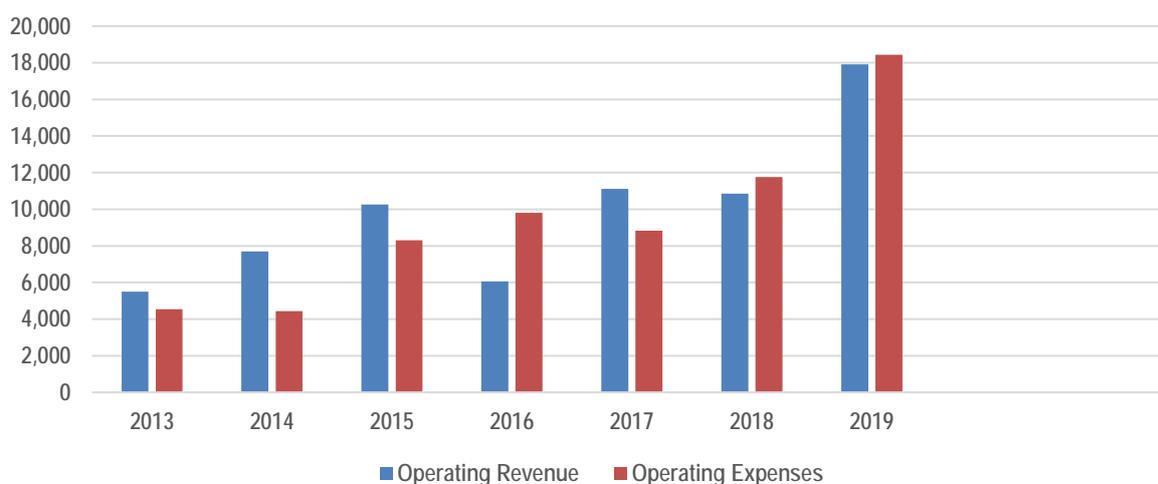
Financial Summary

A summary of Council's financial performance is shown as follows:

\$000's	2019	2018
Operating Revenue	17,909	10,849
Operating Expenses	18,438	11,751
Operating Surplus / (Deficit)	(562)	(902)
Non-Operating Revenue	497	1,174
Capital Expenditure	1,877	4,539
Cash Backed Reserves	7,303	5,559
Total Liabilities	3,064	477

Depending on the circumstances during year the Financial Performance may vary widely. For 2018/19 the main influencing factor that dramatically increased both operating income and operating expenses involved repairs to Council's road network following the January/February 2018 rain event. Effectively Council's normal level of road expenditure increased by around a factor of 4, replicating a situation that has occurred over recent years.

Operating Revenue & Expenses \$000's

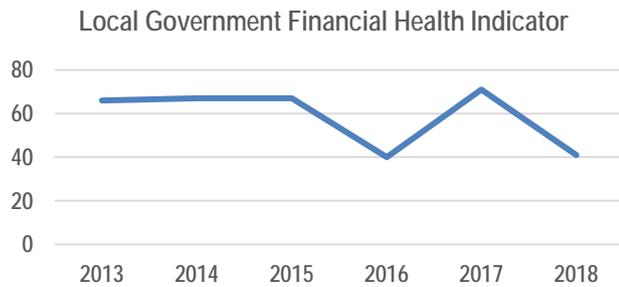


Financial Position

Many small councils in WA are heavily reliant on external funding, delivered through the State Grants Commission (Financial Assistance and Road Grants), Roads to Recovery, Main Roads WA, Flood Damage (where applicable) and other sources. Rate Revenue represents a very small proportion of our operating revenue.

The Department of Local Government Sport & Cultural Industries (DLGCSI) has, over recent years, developed a Financial Health Indicator (FHI) as a measurement of a local government's overall financial health. It is calculated from the seven financial ratios that local governments are required to calculate annually.

An FHI result of 70 and above is supposed to indicate sound financial health. The maximum result achievable is 100. Results for Murchison over the past of over the past 6 years are as shown adjacent.



Whilst the FHI is one factor to consider in assessing overall performance, other factors include: the range of services offered, efficiency of services delivered, community satisfaction, sparseness, and major events such as flood repairs, etc.

For instance, in 2018/19 whilst the Debt Service Cover Ratio as outlined under Note 30 of the Notes to Financial Report is recognised as being “supposedly” below the (DLGCSI) standard in reality this was influenced by \$1.55m in short-term loan payments which were outstanding at the end of the financial year, but later paid in 2019/20 from flood damage grants. For practical purposes Council is almost debt free.

The trend over time is more important than the actual figure but, as indicated, depending on major factors such as flood damage there can be a marked change above the normal operating situation. Whilst a council’s FHI can be compared with other councils, without a real understanding of comparing like with like, a sound judgement is virtually impossible as a stand-alone measure.

The figure is also subject to question depending on the timing of an entities an asset valuation and the degree of sophistication of the asset management plan. Some of the definitions of ratios required to be calculated do not appear to be in accordance with contemporary practice.

Regardless of the figure, questions maybe be asked by the community about a local government’s revenue, expenses and service delivery. This same question is asked at a Council level where it is recognised that having sound data and analysis is critical to good medium to long term decision making. Council is committed to improvements in this area, recognising the need to allocate appropriate resources in line with the adjacent continuous improvement approach.



Financial Report

Council's Financial Report for the year ending 30 June 2019 report comprises the following:

Financial Report	1
Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and Forming Part of the Annual Report	9
1 Basis of Preparation	9
2 Revenue and Expenses	10
3 Cash and Cash Equivalents	13
4 Reserves - Cash Backed	14
5 Trade Receivables	15
6 Inventories	17
7 Other Financial Assets	18
8 Property Plant and Equipment	19
9 Infrastructure	21
10 Property Plant and Equipment (Including Infrastructure)	23
11 Revaluation Surplus	26
12 Trade and Other Payables	27
13 Information on Borrowings	28
14 Employee Related Provisions	30
15 Notes to the Statement of Cashflows	31
16 Total Assets Classified by Function and Activity	32
17 Contingent Liabilities	33
18 Related Party Transactions	34
19 Joint Arrangements	36
20 Conditions over Grants / Contributions	37
21 Rating Information	38
22 Rate Setting Statement Information	40
23 Financial Risk Management	41
24 Trust Funds	44
25 Events Occurring After the End of the Reporting Period	45
26 Initial Application of Australian Accounting Standards	46
27 New Accounting Standards and Interpretation for Application in Future Years	48
28 Other Significant Accounting Policies	50
29 Activities / Programs	51
30 Financial Ratios	52
Independent Auditors Report	53

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

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and forming part of the Financial Report	9
Independent Auditor's Report	53

COMMUNITY VISION

Working together to preserve the unique character of the Shire, supporting diverse and sustainable lifestyle and economic opportunities.

