



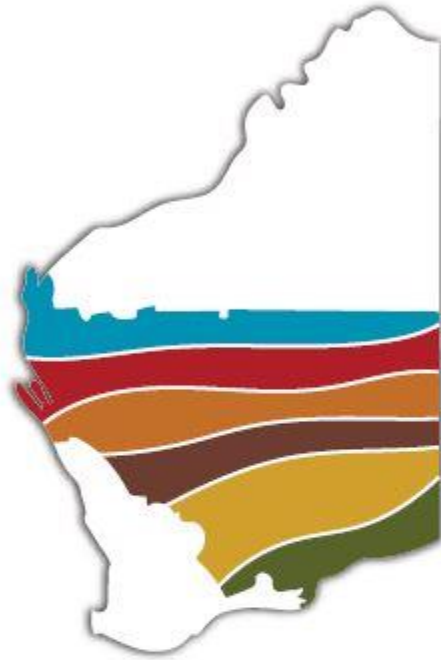
murchisonshire

Ancient land under brilliant skies

Ordinary Council Meeting

23 February 2023

Minutes Attachments



Southern Rangelands **PASTORAL ALLIANCE**

Our Vision: Connected, producer-driven, healthy landscapes, better business



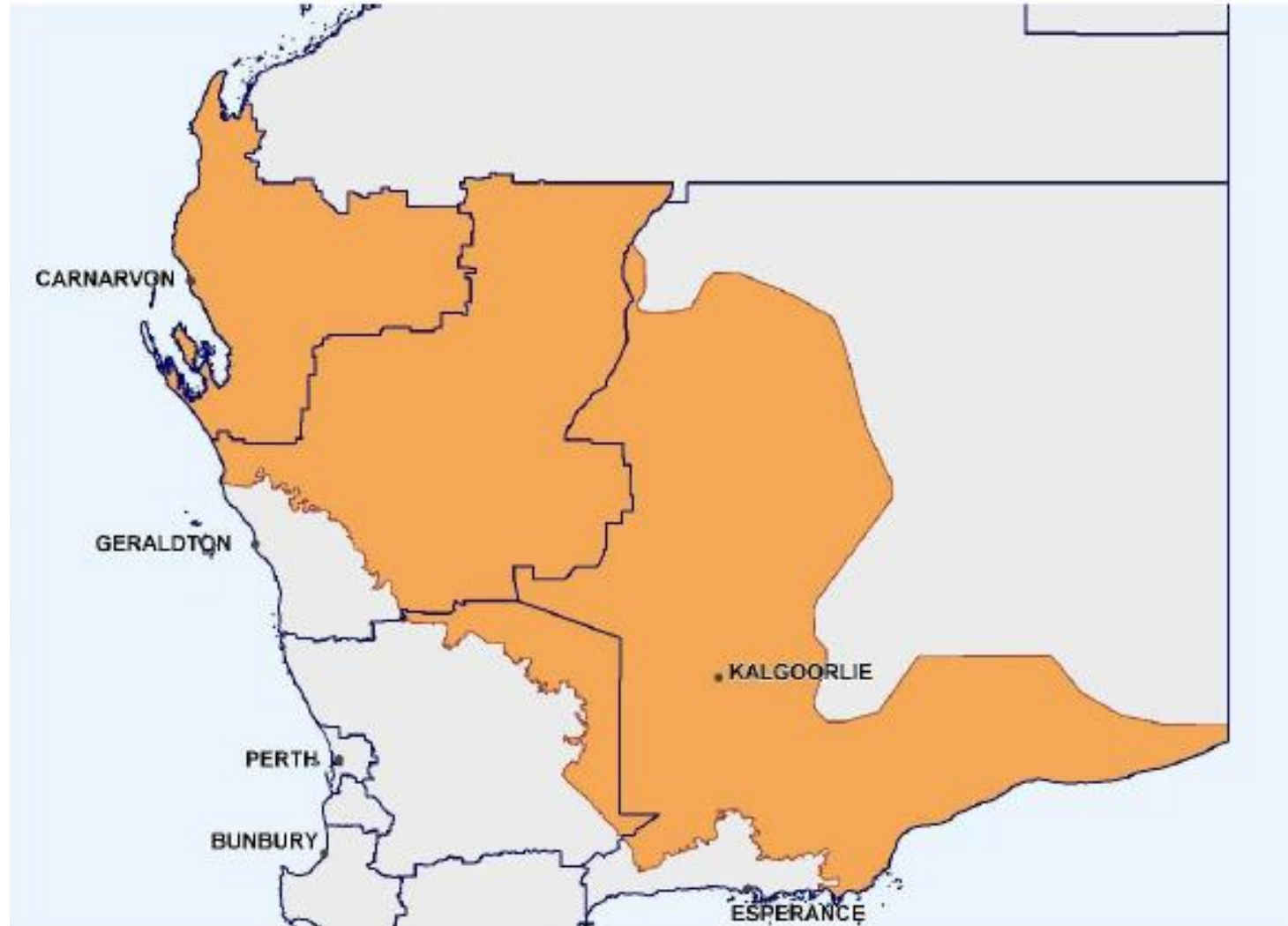
The beginning of SRPA (Inc.)

SRPA was formed as a result of a “Round Table” meeting of pastoralists and pastoral industry representatives at Mt Magnet on Oct 2nd, 2020



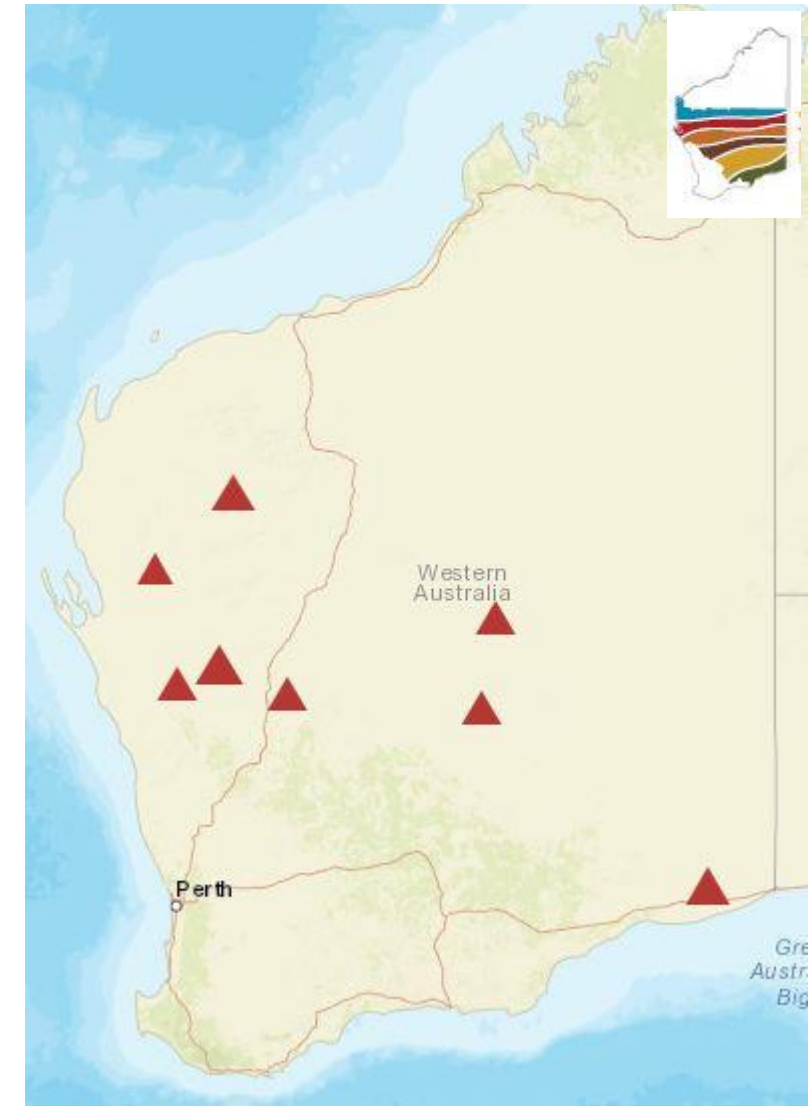


The Southern Rangelands of WA



SRPA Board Members:

- **Jack Carmody**, Chair, Prenti Downs Station
- **Alys McKeough**, Secretary, Carey Downs Station
- **Tom Foulkes-Taylor**, Treasurer, Yuin Station
- **Debbie Dowden**, Challa Station
- **Trevor Schutz**, Laverton Downs Station
- **Mayne Jenour**, Jingemarra Station
- **David Hammarquist**, Mt Augustus Station
- **Fiachra Kearney**, Narndee Station





Participants at SRPA's first Strategic Planning Workshop, February 2021.

The SRPA Strategic Plan is currently under review.



Economic Growth in the Southern Rangelands

- **Carbon** has provided a new income source for nearly 80 pastoral properties in the Southern Rangelands.
- There are approximately 50 HIR Carbon Sequestration projects in the 6 Murchison Region shires.
- These have been issued with over 1,000,000 ACCU's (as at March 2022).
- Carbon has given these pastoralists the wherewithal to **reinvest** in their **properties**, to **upgrade infrastructure**, to **restore rangeland condition**, **employ contractors** and **staff** and **much more**.
- Pastoral businesses need support to rebuild and SRPA is bringing wide-ranging research and development into the Southern Rangelands pastoral industry.
- Potential for other new markets – like **Soil Carbon**, which is as yet unproven and requires more research, and **Natural Capital** (or Biodiversity Credits).
- A co-ordinated, professional, well run grower group that supports the whole region will be able to attract significant levels of funding into the region.



Current SRPA projects

Bullseye 2 Livestock Productivity (Funded by Meat & Livestock Australia) - This project supports 20 pastoral businesses to adopt new / different management practices, with meticulous record keeping to verify the change. Aim is to improve rangeland condition at the same time as improving livestock productivity and profitability. (\$873K over 6 years). *On-going*

Rehydrating the Southern Rangelands (Funded by Future Drought Fund) - Col Stanton (Alice Springs) trains people to better “read the landscape” and use machinery to create minor earthworks interventions to keep the water on the land. (\$38K) – *due to COVID Col could not get here in time to complete this project and the funds were returned. We are now looking to future opportunities to progress this important work.*

Showcasing our resilience – sharing our stories across the Southern Rangelands (Funded by Future Drought Fund) - This project contracted “GenerationAG” to record and publish three **podcasts with short videos** to feature the great work being undertaken by some of our quiet achievers. The aim is to promote the Southern Rangelands to the broader community, state-wide, nation-wide, and even internationally. (\$34K) *Completed*

Community Engagement in Wild Dog Control – SRPA received funding from the Centre for Invasive Species Solutions. This was used to help run the Field Day held April 22, 2021 and we disbursed equal amounts to the three Regional Biosecurity Groups (Carnarvon, Meekatharra, Goldfields-Nullarbor) to help them build further community engagement in wild dog control.



Other projects

Developing Automated Technology to Assess Natural Capital on Pastoral Leases

This project will digitise the measurement, management, and processing of these natural capital elements through the establishment of an in-field methodology with readily available devices. It will remove the current human requirements which impacts resources, time and costs. Funded through the Future Drought Fund's SWWA Drought Hub.

Drone Mounted Species Recognition System

This project aims to use a drone mounted species recognition system to locate and visually record feral animal species that contribute negatively to total grazing pressure. GPS positioning of feral animals will allow economic removal in the short term by pastoralists or biosecurity groups and long term monitoring will provide a data base of feral animal movements and their interactions with other livestock and their environment. Funded through the Future Drought Fund's SWWA Drought Hub.

External to SRPA, but in parallel:

DPIRD's Southern Rangelands Revitalisation Project – 16 pastoral businesses have signed up to this project. For more information go to: <https://www.agric.wa.gov.au/southernrangelands>



Private projects

Developing Connectivity Systems on Pastoral Leases

- SRPA Chair – Jack Carmody – is developing his own private connectivity system across his ~400,000 Hectare pastoral lease.
- He is demonstrating what is achievable using affordable and readily-available technology, including 24 hour HD video coverage of watering points / trap yards, ability to remotely operate trap yard gates, and station-wide mobile phone coverage.
- This enhances animal welfare, provides better biosecurity monitoring, improves efficiency and therefore productivity of the pastoral business, and contributes to operational safety and better mental health of people in the business.
- This has been designed and funded by his own private enterprise.
- It is leading-edge technology that is being developed and demonstrated in one of the most remote properties in Australia.
- It has the potential to be adopted and replicated by individuals and businesses anywhere.



Indigenous engagement

- We supported Ashley Bell, Ninghan Station, with his application to be on the South West WA Drought Hub's Regional Advisory Committee.
- We would like to engage with Aboriginal Ranger programs to foster training and business development in areas that can deliver services to pastoralists. (E.g. seed collection for use in revegetation projects).
- We invite Aboriginal participation in rehydration projects. This could serve as a launching pad for the development of an Aboriginal owned and operated business delivering a much-needed service to the Southern Rangelands.



Blueprints for Economic Development

Pastoral Revitalisation is an element of the Blueprints for Economic Development of Southern Rangelands shires.

However, this is unlikely to be something that shires can tackle alone.

The SRPA can do much to deliver this pastoral revitalisation.

Therefore, collaboration between Shires and the SRPA could deliver substantial benefits and ensure that properties within the Shires benefit from our professional and collaborative approach.



Funding for general operations

- Project funds secured (e.g. through the federal government's Future Drought Fund) can allocate only 10% of the project budget to "administration".
- Therefore, funding the general operations of the group is a challenge.
- 5 Murchison Zone shires have committed a total of \$73,000 to SRPA for the current financial year's operations.
- Meekatharra pledged \$20K p.a. for 5 years, with a review at Year 3.
- Other sources are constantly being explored. These include sponsorships, partnerships, collaborative projects, etc.



The Future ...

The future Southern Rangelands could look very different to the rangelands of the past.

Carbon projects are providing a gateway to Natural Capital Accounting, which is an exciting new element of global awareness and the global economy. It is a way to rebuild and care for the natural assets by harnessing the power of market forces. This region is well positioned to take advantage of future opportunities that will be offered by natural capital accounting.

New technology is being adopted in a variety of ways across the pastoral industry, with some SRPA members leading these developments.

None of these opportunities will be realised without a strong grower group to bring awareness and opportunity to the area. The region needs a group like SRPA to bring the pastoral community together for the benefit of the community and region.



The Future SRPA

Our low population means that the days of leaving grower groups to volunteers are behind us.

SRPA is a professional, capable organisation with a strong focus on building a vibrant and resilient pastoral community.

Our goal is to be self sustainable within 5 years, but we need support for these early days of growth.



Carnarvon-Mullewa Road SKA Route Options

Boolardy to Mullewa

Road	Surface	Via Carnavon- Mullewa	Via Beringarra- Pindar	Surface	Via Carnavon- Mullewa	Via Beringarra- Pindar
		Current			Upgraded	
Beringarra-Pindar	Gravel	15.35	187.00	Gravel	15.35	187.00
Boolardy- Wooleen	Gravel	19.08		Gravel	19.08	
Wooleen-Mt Wittenoom	Gravel	13.00		Gravel	13.00	
Twin Peaks-Woolleen	Gravel	45.66		Gravel	45.66	
Carnarvon- Mullewa	Seal	70.98		Seal	70.98	
Carnarvon- Mullewa (CGG)	Gravel	27.50		Seal	27.50	
Carnarvon- Mullewa (CGG)	Seal	48.90	5.89	Seal	48.90	5.89
Geraldton-Mt Magnet	Seal		30.00	Seal		30.00
Total Length		240.47	222.89		240.47	222.89
	Gravel	120.59	187.00	Gravel	93.09	187.00
	Seal	119.88	35.89	Seal	147.38	35.89
Travel Times	Average Speed					
Gravel	95	1.27	1.97		0.98	1.97
Seal	110	1.09	0.33		1.34	0.33
Total Travel Time(hrs)		2.36	2.29		2.32	2.29
Difference (mins)		3.87			1.50	
Safety Factors						
Gravel	0.75	90.44	140.25		69.82	140.25
Seal	1.00	119.88	35.89		147.38	35.89
Total		210.32	176.14		217.20	176.14
Ratio		1.19			1.23	
Improvment		19.4%			23.3%	
Benefit Factors						
Gravel	1.00	120.59	187.00		93.09	187.00
Seal	2.00	239.76	71.78		294.76	71.78
Total		360.35	258.78		387.85	258.78
Ratio		1.39			1.50	
Improvment		39.2%			49.9%	

Note the safety and benefit factors shown in this analysis have just been done for illustrative comparative purposes. They are highly subjective and difficult to quantify but in all likelihood understate the situation

Shire of Murchison

The following schedule of accounts has been paid under delegation by the Chief Executive Officer since the previous Council Meeting. The list totalling \$2,151,434.06 was submitted to Council on the 23rd February 2023 and has been checked as being fully supported by vouchers and duly certified invoices with checks being carried out as to prices, computations and costing.

Payment of Accounts Presented at the Ordinary Meeting of Council held on Thursday 23rd February 2023

Date	Name	Description	Amount \$
01/12/2022	Westpac	Monthly Plan Fee	\$ 20.00
01/12/2022	Westpac	Merchant Fees	\$ 39.62
01/12/2022	ANZ	Merchant Fees	\$ 235.97
02/12/2022	Skymesh	Roadhouse internet services 1/12/22 - 31/12/22	\$ 74.95
14/12/2022	Bitutek Pty Ltd	Carnarvon Mullewa Road sealing works	\$ 756,754.10
15/12/2022	Marketforce	Advertisment - Finance Officer - Geraldton Guardian 28/10/2022	\$ 498.18
15/12/2022	Great Southern Fuel Supplies	Fuel November 2022	\$ 797.16
15/12/2022	McDonalds Wholesalers	November 2022 - Groceries & Supplies for Roadhouse	\$ 844.75
15/12/2022	Perfect Computer Solutions	Adhoc IT support October & November 2022 & monthly fees	\$ 1,700.00
15/12/2022	Winc Australia Pty Ltd	Printing charges 24/10/22 - 21/11/22 & office supplies	\$ 869.11
15/12/2022	Central Regional TAFE	Forklift & Traffic Management training - 7 attendees	\$ 1,940.82
15/12/2022	Murchison Gas & Plumbing	New rubbish tip works	\$ 33,220.00
15/12/2022	Mullewa Farm Supplues	Items to set up water at new camp, camlock fittings, tie wire	\$ 360.81
15/12/2022	Office of the Auditor General	Audit fees for year ended 30/06/2021	\$ 50,270.00
15/12/2022	Western Independent Foods	November 2022 - Groceries & Supplies for Roadhouse	\$ 195.17
15/12/2022	UDLA	Consultancy & agreed additional work SKA Interpretation Experience	\$ 4,533.04
15/12/2022	Atom	Fuel meter and handtowel	\$ 546.92
15/12/2022	InterFire Agencies	Straps for fire truck	\$ 135.52
15/12/2022	The Luscombe Syndicate	November 2022 - Groceries & Supplies for Roadhouse	\$ 3,277.61
15/12/2022	Bunnings	Drill and rattle gun for Will, hoses & sprinklers, flyscreen, paint, construction camp items	\$ 1,105.95
15/12/2022	NAPA	Wiring items for P115/P116	\$ 31.90
15/12/2022	DFES	2022/23 ESL Quarter 2	\$ 1,088.10
15/12/2022	Geraldton Toyota	Jack for P089	\$ 96.60
15/12/2022	Great Northern Rural	Retic items for 10 Mulga, retic controllers, sprinklers	\$ 4,156.97
15/12/2022	Landgate	Mining Tenement M2022/10	\$ 42.15
15/12/2022	Mitchell & Brown	7.5kg Front Load Washer for 16 Mulga	\$ 650.00
15/12/2022	Novus	Replace windscreen P096	\$ 995.00
15/12/2022	Tyrepower Geraldton	Grader tyres P093, loader tyre PO41	\$ 7,139.00
15/12/2022	Pemco Diesel	Repairs to P061 Kenworth	\$ 6,728.00
15/12/2022	Pivotel	Sat phones x 7 - call charges Nov, service charges Dec	\$ 553.00
15/12/2022	RSM Australia Pty Ltd	Accounting services for November 2022 inc travel costs	\$ 26,081.95
15/12/2022	Totally Workwear	Uniforms for Des, Wendy & Glen, pants for Mike	\$ 958.72
15/12/2022	Truckline	Spring seats P018	\$ 169.11
15/12/2022	Moore Australia (WA) Pty Ltd	Xero subscription costs borne by Moore to current date	\$ 768.91
15/12/2022	Tourism Council WA	2023 Tourism Business - Membership - Micro	\$ 319.00
15/12/2022	Workshed Mosaics	Deposit for Mosaic Project	\$ 3,157.00
15/12/2022	Desmond O'Brien	Reimbursement for gardening items	\$ 164.90
15/12/2022	Sun City Batteries	Enerdrive inverter for P120	\$ 3,950.00
15/12/2022	Activ8me	Internet services 1/12/22 - 31/12/22	\$ 823.04
15/12/2022	Global Asbestos Audits	Asbestos survey and reports	\$ 18,881.50
15/12/2022	Zerotemp Refrigeration & Airconditioning	Service of all shire air conditioners	\$ 6,674.80
15/12/2022	James Bryden	Traits & Definitions & Paradox Reports - J Richter, R Hosking	\$ 1,017.50
15/12/2022	Midwest Freight	Freight service - November 2022	\$ 11,660.00
15/12/2022	Compac Sales	Service fees	\$ 154.66
15/12/2022	Abrolhos Steel	Flat bar	\$ 36.30
15/12/2022	Queens Supermarkets	November 2022 - Groceries & Supplies for Roadhouse	\$ 3,571.52
15/12/2022	Greenfield Technical Services	Sealing Works - Procurement Management, Site Quality Assurance and Technical Support & Flood 8 & 9 Site Inspector costs 24/10/22 - 6/11/22	\$ 48,258.25
15/12/2022	Telstra	Usage charges to 24/11/22, service charges to 24/12/22	\$ 1,181.54
15/12/2022	Foxtel	Foxtel charges December 2022	\$ 1,690.00
15/12/2022	Rowe Contractors	Reinstate existing bitumen to gravel & batter, drainage and bunding works - Beringarra Cue Road	\$ 239,684.50
16/12/2022	Squires Resources	Flood 8 Works 7/11/22 - 4/12/22	\$ 566,808.00
16/12/2022	Them Earthmoving	Flood 8 works 14/11/22 - 27/11/22	\$ 324,021.50
16/12/2022	Australian Taxation Office	Jan - March 2022 & April - June 2022 Super Guarantee Charge	\$ 10,118.15
20/12/2022	Westpac Credit Card	Woolworths - Groceries for office, cottage, council \$234.66	\$ 2,167.86
		Woolworths - Groceries for depot \$76.95	

Payment of Accounts Presented at the Ordinary Meeting of Council held on Thursday 23rd February 2023			
Date	Name	Description	Amount \$
		Bunnings - Gift Cards for staff \$1000.00	
		IGA - Coffee for office \$93.60	
		Woolworths - Groceries for depot \$83.60	
		Woolworths - Groceries for office, xmas function \$140.05	
		Woolworths - Groceries for office, xmas function \$61.00	
		Woolworths - Groceries for office, xmas function \$14.50	
		Starlink - Internet kit for maintenance crew \$463.50	
21/12/2022	Skymesh	Depot internet 20/12/22 - 19/1/23	\$ 84.95
21/12/2022	Skymesh	Office internet charges 20/12/22 - 19/1/23	\$ 130.00
	Totals		<u>\$ 2,151,434.06</u>

Shire of Murchison

The following schedule of accounts has been paid under delegation by the Chief Executive Officer since the previous Council Meeting. The list totalling \$1,672,211.64 was submitted to Council on the 23rd February 2023 and has been checked as being fully supported by vouchers and duly certified invoices with checks being carried out as to prices, computations and costing.

Payment of Accounts Presented at the Ordinary Meeting of Council held on Thursday 23rd February 2023

Date	Name	Description	Amount \$
03/01/2023	Skymesh	Roadhouse internet January 2023	\$ 74.95
03/01/2023	Westpac	Monthly Plan Fee	\$ 20.00
03/01/2023	Westpac	Merchant Fees	\$ 35.84
03/01/2023	ANZ	Merchant Fees	\$ 77.70
04/01/2023	Emma Foulkes-Taylor	Reimbursement for Xmas Tree food	\$ 524.16
04/01/2023	Minter Ellison	Employment contract review	\$ 584.10
04/01/2023	Australia Post	Postage charges November 2022	\$ 5.45
04/01/2023	Canine Control	Pet registration tags	\$ 539.00
04/01/2023	Royal Flying Doctor Service	Donation for 21/22FY & Donation for 22/23FY	\$ 6,000.00
04/01/2023	Them Earthmoving Pty Ltd	Flood 8 & 9 Works 28/11/22 - 11/12/22	\$ 266,189.00
04/01/2023	Airtools Australia Pty Ltd	Air compressor for construction crew	\$ 1,990.00
04/01/2023	Autospec 4x4	Canopy for P120	\$ 3,749.00
04/01/2023	Splash Batavia Coast	Pool cleaner	\$ 2,477.00
04/01/2023	Tyrepower Geraldton	2x tyres P096	\$ 898.00
04/01/2023	McIntosh & Son	Hose and bracket for P004	\$ 61.50
04/01/2023	Queens IGA	December 2022 - Groceries & Supplies for Roadhouse	\$ 3,900.76
04/01/2023	Greenfield Technical Services	Flood 8 Site Inspector November 2022	\$ 72,594.51
04/01/2023	McDonalds Wholesalers	December 2022 - Groceries & Supplies for Roadhouse	\$ 583.45
04/01/2023	Perfect Computer Solutions	IT Support 21/11, 30/11, 8/12	\$ 212.50
04/01/2023	Winc Australia Pty	Office supplies	\$ 147.72
04/01/2023	Western Independent Foods	December 2022 - Groceries & Supplies for Roadhouse	\$ 393.42
11/01/2023	Department of Transport	P119 licence & insurance	\$ 406.70
16/01/2023	Foxtel	Foxtel January 2023	\$ 1,690.00
16/01/2023	Telstra	Usage charges to 24/12/22, services to 24/1/23	\$ 1,135.19
16/01/2023	Toll Ipec	Freight to return library books	\$ 113.93
16/01/2023	Perfect Computer Solutions	Monthly fee and IT support 14/12, 20/12	\$ 212.50
16/01/2023	Michelle Fowler	EMC - October to December 2022	\$ 3,093.92
16/01/2023	Western Independent Foods	January 2023 - Groceries & Supplies for Roadhouse	\$ 100.37
16/01/2023	CJD Equipment	Service on P092	\$ 6,037.89
16/01/2023	Rossco Foulkes-Taylor	EMC - October to December 2022	\$ 9,584.02
16/01/2023	Quentin Fowler	EMC - October to December 2022	\$ 3,173.12
16/01/2023	Geraldton Toyota	Taillight for P096	\$ 325.95
16/01/2023	ML Communications	Troubleshoot phone issues	\$ 264.00
16/01/2023	FueleX	Settlement fuel delivery	\$ 55,427.23
16/01/2023	Pivotel	Sat phones x 7 - calls Dec 22, charges Jan 23	\$ 553.00
16/01/2023	Emma Foulkes-Taylor	EMC - October to December 2022	\$ 4,778.25
16/01/2023	Purcher International	Fan assembly for P094, filter kit for P080	\$ 1,335.27
16/01/2023	RSM Australia Pty Ltd	Accounting services December 2022	\$ 22,626.63
16/01/2023	Squires Resources Pty Ltd	Flood 8 & 9 Works 5/12/22 - 18/12/22	\$ 395,318.00
16/01/2023	Them Earthmoving Pty Ltd	Flood 8 & 9 Works 12/12/22 - 25/12/22	\$ 217,079.50
16/01/2023	Totally Workwear	Uniform items for Glen & Will	\$ 945.29
16/01/2023	Westrac	Blower assembly for P041	\$ 939.06
16/01/2023	Andrew Whitmarsh	EMC - October to December 2022	\$ 4,418.44
16/01/2023	Yuin Pastoral	Hire of grader	\$ 9,240.00
16/01/2023	Zerotemp Refrigeration	Various air conditioner repairs	\$ 9,388.50
16/01/2023	ZAP Circus	Deposit for ZAP Circus performance at ALUBS festival	\$ 5,761.36
16/01/2023	Activ8me	Internet services January 2023	\$ 1,149.25
16/01/2023	Midwest Freight	Freight service December 2022	\$ 8,745.00
16/01/2023	GHD Pty Ltd	Works completed August - December 2022	\$ 5,086.40
16/01/2023	Queens IGA	January 2023 - Groceries & Supplies for Roadhouse	\$ 8,060.06
16/01/2023	Greenfield Technical Services	Flood 8 & 9 Project Management/Admin & Site Inspector costs November & December 2022	\$ 116,975.93
16/01/2023	Greydon Mead	EMC - October to December 2022	\$ 3,398.87
16/01/2023	McDonalds Wholesalers	December 2022 - Groceries & Supplies for Roadhouse	\$ 358.00
18/01/2023	Westpac Credit Card	Starlink - RV internet kit for construction - \$463.50	\$ 804.16
		Melville Toyota - battery for P089 key fob - \$14.44	
		Starlink - monthly payment for maintenance kit - \$179.22	
		Splash Batavia - chemicals for CEO pool - \$45.00	

Payment of Accounts Presented at the Ordinary Meeting of Council held on Thursday 23rd February 2023

Date	Name	Description	Amount \$
		Woolworths - depot groceries (water and coffee) - \$102.00	
23/01/2023	Skymesh	Office internet 20/1/23 - 19/2/23	\$ 130.00
23/01/2023	Skymesh	Depot internet 20/1/23 - 19/2/23	\$ 84.95
25/01/2023	Western Australian Treasury Corp	Government Guarantee Fee for period ending 31/12/22	\$ 6,640.97
25/01/2023	Australian Taxation Office	SGC April - June 22, July - Sept 22	\$ 167.30
31/01/2023	Carnarvon Rangelands Biosecurity Assoc	Donation	\$ 11,000.00
31/01/2023	Western Independent Foods	January 2023 - Groceries & Supplies for Roadhouse	\$ 243.22
31/01/2023	The Luscombe Syndicate	December 2022 - Groceries & Supplies for Roadhouse	\$ 237.28
31/01/2023	Australia Post	Postage charges December 2022	\$ 2.18
31/01/2023	Department Of Planning	Lease agreement 1/1/23 - 30/6/23	\$ 550.00
31/01/2023	Geraldton TV & Radio Services	GME CB Value packs x2, Satking box for 16 Mulga	\$ 1,323.00
31/01/2023	Geraldton Parts	Air hose joiners	\$ 85.42
31/01/2023	Landgate	Mining tenements chargeable M2022/11	\$ 42.15
31/01/2023	Mitchell & Brown	Dishwasher and dryer for 2 Office Rd	\$ 1,766.00
31/01/2023	Public Libraries Wa Inc	PLWA Membership - Cat 1	\$ 130.00
31/01/2023	RSM Australia Pty Ltd	Accounting services September 2022	\$ 13,998.05
31/01/2023	Compac Sales Pty	Compac & Windcave Fees December 2022	\$ 113.41
31/01/2023	Squires Resources Pty Ltd	Flood 8 works 2/1/23 - 15/1/23	\$ 29,760.50
31/01/2023	Them Earthmoving Pty Ltd	Flood 8 & 9 works 26/12/22 - 8/1/23	\$ 113,965.50
31/01/2023	Westrac	Wheel Blower for P041	\$ 116.53
31/01/2023	UTF Australia	Deposit for new gardeners trailer	\$ 1,000.00
31/01/2023	Desmond O'Brien	Reimbursement for gardening & cleaning items	\$ 82.90
31/01/2023	Megan Howlett	Deposit for Event Coordination of 2023 ALUBS Festival	\$ 8,250.00
31/01/2023	Queens IGA	January 2023 - Groceries & Supplies for Roadhouse	\$ 6,184.04
31/01/2023	Greenfield Technical Services	Flood 8 & 9 Project mgmt, project admin December 2022, preparation of reserve RRG project nomination form	\$ 44,390.03
31/01/2023	Great Southern Fuel Supplies	Great Southern Fuel Supplies Fuel December 2022	\$ 1,064.71
31/01/2023	McDonalds Wholesalers	January 2023 - Groceries & Supplies for Roadhouse	\$ 3,357.10
31/01/2023	Winc Australia Pty	Depot & office printer charges 21/11/22 - 19/12/22	\$ 602.05
31/01/2023	Rowe Contractors	Reinstate existing bitumen to gravel & batter, drainage and bunding works - Beringarra Cue Road	\$ 167,123.00
31/01/2023	McLeods Barristers	Annual audit fee	\$ 187.00
31/01/2023	Department of Transport	P119- Plate change PJ6003 to MU2059	\$ 30.50
Totals			<u>\$ 1,672,211.64</u>



murchisonshire

PO Box 61, Mullewa WA 6630
T | (08) 9963 7999 F | (08) 9963 7966
E | admin@murchison.wa.gov.au
ABN 63 002 218 762
murchison.wa.gov.au

SHIRE OF MURCHISON

MONTHLY FINANCIAL REPORT

For the Period Ending 31 December 2022

General

Compilation Report

Executive Summary

Note

Financial Statements

Statement of Financial Activity by Nature or Type

Statement of Financial Activity by Program

Statement of Capital Acquisitions and Funding

Notes to the Statement of Financial Activity

Significant Accounting Policies	Note 1
Explanation of Material Variances	Note 2
Net Current Funding Position	Note 3
Cash and Investments	Note 4
Trust Fund	Note 5
Receivables	Note 6
Cash Backed Reserves	Note 7
Capital Disposals	Note 8
Capital Acquisitions	Note 9
Rating Information	Note 10
Information on Borrowings	Note 11
Grants and Contributions	Note 12
Budget Amendments	Note 13



RSM Australia Pty Ltd

Level 1, 12 Bayly Street Geraldton WA 6530

PO Box 61 Geraldton WA 6531

T +61(0) 8 9920 7400

F +61(0) 8 9920 7450

www.rsm.com.au

Compilation Report

To the Council

Shire of Murchison

Scope

We have compiled the accompanying special purpose financial statements.

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

The responsibility of the Shire

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

Our responsibility

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

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

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

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

Travis Bate
Signed at GERALDTON

RSM Australia Pty Ltd
Chartered Accountants

Date 9th February 2023

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

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

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

Liability limited by a scheme approved under Professional Standards Legislation

SHIRE OF MURCHISON
MONTHLY FINANCIAL REPORT
For the Period Ending 31 December 2022
EXECUTIVE SUMMARY

Statement of Financial Activity

Statements are presented on pages 5 and 6 showing a surplus/(deficit) as at 31 December 2022 of -\$281,378

Significant Revenue and Expenditure

	Collected / Completed %	Annual Budget \$	YTD Budget \$	YTD Actual \$
Significant Projects				
Capex - Provision of Solar Power	0%	1,100,000	549,996	-
Capex - Beringarra-Cue Rd - Convert To Gravel	143%	850,000	424,998	1,218,766
Carn-Mul Rd 245.04 - 254.10 Reconstruct Resheet Prep	120%	640,412	320,184	770,268
Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen vari	0%	721,203	360,582	-
Road Plant Purchases	55%	610,000	610,000	335,451
Capex Roads Construction General	0%	535,188	267,588	-
	52%	4,456,803	2,533,348	2,324,486
Grants, Subsidies and Contributions				
Operating grants, subsidies and contributions	21%	14,838,098	14,008,186	3,098,879
Non-operating grants, subsidies and contributions	18%	1,938,566	969,270	340,788
	21%	16,776,664	14,977,456	3,439,667
Rates Levied	100%	623,919	623,919	623,918

% - Compares current YTD actuals to the Annual Budget

Financial Position

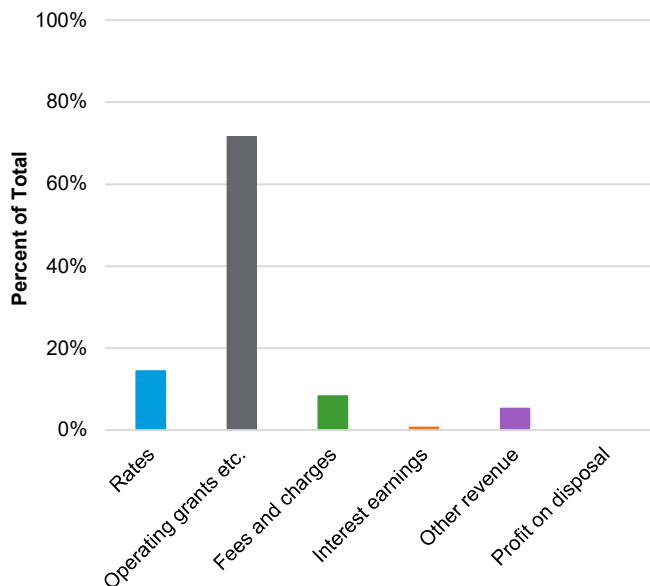
Account	Difference to Prior Year %	Current Year 31 Dec 22 \$	Prior Year 31 Dec 21 \$
Adjusted net current assets	(12%)	(281,377)	2,271,498
Cash and equivalent - unrestricted	46%	1,182,468	2,546,986
Cash and equivalent - restricted	107%	7,657,205	7,131,443
Receivables - rates	72%	102,331	141,488
Receivables - other	8%	16,193	200,013
Payables	307%	2,425,808	790,719

% - Compares current YTD actuals to prior year actuals

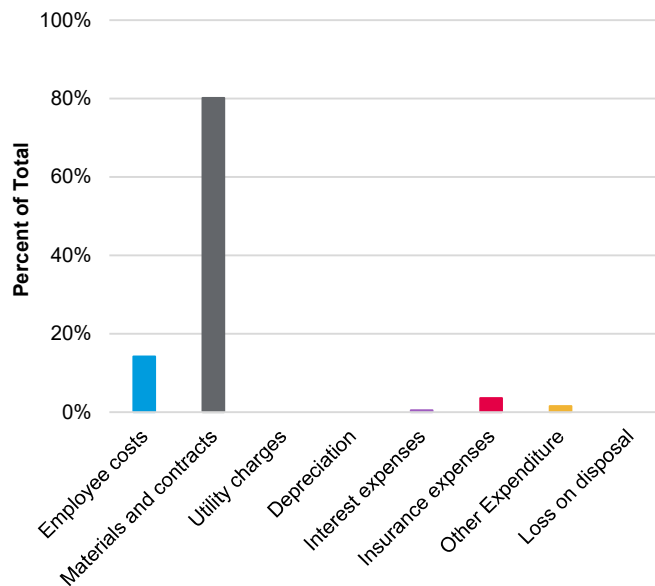
SHIRE OF MURCHISON
MONTHLY FINANCIAL REPORT
For the Period Ending 31 December 2022

SUMMARY GRAPHS

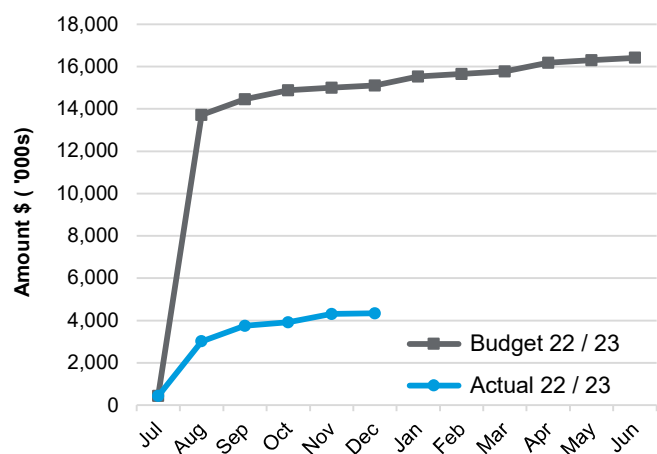
Operating Income



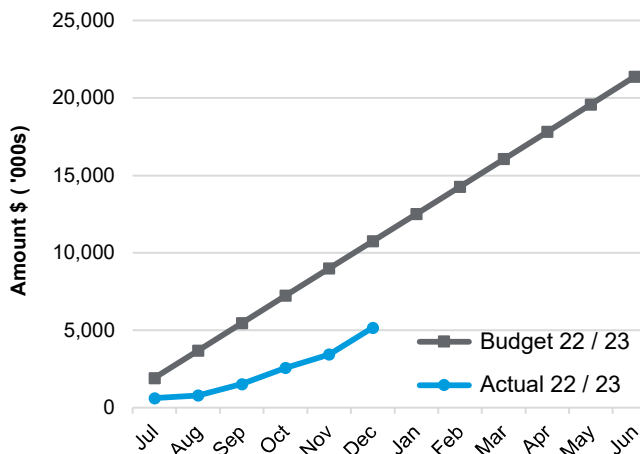
Operating Expenditure



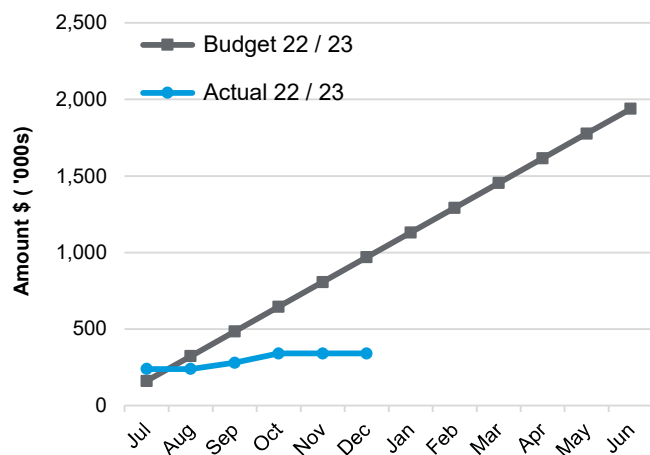
Operating Revenues



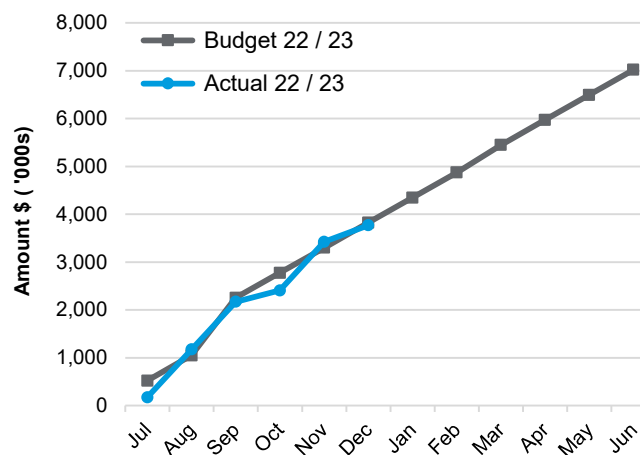
Operating Expenses



Capital Revenues - Investing



Capital Expenses



SHIRE OF MURCHISON
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 December 2022
NATURE OR TYPE

	Note	Annual Budget \$	YTD Budget \$	YTD Actual \$	Var* \$	Var* %	Var
Opening Funding Surplus / (Deficit)	3	481,440	481,440	1,415,534			
Revenue from Operating Activities							
Rates	10	623,919	623,919	623,918	(1)	(0%)	
Grants, subsidies and contributions	12(a)	14,838,098	14,008,186	3,098,879	(10,909,307)	(78%)	▼
Fees and charges		625,445	312,708	358,255	45,547	15%	▲
Interest earnings		45,000	21,579	26,151	4,572	21%	
Other revenue		281,990	141,114	228,019	86,905	62%	▲
Profit on disposal of assets	8	-	-	-	-		
		16,414,452	15,107,506	4,335,221			
Expenditure from Operating Activities							
Employee costs		(1,311,381)	(668,316)	(733,385)	(65,069)	(10%)	
Materials and contracts		(16,146,635)	(8,098,578)	(4,131,214)	3,967,364	49%	▲
Depreciation on non-current assets		(3,520,116)	(1,759,986)	-	1,759,986	100%	▲
Interest expenses		(47,061)	(6,240)	(24,462)	(18,222)	(292%)	▼
Insurance expenses		(184,439)	(161,361)	(185,182)	(23,821)	(15%)	▼
Other expenditure		(168,713)	(70,830)	(80,146)	(9,316)	(13%)	
Loss on disposal of assets	8	-	-	-	-		
		(21,378,345)	(10,765,311)	(5,154,388)			
Excluded Non-cash Operating Activities							
Depreciation and amortisation		3,520,116	1,759,986	-			
(Profit) / loss on asset disposal		-	-	-			
Net Amount from Operating Activities		(1,443,777)	6,102,181	(819,167)			
Investing Activities							
Grants, subsidies and contributions	12(b)	1,938,566	969,270	340,788	(628,482)	(65%)	▼
Proceeds from disposal of assets	8	59,000	4,917	-	(4,917)	(100%)	
Land and buildings	9(a)	(1,165,000)	(582,486)	(78,934)	503,552	86%	▲
Plant and equipment	9(b)	(680,000)	(680,000)	(405,952)	274,048	40%	▲
Furniture and equipment	9(c)	(114,000)	(56,988)	(33,261)	23,727	42%	▲
Infrastructure - roads	9(c)	(3,667,079)	(1,833,462)	(3,190,399)	(1,356,937)	(74%)	▼
Infrastructure - other	9(d)	(1,395,000)	(672,492)	(62,214)	610,278	91%	
Net Amount from Investing Activities		(5,023,513)	(2,851,241)	(3,429,973)			
Financing Activities							
Proceeds from Long Term Borrowings	11(a)	950,000	-	-			
Repayment of debentures	11(a)	(200,598)	(107,799)	(107,024)	775	1%	
Transfer from reserves	7	5,804,223	2,683,074	2,683,074	0	(0%)	
Transfer to reserves	7	(553,800)	(23,829)	(23,822)	7	0%	
Net Amount from Financing Activities		5,999,825	2,551,446	2,552,229			
Closing Funding Surplus / (Deficit)	3	13,975	6,283,826	(281,378)			

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

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

SHIRE OF MURCHISON
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 December 2022
REPORTING PROGRAM

17.2.1 - February 2023

	Note	Annual Budget \$	YTD Budget \$	YTD Actual \$	Var* \$	Var* %
Opening Funding Surplus / (Deficit)	3	481,440	481,440	1,415,534		
Revenue from Operating Activities						
Governance		28,000	13,998	28,529	14,531	104%
General purpose funding		1,886,401	1,254,402	1,258,177	3,775	0%
Law, order and public safety		9,050	4,518	10,122	5,604	124%
Health		-	-	-	-	
Education and welfare		250	120	-	(120)	(100%)
Housing		-	-	14,000	14,000	
Community amenities		300	150	93	(57)	(38%)
Recreation and culture		8,960	4,434	2,412	(2,022)	(46%)
Transport		13,425,651	13,301,980	2,411,112	(10,890,868)	(82%)
Economic services		955,840	477,906	576,905	98,999	21%
Other property and services		100,000	49,998	33,871	(16,127)	(32%)
		16,414,452	15,107,506	4,335,221		
Expenditure from Operating Activities						
Governance		(799,520)	(472,974)	(376,241)	96,733	20%
General purpose funding		(27,168)	(13,566)	(21,568)	(8,002)	(59%)
Law, order and public safety		(88,659)	(45,699)	(36,331)	9,368	21%
Health		(40,939)	(21,942)	(29,595)	(7,653)	(35%)
Education and welfare		(9,827)	(3,432)	(3,263)	169	5%
Housing		(82,966)	(41,208)	(14,000)	27,208	66%
Community amenities		(180,039)	(74,880)	(59,494)	15,386	21%
Recreation and culture		(415,274)	(207,516)	(137,091)	70,425	34%
Transport		(17,695,659)	(8,837,204)	(3,470,690)	5,366,514	61%
Economic services		(2,038,294)	(1,019,547)	(1,011,185)	8,362	1%
Other property and services		-	(27,343)	5,070	32,413	119%
		(21,378,345)	(10,765,311)	(5,154,388)		
Excluded Non-cash Operating Activities						
Depreciation and amortisation		3,520,116	1,759,986	-		
(Profit) / loss on asset disposal	8	-	-	-		
Net Amount from Operating Activities		(1,443,777)	6,102,181	(819,167)		
Investing Activities						
Grants, subsidies and contributions	12(b)	1,938,566	969,270	340,788	(628,482)	(65%)
Proceeds from disposal of assets	8	59,000	4,917	-	(4,917)	(100%)
Land and buildings	9(a)	(1,165,000)	(582,486)	(78,934)	503,552	86%
Plant and equipment	9(b)	(680,000)	(680,000)	(405,952)	274,048	40%
Furniture and equipment	9(c)	(114,000)	(56,988)	(33,261)	23,727	42%
Infrastructure - roads	9(c)	(3,667,079)	(1,833,462)	(3,190,399)	(1,356,937)	(74%)
Infrastructure - other	9(d)	(1,395,000)	(672,492)	(62,214)	610,278	91%
Net Amount from Investing Activities		(5,023,513)	(2,851,241)	(3,429,973)		
Financing Activities						
Proceeds from long term borrowings	11(a)	950,000	-	-	-	
Repayment of debentures	11(a)	(200,598)	(107,799)	(107,024)	775	1%
Transfer from reserves	7	5,804,223	2,683,074	2,683,074	0	0%
Transfer to reserves	7	(553,800)	(23,829)	(23,822)	7	0%
Net Amount from Financing Activities		5,999,825	2,551,446	2,552,229		
Closing Funding Surplus / (Deficit)	3	13,975	6,283,826	(281,378)		

* - Note 2 provides an explanation for the relevant variances shown above.
This statement needs to be read in conjunction with the accompanying Financial Statements and Notes.