Principal place of business:
Murchison Settlement
Carnarvon - Mullewa Road
Western Australia

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

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

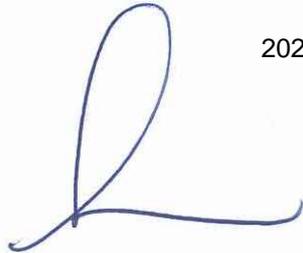
STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 27th

day of February

2020



Chief Executive Officer

William James Boehm

Name of Chief Executive Officer

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
Rates	21(a)	458,510	420,292	410,844
Operating grants, subsidies and contributions	2(a)	16,829,134	1,829,172	9,960,811
Fees and charges	2(a)	275,973	269,150	253,121
Interest earnings	2(a)	189,604	100,750	106,000
Other revenue	2(a)	156,197	15,421,990	117,786
		17,909,418	18,041,354	10,848,562
Expenses				
Employee costs		(1,212,333)	(1,246,867)	(1,244,639)
Materials and contracts		(13,883,349)	(16,322,717)	(7,206,125)
Utility charges		(36,276)	0	(3,106)
Depreciation on non-current assets	10(b)	(3,049,712)	(3,121,385)	(3,016,206)
Interest expenses	2(b)	(34,016)	(45,290)	(27,549)
Insurance expenses		(141,862)	(164,473)	(155,294)
Other expenditure		(114,119)	(120,564)	(97,711)
		(18,471,667)	(21,021,296)	(11,750,630)
		(562,249)	(2,979,942)	(902,068)
Non-operating grants, subsidies and contributions	2(a)	477,510	521,235	1,080,545
Profit on asset disposals	10(a)	6,171	10,000	505
(Loss) on asset disposals	10(a)	(59,617)	(115,900)	(85,763)
(Loss) on revaluation of plant and equipment	8(a)	0	0	(77,245)
		424,064	415,335	918,042
Net result for the period		(138,185)	(2,564,607)	15,974
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	(861,227)
Total other comprehensive income for the period		0	0	(861,227)
Total comprehensive income for the period		(138,185)	(2,564,607)	(845,253)

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
Governance		25,208	9,000	8,353
General purpose funding		4,371,188	2,210,742	4,005,771
Law, order, public safety		15,590	16,500	15,262
Housing		3,765	4,290	4,110
Recreation and culture		586	2,900	2,717
Transport		13,091,162	15,457,672	6,458,494
Economic services		265,247	260,250	244,700
Other property and services		136,672	80,000	109,155
		17,909,418	18,041,354	10,848,562
Expenses				
Governance		(290,229)	(349,914)	(368,396)
General purpose funding		(23,995)	(28,594)	(28,327)
Law, order, public safety		(96,817)	(140,321)	(126,079)
Health		(19,643)	(34,327)	(17,054)
Housing		0	(3,281)	(630)
Community amenities		(51,104)	(54,626)	(21,749)
Recreation and culture		(243,395)	(386,363)	(328,428)
Transport		(16,806,243)	(19,115,235)	(10,076,097)
Economic services		(781,024)	(791,979)	(698,373)
Other property and services		(125,201)	(71,366)	(57,948)
		(18,437,651)	(20,976,006)	(11,723,081)
Finance Costs				
Transport		(34,016)	(45,290)	(27,549)
	2(b)	(34,016)	(45,290)	(27,549)
		(562,249)	(2,979,942)	(902,068)
Non-operating grants, subsidies and contributions	2(a)	477,510	521,235	1,080,545
Profit on disposal of assets	10(a)	6,171	10,000	505
(Loss) on disposal of assets	10(a)	(59,617)	(115,900)	(85,763)
(Loss) on revaluation of plant and equipment	8(a)	0	0	(77,245)
		424,064	415,335	918,042
Net result for the period		(138,185)	(2,564,607)	15,974
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	(861,227)
Total other comprehensive income for the period		0	0	(861,227)
Total comprehensive income for the period		(138,185)	(2,564,607)	(845,253)

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

SHIRE OF MURCHISON
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	3	7,688,103	6,208,904
Trade receivables	5	3,226,976	448,580
Other financial assets at amortised cost	7(a)	2,250,000	2,750,000
Inventories	6	98,542	179,191
TOTAL CURRENT ASSETS		13,263,621	9,586,675
NON-CURRENT ASSETS			
Financial assets at fair value through profit and loss	7(b)	17,805	0
Property, plant and equipment	8	9,417,040	9,849,188
Infrastructure	9	72,171,029	72,984,977
TOTAL NON-CURRENT ASSETS		81,605,874	82,834,165
TOTAL ASSETS		94,869,495	92,420,840
CURRENT LIABILITIES			
Trade and other payables	12	1,398,325	270,604
Borrowings	13(a)	1,550,526	1,065
Employee related provisions	14	64,471	124,697
TOTAL CURRENT LIABILITIES		3,013,322	396,366
NON-CURRENT LIABILITIES			
Borrowings	13(a)	17,315	18,416
Employee related provisions	14	32,882	61,897
TOTAL NON-CURRENT LIABILITIES		50,197	80,313
TOTAL LIABILITIES		3,063,519	476,679
NET ASSETS		91,805,976	91,944,161
EQUITY			
Retained surplus		25,761,683	27,643,814
Reserves - cash backed	4	7,303,108	5,559,162
Revaluation surplus	11	58,741,185	58,741,185
TOTAL EQUITY		91,805,976	91,944,161