SHIRE OF MURCHISON

STATEMENT OF CAPITAL ACQUISITIONS AND FUNDING

For the Period Ending 31 December 2022

CAPITAL ACQUISITIONS AND FUNDING

Asset Group	Note	Annual Budget \$	YTD Actual Total \$
Land and buildings	9(a)	1,165,000	78,934
Plant and equipment	9(b)	680,000	405,952
Furniture and equipment	9(c)	114,000	33,261
Infrastructure - roads	9(c)	3,667,079	3,190,399
Infrastructure - other	9(d)	1,395,000	62,214
Total Capital Expenditure		7,021,079	3,770,761

Capital Acquisitions Funded by:			
Capital grants and contributions		1,938,566	340,788
Borrowings		-	-
Other (disposals and c/fwd)		59,000	-
Council contribution - from reserves		2,521,000	-
Council contribution - operations		2,502,513	3,429,973
Total Capital Acquisitions Funding		7,021,079	3,770,761

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 December 2022

1. SIGNIFICANT ACCOUNTING POLICIES

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

The material variance adopted by the Shire of Murchison for the 2022/23 year is \$10,000 or 10%, whichever is greater. Items considered to be of material variance are disclosed in Note 2.

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

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

Preparation

Prepared by: Bertus Lochner
 Reviewed by: Travis Bate
 Date prepared: 09 Feb 23

(a) Basis of Preparation

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

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

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

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

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

(b) The Local Government Reporting Entity

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

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

(c) Rounding of Amounts

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

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 December 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST where applicable.

(e) Cash and Cash Equivalents

Cash and cash equivalents normally include cash on hand, bonds and deposits, overdrafts, excess rates, unspent grant funds, on call deposits and term deposits with maturities equal to or less than three months. Cash and cash equivalents are typically characterised as highly liquid investments with little risk of experiencing material changes in value. Further information is provided in Note 1(f).

(f) Financial Instruments

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.

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 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.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in the statement of comprehensive income.

In some circumstances, the Shire renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Shire does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 December 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Financial Instruments (Continued)

Impairment of Financial Assets

At the end of the annual reporting period the Shire assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment of loans and receivables are reduced through the use of an allowance account, all other impairment losses on financial assets at amortised cost are taken directly to the asset. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(g) Inventories

General

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs related to completion and its sale.

Land Held for Resale

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

(h) Fixed Assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at 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 revaluations at the next anniversary date in accordance with the mandatory measurement framework.

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 December 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Fixed Assets (Continued)

Revaluation

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

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

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

Land under roads

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

Vested improvements from 1 July 2019

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

(i) Depreciation of Non-current Assets

Fixed assets, excluding freehold land, are depreciated on a straight-line basis over the asset's useful life to the Shire, commencing when the asset is ready for use. The estimated useful lives used for each class of depreciable asset are shown below in years:

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

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Land Under Local Government Control

Regulation 16 in the *Local Government (Financial Management) Regulations 1996* prohibits certain assets to be included in the financial report of a local government and require other assets to be included. The regulation therefore supersedes the reporting requirements of AASB 1051 *Land Under Roads (p.15)* and AASB 116 *Property, Plant and*

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 December 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Trade and Other Payables

Trade and other payables are unpaid current liabilities owed for goods and services provided to the Shire prior to the end of the financial year. The amounts are unsecured and are normally paid within 30 days of recognition.

(k) Employee Benefits

Provision is made for the Shire's liability for employee benefits arising from services rendered by employees to the end of the annual reporting period. Employee benefits that are expected to be wholly settled within one year are measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on 10 year Australia Government Bonds. Changes in the measurement of the liability are recognised in the statement of comprehensive income.

(l) Interest-bearing Loans and Borrowings

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

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

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

(m) Provisions

Provisions are recognised when: The Shire has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

(n) Contract Liabilities

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

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

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

(o) Current and Non-current Classification

The report classifies current and non-current balances as defined by the *Local Government (Financial Management) Regulations 1996*, AASB 101 *Presentation of Financial Statements*, or by another applicable regulation or interpretation.

(p) Nature or Type Classifications

Rates

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

Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 December 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Nature or Type Classifications (Continued)

Non-operating Grants, Subsidies and Contributions

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

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

Fees and Charges

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

Service Charges

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

Interest Earnings

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

Other Revenue / Income

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

Employee Costs

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

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

Utilities (Gas, Electricity, Water, etc.)

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

Insurance

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

Loss on Asset Disposal

Loss on the disposal of fixed assets.

Depreciation on Non-current Assets

Depreciation expense raised on all classes of assets.

Interest Expenses

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

Other Expenditure

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

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 December 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Program Classifications (Function / Activity)

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

GOVERNANCE

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

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue.

LAW, ORDER AND PUBLIC SAFETY

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

HEALTH

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

EDUCATION AND WELFARE

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

HOUSING

Provision and maintenance of staff housing.

COMMUNITY AMENITIES

Maintain a refuse site for the settlement.

RECREATION AND CULTURE

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

TRANSPORT

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

ECONOMIC SERVICES

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

OTHER PROPERTY AND SERVICES

Private works operations, plant repairs and operation costs.

SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 December 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Revenue Recognition Policy

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

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

SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 December 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Revenue Recognition Policy (Continued)

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

SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 December 2022

2. EXPLANATION OF MATERIAL VARIANCES

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

The material variance adopted by Council for the 2022/23 year is \$10,000 and 10%.

Nature or Type Operating Revenues	Var \$	Var %	Var	Timing / Permanent	Explanation of Variance
Operating Grants, Subsidies and Contributions	(10,909,307)	(78%)	▼	Timing	Budget profile for Flood Damage Grants. Timing issue only. Refer to Note 12 for detail.
Fees and Charges	45,547	15%	▲	Timing	Primarily related to above budget Roadhouse Fuel Sales \$30,000 and accommodation and camping \$11,000.
Other Revenue	86,905	62%	▲	Timing	Roadhouse shop sales \$63,000 above budget.
Non Operating Grants, Subsidies and Contributions	(628,482)	(65%)	▼	Timing	MRWA specific grant received \$240,000, offset by budget profile of other grants. Refer to Note 12 for detail.

Operating Expense

Employee Costs	(65,069)	(10%)		Timing	Timing of budget profile.
Materials and contracts	3,967,364	49%	▲	Timing	Primarily related to timing of Flood Damage works.
Depreciation on Non-current Assets	1,759,986	100%	▲	Timing	Depreciation will not be run until 2022 audit completed.
Interest Expenses	(18,222)	(292%)	▼	Timing	Timing of budget profile.
Insurance Expenses	(23,821)	(15%)	▼	Timing	Timing of budget profile.

SHIRE OF MURCHISON

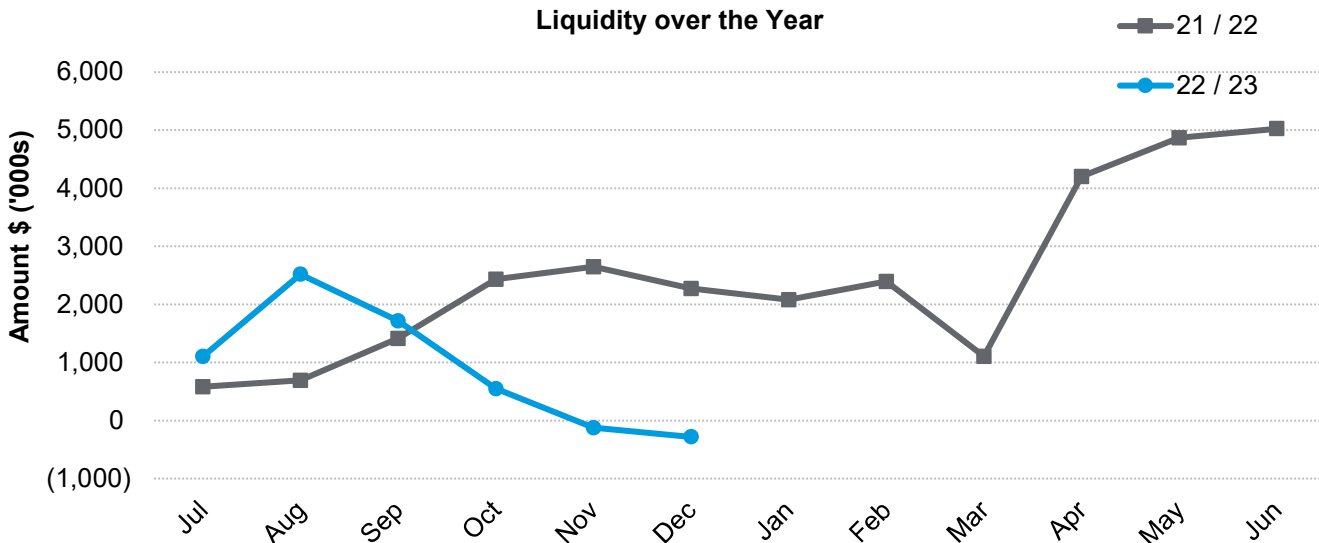
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 December 2022

3. NET CURRENT FUNDING POSITION

	Note	Current Month 31 Dec 22	Prior Year Closing 30 Jun 22	This Time Last Year 31 Dec 21
Current Assets		\$	\$	\$
Cash unrestricted	4	1,182,468	2,236,245	2,546,986
Cash restricted	4	7,657,205	10,316,457	7,131,443
Receivables - rates	6(a)	102,331	74,989	141,488
Receivables - sundry	6(b)	16,193	1,517	200,013
Receivables - other		329,205	52,761	-
Provision for doubtful debts		(16,493)	(16,493)	-
Contract assets		182,020	182,020	-
Inventories		161,398	139,172	170,677
Total Current Assets		9,614,328	12,986,669	10,190,607
Current Liabilities				
Payables - sundry		(1,317,960)	(334,339)	(673,126)
Payables - other		(119,528)	(119,283)	-
Deposits and bonds		(423,838)	(423,880)	(117,000)
Contract liabilities		(377,174)	(377,174)	-
Loan liabilities	11(a)	(187,308)	(187,406)	(593)
Total Payables		(2,425,808)	(1,442,083)	(790,719)
Provisions		(183,760)	(183,760)	(134,483)
Total Current Liabilities		(2,609,568)	(1,625,843)	(925,202)
Less: cash reserves	7	(7,657,205)	(10,316,457)	(7,128,983)
Less: movement in provisions (non current)		183,760	183,759	134,483
Add: loan principal (current)		187,308	187,406	593
Add: trust transactions to municipal		-	-	-
Net Funding Position - Surplus / (Deficit)		(281,377)	1,415,534	2,271,498

Liquidity over the Year



SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 December 2022

4. CASH AND FINANCIAL ASSETS

	Unrestricted	Restricted	Total	Institution	Interest	Maturity
	\$	\$	\$		Rate	Date
Cash					%	
Murchison Community Fund	416,657		416,657	Westpac	Variable	N/A
Municipal	366,710		366,710	Westpac	Variable	N/A
Cash On Hand	500	-	500	Cash on hand	Nil	N/A
Muni Short Term Investment	152,914		152,914	Westpac	Variable	N/A
Roadhouse	238,281		238,281	Westpac	Variable	N/A
CSIRO	7,407		7,407	Westpac	Variable	N/A
Reserve Funds		7,657,205	7,657,205	Westpac	Variable	N/A
Total Cash and Financial Assets	1,182,468	7,657,205	8,839,674			

5. TRUST FUND

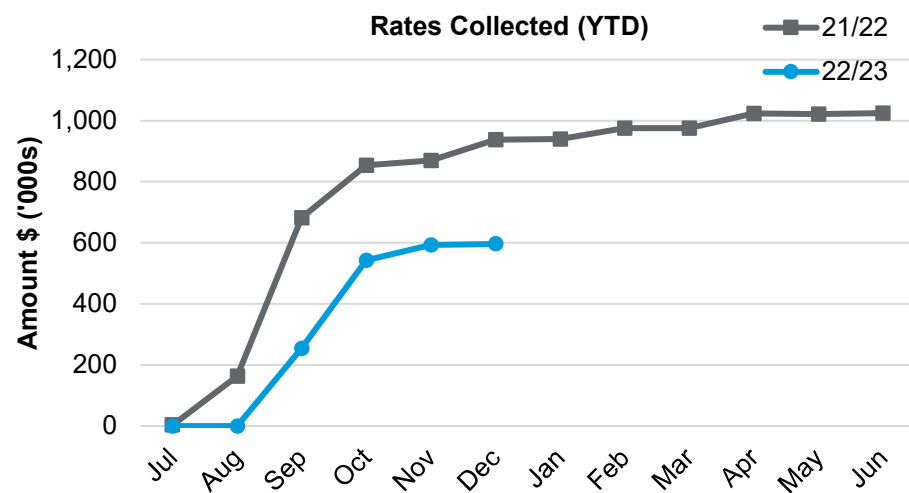
There are no funds held at balance date over which the Shire has no control

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 December 2022

6. RECEIVABLES

(a) Rates Receivable

	31 Dec 22
	\$
Rates receivables	102,331
Total Rates Receivable Outstanding	102,331
Closing balances - prior year	74,989
Rates levied this year	623,918
Closing balances - current month	(102,331)
Total Rates Collected to Date	596,575

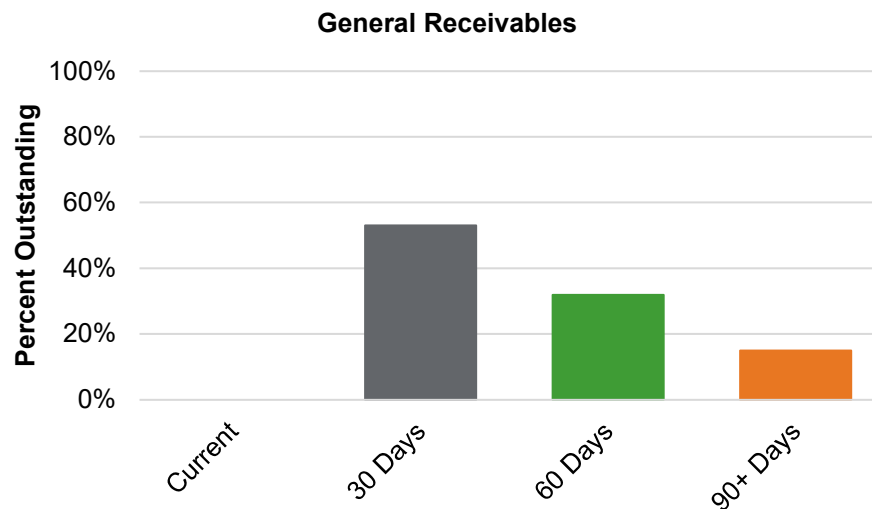


Comments / Notes

Rubbish fees included in YTD graph

(b) General Receivables

	31 Dec 22
	\$
Current	-
30 Days	8,600
60 Days	5,169
90+ Days	2,424
Total General Receivables Outstanding	16,193



Comments / Notes

Amounts shown above include GST (where applicable)

SHIRE OF MURCHISON

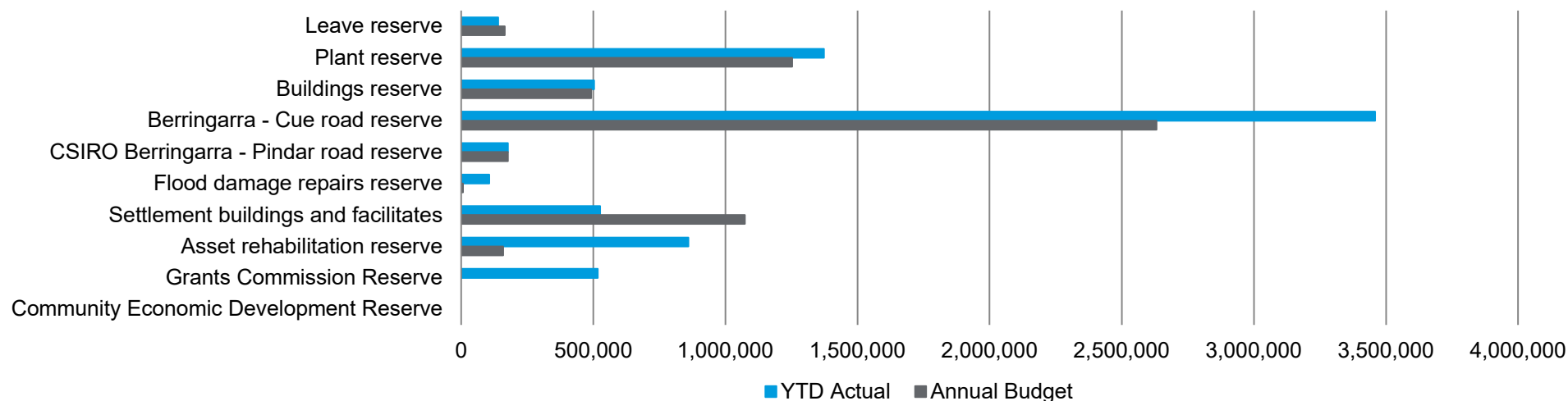
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 December 2022

7. CASH BACKED RESERVES

Reserve Name	Annual Budget				YTD Actual			
	Balance 01 Jul 22	Transfers from	Transfer to	Balance 30 Jun 23	Balance 01 Jul 22	Transfers from	Transfer to	Balance 31 Dec 22
	\$	\$	\$	\$	\$	\$	\$	\$
Leave reserve	139,147	-	25,700	164,847	139,148	-	741	139,889
Plant reserve	1,372,758	(621,000)	500,000	1,251,758	1,372,758	-	-	1,372,758
Buildings reserve	488,635	-	2,700	491,335	499,636	-	2,663	502,299
Berringarra - Cue road reserve	3,457,923	(850,000)	24,000	2,631,923	3,457,924	-	696	3,458,619
CSIRO Berringarra - Pindar road reser	176,024	-	900	176,924	176,024	-	937	176,960
Flood damage repairs reserve	105,969	(100,000)	500	6,469	105,969	-	-	105,969
Settlement buildings and facilitates	1,822,857	(750,000)	-	1,072,857	522,857	-	2,787	525,645
Asset rehabilitation reserve	458,912	(300,000)	-	158,912	858,912	-	-	858,912
Grants Commission Reserve	3,183,223	(3,183,223)	-	-	3,183,223	(2,683,074)	15,998	516,146
Community Economic Development R	-	-	-	-	-	-	-	-
Total Cash Backed Reserves	11,205,448	(5,804,223)	553,800	5,955,025	10,316,451	(2,683,074)	23,822	7,657,198

Annual Budget v YTD Actual



SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 December 2022

8. DISPOSAL OF ASSETS

Annual Budget

	WDV	Proceeds	Profit	(Loss)
	\$	\$	\$	\$
Transport				
Plant and Equipment				
P024 Water Tanker Trailer	24,000	24,000	-	-
P15006 Truck - Isuzu NPR 65/45	10,000	10,000	-	-
P16063 2016 Toyota Prado	25,000	25,000	-	-
Total Disposal of Assets	59,000	59,000	-	-
Total Profit or (Loss)				-

YTD Actual

	WDV	Proceeds	Profit	(Loss)
	\$	\$	\$	\$
Other Property & Services				
Motor Vehicle				
	-	-	-	-
				-
				-
				-
Total Disposal of Assets	-	-	-	-
Total Profit or (Loss)				-

SHIRE OF MURCHISON
 NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
 For the Period Ending 31 December 2022

9. CAPITAL ACQUISITIONS

(a) Land and Buildings	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
Community Amenities						
Container Deposit Shed		10,000	4,998	-	4,998	0%
Economic Services						
F Capex - New Caravan Park Ablution Block		350,000	174,996	-	174,996	0%
Capex - Roadhouse Residence		425,000	212,496	-	212,496	0%
Staff Accommodation Units		250,000	124,998	-	124,998	0%
Housing						
Capex - Renovation 6 Kurara Way		115,000	57,498	78,934	(21,436)	69%
Transport						
Depot Buildings & Improvements		15,000	7,500	-	7,500	0%
Total Land and Buildings		1,165,000	582,486	78,934	503,552	

(a) Furniture & Equipment	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
Governance						
Council Chambers Communications Gear/Tables		15,000	7,500	327	7,173	2%
Server Replacement		32,000	15,996	30,025	(14,029)	94%
Housing						
Staff Shousing Furniture & Equipment		-	-	2,909	(2,909)	100%
Economic Services						
Cap Ex Point Of Sale System Roadhouse		22,000	10,998	-	10,998	0%
Capex - Washing Machines		15,000	7,500	-	7,500	0%
Roadhouse Appliances		20,000	9,996	-	9,996	0%
Roadhouse Furniture		10,000	4,998	-	4,998	0%
Total Furniture & Equipment		114,000	56,988	33,261	23,727	

(b) Plant and Equipment	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
Law, Order and Public Safety						
Slip on Fire Units		-	-	65,800	(65,800)	100%
Transport						
Road Plant Purchases		610,000	610,000	335,451	274,549	55%
Depot Plant & Equipment		-	-	4,701	(4,701)	#DIV/0!
Governance						
Administration Vehicles Purchases		70,000	70,000	-	70,000	0%
Total Plant and Equipment		680,000	680,000	405,952	274,048	

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 December 2022

17.2.1 - February 2023

9. CAPITAL ACQUISITIONS (Continued)

(b) Infrastructure - Roads	Funding Source	Annual Budget	YTD Budget	YTD Actual	YTD Variance	% Complete
		\$	\$	\$	\$	
Transport						
Tourism Information Bays & Signage		30,000	15,000	-	15,000	0%
Cap Ex - Berringara-Cue Road - Upgrade Floodways		-	-	184,593	(184,593)	
Capex Roads Construction General		535,188	267,588	-	267,588	0%
Carn-Mul Rd 245.04 - 254.10 Reconstruct Resheet Prep for		640,412	320,184	770,268	(450,084)	120%
Capex Grids General		120,000	60,000	100,244	(40,244)	84%
Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen various s		721,203	360,582	-	360,582	0%
Beri-Pindar Rd Wreath Flowers Works		152,040	76,008	283	75,725	0%
Beri-Pindar Rd 288.05 - 309.50 Resheet incl Floodways		368,236	184,104	146,513	37,591	40%
Carn-Mul Rd 82.62 - 83.54 & 86.90 - 88.05 Resheet incl Flo		250,000	124,998	-	124,998	0%
General Road Sealing Works		-	-	769,733	(769,733)	
Capex - Beringarra-Cue Rd - Convert To Gravel		850,000	424,998	1,218,766	(793,768)	143%
		3,667,079	1,833,462	3,190,399	(1,356,937)	
Total Infrastructure - Roads						
		3,667,079	1,833,462	3,190,399	(1,356,937)	
(d) Infrastructure - Other						
	Funding Source	Annual Budget	YTD Budget	YTD Actual	YTD Variance	% Complete
		\$	\$	\$	\$	
Recreation & Culture						
Sports Club Access Upgrade		15,000	7,500	-	7,500	0%
Economic Services						
Roadhouse & C/V Park Precinct Works		20,000	9,996	-	9,996	0%
Capex - Provision of Solar Power		1,100,000	549,996	-	549,996	0%
Improvements To drinking Water reticulation		180,000	90,000	15,984	74,016	9%
Community Amenities						
Cap-Ex - New Rubbish Tip		50,000	-	30,970	(30,970)	62%
Cap Ex - Niche Wall For Settlement Cemetery		30,000	15,000	15,260	(260)	51%
		1,395,000	672,492	62,214	610,278	
Total Infrastructure - Other						
		1,395,000	672,492	62,214	610,278	
Total Capital Expenditure						
		7,021,079	3,825,428	3,770,761	54,667	

SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 December 2022

10. RATING INFORMATION

	Rateable Value \$	Rate in \$	Number of Properties #	Annual Budget Revenue \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	YTD Actual Revenue \$
General Rates								
UV Pastoral	1,232,909	0.048626	22	59,952	59,956	-	-	59,956
UV Mining	1,624,078	0.245523	11	398,748	398,744	-	-	398,744
UV Prospecting and exploration	1,486,430	0.093391	44	138,819	138,818	-	-	138,818
Total General Rates				597,519	597,518	-	-	597,518
Minimum Rates								
UV Pastoral	17,304	800	6	4,800	4,800	-	-	4,800
UV Mining	-	800	0	-	-	-	-	-
UV Prospecting and exploration	112,974	800	27	21,600	21,600	-	-	21,600
Total Minimum Rates				26,400	26,400	-	-	26,400
Total General and Minimum Rates				623,919	623,918	-	-	623,918
Other Rate Revenue								
Facilities fees (Ex Gratia)								-
Total Rate Revenue				623,919				623,918

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 December 2022

11. INFORMATION ON BORROWINGS

(a) Debenture Repayments

(i) Loan 1 Purchase of Road Plant

	Annual Budget \$	YTD Budget \$	YTD Actual \$
Transport			
Opening balance	15,000	15,000	14,650
Principal payment	(15,000)	(15,000)	(14,650)
Principal Outstanding	-	-	(0)
Interest payment	(490)	-	-
Guarantee fee	-	-	-
Total Principal, Interest and Fees Paid	(15,490)	(15,000)	(14,650)

(ii) Loan 2 Roadworks in 2020-21

	Annual Budget \$	YTD Budget \$	YTD Actual \$
Transport			
Opening balance	1,908,469	1,908,469	1,908,469
Principal payment	(185,598)	(92,799)	(92,374)
Principal Outstanding	1,722,871	1,815,670	1,816,096
Interest payment	(34,305)	(17,578)	(17,578)
Service fee	-	-	-
Total Principal, Interest and Fees Paid	(219,903)	(110,377)	(109,952)

(iii) Loan 3 MicroGrid Power

	Annual Budget \$	YTD Budget \$	YTD Actual \$
Economic Services			
Opening balance	-	-	-
New Loans	950,000	-	-
Principal payment	-	-	-
Principal Outstanding	950,000	-	-
Interest payment	-	-	-
Service fee	-	-	-
Total Principal, Interest and Fees Paid	-	-	-

Total Principal Outstanding	2,672,871	1,815,670	1,816,095
Total Principal Repayments	(200,598)	(107,799)	(107,024)

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 December 2022

12. GRANTS, SUBSIDIES AND CONTRIBUTIONS

(a) Operating Grants, Subsidies and Contributions

Program / Details	Grant Provider	Annual Budget \$	YTD Budget \$	YTD Actual \$
General Purpose Funding				
F.A.G Grant - General	WALGGC	998,722	499,360	499,361
F.A.G. Grant - Roads	WALGGC	217,085	108,542	108,543
Law, Order and Public Safety				
DFES Operating Grant	DFES	8,800	4,398	9,216
Education and Welfare				
Education & Welfare Revenue		250	120	-
Community Amenities				
Other Community Amenities Revenue		300	150	-
Transport				
MRWA Direct	MRWA	246,431	123,210	251,732
WANDRRA Flood Damage	MRWA	13,178,320	13,178,320	2,158,457
Economic Services				
Tour Area Prom Revenue		87,690	43,842	35,000
Roadhouse - Other Revenue		500	246	2,700
Other Property & Services				
Diesel Fuel Rebate		100,000	49,998	33,871
Total Operating Grants, Subsidies and Contributions		14,838,098	14,008,186	3,098,879

(b) Non-operating Grants, Subsidies and Contributions

Transport				
MRWA Specific	MRWA	360,000	180,000	240,000
Roads to Recovery		565,000	282,498	-
MRWA Black Spot		101,360	50,676	40,544
LRCIP		910,206	455,100	60,244
Law, Order and Public Safety				
Fire Prevention Grant		2,000	996	-
Total Non-Operating Grants, Subsidies and Contributions		1,938,566	969,270	340,788
Total Grants, Subsidies and Contributions		16,776,664	14,977,456	3,439,667

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 December 2022

13. BUDGET AMENDMENTS

GL Code	Job Code	Description	Council Resolution	Classification	Increase in Cash	Decrease in Cash	Running Balance
---------	----------	-------------	--------------------	----------------	------------------	------------------	-----------------



murchisonshire

PO Box 61, Mullewa WA 6630
T | (08) 9963 7999 F | (08) 9963 7966
E | admin@murchison.wa.gov.au
ABN 63 002 218 762
murchison.wa.gov.au

SHIRE OF MURCHISON

MONTHLY FINANCIAL REPORT

For the Period Ending 31 January 2023

General

Compilation Report
Executive Summary

Note

Financial Statements

Statement of Financial Activity by Nature or Type
Statement of Financial Activity by Program
Statement of Capital Acquisitions and Funding

Notes to the Statement of Financial Activity

Significant Accounting Policies	Note 1
Explanation of Material Variances	Note 2
Net Current Funding Position	Note 3
Cash and Investments	Note 4
Trust Fund	Note 5
Receivables	Note 6
Cash Backed Reserves	Note 7
Capital Disposals	Note 8
Capital Acquisitions	Note 9
Rating Information	Note 10
Information on Borrowings	Note 11
Grants and Contributions	Note 12
Budget Amendments	Note 13



RSM Australia Pty Ltd

Level 1, 12 Bayly Street Geraldton WA 6530

PO Box 61 Geraldton WA 6531

T +61(0) 8 9920 7400

F +61(0) 8 9920 7450

www.rsm.com.au

Compilation Report

To the Council

Shire of Murchison

Scope

We have compiled the accompanying special purpose financial statements.

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

The responsibility of the Shire

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

Our responsibility

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

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

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

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

Travis Bate
Signed at GERALDTON

RSM Australia Pty Ltd
Chartered Accountants

Date 16th February 2023

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

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

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

Liability limited by a scheme approved under Professional Standards Legislation

SHIRE OF MURCHISON
MONTHLY FINANCIAL REPORT
For the Period Ending 31 January 2023
EXECUTIVE SUMMARY

Statement of Financial Activity

Statements are presented on pages 5 and 6 showing a surplus/(deficit) as at 31 January 2023 of \$411,679

Significant Revenue and Expenditure

	Collected / Completed %	Annual Budget \$	YTD Budget \$	YTD Actual \$
Significant Projects				
Capex - Provision of Solar Power	0%	1,100,000	641,662	-
Capex - Beringarra-Cue Rd - Convert To Gravel	158%	850,000	495,831	1,345,186
Carn-Mul Rd 245.04 - 254.10 Reconstruct Resheet Prep	120%	640,412	373,548	770,268
Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen vari	0%	721,203	420,679	-
Road Plant Purchases	57%	610,000	610,000	347,940
Capex Roads Construction General	0%	535,188	312,186	-
	55%	4,456,803	2,853,906	2,463,395
Grants, Subsidies and Contributions				
Operating grants, subsidies and contributions	21%	14,838,098	14,349,131	3,113,333
Non-operating grants, subsidies and contributions	28%	1,938,566	1,130,815	546,585
	22%	16,776,664	15,479,946	3,659,918
Rates Levied				
	100%	623,919	623,919	623,918

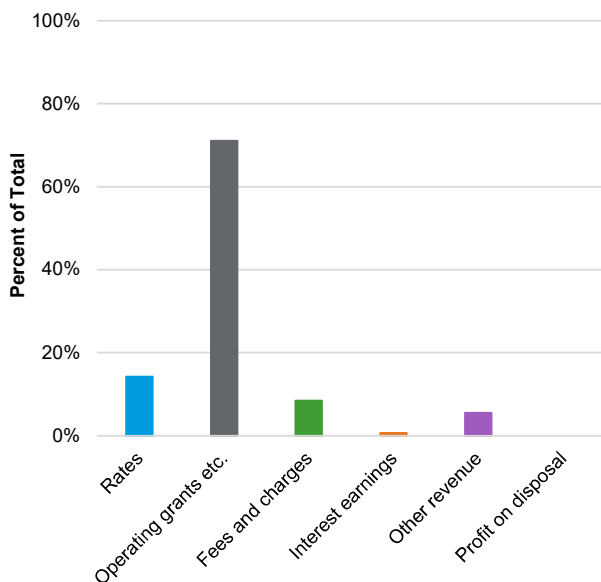
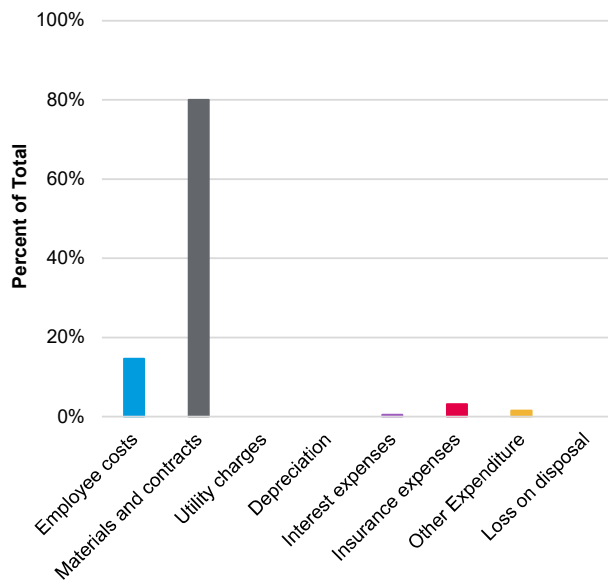
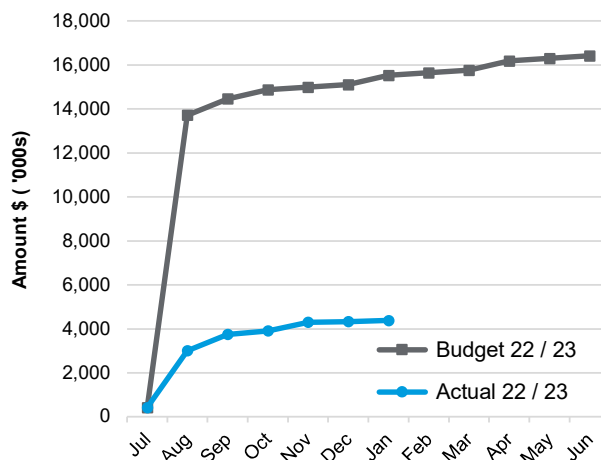
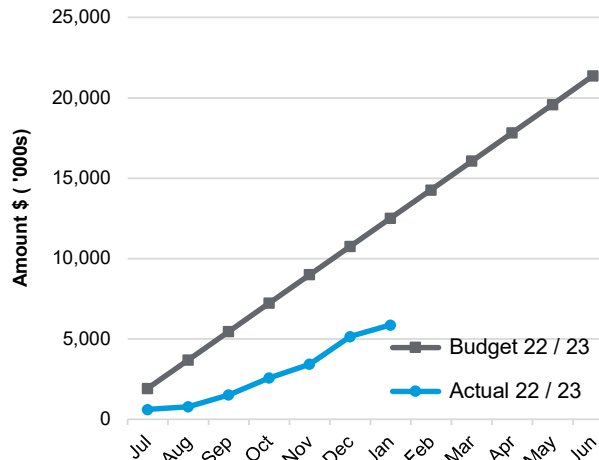
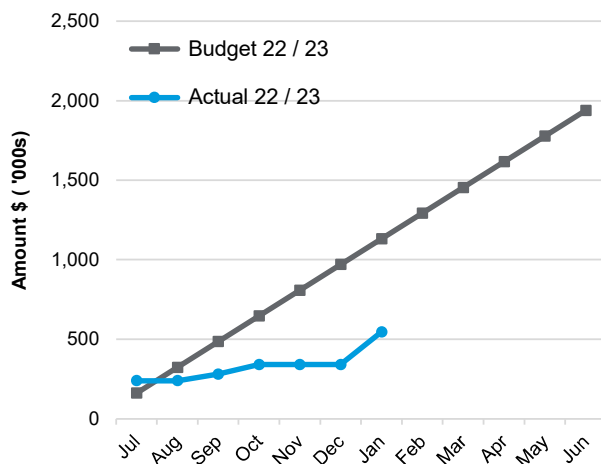
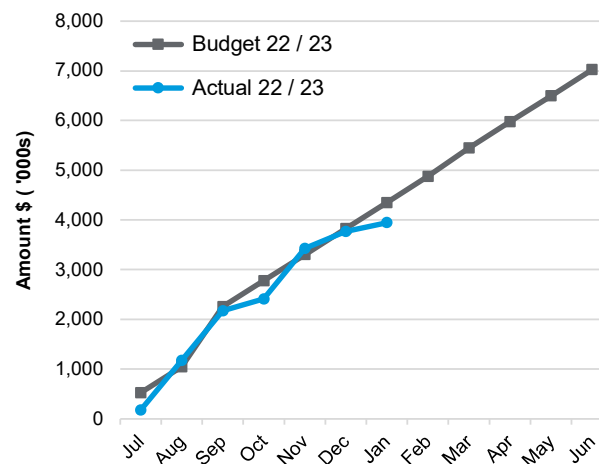
% - Compares current YTD actuals to the Annual Budget

Financial Position

Account	Difference to Prior Year %	Current Year 31 Jan 23 \$	Prior Year 31 Jan 22 \$
Adjusted net current assets	20%	411,679	2,105,815
Cash and equivalent - unrestricted	47%	1,125,190	2,415,191
Cash and equivalent - restricted	89%	6,326,558	7,131,443
Receivables - rates	51%	83,119	161,786
Receivables - other	9%	10,633	119,164
Payables	191%	1,504,587	786,976

% - Compares current YTD actuals to prior year actuals

SHIRE OF MURCHISON
MONTHLY FINANCIAL REPORT
For the Period Ending 31 January 2023
SUMMARY GRAPHS

Operating Income**Operating Expenditure****Operating Revenues****Operating Expenses****Capital Revenues - Investing****Capital Expenses**

SHIRE OF MURCHISON
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 January 2023
NATURE OR TYPE

	Note	Annual Budget \$	YTD Budget \$	YTD Actual \$	Var* \$	Var* %	Var
Opening Funding Surplus / (Deficit)	3	481,440	481,440	1,415,534			
Revenue from Operating Activities							
Rates	10	623,919	623,919	623,918	(1)	(0%)	
Grants, subsidies and contributions	12(a)	14,838,098	14,349,131	3,113,333	(11,235,798)	(78%)	▼
Fees and charges		625,445	364,826	369,243	4,417	1%	
Interest earnings		45,000	25,481	29,439	3,958	16%	
Other revenue		281,990	164,578	242,595	78,017	47%	▲
Profit on disposal of assets	8	-	-	-	-		
		16,414,452	15,527,935	4,378,528			
Expenditure from Operating Activities							
Employee costs		(1,311,381)	(772,702)	(861,494)	(88,792)	(11%)	▼
Materials and contracts		(16,146,635)	(9,439,141)	(4,697,677)	4,741,464	50%	▲
Depreciation on non-current assets		(3,520,116)	(2,053,317)	-	2,053,317	100%	▲
Interest expenses		(47,061)	(7,280)	(31,103)	(23,823)	(327%)	▼
Insurance expenses		(184,439)	(165,184)	(185,182)	(19,998)	(12%)	▼
Other expenditure		(168,713)	(82,135)	(90,599)	(8,464)	(10%)	
Loss on disposal of assets	8	-	-	-	-		
		(21,378,345)	(12,519,759)	(5,866,055)			
Excluded Non-cash Operating Activities							
Depreciation and amortisation		3,520,116	2,053,317	-			
(Profit) / loss on asset disposal		-	-	-			
Net Amount from Operating Activities		(1,443,777)	5,061,493	(1,487,527)			
Investing Activities							
Grants, subsidies and contributions	12(b)	1,938,566	1,130,815	546,585	(584,230)	(52%)	▼
Proceeds from disposal of assets	8	59,000	4,917	-	(4,917)	(100%)	
Land and buildings	9(a)	(1,165,000)	(679,567)	(78,934)	600,633	88%	▲
Plant and equipment	9(c)	(680,000)	(680,000)	(418,441)	261,559	38%	▲
Furniture and equipment	9(b)	(114,000)	(66,486)	(33,261)	33,225	50%	▲
Infrastructure - roads	9(d)	(3,667,079)	(2,139,039)	(3,349,639)	(1,210,600)	(57%)	▼
Infrastructure - other	9(e)	(1,395,000)	(784,574)	(65,514)	719,060	92%	
Net Amount from Investing Activities		(5,023,513)	(3,213,934)	(3,399,204)			
Financing Activities							
Proceeds from Long Term Borrowings	11(a)	950,000	-	-			
Repayment of debentures	11(a)	(200,598)	(107,799)	(107,024)	775	1%	
Transfer from reserves	7	5,804,223	2,683,074	4,016,855	1,333,781	(50%)	
Transfer to reserves	7	(553,800)	(23,829)	(26,956)	(3,127)	(13%)	
Net Amount from Financing Activities		5,999,825	2,551,446	3,882,876			
Closing Funding Surplus / (Deficit)	3	13,975	4,880,445	411,679			

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

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

SHIRE OF MURCHISON
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 January 2023
REPORTING PROGRAM

	Note	Annual Budget \$	YTD Budget \$	YTD Actual \$	Var* \$	Var* %
Opening Funding Surplus / (Deficit)	3	481,440	481,440	1,415,534		
Revenue from Operating Activities						
Governance		28,000	16,331	28,620	12,289	75%
General purpose funding		1,886,401	1,562,367	1,261,465	(300,902)	(19%)
Law, order and public safety		9,050	5,271	14,934	9,663	183%
Health		-	-	-	-	
Education and welfare		250	140	-	(140)	(100%)
Housing		-	-	15,653	15,653	
Community amenities		300	175	93	(82)	(47%)
Recreation and culture		8,960	5,173	2,685	(2,488)	(48%)
Transport		13,425,651	13,322,590	2,411,112	(10,911,478)	(82%)
Economic services		955,840	557,557	603,059	45,502	8%
Other property and services		100,000	58,331	40,908	(17,423)	(30%)
		16,414,452	15,527,935	4,378,528		
Expenditure from Operating Activities						
Governance		(799,520)	(524,681)	(414,325)	110,356	21%
General purpose funding		(27,168)	(15,827)	(24,016)	(8,189)	(52%)
Law, order and public safety		(88,659)	(52,845)	(37,887)	14,958	28%
Health		(40,939)	(25,099)	(31,656)	(6,557)	(26%)
Education and welfare		(9,827)	(4,004)	(3,263)	741	19%
Housing		(82,966)	(48,076)	(15,653)	32,423	67%
Community amenities		(180,039)	(87,360)	(74,901)	12,459	14%
Recreation and culture		(415,274)	(242,102)	(148,907)	93,195	38%
Transport		(17,695,659)	(10,307,738)	(3,894,250)	6,413,488	62%
Economic services		(2,038,294)	(1,189,260)	(1,111,169)	78,091	7%
Other property and services		-	(22,767)	(110,027)	(87,260)	(383%)
		(21,378,345)	(12,519,759)	(5,866,055)		
Excluded Non-cash Operating Activities						
Depreciation and amortisation		3,520,116	2,053,317	-		
(Profit) / loss on asset disposal	8	-	-	-		
Net Amount from Operating Activities		(1,443,777)	5,061,493	(1,487,526)		
Investing Activities						
Grants, subsidies and contributions	12(b)	1,938,566	1,130,815	546,585	(584,230)	(52%)
Proceeds from disposal of assets	8	59,000	4,917	-	(4,917)	(100%)
Land and buildings	9(a)	(1,165,000)	(679,567)	(78,934)	600,633	88%
Plant and equipment	9(c)	(680,000)	(680,000)	(418,441)	261,559	38%
Furniture and equipment	9(b)	(114,000)	(66,486)	(33,261)	33,225	50%
Infrastructure - roads	9(d)	(3,667,079)	(2,139,039)	(3,349,639)	(1,210,600)	(57%)
Infrastructure - other	9(e)	(1,395,000)	(784,574)	(65,514)	719,060	92%
Net Amount from Investing Activities		(5,023,513)	(3,213,934)	(3,399,204)		
Financing Activities						
Proceeds from long term borrowings	11(a)	950,000	-	-	-	
Repayment of debentures	11(a)	(200,598)	(107,799)	(107,024)	775	1%
Transfer from reserves	7	5,804,223	2,683,074	4,016,855	1,333,781	50%
Transfer to reserves	7	(553,800)	(23,829)	(26,956)	(3,127)	(13%)
Net Amount from Financing Activities		5,999,825	2,551,446	3,882,876		
Closing Funding Surplus / (Deficit)	3	13,975	4,880,445	411,679		

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

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

SHIRE OF MURCHISON

STATEMENT OF CAPITAL ACQUISITIONS AND FUNDING

For the Period Ending 31 January 2023

CAPITAL ACQUISITIONS AND FUNDING

Asset Group	Note	Annual Budget \$	YTD Actual Total \$
Land and buildings	9(a)	1,165,000	78,934
Plant and equipment	9(c)	680,000	418,441
Furniture and equipment	9(b)	114,000	33,261
Infrastructure - roads	9(d)	3,667,079	3,349,639
Infrastructure - other	9(e)	1,395,000	65,514
Total Capital Expenditure		7,021,079	3,945,789

Capital Acquisitions Funded by:

Capital grants and contributions	1,938,566	546,585
Borrowings	-	-
Other (disposals and c/fwd)	59,000	-
Council contribution - from reserves	2,521,000	1,333,781
Council contribution - operations	2,502,513	2,065,423
Total Capital Acquisitions Funding	7,021,079	3,945,789

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 January 2023

1. SIGNIFICANT ACCOUNTING POLICIES

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

The material variance adopted by the Shire of Murchison for the 2022/23 year is \$10,000 or 10%, whichever is greater. Items considered to be of material variance are disclosed in Note 2.

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

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

Preparation

Prepared by: Bertus Lochner
 Reviewed by: Travis Bate
 Date prepared: 16 Feb 23

(a) Basis of Preparation

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

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

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

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

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

(b) The Local Government Reporting Entity

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

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

(c) Rounding of Amounts

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

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 January 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST where applicable.

(e) Cash and Cash Equivalents

Cash and cash equivalents normally include cash on hand, bonds and deposits, overdrafts, excess rates, unspent grant funds, on call deposits and term deposits with maturities equal to or less than three months. Cash and cash equivalents are typically characterised as highly liquid investments with little risk of experiencing material changes in value. Further information is provided in Note 1(f).