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

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

		RESERVES			
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2017		27,637,306	5,549,696	59,602,412	92,789,414
Comprehensive income					
Net result for the period		15,974	0	0	15,974
Other comprehensive income	11	0	0	(861,227)	(861,227)
Total comprehensive income		15,974	0	(861,227)	(845,253)
Transfers from/(to) reserves		(9,466)	9,466	0	0
Balance as at 30 June 2018		27,643,814	5,559,162	58,741,185	91,944,161
Comprehensive income					
Net result for the period		(138,185)	0	0	(138,185)
Other comprehensive income	11	0	0	0	0
Total comprehensive income		(138,185)	0	0	(138,185)
Transfers from/(to) reserves		(1,743,946)	1,743,946	0	0
Balance as at 30 June 2019		25,761,683	7,303,108	58,741,185	91,805,976

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		419,169	420,292	403,431
Operating grants, subsidies and contributions		14,047,509	1,802,496	9,789,858
Fees and charges		275,973	269,150	253,121
Interest received		189,604	100,750	106,000
Goods and services tax received		1,369,490	230,470	18,056
Other revenue		138,392	15,421,990	117,786
		16,440,137	18,245,148	10,688,252
Payments				
Employee costs		(1,296,119)	(1,246,867)	(1,220,574)
Materials and contracts		(12,680,434)	(16,265,187)	(7,320,353)
Utility charges		(36,276)	0	(3,106)
Interest expenses		(34,016)	(45,290)	(27,549)
Insurance paid		(141,862)	(164,473)	(155,294)
Goods and services tax paid		(1,326,920)	0	(208,503)
Other expenditure		(114,119)	(120,564)	(97,711)
		(15,629,746)	(17,842,381)	(9,033,090)
Net cash provided by (used in) operating activities	15	810,391	402,767	1,655,162
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(299,012)	(1,642,500)	(678,709)
Payments for construction of infrastructure		(1,577,983)	(5,577,291)	(3,859,886)
Movement on term deposit investment recognised as other financial asset at amortised cost		500,000	0	(2,750,000)
Non-operating grants, subsidies and contributions		477,510	521,235	1,080,545
Proceeds from sale of property, plant & equipment		19,933	257,100	93,864
Net cash provided by (used in) investment activities		(879,552)	(6,441,456)	(6,114,186)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings		(10,281,350)	(8,000,000)	(3,000,519)
Proceeds from new borrowings		11,829,710	8,000,000	3,020,000
Net cash provided by (used in) financing activities		1,548,360	0	19,481
Net increase (decrease) in cash held		1,479,199	(6,038,689)	(4,439,543)
Cash at beginning of year		6,208,904	8,958,904	10,648,447
Cash and cash equivalents at the end of the year	15	7,688,103	2,920,215	6,208,904

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)		3,756,909	3,794,404	4,913,067
		3,756,909	3,794,404	4,913,067
Revenue from operating activities (excluding rates)				
Governance		25,208	9,000	8,353
General purpose funding		3,912,678	1,790,450	3,594,927
Law, order, public safety		15,590	16,500	15,262
Housing		3,765	4,290	4,110
Recreation and culture		586	2,900	2,717
Transport		13,097,333	15,467,672	6,458,999
Economic services		265,247	260,250	244,700
Other property and services		136,672	80,000	109,155
		17,457,079	17,631,062	10,438,223
Expenditure from operating activities				
Governance		(290,229)	(357,714)	(368,396)
General purpose funding		(23,995)	(28,594)	(28,327)
Law, order, public safety		(96,817)	(140,321)	(126,079)
Health		(19,643)	(34,327)	(17,054)
Housing		0	(3,281)	(630)
Community amenities		(51,104)	(54,626)	(21,749)
Recreation and culture		(285,104)	(386,363)	(328,428)
Transport		(16,858,167)	(19,268,625)	(10,189,409)
Economic services		(781,024)	(791,979)	(698,373)
Other property and services		(125,201)	(71,366)	(135,193)
		(18,531,284)	(21,137,196)	(11,913,638)
Non-cash amounts excluded from operating activities	22(a)	2,996,112	3,093,947	3,262,584
Amount attributable to operating activities		5,678,816	3,382,217	6,700,236
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	477,510	521,235	1,080,545
Proceeds from disposal of assets	10(a)	19,933	257,100	93,864
Purchase of property, plant and equipment	8(a)	(299,012)	(1,642,500)	(678,709)
Purchase and construction of infrastructure	9(a)	(1,577,983)	(5,577,291)	(3,859,886)
Amount attributable to investing activities		(1,379,552)	(6,441,456)	(3,364,186)
FINANCING ACTIVITIES				
Repayment of borrowings	13(b)	(10,281,350)	(8,000,000)	(3,000,519)
Proceeds from borrowings	13(b)	11,829,710	8,000,000	3,020,000
Transfers to reserves (restricted assets)	4	(2,024,179)	(1,429,692)	(1,009,075)
Transfers from reserves (restricted assets)	4	280,233	4,068,639	999,609
Amount attributable to financing activities		(195,586)	2,638,947	10,015
Surplus/(deficit) before imposition of general rates		4,103,678	(420,292)	3,346,065
Total amount raised from general rates	21(a)	458,510	420,292	410,844
Surplus/(deficit) after imposition of general rates	22(b)	4,562,188	0	3,756,909

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

1. BASIS OF PREPARATION

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

Operating grants, subsidies and contributions

General purpose funding
 Law, order, public safety
 Transport

Non-operating grants, subsidies and contributions

Transport

Total grants, subsidies and contributions

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
General purpose funding	3,722,382	1,689,500	3,488,792
Law, order, public safety	15,589	15,500	13,922
Transport	13,091,163	124,172	6,458,097
	16,829,134	1,829,172	9,960,811
Transport	477,510	521,235	1,080,545
	477,510	521,235	1,080,545
	17,306,644	2,350,407	11,041,356

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

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

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

Grants, donations and other contributions (Continued)

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Significant revenue

WA Local Governments Grant Commission made an early payment of the 2019/20 grant. This was recognised as revenue in 2018/19.