(f) Financial Instruments

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.

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 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.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in the statement of comprehensive income.

In some circumstances, the Shire renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Shire does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 January 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)
(f) Financial Instruments (Continued)

Impairment of Financial Assets

At the end of the annual reporting period the Shire assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment of loans and receivables are reduced through the use of an allowance account, all other impairment losses on financial assets at amortised cost are taken directly to the asset. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(g) Inventories

General

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs related to completion and its sale.

Land Held for Resale

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

(h) Fixed Assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at 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 revaluations at the next anniversary date in accordance with the mandatory measurement framework.

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 January 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Fixed Assets (Continued)

Revaluation

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

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

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

Land under roads

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

Vested improvements from 1 July 2019

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

(i) Depreciation of Non-current Assets

Fixed assets, excluding freehold land, are depreciated on a straight-line basis over the asset's useful life to the Shire, commencing when the asset is ready for use. The estimated useful lives used for each class of depreciable asset are shown below in years:

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

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Land Under Local Government Control

Regulation 16 in the *Local Government (Financial Management) Regulations 1996* prohibits certain assets to be included in the financial report of a local government and require other assets to be included. The regulation therefore supersedes the reporting requirements of AASB 1051 *Land Under Roads (p.15)* and AASB 116 *Property, Plant and*

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 January 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Trade and Other Payables

Trade and other payables are unpaid current liabilities owed for goods and services provided to the Shire prior to the end of the financial year. The amounts are unsecured and are normally paid within 30 days of recognition.

(k) Employee Benefits

Provision is made for the Shire's liability for employee benefits arising from services rendered by employees to the end of the annual reporting period. Employee benefits that are expected to be wholly settled within one year are measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on 10 year Australia Government Bonds. Changes in the measurement of the liability are recognised in the statement of comprehensive income.

(l) Interest-bearing Loans and Borrowings

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

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

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

(m) Provisions

Provisions are recognised when: The Shire has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

(n) Contract Liabilities

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

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

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

(o) Current and Non-current Classification

The report classifies current and non-current balances as defined by the *Local Government (Financial Management) Regulations 1996*, AASB 101 *Presentation of Financial Statements*, or by another applicable regulation or interpretation.

(p) Nature or Type Classifications

Rates

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

Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 January 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Nature or Type Classifications (Continued)

Non-operating Grants, Subsidies and Contributions

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

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

Fees and Charges

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

Service Charges

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

Interest Earnings

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

Other Revenue / Income

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

Employee Costs

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

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

Utilities (Gas, Electricity, Water, etc.)

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

Insurance

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

Loss on Asset Disposal

Loss on the disposal of fixed assets.

Depreciation on Non-current Assets

Depreciation expense raised on all classes of assets.

Interest Expenses

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

Other Expenditure

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

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 January 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Program Classifications (Function / Activity)

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

GOVERNANCE

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

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue.

LAW, ORDER AND PUBLIC SAFETY

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

HEALTH

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

EDUCATION AND WELFARE

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

HOUSING

Provision and maintenance of staff housing.

COMMUNITY AMENITIES

Maintain a refuse site for the settlement.

RECREATION AND CULTURE

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

TRANSPORT

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

ECONOMIC SERVICES

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

OTHER PROPERTY AND SERVICES

Private works operations, plant repairs and operation costs.

SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 January 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Revenue Recognition Policy

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

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

SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 January 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Revenue Recognition Policy (Continued)

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

SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 January 2023

2. EXPLANATION OF MATERIAL VARIANCES

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

The material variance adopted by Council for the 2022/23 year is \$10,000 and 10%.

Nature or Type Operating Revenues	Var	Var	Var	Timing /	Explanation of Variance
	\$	%		Permanent	
Operating Grants, Subsidies and Contributions	(11,235,798)	(78%)	▼	Timing	Budget profile for Flood Damage Grants. Timing issue only. Refer to Note 12 for detail.
Other Revenue	78,017	47%	▲	Timing	Roadhouse shop sales \$55,815 above budget.
Non Operating Grants, Subsidies and Contributions	(584,230)	(52%)	▼	Timing	MRWA specific grant received \$372,000, offset by budget profile of other grants. Refer to Note 12 for detail.

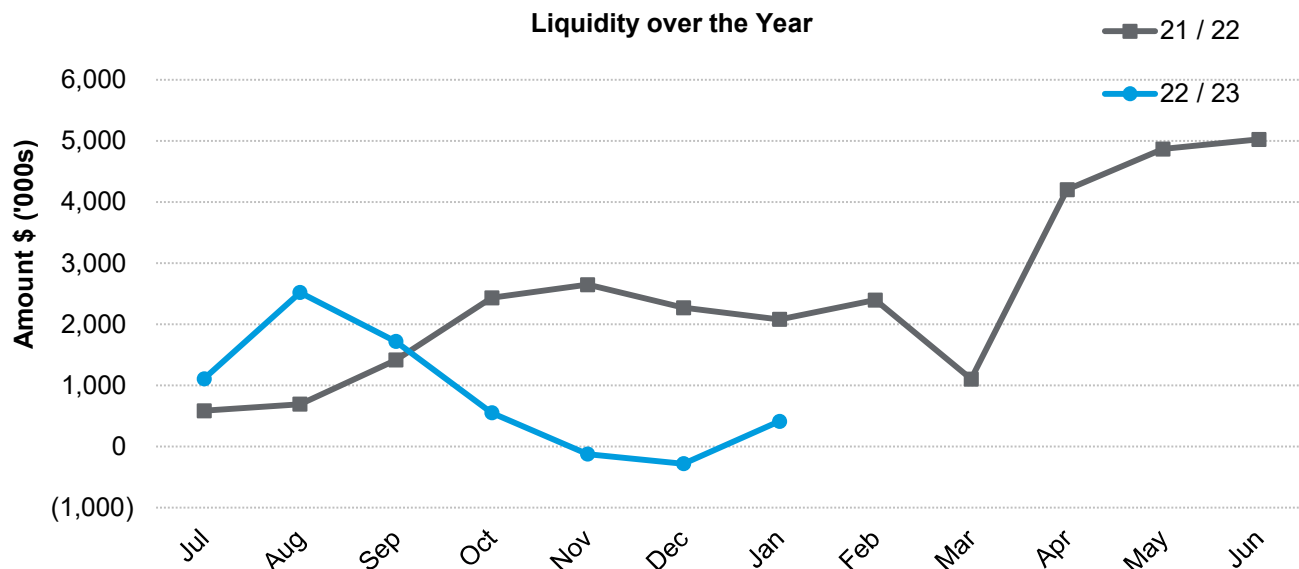
Operating Expense

Employee Costs	(88,792)	(11%)	▼	Timing	Timing of budget profile.
Materials and contracts	4,741,464	50%	▲	Timing	Primarily related to timing of Flood Damage works.
Depreciation on Non-current Assets	2,053,317	100%	▲	Timing	Depreciation will not be run until 2022 audit completed.
Interest Expenses	(23,823)	(327%)	▼	Timing	Timing of budget profile.
Insurance Expenses	(19,998)	(12%)	▼	Timing	Timing of budget profile.

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 January 2023

3. NET CURRENT FUNDING POSITION

	Note	Current Month 31 Jan 23 \$	Prior Year Closing 30 Jun 22 \$	This Time Last Year 31 Jan 22 \$
Current Assets				
Cash unrestricted	4	1,125,190	2,236,245	2,415,191
Cash restricted	4	6,326,558	10,316,457	7,131,443
Receivables - rates	6(a)	83,119	74,989	161,786
Receivables - sundry	6(b)	10,633	1,517	119,164
Receivables - other		202,833	52,761	-
Provision for doubtful debts		(16,493)	(16,493)	(22,417)
Contract assets		182,020	182,020	-
Inventories		141,655	139,172	194,190
Total Current Assets		8,055,515	12,986,669	10,021,774
Current Liabilities				
Payables - sundry		(428,130)	(334,339)	(669,976)
Payables - other		(87,716)	(119,283)	-
Deposits and bonds		(424,258)	(423,880)	(117,000)
Contract liabilities		(377,174)	(377,174)	-
Loan liabilities	11(a)	(187,308)	(187,406)	-
Total Payables		(1,504,587)	(1,442,083)	(786,976)
Provisions		(183,760)	(183,760)	(134,483)
Total Current Liabilities		(1,688,347)	(1,625,843)	(921,459)
Less: cash reserves	7	(6,326,558)	(10,316,457)	(7,128,983)
Less: movement in provisions (non current)		183,760	183,759	134,483
Add: loan principal (current)		187,308	187,406	-
Add: trust transactions to municipal		-	-	-
Net Funding Position - Surplus / (Deficit)		411,679	1,415,534	2,105,815



SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 January 2023

4. CASH AND FINANCIAL ASSETS

	Unrestricted	Restricted	Total	Institution	Interest	Maturity
	\$	\$	\$		Rate	Date
Cash					%	
Murchison Community Fund	417,077		417,077	Westpac	Variable	N/A
Municipal	292,894		292,894	Westpac	Variable	N/A
Cash On Hand	500	-	500	Cash on hand	Nil	N/A
Muni Short Term Investment	153,068		153,068	Westpac	Variable	N/A
Roadhouse	254,244		254,244	Westpac	Variable	N/A
CSIRO	7,407		7,407	Westpac	Variable	N/A
Reserve Funds		6,326,558	6,326,558	Westpac	Variable	N/A
Total Cash and Financial Assets	1,125,190	6,326,558	7,451,748			

5. TRUST FUND

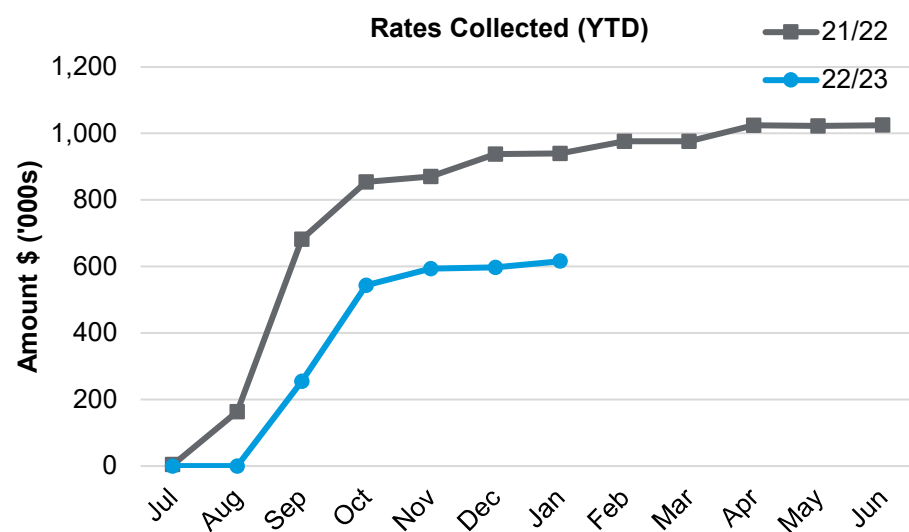
There are no funds held at balance date over which the Shire has no control

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 January 2023

6. RECEIVABLES

(a) Rates Receivable

	31 Jan 23
	\$
Rates receivables	83,119
Total Rates Receivable Outstanding	83,119
Closing balances - prior year	74,989
Rates levied this year	623,918
Closing balances - current month	(83,119)
Total Rates Collected to Date	615,788

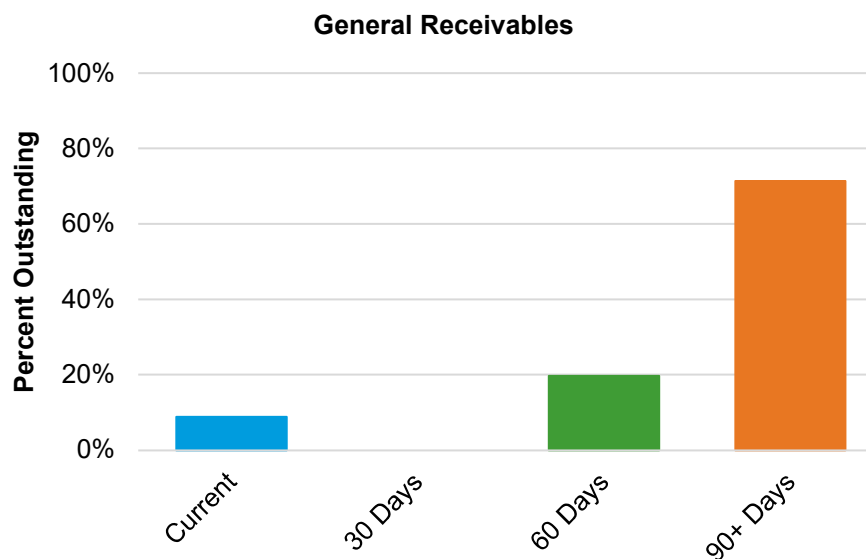


Comments / Notes

Rubbish fees included in YTD graph

(b) General Receivables

	31 Jan 23
	\$
Current	940
30 Days	-
60 Days	2,100
90+ Days	7,593
Total General Receivables Outstanding	10,633



Comments / Notes

Amounts shown above include GST (where applicable)

SHIRE OF MURCHISON

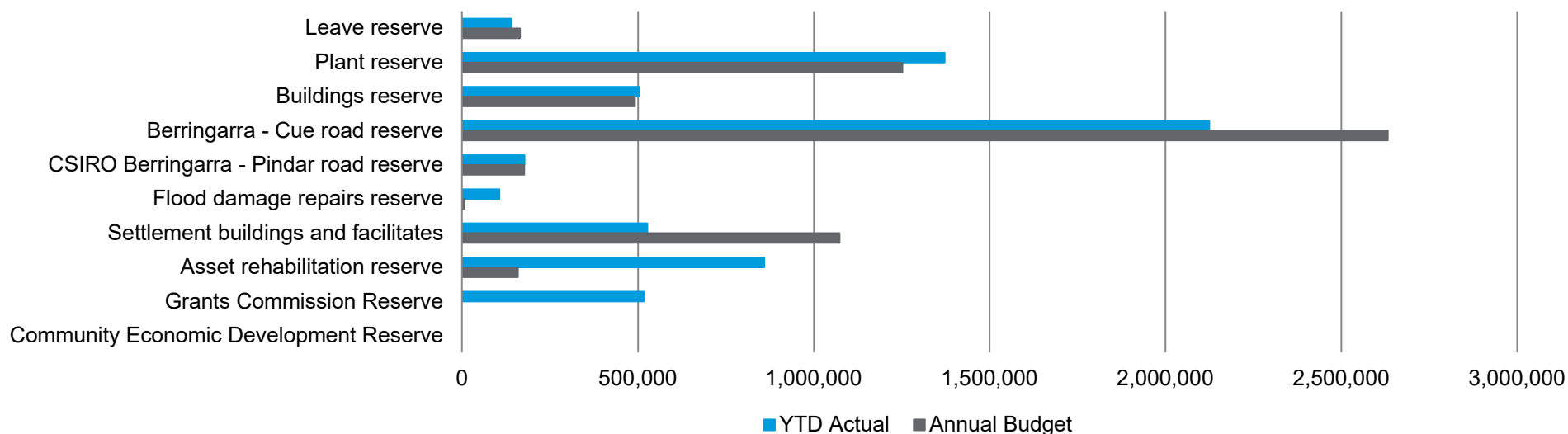
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 January 2023

7. CASH BACKED RESERVES

Reserve Name	Annual Budget				YTD Actual			
	Balance 01 Jul 22 \$	Transfers from \$	Transfer to \$	Balance 30 Jun 23 \$	Balance 01 Jul 22 \$	Transfers from \$	Transfer to \$	Balance 31 Jan 23 \$
Leave reserve	139,147	-	25,700	164,847	139,148	-	978	140,125
Plant reserve	1,372,758	(621,000)	500,000	1,251,758	1,372,758	-	-	1,372,758
Buildings reserve	488,635	-	2,700	491,335	499,636	-	3,508	503,144
Berringarra - Cue road reserve	3,457,923	(850,000)	24,000	2,631,923	3,457,924	(1,333,781)	696	2,124,838
CSIRO Berringarra - Pindar road reser	176,024	-	900	176,924	176,024	-	1,235	177,259
Flood damage repairs reserve	105,969	(100,000)	500	6,469	105,969	-	-	105,969
Settlement buildings and facilitates	1,822,857	(750,000)	-	1,072,857	522,857	-	3,673	526,531
Asset rehabilitation reserve	458,912	(300,000)	-	158,912	858,912	-	-	858,912
Grants Commission Reserve	3,183,223	(3,183,223)	-	-	3,183,223	(2,683,074)	16,865	517,014
Community Economic Development R	-	-	-	-	-	-	-	-
Total Cash Backed Reserves	11,205,448	(5,804,223)	553,800	5,955,025	10,316,451	(4,016,855)	26,956	6,326,551

Annual Budget v YTD Actual



SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 January 2023

8. DISPOSAL OF ASSETS

Annual Budget

	WDV	Proceeds	Profit	(Loss)
	\$	\$	\$	\$
Transport				
Plant and Equipment				
P024 Water Tanker Trailer	24,000	24,000	-	-
P15006 Truck - Isuzu NPR 65/45	10,000	10,000	-	-
P16063 2016 Toyota Prado	25,000	25,000	-	-
Total Disposal of Assets	59,000	59,000	-	-
Total Profit or (Loss)				-

YTD Actual

	WDV	Proceeds	Profit	(Loss)
	\$	\$	\$	\$
Other Property & Services				
Motor Vehicle				
	-	-	-	-
				-
				-
				-
Total Disposal of Assets	-	-	-	-
Total Profit or (Loss)				-

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 January 2023

9. CAPITAL ACQUISITIONS

(a) Land and Buildings

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
Community Amenities						
Container Deposit Shed		10,000	5,831	-	5,831	0%
Economic Services						
F Capex - New Caravan Park Ablution Block		350,000	204,162	-	204,162	0%
Capex - Roadhouse Residence		425,000	247,912	-	247,912	0%
Staff Accommodation Units		250,000	145,831	-	145,831	0%
Housing						
Capex - Renovation 6 Kurara Way		115,000	67,081	78,934	(11,853)	69%
Transport						
Depot Buildings & Improvements		15,000	8,750	-	8,750	0%
Total Land and Buildings		1,165,000	679,567	78,934	600,633	

(b) Furniture & Equipment

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
Governance						
Council Chambers Communications Gear/Tables		15,000	8,750	327	8,423	2%
Server Replacement		32,000	18,662	30,025	(11,363)	94%
Housing						
Staff Shousing Furniture & Equipment		-	-	2,909	(2,909)	100%
Economic Services						
Cap Ex Point Of Sale System Roadhouse		22,000	12,831	-	12,831	0%
Capex - Washing Machines		15,000	8,750	-	8,750	0%
Roadhouse Appliances		20,000	11,662	-	11,662	0%
Roadhouse Furniture		10,000	5,831	-	5,831	0%
Total Furniture & Equipment		114,000	66,486	33,261	33,225	

(c) Plant and Equipment

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
Law, Order and Public Safety						
Slip on Fire Units		-	-	65,800	(65,800)	100%
Transport						
Road Plant Purchases		610,000	610,000	347,940	262,060	57%
Depot Plant & Equipment		-	-	4,701	(4,701)	#DIV/0!
Governance						
Administration Vehicles Purchases		70,000	70,000	-	70,000	0%
Total Plant and Equipment		680,000	680,000	418,441	261,559	

9. CAPITAL ACQUISITIONS (Continued)

(d) Infrastructure - Roads	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
Transport						
Tourism Information Bays & Signage		30,000	17,500	-	17,500	0%
Cap Ex - Berringara-Cue Road - Upgrade Floodways		-	-	210,103	(210,103)	
Capex Roads Construction General		535,188	312,186	-	312,186	0%
Carn-Mul Rd 245.04 - 254.10 Reconstruct Resheet Prep for		640,412	373,548	770,268	(396,720)	120%
Capex Grids General		120,000	70,000	105,383	(35,383)	88%
Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen various s		721,203	420,679	-	420,679	0%
Beri-Pindar Rd Wreath Flowers Works		152,040	88,676	1,132	87,544	1%
Beri-Pindar Rd 288.05 - 309.50 Resheet incl Floodways		368,236	214,788	146,701	68,087	40%
Carn-Mul Rd 82.62 - 83.54 & 86.90 - 88.05 Resheet incl Flo		250,000	145,831	-	145,831	0%
General Road Sealing Works		-	-	769,733	(769,733)	
SKA Route General Construction Works		-	-	1,132	(1,132)	
Capex - Beringarra-Cue Rd - Convert To Gravel		850,000	495,831	1,345,186	(849,355)	158%
		3,667,079	2,139,039	3,349,639	(1,210,600)	
Total Infrastructure - Roads		3,667,079	2,139,039	3,349,639	(1,210,600)	
(e) Infrastructure - Other	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
Recreation & Culture						
Sports Club Access Upgrade		15,000	8,750	-	8,750	0%
Economic Services						
Roadhouse & C/V Park Precinct Works		20,000	11,662	-	11,662	0%
Capex - Provision of Solar Power		1,100,000	641,662	-	641,662	0%
Improvements To drinking Water reticulation		180,000	105,000	19,284	85,716	11%
Community Amenities						
Cap-Ex - New Rubbish Tip		50,000	-	30,970	(30,970)	62%
Cap Ex - Niche Wall For Settlement Cemetery		30,000	17,500	15,260	2,240	51%
		1,395,000	784,574	65,514	719,060	
Total Infrastructure - Other		1,395,000	784,574	65,514	719,060	
Total Capital Expenditure		7,021,079	4,349,666	3,945,789	403,877	

SHIRE OF MURCHISON

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 January 2023

10. RATING INFORMATION

	Rateable Value \$	Rate in \$	Number of Properties #	Annual Budget Revenue \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	YTD Actual Revenue \$
General Rates								
UV Pastoral	1,232,909	0.048626	22	59,952	59,956	-	-	59,956
UV Mining	1,624,078	0.245523	11	398,748	398,744	-	-	398,744
UV Prospecting and exploration	1,486,430	0.093391	44	138,819	138,818	-	-	138,818
Total General Rates				597,519	597,518	-	-	597,518
Minimum Rates								
UV Pastoral	17,304	800	6	4,800	4,800	-	-	4,800
UV Mining	-	800	0	-	-	-	-	-
UV Prospecting and exploration	112,974	800	27	21,600	21,600	-	-	21,600
Total Minimum Rates				26,400	26,400	-	-	26,400
Total General and Minimum Rates				623,919	623,918	-	-	623,918
Other Rate Revenue								
Facilities fees (Ex Gratia)								-
Total Rate Revenue				623,919				623,918

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 January 2023

11. INFORMATION ON BORROWINGS

(a) Debenture Repayments

(i) Loan 1 Purchase of Road Plant

	Annual Budget \$	YTD Budget \$	YTD Actual \$
Transport			
Opening balance	15,000	15,000	14,650
Principal payment	(15,000)	(15,000)	(14,650)
Principal Outstanding	-	-	(0)
Interest payment	(490)	-	-
Guarantee fee	-	-	-
Total Principal, Interest and Fees Paid	(15,490)	(15,000)	(14,650)

(ii) Loan 2 Roadworks in 2020-21

	Annual Budget \$	YTD Budget \$	YTD Actual \$
Transport			
Opening balance	1,908,469	1,908,469	1,908,469
Principal payment	(185,598)	(92,799)	(92,374)
Principal Outstanding	1,722,871	1,815,670	1,816,096
Interest payment	(34,305)	(17,578)	(17,578)
Service fee	-	-	-
Total Principal, Interest and Fees Paid	(219,903)	(110,377)	(109,952)

(iii) Loan 3 MicroGrid Power

	Annual Budget \$	YTD Budget \$	YTD Actual \$
Economic Services			
Opening balance	-	-	-
New Loans	950,000	-	-
Principal payment	-	-	-
Principal Outstanding	950,000	-	-
Interest payment	-	-	-
Service fee	-	-	-
Total Principal, Interest and Fees Paid	-	-	-