WANDRRA Flood revenue

Other revenue

Reimbursements and recoveries

Other

Fees and Charges

Governance

Law, order, public safety

Recreation and culture

Economic services

Other property and services

Interest earnings

Reserve accounts interest

Rates instalment and penalty interest (refer Note 21(b))

Other interest earnings

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

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
WA Local Governments Grant Commission made an early payment of the 2019/20 grant. This was recognised as revenue in 2018/19.	1,920,747	0	1,847,046
WANDRRA Flood revenue	12,888,169	0	6,338,726
Other revenue			
Reimbursements and recoveries	124,460	15,333,700	97,462
Other	31,737	88,290	20,324
	156,197	15,421,990	117,786
Fees and Charges			
Governance	8,090	5,000	4,656
Law, order, public safety	0	1,000	1,340
Recreation and culture	586	2,900	2,717
Economic services	265,247	260,250	244,408
Other property and services	2,050	0	0
	275,973	269,150	253,121
Interest earnings			
Reserve accounts interest	134,007	75,000	82,732
Rates instalment and penalty interest (refer Note 21(b))	3,503	750	980
Other interest earnings	52,094	25,000	22,288
	189,604	100,750	106,000

Interest earnings (Continued)

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Significant expense

WANDRRA Flood Damage.
 Expenditure incurred relates to the repair of flood damage sustained in January 2017 (AGRN743), sustained in January 2018 (AGRN781) is yet to commence as at 30 June 2018. The estimated cost of these repairs is \$15,336,954.

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

Borrowings (refer Note 13(b))

	2019 Actual \$	2019 Budget \$	2018 Actual \$
	13,061,715	0	6,559,619
	31,605	25,000	22,402
	3,318	10,000	1,605
	34,923	35,000	24,007
	34,016	45,290	27,549
	34,016	45,290	27,549

3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash and cash equivalents			
Cash at bank and on hand		1,309,291	1,208,941
Term deposits		6,378,812	4,999,963
Total cash and cash equivalents		7,688,103	6,208,904
Other financial assets at amortised cost			
Term deposits	7	2,250,000	2,750,000
Total other financial assets at amortised cost		2,250,000	2,750,000
Total cash and cash equivalents and other financial assets at amortised cost			
		9,938,103	8,958,904
Comprises:			
- Unrestricted		1,941,863	3,063,864
- Restricted		7,996,240	5,895,040
Total cash and cash equivalents and other financial assets at amortised cost		9,938,103	8,958,904
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Leave Reserve	4	135,709	181,983
Plant Replacement	4	1,410,356	975,370
Buildings	4	502,893	135,114
Beringarra-Cue Road	4	3,411,313	3,499,963
Cue Road Reserves	4	125,171	125,171
Transaction Centre	4	0	6,329
Ballinyoo Bridge	4	0	46,115
CSIRO Beringarra-Pindar Road	4	171,673	168,227
Flood Damage Repairs	4	250,568	69,145
Settlement Buildings and Facilities	4	920,425	351,745
Road Sealing Reserve	4	375,000	0
		7,303,108	5,559,162
Other restricted cash and cash equivalents			
Unspent grants/contributions	20	274,230	330,878
Unspent loans	13(c)	5,000	5,000
Bonds and deposits - from Trust	23	413,902	0
Total restricted cash and cash equivalents		7,996,240	5,895,040

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash

Cash and cash equivalents (Continued)

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

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

4. RESERVES - CASH BACKED

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Transfer (from)	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	181,983	3,726	(50,000)	135,709	181,983	3,640	(50,000)	135,623	121,337	60,646	0	181,983
(e) Plant Replacement	975,370	434,986	0	1,410,356	975,370	432,060	(403,000)	1,004,430	791,372	542,998	(359,000)	975,370
(f) Buildings	135,114	367,779	0	502,893	135,114	152,365	(50,000)	237,479	134,399	715	0	135,114
(g) Beringarra-Cue Road	3,499,963	88,102	(176,752)	3,411,313	3,625,134	20,410	(3,517,700)	127,844	3,743,186	50,526	(293,749)	3,499,963
(h) Cue Road Reserves	125,171	0	0	125,171	0	0	0	0	41,550	300,481	(216,860)	125,171
(i) Transaction Centre	6,329	94	(6,423)	0	6,329	110	(6,439)	0	6,296	33	0	6,329
(j) Ballinyoo Bridge	46,115	943	(47,058)	0	46,115	807	0	46,922	45,870	245	0	46,115
(k) CSIRO Beringarra-Pindar Road	168,227	3,446	0	171,673	168,227	2,940	0	171,167	167,336	891	0	168,227
(l) Flood Damage Repairs	69,145	181,423	0	250,568	69,144	181,210	0	250,354	198,202	943	(130,000)	69,145
(m) Settlement Buildings and Facilities	351,745	568,680	0	920,425	351,746	561,150	(41,500)	871,396	300,148	51,597	0	351,745
(n) Road Sealing Reserve	0	375,000	0	375,000	0	75,000	0	75,000	0	0	0	0
	5,559,162	2,024,179	(280,233)	7,303,108	5,559,162	1,429,692	(4,068,639)	2,920,215	5,549,696	1,009,075	(999,609)	5,559,162

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(e) Plant Replacement	Ongoing	To be used for the purchase of plant.
(f) Buildings	Ongoing	To be used for the construction / renovation of administration centre.
(g) Beringarra-Cue Road	Ongoing	To be used to convert the road from bitumen to gravel as required.
(i) Transaction Centre	N/A	Set up for development of CBD - transferred to settlements buildings and facilities reserve
(j) Ballinyoo Bridge	Ongoing	To be used for the maintenance or replacement of bridge 837.
(k) CSIRO Beringarra-Pindar Road	Ongoing	To be used to fund additional maintenance work required due to CSIRO traffic.
(l) Flood Damage Repairs	Ongoing	To be used towards the 'trigger point' for WANDRRA funded flood damage works.
(m) Settlement Buildings and Facilities	Ongoing	To be used to fund improvements to and maintenance of settlement buildings and facilities.
(n) Road Sealing Reserve	Ongoing	To be used to fund road sealing program.

5. TRADE RECEIVABLES

Current

	2019	2018
	\$	\$
Rates receivable	53,215	13,874
Sundry receivables	595,911	2,979
GST receivable	187,900	230,470
Accrued income/Payments in Advance	36,561	201,257
Contract Asset	2,353,389	0
	3,226,976	448,580

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

Rates outstanding

Includes:

Past due and not impaired	53,215	13,874
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Table illustrates the rates outstanding aging analysis

Up to one year	53,215	13,874
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Sundry debtors

Includes:

Past due and not impaired	2,600	2,374
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Table illustrates the rates outstanding aging analysis

Up to one month	593,311	605
One to three month	345	2,374
More than three months	2,255	0
	595,911	2,979

5. TRADE RECEIVABLES (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

Previous accounting policy: Impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

Classification and subsequent measurement

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

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

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

6. INVENTORIES

Current

Fuel and materials
 History books

	2019	2018
	\$	\$
	98,061	172,993
	481	6,198
	98,542	179,191
	179,191	153,780
	(524,222)	(515,306)
	443,573	540,717
	98,542	179,191

The following movements in inventories occurred during the year:

Carrying amount at 1 July

Inventories expensed during the year

Additions to inventory

Carrying amount at 30 June

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

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

7. OTHER FINANCIAL ASSETS

	2019	2018
	\$	\$
(a) Current assets		
Other financial assets at amortised cost	2,250,000	2,750,000
	<u>2,250,000</u>	<u>2,750,000</u>
Other financial assets at amortised cost		
- Financial assets at amortised cost - term deposits	2,250,000	2,750,000
	<u>2,250,000</u>	<u>2,750,000</u>
(b) Non-current assets		
Financial assets at fair value through profit and loss	17,805	0
	<u>17,805</u>	<u>0</u>
Non current financial assets at fair value through profit and loss		
Unlisted equity investments		
Units in Local Government House Trust	17,805	0
	<u>17,805</u>	<u>0</u>

Changes in the fair value of Units in Local Government House recognised as non-current financial assets at fair value through profit and loss have not been recognised nor considered as they are unlikely to be material and unable to be reliably determined at the time of preparation of these Statements

Local government house trust

The Shire holds 1 of 620 units in the local government house trust which purchased the Local Government House. The total contribution by all Councils towards the purchase of the building was \$582,000.

Based on net assets of \$11,039,266 and 620 units, the value of 1 unit in the local government house at 30 June 2019 is \$17,805. This asset has been brought to account in 2019 as shown above.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Previous accounting policy: available for sale financial assets

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

Previous accounting policy: Loans and receivables

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

Refer to Note 26 for explanations regarding the change in accounting policy and reclassification of available for sale financial assets to financial assets at fair value through profit and loss.

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Buildings non specialised	Total buildings	Total land and buildings	Furniture & Equipment	Plant & Equipment	Works in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	7,107,032	7,107,032	7,107,032	105,602	2,896,737	6,535	10,115,906
Additions	5,932	5,932	5,932	0	672,777	0	678,709
(Disposals)	0	0	0	0	(179,122)	0	(179,122)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	150,857	0	150,857
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	(77,245)	0	0	(77,245)
Depreciation (expense)	(353,741)	(353,741)	(353,741)	(11,857)	(474,319)	0	(839,917)
Carrying amount at 30 June 2018	6,759,223	6,759,223	6,759,223	16,500	3,066,930	6,535	9,849,188
Comprises:							
Gross carrying amount at 30 June 2018	7,112,964	7,112,964	7,112,964	16,500	3,066,930	6,535	10,202,929
Accumulated depreciation at 30 June 2018	(353,741)	(353,741)	(353,741)	0	0	0	(353,741)
Carrying amount at 30 June 2018	6,759,223	6,759,223	6,759,223	16,500	3,066,930	6,535	9,849,188
Additions	222,077	222,077	222,077	10,338	66,597	0	299,012
(Disposals)	(14,566)	(14,566)	(14,566)	(10,123)	(48,690)	0	(73,379)
Depreciation (expense)	(296,581)	(296,581)	(296,581)	(3,051)	(358,149)	0	(657,781)
Carrying amount at 30 June 2019	6,670,153	6,670,153	6,670,153	13,664	2,726,688	6,535	9,417,040
Comprises:							
Gross carrying amount at 30 June 2019	7,291,466	7,291,466	7,291,466	14,500	3,079,194	6,535	10,391,695
Accumulated depreciation at 30 June 2019	(621,313)	(621,313)	(621,313)	(836)	(352,506)	0	(974,655)
Carrying amount at 30 June 2019	6,670,153	6,670,153	6,670,153	13,664	2,726,688	6,535	9,417,040

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Buildings - non specialised	3	Cost approach using depreciated replacement cost	Independent valuer	June 2017	Improvements to land using residual values and remaining useful life assessments inputs.
Furniture & Equipment	2	Market approach using recent observable market data for similar assets	Independent valuer	June 2018	Market price per item
Plant & Equipment	2	Market approach using recent observable market data for similar assets	Independent valuer	June 2018	Market price per item

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

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

9. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Roads	Bridges	Total Infrastructure
	\$	\$	\$
Balance at 1 July 2017	68,339,000	3,974,464	72,313,464
Additions	3,859,886	0	3,859,886
Revaluation increments / (decrements) transferred to revaluation surplus	(1,071,299)	59,215	(1,012,084)
Depreciation (expense)	(2,136,544)	(39,745)	(2,176,289)
Carrying amount at 30 June 2018	68,991,043	3,993,934	72,984,977
Comprises:			
Gross carrying amount at 30 June 2018	68,991,043	3,993,934	72,984,977
Accumulated depreciation at 30 June 2018	0	0	0
Carrying amount at 30 June 2018	68,991,043	3,993,934	72,984,977
Additions	1,577,983	0	1,577,983
Depreciation (expense)	(2,340,727)	(51,204)	(2,391,931)
Carrying amount at 30 June 2019	68,228,299	3,942,730	72,171,029
Comprises:			
Gross carrying amount at 30 June 2019	70,569,026	3,993,934	74,562,960
Accumulated depreciation at 30 June 2019	(2,340,727)	(51,204)	(2,391,931)
Carrying amount at 30 June 2019	68,228,299	3,942,730	72,171,029

9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition residual values and remaining useful life assessments.
Bridges	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition residual values and remaining useful life assessments.

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

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

10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control

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

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

Land under roads

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

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

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

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

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

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

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

(a) Disposals of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
Buildings non-specialised Regulation 17A assets*	14,566	0	0	(14,566)	0	0	0	0	0	0	0	0
Furniture & Equipment Regulation 17A assets*	10,123	0	0	(10,123)	0	0	0	0	0	0	0	0
Plant & Equipment Regulation 17A assets*	17,020	0	0	(17,020)								
Plant & Equipment	31,670	19,933	6,171	(17,908)	363,000	257,100	10,000	(115,900)	179,122	93,864	505	(85,763)
	73,379	19,933	6,171	(59,617)	363,000	257,100	10,000	(115,900)	179,122	93,864	505	(85,763)

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Plant and Equipment	\$	\$	\$	\$
Transport	33,760	19,933	6,171	(17,909)
	33,760	19,933	6,171	(17,909)

*The above table includes assets that were acquired for less than \$5,000. These assets have been disposed in accordance with the requirements of Regulation 17A(5) of the *Local Government (Financial Management) Regulations 1996*. The net book value of these assets was \$41,709.