Total Principal Outstanding	2,672,871	1,815,670	1,816,095
Total Principal Repayments	(200,598)	(107,799)	(107,024)

SHIRE OF MURCHISON
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ending 31 January 2023

12. GRANTS, SUBSIDIES AND CONTRIBUTIONS

(a) Operating Grants, Subsidies and Contributions

Program / Details	Grant Provider	Annual Budget \$	YTD Budget \$	YTD Actual \$
General Purpose Funding				
F.A.G Grant - General	WALGGC	998,722	749,040	499,361
F.A.G. Grant - Roads	WALGGC	217,085	162,813	108,543
Law, Order and Public Safety				
DFES Operating Grant	DFES	8,800	5,131	14,027
Education and Welfare				
Education & Welfare Revenue		250	140	-
Community Amenities				
Other Community Amenities Revenue		300	175	-
Transport				
MRWA Direct	MRWA	246,431	143,745	251,732
WANDRRA Flood Damage	MRWA	13,178,320	13,178,320	2,158,457
Economic Services				
Tour Area Prom Revenue		87,690	51,149	36,500
Roadhouse - Other Revenue		500	287	3,806
Other Property & Services				
Diesel Fuel Rebate		100,000	58,331	40,908
Total Operating Grants, Subsidies and Contributions		14,838,098	14,349,131	3,113,333

(b) Non-operating Grants, Subsidies and Contributions

Transport				
MRWA Specific	MRWA	360,000	210,000	372,000
Roads to Recovery		565,000	329,581	-
MRWA Black Spot		101,360	59,122	40,544
LRCIP		910,206	530,950	134,041
Law, Order and Public Safety				
Fire Prevention Grant		2,000	1,162	-
Total Non-Operating Grants, Subsidies and Contributions		1,938,566	1,130,815	546,585

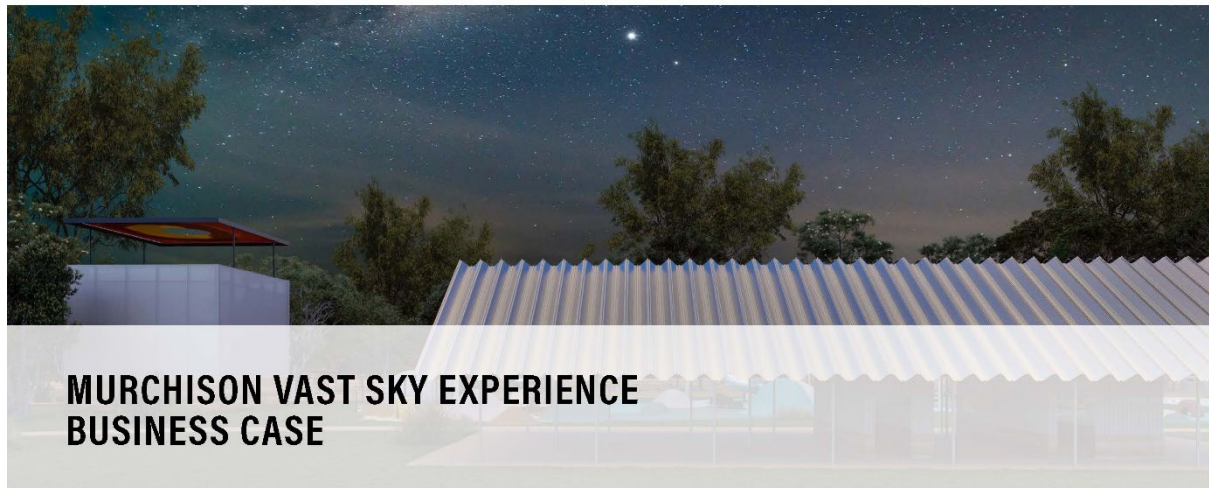
Total Grants, Subsidies and Contributions		16,776,664	15,479,946	3,659,918
--	--	-------------------	-------------------	------------------

13. BUDGET AMENDMENTS

GL Code	Job Code	Description	Council Resolution	Classification	Increase in Cash	Decrease in Cash	Running Balance
---------	----------	-------------	--------------------	----------------	------------------	------------------	-----------------

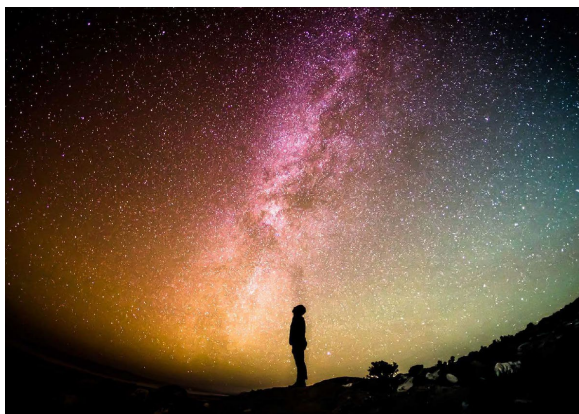
Murchison Vast Sky Experience Business Case Public Comment Request

As outlined previously under the Murchison Settlement Redevelopment, at the November Council Meeting, the final draft “Murchison Vast Sky Experience Business Case” was submitted to Council, where it was resolved that it be endorsed in principle and that public comment be sought.



Outline

Development progress for the draft Murchison Vast Sky Experience Business Case has been significant, involving a range of stakeholders including Settlement Redevelopment Working Group Members Cr Emma- Foulkes-Taylor, Cr Michelle Fowler, Frances Pollock, CEO, Community Manager–DCEO and Works Manager.



Work commenced in around November 2021 with several stakeholder workshops. At the October Council Meeting day Scott Lang from UDLA presented the final draft to councillors and representatives from CSIRO and PIA Wajarri.

The final draft of the Murchison Vast Sky Experience Business Case is in many ways a development with potential transformative effect. It ticks an abundance of boxes such as strategically linking Dark Sky tourism, showcasing SKA / CSIRO, providing an accessible outback feel without camping out, increased GeoTourism and broader tourism within a regional context and purveying local history and pastoral influence, inclusion of local Wajarri Aboriginal development opportunities, improved discovery walking trails, as well as enhancing recruitment and retention opportunities for the Shire in an improved, visually attractive environment.



The work undertaken by UDLA, and others has led the Midwest Development Commission to have the project high on their priority list for potential major funding for the next State Budget.



Context

The entire business case should be seen as being complimentary to the Murchison Settlement Masterplan and Roadhouse development plans that have already been undertaken.

The business case has been written and presented in a form that meets what external funding bodies will be looking for. This enhances potential for funding but also makes it easier to reference for funding applications for other separate but integrated projects.

Stage 1 spend is around \$10.4m with further stages foreshadowed totalling \$11.5m over about a 10-year period. Business Case shows a profitable operation after 2 years. Significant levels of external funding will be required.



Even if Stage 1 works are not funded, there are significant elements that can be incorporated and delivered as part of the existing Settlement Masterplan Redevelopment. Eg Dark Sky, SKA related elements and Wadjarri Stories and Culture.

When viewing the Draft Business Case it is essential that it be viewed in context that any delivery will likely be very long term with significant external investment, and that this will also need to align with other Murchison Settlement developments already identified.



PUBLIC COMMENT & INPUT REQUEST

Copy of the Draft Murchison Vast Sky Experience Business Case is located on Council's Website <https://www.murchison.wa.gov.au/>

Public Comment and Input is requested so just email admin@murchison.wa.gov.au by close of Business on Thursday 16 February 2023



SHIRE OF MURCHISON

Carnarvon Mullewa Road SLK 0.00 – 27.54 (*City of Greater Geraldton segment*)

Desktop Assessment

GERALDTON

8/81 Forrest Street, PO Box 2840, Geraldton, WA 6531
P 08 9921 5547

PERTH

8/339 Cambridge Street, Wembley, WA 6014
P 08 9921 5547



Revision Status						
Rev	Date	Purpose	Prepared	Reviewed	Approved	Details
A	26/04/22	Issued for review	MS	MB		Internal Review
B	26/04/22	Reissued for review	MS	JK		Internal Review
C	29/04/22	Issued for external review	MS	JK		
0	05/05/22	Issued for use	JK	BB		



CONTENTS

1.0	BACKGROUND.....	4
2.0	OBJECTIVE.....	4
3.0	SCOPE OF THE DESKTOP ASSESSMENT.....	4
4.0	EXISTING ROAD GEOMETRY.....	4
4.1	HORIZONTAL ALIGNMENT	4
4.2	INTERSECTIONS	5
5.0	PRELIMINARY WATERWAYS ASSESSMENT.....	5
5.1	OVERVIEW	5
5.2	CATCHMENT ASSESSMENT FROM AERIAL IMAGERY	6
6.0	DISCUSSION ON ROAD DESIGN ELEMENTS.....	6
6.1	DESIGN SPEED.....	6
6.2	HORIZONTAL ALIGNMENT	7
6.3	VERTICAL ALIGNMENT	7
6.4	CROSS SECTION.....	7
6.5	INTERSECTIONS	8
6.6	EARTHWORKS.....	8
6.7	REGULATORY APPROVALS.....	8
7.0	PRELIMINARY DESKTOP QUANTITIES AND COST	8
8.0	SUMMARY AND NEXT STEPS	9
	APPENDIX A – CONCEPT SKETCH LAYOUT	10



1.0 BACKGROUND

Greenfield Technical Services (Greenfield) has been engaged by the Shire of Murchison (Shire) to complete a desktop assessment of Carnarvon-Mullewa Rd SLK 0.00 – 27.54. The Shire is interested in upgrading the segment of Carnarvon Mullewa Rd from the end of the existing seal at the Talling Peak Mine Site turnoff (SLK 27.54) to the Shire of Murchison / City of Greater Geraldton (CGG) boundary (SLK 0.00).

Carnarvon Mullewa Rd is permitted for network 10.3 Restricted Access Vehicles (RAV) up to 53.5m long.

This segment of road is actually within the CGG however the Shire of Murchison is taking the lead in proactively assessing this segment in anticipation of upgrading this segment of road at some future stage. The job was originally considered to be a full engineering design of the approx. 27km and involved assisting the Shire in procuring the survey data and Greenfield were going to prepare an engineering design. However, the engineering feature survey was never procured. Since then, the Shire has reconsidered the works and now wants to complete a desktop assessment of the road segment instead.

2.0 OBJECTIVE

The objective of the desktop assessment is to provide preliminary feedback to the Shire on the requirements for upgrading the nominated section of road from gravel to seal.

As it is a desktop assessment, the level of information is typically limited to assessment of the horizontal alignment and basic waterways.

3.0 SCOPE OF THE DESKTOP ASSESSMENT

The desktop assessment of the road incorporates the following elements:

- a) Review of the existing horizontal alignment using publicly available aerial imagery. Due to the lack of survey information, no detailed engineering assessment can be made on the existing vertical geometry.
- b) Comment on the potential improvements to the horizontal alignment for various design speeds.
- c) Utilising publicly available aerial imagery, identify defined waterways flow paths that cross the road within the nominated section. Further, the aerial imagery will be used to determine the typical sizes of the upstream catchments associated with these defined flow paths.
- d) Basic desktop assessment of the defined catchments to determine the basic order of magnitude for a particular design rainfall event and the typical type and size of structure that may be required (floodway or culvert). Given the lack of survey data, the desktop assessment will not be able to determine how suitable the typical structure will be at each location to fit the existing / proposed new road geometry / formation.
- e) Dial-before-you-dig (DBYD) inquiry.

The deliverables from this desktop assessment will be provided to the Shire for review and comment.

4.0 EXISTING ROAD GEOMETRY

For the purpose of this report, Carnarvon Mullewa Rd is assumed to have a north-south alignment.

4.1 HORIZONTAL ALIGNMENT

The existing alignment for this 27.54km section of Carnarvon-Mullewa Rd contains 16 horizontal curves. The design speed provided by these curves varies from 90-110km/h.



The design speed provided for any particular curve is determined by both the curve radius and curve length. As a result, the design speed for some of the existing curves is limited by the curve length.

Section	Slk Location	EXISTING CURVE SPEED (km/h)	Curve Radius		Curve Length	
			Radius (m)	Speed (km/h)	Length (m)	Speed (km/h)
H1	5.41 - 5.76	110	2500	110	346	110
H2	5.87 - 6.20	110	1100	110	331	110
H3	7.29 - 7.78	110	1000	110	487	110
H4	9.38 - 9.86	110	2500	110	482	110
H5	10.91 - 11.29	110	1200	110	378	110
H6	11.92 - 12.69	110	1100	110	776	110
H7	14.28 - 14.48	90	1100	110	196	90
H8	15.98 - 16.37	110	1100	110	383	110
H9	16.71 - 17.11	110	1500	110	401	110
H10	17.45 - 18.09	110	1050	110	644	110
H11	19.69 - 20.11	110	1000	110	414	110
H12	20.97 - 21.43	110	1200	110	451	110
H13	22.01 - 22.40	110	1050	110	393	110
H14	22.91 - 23.23	110	1500	110	322	110
H15	23.36 - 23.65	110	1500	110	298	110
H16	24.20 - 24.38	90	5000	110	183	90

Table 1 Horizontal Alignment

4.2 INTERSECTIONS

There are two public road intersections along this section of Carnarvon Mullewa Rd. Both intersections form T-junctions.

The first intersection is at Slk 8.20 where Wandina Rd approaches from the west and intersects Carnarvon Mullewa Rd at an angle of approx. 92 degrees. Wandina Rd is permitted for network 8.1 RAV vehicles up to 36.5m long.

The second intersection is at Slk 18.86 where Talling Peak Rd also approaches from the west and intersects Carnarvon Mullewa Rd at an angle of approx. 68 degrees. Talling Peak Rd is not permitted for RAV vehicles.

5.0 PRELIMINARY WATERWAYS ASSESSMENT

5.1 OVERVIEW

The typical topography through the Murchison region can make it difficult to establish the sub-catchments and flow paths. Accordingly, there is generally a large amount of overland sheet flow as well as areas where runoff ponds. However, a review of aerial imagery seems to indicate that the sections from Slk 0.0 – 11.0



and Slk 21.0 – 27.0 typically flows from east to west while the section from Slk 11.0 – 21.0 flows from west to east.

5.2 CATCHMENT ASSESSMENT FROM AERIAL IMAGERY

SLK Location	Comments
0.0 – 3.2	There are 3 small catchments between 1.2-2.2km ² that cross the Carnarvon Mullewa Rd from east to west. These catchments extend approx. 1.8km back from the road. The flow paths are not well defined so there are likely to be at least 4-5 culvert structures spaced out along this section.
3.2 – 11.0	There are 3 larger catchments between 15.5-20.0km ² and one smaller one (approx. 3km ²) that cross the Carnarvon Mullewa Rd from east to west. These catchments extend approx. 5km back from the road. The larger catchments will require floodway structures. However, as there is some lack of definition with the flow paths, there will also likely be some drainage culverts required to compliment the floodways and assist with drainage of any flows ponding next to the road formation.
11.0 – 21.0	There are 8 smaller catchments between 1.2-4.5km ² that cross the Carnarvon Mullewa Rd from west to east. These catchments extend up to 3km back from the road. Although the bigger catchments will likely need a floodway structure, there will need to be 8-10 culvert structures spaced out along this section to cater for flows in the smaller catchments and the lack of flow path definition.
21.0 -27.0	There are 6 small catchments between 0.2-0.5km ² that cross the Carnarvon Mullewa Rd from east to west. The flow paths are not well defined so there are likely to be at least 6-8 culvert structures spaced out along this section. These catchments extend approx. 1km back from the road.

Table 2 Typical catchment details and required structures

6.0 DISCUSSION ON ROAD DESIGN ELEMENTS

6.1 DESIGN SPEED

Vehicles on unsealed rural roads within an open speed environment can travel at speeds up to a maximum of 110km/h. Therefore, except where site constraints prove restrictive, we would typically adopt the following design speed parameters for unsealed rural roads:

- Minimum desirable design speed = 110km/h
- Absolute minimum design speed for smaller sections = 90km/hr

Although vehicles are required to drive to conditions on unsealed roads, the existing horizontal alignment on this segment of Carnarvon Mullewa Rd provides curve design speeds of 110km/h for 14 of the 16 horizontal curves. Accordingly, it is likely that vehicles approaching the two 90km/h horizontal curves will be travelling at 110km/h based on all the other curve geometry.

This represents a hazard and the risk associated with this hazard is vehicles losing control through the curve resulting in rollover crashes or collisions with other vehicles. Therefore, the proposed design speed for this section is 110km/h.



6.2 HORIZONTAL ALIGNMENT

Based on the horizontal geometry assessment in Table 1, only two horizontal curves at Sk 14.28 and 24.2 do not provide a design speed of 110km/h. The 90km/h design speed provided by these two curves is governed by the curve length. Therefore, minor realignment of these curves will provide the nominated 110km/h design speed. The minor realignment will move the design centreline approx. 2m off the existing at the widest point through these two curves. These realignments are reflected in the table below.

Section	Sk Location	PROPOSED CURVE SPEED (km/h)	Curve Radius		Curve Length	
			Radius (m)	Speed (km/h)	Length (m)	Speed (km/h)
H1	5.41 - 5.76	110	2500	110	346	110
H2	5.87 - 6.20	110	1100	110	331	110
H3	7.29 - 7.78	110	1000	110	487	110
H4	9.38 - 9.86	110	2500	110	482	110
H5	10.91 - 11.29	110	1200	110	378	110
H6	11.92 - 12.69	110	1100	110	776	110
H7	14.28 - 14.48	110	1600	110	272	110
H8	15.98 - 16.37	110	1100	110	383	110
H9	16.71 - 17.11	110	1500	110	401	110
H10	17.45 - 18.09	110	1050	110	644	110
H11	19.69 - 20.11	110	1000	110	414	110
H12	20.97 - 21.43	110	1200	110	451	110
H13	22.01 - 22.40	110	1050	110	393	110
H14	22.91 - 23.23	110	1500	110	322	110
H15	23.36 - 23.65	110	1500	110	298	110
H16	24.20 - 24.38	110	6200	110	262	110

Table 3: Proposed horizontal realignment

6.3 VERTICAL ALIGNMENT

Due to the unavailability of survey data, it was not possible to determine the change in vertical grade and assess the vertical alignment. However, based on Greenfield's knowledge of the area the vertical geometry generally comprises some small to moderate crests and gradual gradients. There is likely to be some minor improvements required to the vertical geometry to achieve the desired design speed such that the road is consistent with the road speed environment.

6.4 CROSS SECTION

The proposed seal width for this RAV route is 8.0m wide. Based on using gravel with a minimum California Bearing Ration (CBR) of 80, the proposed pavement thickness is 200mm.

A 3% crown is proposed on straights and 3% superelevation on curves.



The floodways along the nominated section must be present at a location obvious to the driver with a short, sharp entrance to the floodway. They should be designed so that the depth of water over the road is as uniform as possible over the flooded section.

The typical cross-section for floodways incorporates the following elements:

- 10m wide seal
- 200mm thick gravel pavement stabilised with 2% cement
- 1.0% crossfall for the central floodway section (crossfall of approaches varies)
- Table drains 200mm deep where the tapered shoulder is below the adjacent natural surface
- Rock protection on the downstream floodway batter

6.5 INTERSECTIONS

Although the preferred intersection angle for a T-junction is 90 degrees, the acceptable range is between 70-110 deg. Therefore, the Tallering Peak Rd approach to the intersection would benefit from minor realignment to ensure that the intersection angle is closer to 90 degrees.

Based on the estimated traffic volumes at each intersection, there is not expected to be any warrant for turning pockets or widenings at these intersections. However, the sweeps at the Wandina Rd intersection will need to be detailed to accommodate the turning movements of the network 8 RAV vehicles.

6.6 EARTHWORKS

Typically, long term maintenance of unsealed roads tends to result in the road formation being slightly lower than the adjacent natural surface. The consequence often being that rainfall runoff drains within the road formation which can cause additional scouring of the road running surface.

Therefore, when detailing an upgrade from gravel to seal, the design detailing typically involves minor lifting of the design formation so that the finished road level is at or just above the natural surface.

6.7 REGULATORY APPROVALS

Transition from current unsealed standard to a sealed standard for the nominated section of Carnarvon Mullewa Road may require various regulatory approvals. As this is only a desktop assessment, Greenfield has not progressed any of the required approvals neither has considered the cadastral information for the road corridor.

7.0 PRELIMINARY DESKTOP QUANTITIES AND COST

The Shire has requested that an indication of quantities and cost for the upgrade works is provided. Unfortunately, without an electronic engineering design model, it is difficult to provide firm quantities. However, for the purpose of this assessment an indicative range of quantities and an estimate of cost is provided below.

Please note that quantities are subject to change during the preliminary and detailed engineering design stages and the costs are subject to numerous external factors including market conditions which are outside of Greenfield's control. Costs provided are in good faith but should be validated with market prices prior to committing to any works.

Item	Unit	Est. Qty	Unit rate		Total	
			Low	High	Low	High
Preliminaries						
Mobilisation / demobilisation	Item	1	\$ 30,000	\$ 80,000	\$ 30,000	\$ 80,000
Contractor Supervision	Per day	128	\$ 1,000	\$ 1,800	\$ 128,333	\$ 231,000
Meals / Accommodation	Per day	128	\$ 2,700	\$ 3,750	\$ 346,500	\$ 481,250
Project Management	Per day	154	\$ 1,840	\$ 2,900	\$ 283,360	\$ 446,600
Earthworks						
Formation	m2	385,000	\$ 2	\$ 3	\$ 770,000	\$ 1,155,000
Drainage						
Culvert structures	Ea	25	\$ 12,000	\$ 15,000	\$ 300,000	\$ 375,000
Pavements and Surfacing						
Pavement	m2	253,000	\$ 4	\$ 7	\$ 1,012,000	\$ 1,771,000
Surfacing	m2	198,000	\$ 9	\$ 13	\$ 1,782,000	\$ 2,574,000
Signs & Guideposts						
Signs & Guideposts	Item	1	\$ 30,000	\$ 40,000	\$ 30,000	\$ 40,000
Total					\$ 4,682,193	\$ 7,153,850
Average per km cost					\$ 170,262	\$ 260,140

Table 3: Indicative desktop quantities and cost estimate

8.0 SUMMARY AND NEXT STEPS

A preliminary desktop assessment was conducted to determine the suitability of upgrading the unsealed portion of Carnarvon Mullewa Rd within the City of Greater Geraldton (Slk 0.00 – 27.54) to a sealed standard. Due to the unavailability of the survey data, the desktop assessment was focused on the existing horizontal alignment as well as a basic waterways assessment.

The assessment has concluded that of the 16 horizontal curves within this segment, two of these will require minor realignment to ensure the curves are appropriately sized for the design speed of 110km/h. The extent of the realignment would shift the existing centreline approx. 2m

Based on the topography of the nominated area and without survey data, it is difficult to establish distinct catchments and flow paths. Using available aerial imagery, it is likely that there will be approx. three larger catchments which will require construction of sealed floodways and approx. 17 smaller catchments that would likely require culvert structures.

To progress the development of this project further, Greenfield recommends the following next steps:

- Procure an engineering feature survey of the extent of the works.
- Develop an electronic road design model finalising the details for the realigned horizontal and vertical geometry
- Finalise the drainage details and treatments



APPENDIX A – CONCEPT SKETCH LAYOUT

DESKTOP ASSESSMENT OF HORIZONTAL ALIGNMENT
Carnarvon Mullewa Rd SLK 0.00 - 27.54
Upgrade from gravel to seal

0.00

Nunierra

Woodlana Rd

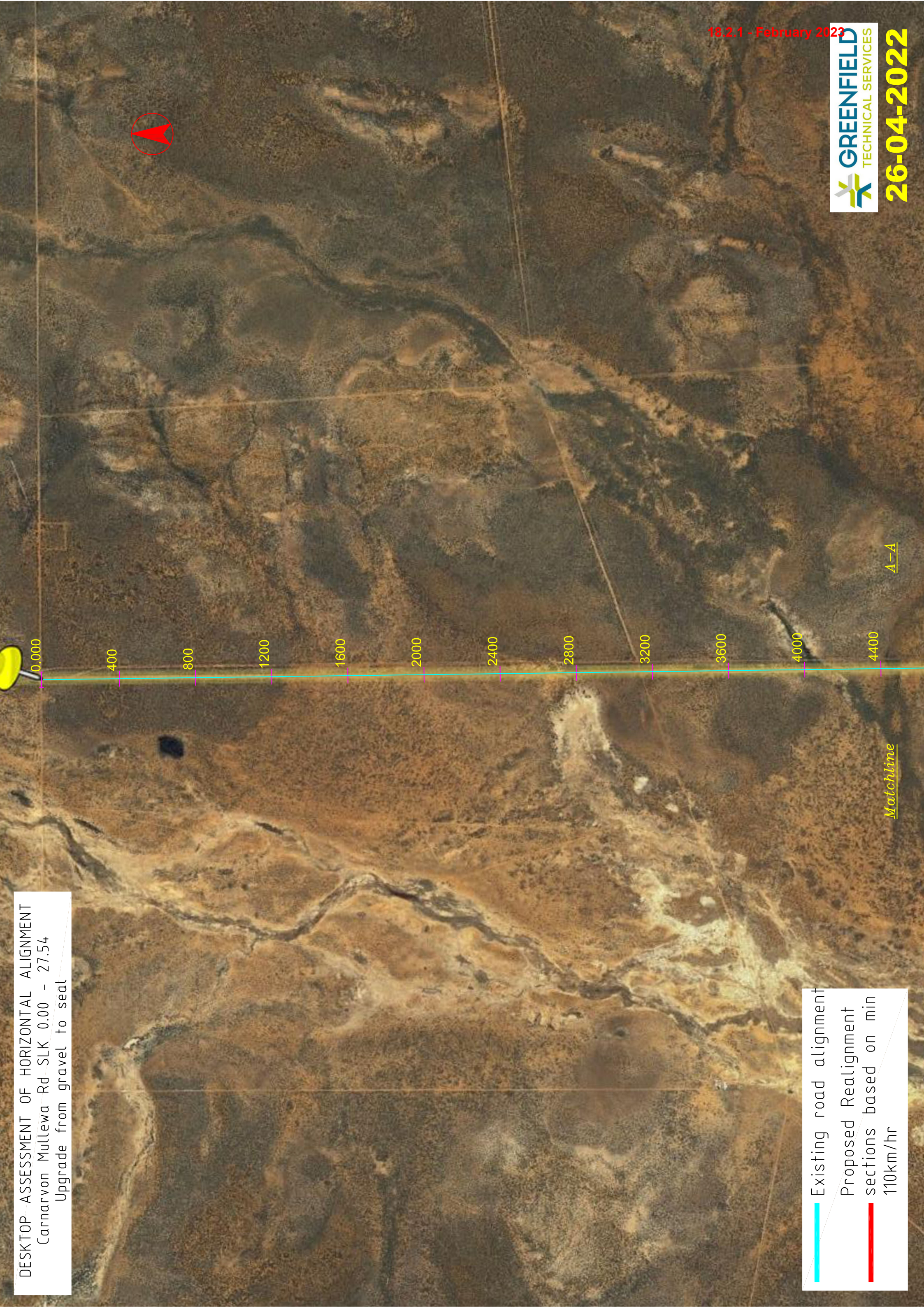
Tallering Peak Rd

Tallering Peak Access Rd

27.25

Existing road alignment
Proposed Realignment
sections based on min
110km/hr

DESKTOP ASSESSMENT OF HORIZONTAL ALIGNMENT
Carnarvon Mullewa Rd SLK 0.00 - 27.54
Upgrade from gravel to seal



- Existing road alignment
- Proposed Realignment sections based on min 110km/hr

Matchline

A-A



H2
Radius: 1100m
Speed: 110km/h

H1
Radius: 2500m
Speed: 110km/h

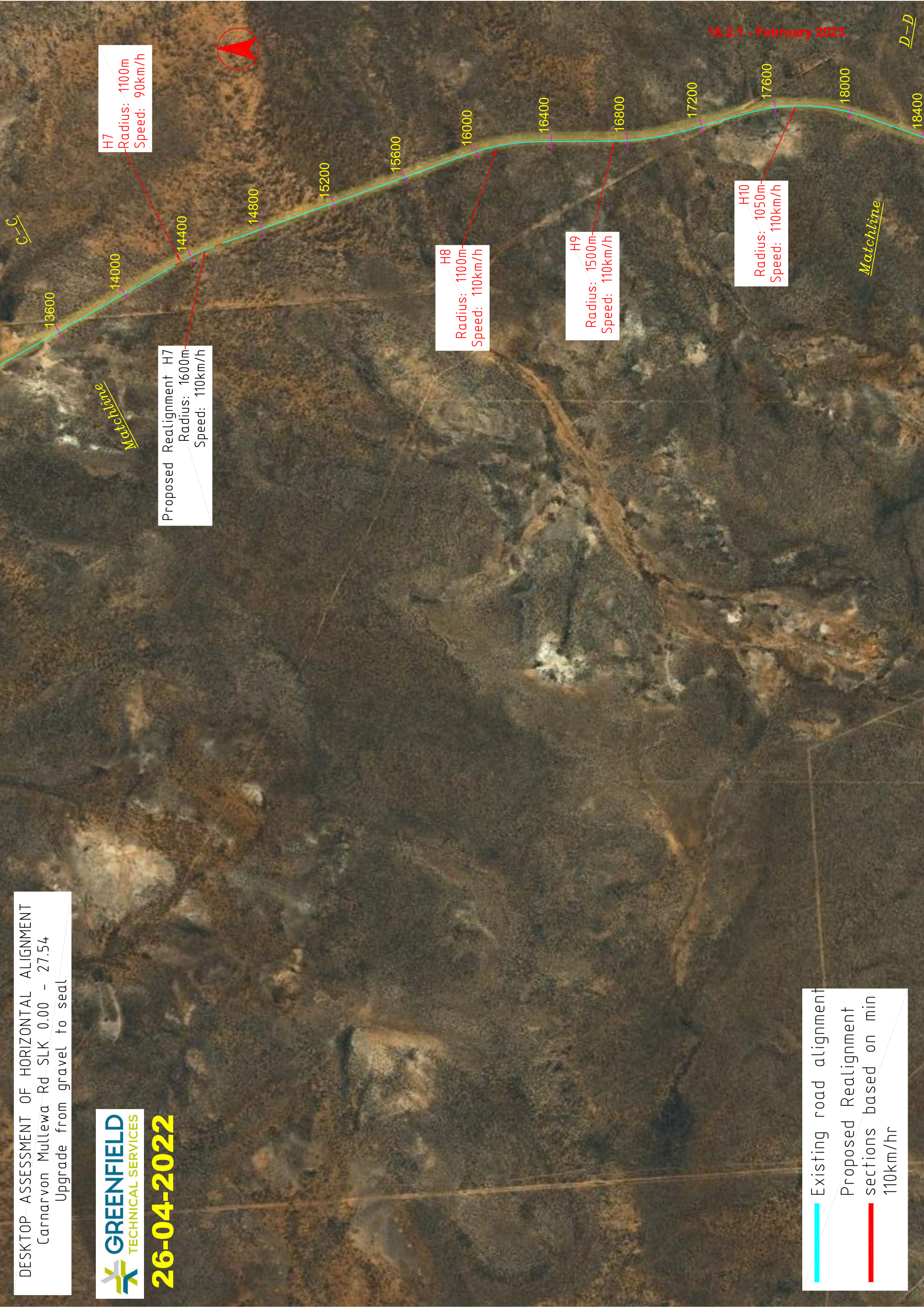
H3
Radius: 1000m
Speed: 110km/h

Intersection with Wandina Rd
Intersection Angle: 92deg

Existing road alignment
Proposed Realignment
sections based on min
110km/hr

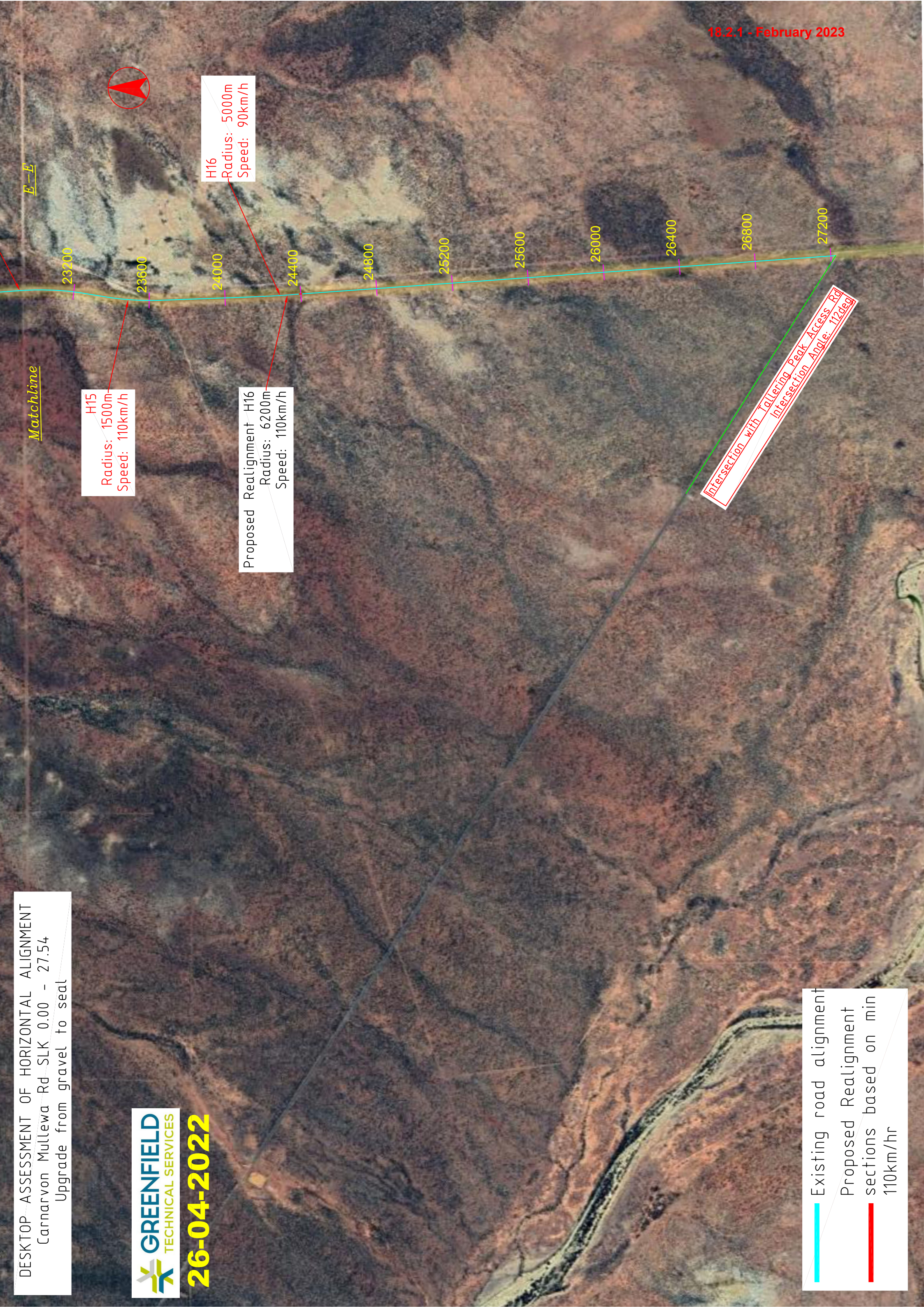


Existing road alignment
Proposed Realignment
sections based on min
110km/hr





- Existing road alignment
- Proposed Realignment sections based on min 110km/hr



Existing road alignment
Proposed Realignment
sections based on min 110km/hr

13 January 2023

Report to Shire of Murchison

Benefit Cost Assessment

of the Carnarvon to Mullewa Road upgrade



About ACIL Allen

ACIL Allen is a leading independent economics, policy and strategy advisory firm, dedicated to helping clients solve complex issues.

Our purpose is to help clients make informed decisions about complex economic and public policy issues.

Our vision is to be Australia's most trusted economics, policy and strategy advisory firm. We are committed and passionate about providing rigorous independent advice that contributes to a better world.

Suggested citation for this report

Hodby, Antonia (2023), A benefit cost assessment of the Carnarvon to Mullewa Road upgrade, ACIL Allen

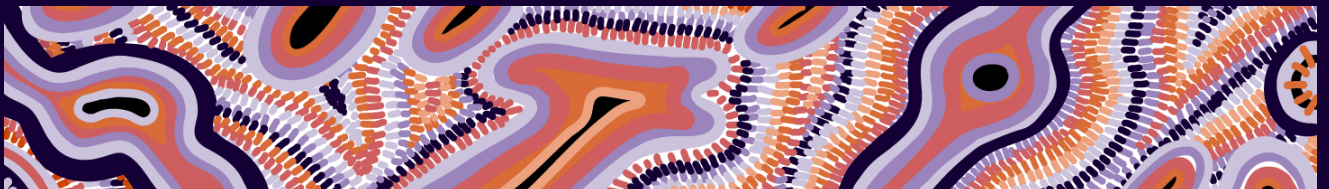
Reliance and disclaimer The professional analysis and advice in this report has been prepared by ACIL Allen for the exclusive use of the party or parties to whom it is addressed (the addressee) and for the purposes specified in it. This report is supplied in good faith and reflects the knowledge, expertise and experience of the consultants involved. The report must not be published, quoted or disseminated to any other party without ACIL Allen's prior written consent. ACIL Allen accepts no responsibility whatsoever for any loss occasioned by any person acting or refraining from action as a result of reliance on the report, other than the addressee.

In conducting the analysis in this report ACIL Allen has endeavoured to use what it considers is the best information available at the date of publication, including information supplied by the addressee. ACIL Allen has relied upon the information provided by the addressee and has not sought to verify the accuracy of the information supplied. If the information is subsequently determined to be false, inaccurate or incomplete then it is possible that our observations and conclusions as expressed in this report may change. The passage of time, manifestation of latent conditions or impacts of future events may require further examination of the project and subsequent data analysis, and re-evaluation of the data, findings, observations and conclusions expressed in this report. Unless stated otherwise, ACIL Allen does not warrant the accuracy of any forecast or projection in the report. Although ACIL Allen exercises reasonable care when making forecasts or projections, factors in the process, such as future market behaviour, are inherently uncertain and cannot be forecast or projected reliably.

This report does not constitute a personal recommendation of ACIL Allen or take into account the particular investment objectives, financial situations, or needs of the addressee in relation to any transaction that the addressee is contemplating. Investors should consider whether the content of this report is suitable for their particular circumstances and, if appropriate, seek their own professional advice and carry out any further necessary investigations before deciding whether or not to proceed with a transaction. ACIL Allen shall not be liable in respect of any claim arising out of the failure of a client investment to perform to the advantage of the client or to the advantage of the client to the degree suggested or assumed in any advice or forecast given by ACIL Allen.

© ACIL Allen 2023

ACIL Allen acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the land and its waters. We pay our respects to Elders, past and present, and to the youth, for the future. We extend this to all Aboriginal and Torres Strait Islander peoples reading this report.



Excerpt of a painting titled *Goomup*, by Wadjuduk, Yued, Ballardong artist Jarni McGuire

Contents

1	Introduction	1
1.1	Intended outcomes and benefits	1
1.2	Acronyms	1
1.3	Report outline	2
2	Benefit cost assessment	3
2.1	Assumptions	3
2.2	Estimation of benefits and costs of the Road upgrade	4
2.3	Other costs and benefits	7
2.4	Choice of discount rate	8
2.5	Net Present Value of Benefits and Costs	8
2.6	Benefit cost assessment	9
2.7	Sensitivity analysis	10
2.8	Conclusion	10

Figures

Tables

Table 1.1	List of acronyms	1
Table 2.1	Vehicle count by vehicle type (vehicles per annum)	3
Table 2.2	Value of travel time	4
Table 2.3	Avoided road closures	5
Table 2.4	Value of reduced crashes	6
Table 2.5	Summary of benefits and costs over 20 year project life: Road upgrade (\$ million)	9
Table 2.6	Net present value of benefits and costs by discount rate: Road upgrade (\$ Million)	10
Table 2.7	NPV benefits and costs by discount rate: Road upgrade (\$ Million): sensitivity analysis	10

Boxes

Introduction

1

The Shire of Murchison plans to upgrade a 27.25 kilometre (km) segment of Carnarvon Mullewa Road (the Road) from the Talling Peak Mine Site turnoff (SLK 27.54) to the boundary between the Shire of Murchison and the City of Greater Geraldton (SLK 0.00). The purpose of the upgrade is to widen and seal this section of the Road to provide a sealed road linking the Murchison Settlement to the broader State road network.

This report identifies the benefits of sealing the Road and presents the result of a benefit cost assessment of the Road upgrade.

1.1 Intended outcomes and benefits

The intended outcomes of the project include reduced travel times, reduced duration of road closures, improved road safety, a reduction in accidents, and reduced dust. The project will enable additional traffic by upgrading the road to a standard to allow hire cars and some tour buses which are currently not able to be driven on unsealed roads, and for road users who are unwilling to travel on an unsealed road. Additional visitors to the Murchison Settlement will also be attracted to the planned construction of a visitor centre that will showcase the development of the space sector in the region.

The road improvements will benefit local residents of the Murchison Settlement and the surrounding Indigenous communities and pastoral stations, as well as visitors to the nearby Murchison Radio Astronomy Observatory where the Square Kilometre Array and other space related facilities are located. It also provides a boost to local businesses in the form of additional visitor spending made possible by the road upgrades, the planned construction of a visitor centre, and the potential for the development an alternative route for vehicles travelling between Perth and Exmouth noting that the roads to the north and the west of the Murchison Settlement are currently not sealed.

1.2 Acronyms

Table 1.1 presents the acronyms used in this report.

Table 1.1 List of acronyms

Acronym	Meaning
\$	Australian dollars
%	Per cent
km	kilometre
km ²	Square kilometres
SKA	Square Kilometre Array Observatory

Source: ACIL Allen

1.3 Report outline

The report begins by outlining the assumptions used to estimate the benefits and costs of the Road upgrade. A presentation of the net benefit and benefit cost ratio under various discount rates is then made. A sensitivity analysis of a selection of the key benefits is undertaken to test the robustness of the results. The outcome of the analysis is a recommendation to proceed with the Road upgrade given the results of the benefit cost assessment and the sensitivity analysis and in consideration of the unquantified benefits of upgrading the Road.

Benefit cost assessment

2

This chapter presents the benefits and costs of the Road upgrade and the assumptions used to calculate them. A calculation of the net benefit is provided along with the benefit cost ratio under various discount rates. Sensitivity analysis of the key variables is undertaken to test the robustness of the results.

2.1 Assumptions

The benefit cost assessment uses calculations to determine the values of the benefits. The key assumptions used as part of these calculations are presented in the following sections.

2.1.1 Dollar values

All values in this report are expressed as 2022 Australian dollars unless otherwise stated. Note has been made where values have been adjusted for inflation.

2.1.2 Timeframe for analysis

A 20 year period has been analysed in this report which includes the construction period and 20 years of operation with the costs associated with the maintenance of the Road assumed to commence in the second year of the project.

2.1.3 Vehicle count

The Road is used by private vehicles, heavy vehicles, and those travelling for business purposes. Around 51 vehicles per day travel along the Road equivalent to 18,615 vehicles per annum.¹

Table 2.1 presents the current annual volume of vehicles by vehicle type that use the Road.

Over time, the number of all types of vehicles using the Road will increase as a result of planned tourism developments in the Murchison Settlement,² expansion of the mining industry, and from the construction and operation phases of the development of the Square Kilometre Array Observatory (see Section 2.3.3) at the nearby Murchison Radio Observatory. On average, it has been assumed that the number of all types of vehicles will increase at a rate of 5.0 per cent per annum.

Table 2.1 Vehicle count by vehicle type (vehicles per annum)

Vehicle type	Share of vehicles	Vehicles per annum
Private cars	83%	15,359
Business cars	6.0%	1,147
Heavy vehicles	11%	2,109
Total		18,615
Vehicle growth rate per annum	5.0%	

Source: Mid West Regional Road Group Carnarvon Mullewa Road vehicle count

¹ Mid West Regional Road Group Carnarvon Mullewa Road vehicle count, July to November 2020

² UDLA (2021), Murchison Settlement Masterplan Report, Shire of Murchison

2.1.4 Value of travel time

This report uses the value of time for the estimation of some benefits. The calculations to determine the value of time by vehicle type are presented in **Table 2.2**. The value is based on the per person average weekly earnings reported by the Australian Bureau of Statistics. The number of occupants per vehicle type and the adjustments to weekly earnings are those recommended by Austroads³.

Table 2.2 Value of travel time

Road user type	Occupants per vehicle	Average weekly earnings per person [^]	Adjustment	Oncosts
Car	1.7	\$1,491.5	40% of earnings	nil
Business	1.3	\$1,491.5	138% of earnings	Payroll tax
Freight	1	\$1,606.2	138% of earnings	Payroll tax and other oncosts

Source: Austroads (2012), Guide to Project Evaluation Part 4: Project Evaluation Data, Government of Australia; [^] = Australian Bureau of Statistics (2022), Average Weekly Earnings Catalogue 6302.0, Government of Australia

2.2 Estimation of benefits and costs of the Road upgrade

In this benefit cost assessment, the benefit cost ratio is based on the benefits and costs that result from the upgrade that are able to be quantified. The base case against which the Road upgrade is compared is a scenario in which the project does not proceed. This means that all the benefits and costs of the Road upgrade are incremental, relative to the base case. Consideration is also given to the benefits and costs that result from the Road upgrade that are not able to be quantified but nevertheless provide an important consideration.

2.2.1 Benefits

The following sections set out the benefits to the Shire of Murchison and to the users of the Road that are generated by its upgrade.

Current maintenance costs

The Shire of Murchison estimates that the costs to maintain the section of unsealed road is around \$1,600 per km per year. Re-sheeting costs of approximately \$2,000 per km per annum also apply. These costs are able to be saved from upgrading the Road noting that maintenance costs will apply to the upgraded road. These are presented as a cost in **Section 2.2.2**.

Mining related maintenance costs

There is infrequent mining traffic that uses this section of road requiring the need for a roller, and a water truck for dust suppression when mining vehicles are operating. It is estimated by the Shire of Murchison that costs of around \$400 per hour are required to operate these vehicles. It has been assumed that on average, mining vehicles use the road two weeks per annum. There is expected to be an increase in mining traffic in the Shire of Murchison over time including at the Tallering Peak mine.⁴ For the purposes of this report, it has been assumed that there will be an increase in freight traffic of 5.0 per cent per annum (Section 2.1.3) and this rate has been applied to the increase in the maintenance of the Road from mining traffic.

³ Austroads (2012), Guide to Project Evaluation Part 4: Project Evaluation Data, Government of Australia

⁴ Mt Gibson Iron (2022), 2022 Annual Report, Mt Gibson Iron

Road closures

The Carnarvon to Mullewa Road is subject to closure as a result of flooding. There are multiple water catchments that flow over the Road including 13 that cross the Road from east to west:

- Six small water catchments between 0.2 to 0.5 km² that extend approximately 1.0 km back from the Road
- Three small water catchments between 1.2 to 2.2 km² that extend approximately 1.8 km back from the Road
- One small catchment of around 3.0 km² that extends approximately 5 km back from the Road
- Three large water catchments between 15.5 to 20.0 km² that extend approximately 5 km back from the Road.⁵

There are eight smaller catchments between 1.2 and 4.5 km² that cross the Road from west to east. These catchments extend up to 3.0 km back from the Road. The design of the upgraded road will include floodway structures and drainage culverts to reduce the number of road closures due to flooding.