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Plant and Equipment				
Transport				
Caravan construction crew	8,401	3,218	0	(5,183)
Caravan - Elross 2 person MU664	14,001	6,171	0	(7,830)
Powerstar 6300 Tip Truck	9,268	4,373	0	(4,895)
Single axle box trailer	0	4,672	4,672	0
MU2006 Box Top Trailer and cage	0	1,499	1,499	0
Transport Total	31,670	19,933	6,171	(17,908)

Buildings non-specialised Regulation 17A assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Housing				
Various Fences and airconditioners	(12,033)	0	0	12,033
Community amenities				
Community water tank	3,597	0	0	(3,597)
Recreation and culture				
Gazebo Carnarvan	1,957	0	0	(1,957)
Freight Depot Building	1,644	0	0	(1,644)
Polo Goal post Murchison	1,645	0	0	(1,645)
Fencing	3,778	0	0	(3,778)
Truck Canopy at Museum	2,646	0	0	(2,646)
Tennis Hit up wall and shed	1,850	0	0	(1,850)
	13,520	0	0	(13,520)
Transport				
Storage shed	4,770	0	0	(4,770)
Economic services				
Fence - power station	666	0	0	(666)
Water supply shed	4,046	0	0	(4,046)
Total economic services	4,712			(4,712)
Total	14,566	0	0	(14,566)

Furniture and Equipment Regulation 17A assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Governance				
Surface Pro tablets	8,357	0	0	(8,357)
Recreation and culture				
Large flat screen TV	1,766	0	0	(1,766)
Total	10,123	0	0	(10,123)

Plant and Equipment Regulation 17A assets

	Value	Proceeds	Profit	Loss
Community amenities				
IGEBBA Fogger	2,207	0	0	(2,207)
Recreation and culture				
Shade shelter playground	1,532	0	0	(1,532)
Transport				
Chemical Toilet	2,091	0	0	(2,091)
Economic services				
Tank - Fuel Station	2,207	0	0	(2,207)
Coin operated washing machine	2,208	0	0	(2,208)
Total Economic services	4,415	0	0	(4,415)
Other property and services				
Vast TV Service to Construction Crew	2,062	0	0	(2,062)
Maintenance Centre tool box	1,649	0	0	(1,649)
Air conditioning tools for mechanic	1,649	0	0	(1,649)
Miscellaneous small plant	1,415	0	0	(1,415)
Total other property and services	6,775	0	0	(6,775)
Total	17,020	0	0	(17,020)

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

(b) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings non specialised	296,581	368,111	353,741
Furniture & Equipment	3,051	10,459	11,857
Plant & Equipment	358,149	463,021	474,319
Roads	2,340,727	2,238,255	2,136,544
Bridges	51,204	41,539	39,745
	3,049,712	3,121,385	3,016,206

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

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

Depreciation (Continued)

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

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

11. REVALUATION SURPLUS

	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - non specialised	5,397,026	0	0	0	5,397,026	5,397,026	0	0	0	5,397,026
Plant & equipment	1,506,304	0	0	0	1,506,304	1,355,447	150,857	0	150,857	1,506,304
Roads	51,778,640	0	0	0	51,778,640	52,849,939	0	(1,071,299)	(1,071,299)	51,778,640
Bridges	59,215	0	0	0	59,215	0	59,215	0	59,215	59,215
	58,741,185	0	0	0	58,741,185	59,602,412	210,072	(1,071,299)	(861,227)	58,741,185

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

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued salaries and wages
ATO liabilities
Accrued Expenses
Bonds and deposits - from Trust

2019	2018
\$	\$
925,391	212,603
8,324	11,127
37,438	29,180
13,270	17,694
413,902	0
1,398,325	270,604

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

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

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

13. INFORMATION ON BORROWINGS

(a) Borrowings	2019	2018
	\$	\$
Current	1,550,526	1,065
Non-current	17,315	18,416
	<u>1,567,841</u>	<u>19,481</u>

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2019					30 June 2019					30 June 2018				
				Actual Principal	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Budget Principal	Budget New Loans	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding	Actual Principal	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Transport																		
Flood damage line of credit		WATC		0	0	0	0	0	0	0	0	0	3,000,000	3,000,000	27,216	0		
Plant	1	WATC	3.33%	19,481	0	1,065	640	18,416	19,581	0	0	790	19,581	0	20,000	519	333	19,481
Finance Flood Damage works	2	WATC	Variable	0	11,829,710	10,280,285	33,376	1,549,425	0	8,000,000	8,000,000	44,500	0	0	0	0	0	0
				<u>19,481</u>	<u>11,829,710</u>	<u>10,281,350</u>	<u>34,016</u>	<u>1,567,841</u>	<u>19,581</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>45,290</u>	<u>19,581</u>	<u>0</u>	<u>3,020,000</u>	<u>3,000,519</u>	<u>27,549</u>	<u>19,481</u>
				19,481	11,829,710	10,281,350	34,016	1,567,841	19,581	8,000,000	8,000,000	45,290	19,581	0	3,020,000	3,000,519	27,549	19,481

* WA Treasury Corporation

All other loan repayments were financed by general purpose revenue.

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

13. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Borrowings

Particulars	Date	Unspent	Borrowed	Expended	Unspent
	Borrowed	Balance	During	During	Balance
		1 July 2018	Year	Year	30 June 2019
		\$	\$	\$	\$
Plant	01 Dec 17	5,000	0	0	5,000
* WA Treasury Corporation		5,000	0	0	5,000

(d) Undrawn Borrowing Facilities

	2019	2018
	\$	\$
Credit Standby Arrangements		
Bank overdraft limit	100,000	100,000
Credit card limit	5,000	5,000
Total amount of credit unused	105,000	105,000
Loan facilities		
Loan facilities - current	1,550,526	1,065
Loan facilities - non-current	17,315	18,416
Total facilities in use at balance date	1,567,841	19,481
Unused loan facilities at balance date	5,000	5,000

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 23.

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2018			
Current provisions	100,860	23,837	124,697
Non-current provisions	0	61,897	61,897
	100,860	85,734	186,594
Additional provision	(63,401)	(25,840)	(89,241)
Balance at 30 June 2019	37,459	59,894	97,353
Comprises			
Current	37,459	27,012	64,471
Non-current	0	32,882	32,882
	37,459	59,894	97,353

Amounts are expected to be settled on the following basis:

	2019 \$	2018 \$
Less than 12 months after the reporting date	56,566	0
More than 12 months from reporting date	40,787	186,594
	97,353	186,594

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

15. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	7,688,103	2,920,215	6,208,904
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(138,185)	(2,564,607)	15,974
Non-cash flows in Net result:			
Depreciation	3,049,712	3,121,385	3,016,206
(Profit)/loss on sale of asset	53,446	105,900	85,258
Loss on revaluation of fixed assets	0	0	77,245
Recognition of Unit in Local Government House Trust	(17,805)	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(2,778,396)	203,794	(368,813)
(Increase)/decrease in inventories	80,649	0	(25,410)
Increase/(decrease) in payables	1,127,721	57,530	(89,555)
Increase/(decrease) in provisions	(89,241)	0	24,802
Grants contributions for the development of assets	(477,510)	(521,235)	(1,080,545)
Net cash from operating activities	810,391	402,767	1,655,162

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	2,326,675	1,164,080
General purpose funding	2,274,308	3,413,616
Law, order, public safety	136,622	177,194
Health	26,566	30,013
Housing	823,339	838,561
Community amenities	42,151	50,565
Recreation and culture	1,125,776	1,216,845
Transport	85,429,740	82,874,657
Economic services	1,944,139	2,016,735
Other property and services	740,179	376,783
Unallocated	0	261,791
	94,869,495	92,420,840

17. CONTINGENT LIABILITIES

The Shire of Murchison has in compliance with the *Contaminated Sites Act 2003* section 11 listed sites to be possible sources of contamination - details of those sites:

- Murchison settlement tip
- Murchison works depot

Until the Shire conducts an investigation to determine the presence and scope of contamination together with the remediation required the amount of the contingent liability is unknown. When the closure of the current tip is required and the subsequent setup of a new tip site happens, this process will be done in conjunction with the Shire's contract Environment Health Officer.

18. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	58,090	56,000	55,790
President's Allowance	6,990	6,990	6,990
Deputy President's Allowance	1,750	1,750	1,750
Travelling expenses	20,653	28,824	14,909
Telecommunications allowance	6,937	8,000	6,699
	94,420	101,564	86,138

Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	344,340	345,632
Post-employment benefits	50,573	47,576
Other long-term benefits	3,452	7,270
Termination benefits	56,404	2,104
	454,769	402,582

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

18. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:	2019 Actual	2018 Actual
	\$	\$
Purchase of goods and services		
- Key management personnel	4,289,595	723,492
Amounts payable to related parties:		
Trade and other receivables		
- Key management personnel	203,984	6,353
Fees and allowances		
- Elected members	24,520	21,057

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

19. JOINT ARRANGEMENTS

Share of joint operations

The Shire of Murchison has participated in a joint arrangement with the Department of Housing for the construction of eight units in the Murchison Settlement. The provision of housing aims to provide accommodation for Shire employees. The Shire of Murchison has a 15.69% interest in one unit and 0% in the remaining seven units. All revenue and expenses as well as liabilities of the joint arrangement are recognised in the relevant financial statements of council.

Land and Buildings
 Less: Accumulated depreciation

	2019	2018
	\$	\$
	59,787	59,787
	(9,113)	(6,721)
	50,674	53,066

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

Interests in joint arrangements (Continued)

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

20. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance
	1/07/17	2017/18	2017/18	30/06/18	2018/19	2018/19	30/06/19
	\$	\$	\$	\$	\$	\$	\$
Community amenities							
Department of Planning	15,300	0	0	15,300	0	0	15,300
Transport							
MWIP - Ballinyoo Bridge	1,486,406	0	(1,486,406)	0	0	0	0
CSIRP - Road Construction	295,776	2,161	(43,400)	254,537	4,393	0	258,930
Regional Development - Bridge	100,000	12,065	0	112,065	377	(112,442)	0
Roads to Recovery	0	1,150,637	(1,201,661)	(51,024)	265,535	(214,511)	0
	1,897,482	1,164,863	(2,731,467)	330,878	270,305	(326,953)	274,230

Notes:

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

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

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

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

21. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19 Actual Rateable Value \$	2018/19 Actual Rate Revenue \$	2018/19 Actual Interim Rates \$	2018/19 Actual Back Rates \$	2018/19 Actual Total Revenue \$	2018/19 Budget Rate Revenue \$	2018/19 Budget Total Revenue \$	2017/18 Actual Total Revenue \$
Differential general rate / general rate										
Unimproved valuations										
Rural	0.031200	23	1,459,657	45,541	0	0	45,541	45,541	45,541	42,422
Mining	0.294000	11	1,295,782	380,960	1,290	(69)	382,181	344,584	344,584	341,748
Prospecting and Exploration	0.076750	20	298,128	22,882	0	0	22,882	22,701	22,701	22,214
Sub-Total		54	3,053,567	449,383	1,290	(69)	450,604	412,826	412,826	406,384
Minimum payment										
Unimproved valuations										
Rural	291	6	13,263	1,746	0	0	1,746	1,746	1,746	1,108
Prospecting and Exploration	440	14	55,152	6,160	0	0	6,160	5,720	5,720	3,352
Sub-Total		20	68,415	7,906	0	0	7,906	7,466	7,466	4,460
Total amount raised from general rate		74	3,121,982	457,289	1,290	(69)	458,510	420,292	420,292	410,844

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

21. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Payment in full	5/10/2018	0.00	0.00%	8.00%
Option Three				
1st Instalment	5/10/2018	0.00	0.00%	0.00%
2nd Instalment	6/12/2018	11.00	0.00%	0.00%
3rd Instalment	7/02/2019	11.00	0.00%	0.00%
4th Instalment	9/04/2019	11.00	0.00%	0.00%

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Interest on unpaid rates	3,503	750	980
Charges on instalment plan	693	200	135
	4,196	950	1,115

22. RATE SETTING STATEMENT INFORMATION

		2018/19 Budget	2018/19
	2018/19 (30 June 2019 Carried Forward)	(30 June 2019 Carried Forward)	(1 July 2018 Brought Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
<p>The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i>.</p>			
Adjustments to operating activities			
Less: Profit on asset disposals	10(a) (6,171)	(10,000)	(505)
Less: Recognition of unit in LG house trust	(17,805)	0	0
Movement in pensioner deferred rates (non-current)	0		1,795
Movement in employee benefit provisions (non-current)	(89,241)	(133,338)	82,080
Add: Loss on disposal of assets	10(a) 59,617	115,900	85,763
Add: Loss on revaluation of fixed assets	8(a) 0	0	77,245
Add: Depreciation on assets	10(b) 3,049,712	3,121,385	3,016,206
Non cash amounts excluded from operating activities	2,996,112	3,093,947	3,262,584
(b) Surplus/(deficit) after imposition of general rates			
<p>The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.</p>			
Adjustments to net current assets			
Less: Reserves - restricted cash	3 (7,303,108)	(2,920,215)	(5,559,162)
Add: Borrowings	13(a) 1,550,526	545	1,065
Add: Employee leave provision - current	64,471	48,594	124,697
Total adjustments to net current assets	(5,688,111)	(2,871,076)	(5,433,400)
Net current assets used in the Rate Setting Statement			
Total current assets	13,263,621	3,324,452	9,586,675
Less: Total current liabilities	(3,013,322)	(453,376)	(396,366)
Less: Total adjustments to net current assets	(5,688,111)	(2,871,076)	(5,433,400)
Net current assets used in the Rate Setting Statement	4,562,188	0	3,756,909

23. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents	1.79%	7,688,103	6,378,812	1,309,291	0
Financial assets at amortised cost - term deposits	2.06%	2,250,000	2,250,000	0	0
2018					
Cash and cash equivalents	2.25%	6,208,904	4,999,963	1,208,941	0
Financial assets at amortised cost	2.84%	2,750,000	2,750,000	0	0

Sensitivity

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

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	95,243	89,589

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. Or alternatively borrowing short term at a variable rate. The Shire does not consider there to be any credit rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found be found at Note 13(b).

SHIRE OF MURCHISON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2019
 23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade Receivables

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

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

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

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

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

No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	657	49,318	3,240	0	53,215
30 June 2018					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0
Gross carrying amount	80	13,794	0	0	13,874

No expected credit loss was forecast for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	593,272	385	0	2,254	595,911
30 June 2018					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	605	1,983	391	0	2,979

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 13(d).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2019					
Payables	1,398,325	0	0	1,398,325	1,398,325
Borrowings	1,552,848	8,524	12,786	1,574,158	1,567,841
	<u>2,951,173</u>	<u>8,524</u>	<u>12,786</u>	<u>2,972,483</u>	<u>2,966,166</u>
2018					
Payables	270,604	0	0	270,604	270,604
Borrowings	1,705	8,524	14,491	24,720	19,481
	<u>272,309</u>	<u>8,524</u>	<u>14,491</u>	<u>295,324</u>	<u>290,085</u>

24. TRUST FUNDS

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

	1 July 2018	Amounts Received	Amounts Paid	Reclassified to Restricted Cash*	30 June 2019
	\$	\$	\$	\$	\$
Housing Bonds	7,350	600	(1,000)	(6,950)	0
Crosslands Murchison Community Fund	397,582	9,352	0	(406,934)	0
Social Club	8,280	824	(9,104)	0	0
Police licensing	0	8,984	(8,966)	(18)	0
	413,212	19,760	(19,070)	(413,902)	0

*Refer to Note 3.

25. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No subsequent events were noted that require disclosure.

26. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

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

AASB 9 Financial instruments

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

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and no adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139.

(a) Classification and measurement

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

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

26. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

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

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The Shire has designated the investment in the local government house trust as a financial asset at fair value through profit and loss. For details see Note 7.

(b) Impairment

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

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

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

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

(a) Revenue from Contracts with Customers

The Shire will adopt AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. The Shire is in the process of assessing the impact of the standard.

(b) Leases

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

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

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

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

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.

- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The Shire is in the process of assessing the impact of the standard.

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

(c) Income For Not-For-Profit Entities

The Shire will adopt AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

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

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

The Shire is in the process of assessing the impact of the standard.

28. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

29. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide the decision-making framework to facilitate allocation of limited resources.	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 To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision of various by-laws, fire prevention and animal control.
HEALTH To provide an operational framework for environmental and community 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 To provide services to disadvantaged persons, the elderly, children and youth.	Support of education facilities within the Shire and of any external resources necessary to assist with education programmes for all residents.
HOUSING To provide and maintain staff housing.	Provision and maintenance of staff housing.
COMMUNITY AMENITIES To provide services required by the community.	Maintain a refuse site for the settlement.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the social well being of the community.	Provide a library and museum and operation there of. Maintain recreation centre, sports field, parks, gardens and other recreational facilities.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, drainage works and traffic signs. Maintenance of the settlement airstrip.
ECONOMIC SERVICES To help promote the Shire and its economic wellbeing.	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 To monitor and control Shires overheads operating account.	Private works operations, plant repairs and operation costs.

30. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	1.79	13.42	9.53
Asset consumption ratio	0.96	1.00	0.99
Asset renewal funding ratio	0.32	0.35	0.37
Asset sustainability ratio	0.54	1.47	0.83
Debt service cover ratio	0.24	0.65	N/A
Operating surplus ratio	(0.58)	(1.23)	2.32
Own source revenue coverage ratio	0.06	0.07	0.11

The above ratios are calculated as follows:

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



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Murchison

Report on the Audit of the Financial Report

Opinion

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

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

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

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a. The Asset Renewal Funding and Own Source Revenue Ratios have been below the Department of Local Government, Sport and Cultural Industries standard for the last three years.
 - b. The Debt Service Cover Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the last two years. The financial ratios are reported at Note 30 of the financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

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

Matters Relating to the Electronic Publication of the Audited Financial Report

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



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
27 February 2020