The Shire of Murchison notes that on average, the Road is closed just over three times per year due to flooding with the average length of closure lasting for between 48 and 72 hours. For the purposes of this report, it has been assumed that the Road upgrade will avoid two closures of 48 hours and one of 72 hours in each year or an average of 56 hours per annum. It is assumed that road closures will continue to occur at a rate of approximately one closure per two years.

The cost of road closures has been calculated by multiplying the length of waiting time by the value of travel time per occupant per vehicle for different road users presented in **Table 2.2**.

Table 2.3 Avoided road closures

Variable	Quantity
Closures per year	3
Length of closure (average wait time)	56 hours

Source: Shire of Murchison

Slowing down to avoid wildlife

The current design of the Carnarvon to Mullewa Road results in pooling of water along the sides of the road which attracts wildlife. The presence of wildlife on or near the road causes road users to travel at lower speeds as a strategy for avoiding collisions. It is estimated that road users travel around 20 per cent slower along this section of road to avoid collision.

The design of the upgraded road will allow water to flow more easily through the water catchment thereby reducing pooling along the edge of the Road. It will also divert water away from the Road resulting in less wildlife attracted to the road side.

The value of improved travel time from removing the need to reduce speed to avoid collisions with wildlife is based on travel time valuation per occupant per vehicle presented in **Table 2.2**.

Collisions with wildlife

The Shire of Murchison estimates that there are around 20 collisions per year between vehicles and wildlife along the stretch of road resulting in damage to vehicles. The benefit from reduced

⁵ Greenfield Technical Services (2022), Carnarvon Mullewa Road SLK 0.00 – 27.54 Desktop Assessment

crashes is the avoidance of costs to repair damaged vehicles and includes the cost of repairs, vehicle hire, and other associated costs reported by Austroads with values adjusted for inflation.⁶

Decrease in crashes

Improvements to the Road from improved horizontal and vertical alignments will result in reduced vehicle accidents. The benefit from reduced crashes has been estimated using the Austroads methodology and assumptions with values adjusted for inflation.⁷

Table 2.4 Value of reduced crashes

Road user type	Reduction in crash rate (Rate per 100,000,000 km of road)	Cost per crash (\$2012 per crash)
Fatal	0.75	2,320,000
Minor injury	14.25	25,117
Property damage only	62	8,681

Source: Austroads (2012), Guide to Project Evaluation Part 4: Project Evaluation Data, Government of Australia

Reduction in dust

Sealing the Road will result in less dust which will have a positive impact on the surrounding landscape, and other road users. The benefit of a reduction in dust has been estimated at \$0.13 per km.⁸

Increase in visitation

Some car hire companies and tour operators do not allow their vehicles to travel on unsealed roads. Upgrading the Road will result in additional traffic. Planned development of the visitor attractions and associated visitor infrastructure at the Murchison Settlement⁹ will be enhanced by the road upgrade. A share of the estimated increase in visitor spending from the visitor attractions has been attributed to the upgrade of the Carnarvon to Mullewa Road. It has been assumed that 20 per cent of the increase in spending by day visitors can be attributed to the Road upgrade and 15 per cent of spending by overnight visitors.

The estimation of visitor spending has been sourced from the economic impact of the visitor upgrades¹⁰ at the Murchison Settlement and assumes that the Road upgrade takes place at a time that is complementary to the construction of the visitor facilities.

2.2.2 Costs

The following sections set out the costs to the Shire of Murchison and to the users of the Road that are generated by its upgrade.

⁶ Austroads (2012), Guide to Project Evaluation Part 4: Project Evaluation Data, Government of Australia

⁷ Austroads (2012), Guide to Project Evaluation Part 4: Project Evaluation Data, Government of Australia

⁸ Main Roads Western Australia (2017), M032 Northam-Pithara Road Upgrade, Government of Western Australia

⁹ UDLA (2021), Murchison Settlement Masterplan Report, Shire of Murchison

¹⁰ MCa (2022), Murchison SKA – Economic Analysis, Shire of Murchison

Capital costs

Preliminary estimates indicate that the upgrade of the Carnarvon to Mullewa Road is expected to incur costs of between \$4.7 million and \$7.2 million over a one year period.¹¹ For the purposes of this report, a mid point between the two estimations has been assumed.

Operation costs

Operation costs for the upgraded road are expected to be nearly \$105,000 per annum including annual maintenance of road shoulders, edges, pavement surface, culverts, and flood ways. This annual cost also accounts for the periodic need to re-seal the road.¹² Operation costs are assumed to commence in the second year of the project once construction activities have been completed.

2.3 Other costs and benefits

Complementing the quantifiable benefits and costs of upgrading the Road are other benefits and costs that are more difficult to quantify. These include:

2.3.1 Improving the landscape

When the current Carnarvon to Mullewa Road was constructed, its design did not fully address drainage of the water catchments that it traverses. This has resulted in changes to the water flows in the area including diverting the natural flow of water, and the pooling of water along the side of the road which has had an impact on the landscape and the flora and fauna that depend on it. The design of the upgraded road will allow a more natural flow of water which will assist in rangeland regeneration providing benefits to the landscape. This includes restoring water retention across the landscape resulting in improved vegetation cover and assisting in achieving improved environmental and economic outcomes throughout the rangeland ecosystem.¹³

2.3.2 Improved access to essential services

Providing a sealed road linking the Murchison Settlement to the regional centre of Geraldton has benefits in terms of providing a safer and more efficient link to essential services including education, health, and emergency services.

2.3.3 Murchison Radio Observatory

Murchison Radio-astronomy Observatory is located on Boolardy Station in the Shire of Murchison. It was established in 2009 and is managed by the Commonwealth Scientific and Industrial Research Organisation (CSIRO). The site hosts globally important space related infrastructure:

- Australian Square Kilometre Array Pathfinder (ASKAP)
- Murchison Widefield Array (MWA)
- Experiment to Detect the Global Epoch of Reionization Signature (EDGES)
- Very Long Baseline Interferometry (VLBI) Radio Telescope.

Australia is a member of the international partnership established to build the world's most powerful radio astronomy facility known as the Square Kilometre Array (SKA) Observatory.¹⁴ The SKA

¹¹ Greenfield Technical Services (2022), Carnarvon Mullewa Road SLK 0.00 – 27.54 Desktop Assessment

¹² Shire of Murchison estimate

¹³ Rangelands NRM, Rehydration and Water <https://rangelandswa.com.au/what-we-do/focus-areas/rehydration-and-water/> accessed January 2023

¹⁴ CSIRO (2023), Building the telescopes of tomorrow <https://www.csiro.au/en/about/facilities-collections/international-facilities/ska> accessed January 2023

Observatory has sites on three continents, with telescopes in Australia and South Africa, and headquarters in the United Kingdom. Australia will host the SKA project telescope which is the low-frequency component of the Square Kilometre Array project. Construction of the project is expected to take place from 2023. Once constructed, the SKA telescope will consist of 512 individual array stations of approximately 35 to 45 metres in diameter of which around 296 will form a densely populated core approximately 1 kilometre in diameter. Another 180 array stations will form a region about 6km in diameter around this and the final 36 will be placed along 3 spiral arms, each extending out approximately 35km. Each array station will consist of approximately 256 individual antennas, each standing approximately two metres tall.

The construction and operation of the SKA will involve the transport of a large volume of scientific equipment to the site using the Carnarvon to Mullewa Road. The sealing of the Road will have benefits to the SKA in the form of a more reliable route with less potential to damage sensitive cargo.

2.4 Choice of discount rate

In principle, the discount rate that is used to convert future benefits and costs into present values is meant to reflect society's weighting of benefits and costs that occur in the present vis a vis the future. In theory this is formulated as a 'pure' rate of time preference, which depends on how much society prefers the present over the future as such, plus factors which reflect aversion to future fluctuations in income (known by economists as the elasticity of the marginal utility of consumption) and expected future growth of per capita consumption.¹⁵

For this report, a real discount rate of 7.0 per cent is used. Additional discount rates of 4.0 per cent and 10.0 per cent are used to test the sensitivity of the results.

2.5 Net Present Value of Benefits and Costs

It is estimated that over the 20 years of the construction and operation of the Road upgrade there will be \$8.44 million of costs and \$22.55 million of benefits as summarised in **Table 2.5**. Over the 20 years of the project analysed, there is an undiscounted net benefit of \$14.11 million.

The benefits are driven by the savings from avoiding road closures which contribute 39 per cent of all benefits, and the reduction in collisions with wildlife which contribute 28 per cent of benefits. Maintenance cost savings and the role that the Road upgrade plays in facilitating additional visitors to the Murchison Settlement which results in visitor spending in the town each contribute 11 per cent of benefits.

¹⁵ David Pearce, Giles Atkinson and Susana Mourato, *Cost-Benefit Analysis and the Environment*, OECD, 2006, pp187-188. The rate can be expressed in algebraic form as $r = p + ug$, where r is the discount rate, p is the 'pure' rate of time preference, g is the growth rate of future per capita consumption, and u is the elasticity of the marginal utility of consumption ie: the percentage change in welfare derived from a percentage change in consumption, or income.

Table 2.5 Summary of benefits and costs over 20 year project life: Road upgrade (\$ million)

Item	\$ million
Costs	
Capital costs	5.93
Operation costs	2.51
Benefits	
Current maintenance costs	2.53
Mining related maintenance costs	1.40
Road closures	8.79
Slowing down to avoid wildlife	0.98
Collisions with wildlife	6.29
Decrease in crashes	0.00002
Reduction in dust	0.00009
Increase in visitor spending	2.55
Total costs	8.44
Total benefits	22.55
Net benefit	14.11

Source: ACIL Allen

The net present value of the benefits and costs of the Road upgrade are presented in **Table 2.6** using three discount rates:

- a base case discount rate of 7.0 per cent, and
- a sensitivity discount rate of 4.0 per cent
- a sensitivity discount rate of 10.0 per cent.

The total benefits of the Road upgrade range from \$14.93 million under a 4.0 per cent discount rate to \$9.02 million under a 10.0 per cent discount rate and \$11.42 million under a 7.0 per cent discount rate. Total costs range from \$7.61 million under a 4.0 per cent discount rate to \$6.96 million under a 10.0 per cent discount rate while they are \$7.23 million under a 7.0 per cent discount rate.

The resulting net benefit of the Road upgrade under each discount rate scenario are positive under either discount rate. A 4.0 per cent discount rate returns a net benefit of \$7.32 million and a 10.0 per cent discount rate results in a net benefit of \$2.06 million, while a 7.0 per cent discount rate returns a net benefit of \$4.19 million.

2.6 Benefit cost assessment

Table 2.6 presents the benefit cost ratio of the Road upgrade under the three discount rates. The benefit cost ratio under all scenarios is favourable assuming that all benefits are able to be realised. The benefit to cost ratio of the Road upgrade is estimated to be 2.0 using a 4.0 per cent discount rate, 1.6 using a 7.0 per cent and 1.3 using a 10.0 discount rate. The inclusion of unquantified benefits will further support a favourable benefit cost ratio under all discount rates.

Table 2.6 Net present value of benefits and costs by discount rate: Road upgrade (\$ Million)

	Discount Rate		
	4.0 per cent	7.0 per cent	10.0 per cent
Benefits (\$ million)	14.93	11.42	9.02
Costs (\$ million)	7.61	7.23	6.96
Net benefit (\$ million)	7.32	4.19	2.06
Benefit Cost ratio	2.0	1.6	1.3

Source: ACIL Allen

2.7 Sensitivity analysis

A sensitivity was undertaken on two of the key benefits from the Road upgrade identified as the benefit of avoiding road closures which accounted for 39 per cent of all benefits, and the increase in visitor spending in the Murchison Settlement which accounted for 11 per cent of benefits.

The analysis found that removing the benefits from reduced road closures returns a net benefit and a favourable benefit cost ratio under a 4.0 per cent discount rate as illustrated in **Table 2.7**. An unfavourable outcome was returned under alternative discount rate assumptions. The inclusion of unquantified benefits will improve the benefit cost ratio under a 7.0 per cent and 10.0 per cent discount rate to the extent that a favourable outcome will be achieved.

If the benefit from additional visitor spending is excluded from the benefit analysis, the Road upgrade continues to return a net benefit and a favourable discount rate under all discount rates.

Table 2.7 NPV benefits and costs by discount rate: Road upgrade (\$ Million): sensitivity analysis

	Discount Rate		
	4.0 per cent	7.0 per cent	10.0 per cent
Without road closure benefits			
Benefits (\$ million)	9.09	6.94	5.47
Costs (\$ million)	7.61	7.23	6.96
Net benefit (\$ million)	1.48	-0.28	-1.48
Benefit Cost ratio	1.2	1.0	0.8
Without visitor spending benefits			
Benefits (\$ million)	13.29	10.20	8.09
Costs (\$ million)	7.61	7.23	6.96
Net benefit (\$ million)	5.68	2.98	1.14
Benefit Cost ratio	1.7	1.4	1.2

Source: ACIL Allen

The sensitivity analysis suggests that benefits would need to be reduced by around \$6.00 million or one third in order for an unfavourable benefit cost ratio to be returned indicating that the range and aggregate of the identified benefits are sufficient to recommend the Road upgrade.

2.8 Conclusion

The benefit cost analysis of the Road upgrade has demonstrated that the benefits of the project are broad and when aggregated, are higher than its costs. These benefits are driven by the

improvements that the upgrade brings to road users in terms of reduced road closures, less collisions with wildlife, and improved travel times. The upgrade also allows additional visitor spending in the Murchison Settlement which has a benefit to the economy of the Shire of Murchison. The overall finding is that the benefit cost ratio under all discount rates and most sensitivities suggest that there is merit in investing in the Road upgrade and particularly when unquantified benefits are taken into consideration.

Antonia Hodby
a.hodby@acilallen.com.au
0404 822 301

Melbourne
Suite 4, Level 19; North Tower
80 Collins Street
Melbourne VIC 3000 Australia
+61 3 8650 6000

Canberra
Level 6, 54 Marcus Clarke Street
Canberra ACT 2601 Australia
+61 2 6103 8200

ACIL Allen Pty Ltd
ABN 68 102 652 148

acilallen.com.au

Sydney
Suite 603, Level 6
309 Kent Street
Sydney NSW 2000 Australia
+61 2 8272 5100

Perth
Level 12, 28 The Esplanade
Perth WA 6000 Australia
+61 8 9449 9600

Brisbane
Level 15, 127 Creek Street
Brisbane QLD 4000 Australia
+61 7 3009 8700

Adelaide
167 Flinders Street
Adelaide SA 5000 Australia
+61 8 8122 4965

Background	In 2022, WALGA conducted a review of its emergency management positions and prepared a suite of comprehensive policy positions on key issues and matters for the sector based on previous State Council endorsed submissions, recommendations from significant reviews and inquiries, and information and priorities captured in sector-wide consultations.
State Council Resolution	July 2022 – 355.5/2022
Supporting Documents	DFES Community Emergency Service Managers Reference Manual, May 2021

8.10 Management of Bush Fire Brigades

Position Statement	<ol style="list-style-type: none"> 1. Bush Fire Brigade volunteers play a critical role in helping to protect their local communities. Local knowledge and skills are integral to bushfire management in Western Australia. 2. Future management and funding of volunteer Bush Fire Brigades must: <ol style="list-style-type: none"> a) Recognise the changing risk environment, including work health and safety requirements, and the increasing intensity and frequency of bushfires; b) Take account of the differing circumstances of Bush Fire Brigade units and regional variations in bush firefighting approaches; and c) Be adequately and equitably resourced through the Emergency Services Levy. 3. The State Government, through the Consolidated Emergency Services Act and/or other mechanism's must: <ol style="list-style-type: none"> a) Establish a clear framework to enable transfer of Bush Fire Brigades to the State Government if a Local Government decides to do; b) Consult on the process, timeline, and implications for transfer of responsibility for Bush Fire Brigades in accordance with 3(a) through the establishment of a working group comprising representatives of Local Government, Bush Fire Brigades, the Department of Local Government, Sport and Cultural Industries (DLGSC) and the Department of Fire and Emergency Services (DFES); c) Provide for mandatory and minimum training requirements and recognition of competency and prior learning for Bush Fire Brigade volunteers, supported by <u>locally delivered</u> fit-for-purpose and universally accessible training program, designed in consultation with Bush Fire Brigade
--------------------	---

- representatives, Local Government and LGIS, and managed by DFES; and
- d) Develop a co-designed suite of relevant management guidelines and materials to assist in the management of Bush Fire Brigades.
4. As a matter of priority within the emergency services Acts review, the State Government to consider the most appropriate operational model for management of Bush Fire Brigades, which may include the establishment of an independent Rural Fire Service, as recommended in the 2016 Ferguson Report.

Background

Under the *Bush Fires Act 1954*, Local Governments have responsibility for the establishment and management of volunteer Bush Fire Brigades (BFBs). It was considered timely for the sector to consider its position on the most appropriate future management arrangements for BFBs as:

- the Work Health and Safety Act 2020 (WHS Act), enacted in March 2022, raised the sector's concerns regarding risk and liability in the management of BFBs; and
- the State Government is preparing the Consolidated Emergency Services Act, which is expected to be released for consultation in early 2023.

WALGA consulted the sector on this issue from 24 May to 29 July 2022 through a paper, *Arrangements for management of Bush Fire Brigades: Proposed Advocacy Position*. A total of 89 submissions were received from Local Governments, representing 64% of the Local Government sector and 77% of Local Governments that manage BFBs. Based on the feedback received, an Advocacy Position on Management of BFBs was adopted by State Council.

State Council Resolution September 2022 – 377.7/2022

From: [James McGovern](#)
To: [Bill Boehm](#)
Subject: Bush Fire Brigades Local Law
Date: Thursday, 12 January 2023 1:04:27 PM
Attachments: [image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[Murchison BFB LL GG 5-1-61.pdf](#)

Hi Bill,

Please find attached a copy of the Shire's 1961 Bush Fire Brigades Local Law.

Following is the advice that we prepared for Local Governments, summarising the current situation and the legal advice WALGA has obtained:

WALGA was recently contacted by the Dept of Fire and Emergency Services, who informed of State Solicitor's Office advice questioning the legality of Bush Fire Brigades established by Local Governments in the absence of an associated Bush Fire Brigades Local Law.

WALGA obtained its own separate, independent legal advice that confirmed the same; having established a Bush Fire Brigade, it is a requirement that the Local Government also adopt an associated Bush Fire Brigades Local Law.

WALGA has identified your Local Government as potentially falling into this category, following a search of your Local Government website for a BFB Local Law.

The Issues

1. DFES and WALGA have received separate, independent legal advice on the establishment of Bush Fire Brigades (BFB) by Local Governments under s.41 of the *Bush Fires Act 1954* (BF Act);
2. The consistent legal position is that a Local Government, having exercised discretion to establish a BFB, must do so by making a Local Law – ref s.41(1) of the BF Act;
3. The head of power to make a BFB Local Law is under s.62 of the BF Act.
4. The Parliamentary Joint Standing Committee on Delegated Legislation has reported a similar requirement: '*Where a local government elects to establish a bush fire brigade it must do so in accordance with local laws it has made for that purpose*' (Ref: Report 16, June 2019 at 2.2)

Relevant Consequences

5. Where a BFBs has been established in the absence of a Local Law, WALGA's legal advice indicates that the registration of the Brigade and Brigade membership under s.41(2) is likely to be invalid;
6. In the absence of a Local Law, the election and duties of BFB officers under s.43 is likely to be invalid.
7. In the absence of a Local Law, the powers of BFB officers relevant to preventing, controlling and extinguishing a bush fire under s.44 is likely to be invalid.

WALGA's requested legal advice on other matters that we believe will provide some reassurances in the short term.

Although not having adopted a BFB Local Law will mean that Brigades are not properly constituted, we have been advised that the appointment of Bush Fire Control Officers will mean that Local Governments can effectively ensure the conduct of normal brigade activities, including

responding to bush fires and directing firefighting assets and volunteers.

Our legal advice provides further reassurances that volunteers will be covered for compensation and protected from liability if conducting normal brigade activities under the direction of a BFCO.

Arrangements – Short Term

1. In the short term, Local Governments should ensure that a sufficient number of bush fire control officers (BFCO) are appointed under s.38(1) of the BF Act:
‘A local government may from time to time appoint such persons as it thinks necessary to be its bush fire control officers under and for the purposes of this Act, and of those officers shall subject to section 38A(2) appoint 2 as the Chief Bush Fire Control Officer and the Deputy Chief Bush Fire Control Officer who shall be first and second in seniority of those officers, and subject thereto may determine the respective seniority of the other bush fire control officers appointed by it’;
2. BFCO’s special powers are set out in s.39 of the BF Act and this appointment will also ensure the proper direction of Brigades in responding to a bush fire, as set out in s.44(4) of the BF Act:
‘(4) Subject to the provisions of sections 13(6) and 45, where a bush fire control officer of a local government is present at a fire which is burning in the district of the local government, he has supreme control and charge of all operations, and the officers and members of all bush fire brigades present at the fire are subject to and shall act under his orders and directions.’
3. WALGA’s legal advice notes that a BFCO could manage a BFB established without a Local Law however this is not recommended as a permanent solution as BFBs will not have direct authority and powers otherwise provided under the BF Act.

Protections

4. WALGA sought legal advice on the application of Part 6B And Part 7 of the Fire and Emergency Services Act 1998 (FES Act);
5. Part 6B applies to compensation entitlements for volunteers engaged in emergency response activities including firefighting;
6. Legal advice is that the compensation provisions will cover a person who engages in volunteer activities by participating in ‘normal brigade activities’ under the direction of a BFCO;
7. Part 7 applies to protection of persons acting in good faith when performing functions under emergency services Acts, including volunteer firefighters;
8. Similarly, legal advice confirms that a volunteer acting under the direction of a BFCO when carrying out ‘normal brigade activities’ will be able to rely upon the statutory protection under s.37 of the FES Act.

Arrangements – Intermediate Term

1. The Local Government is required to adopt a BFB Local Law to ensure its Bush Fire Brigades are properly established and Brigade officers are properly registered and empowered.
2. WALGA has developed a template BFB Local Law addressing the BF Act local law-making requirements. This can be made freely available upon request.
3. WALGA can also provide general advice on the local law-making process and the development of a Council agenda item for this purpose;
4. Alternatively, the Local Government can obtain its own legal advice for the purpose of drafting a BFB Local Law.

Any queries please let me know.

Regards

James

James McGovern | Manager Governance and Procurement | WALGA

(p) (08) 9213 2093 | (mob) 0417 961 203 | (e) jmcgovern@walga.asn.au



Government Gazette

OF

WESTERN AUSTRALIA

(Published by Authority at 3.30 p.m.)

(REGISTERED AT THE GENERAL POST OFFICE, PERTH, FOR TRANSMISSION BY POST AS A NEWSPAPER)

No. 1]

PERTH : THURSDAY, 5th JANUARY

[1961

BUSH FIRES ACT, 1954.

By-laws of the Murchison Road Board relating to the Establishment, Maintenance and Equipment of Bush Fire Brigades for the Road District or any part of the Road District of Murchison.

Establishment of Brigade.

1. (a) On the resolution of the Board to establish, maintain and equip a bush fire brigade under the provisions of the Bush Fires Act, 1954, and regulations thereunder, the brigade shall be formed in accordance with these by-laws; and a name shall be given to the brigade and application, accompanied by the resolution of the Board forming the brigade, shall be made to the Bush Fires Board for its registration accordingly.

(b) A bush fire brigade may be established for the whole of the road district or for any specified area thereof.

Appointment of Officers.

2. The Board shall appoint a captain, a first lieutenant, a second lieutenant and such additional lieutenants as it shall deem necessary to act as officers of the brigade and who, in the Board's opinion, have the necessary qualification and knowledge of the district required in such capacities.

3. The Secretary of the Board or such other person as the Board may appoint shall be the secretary of the brigade.

4. The Board may appoint an equipment officer who shall be responsible for the custody and maintenance in good order and condition of all equipment and appliances acquired by the Board for the purposes of the brigade. Such officer may station such equipment at a depot approved by the captain where, if possible, motor trucks can easily be called upon. If there are more than one such depots in the area, the equipment officer shall appoint at each depot a person to look after the equipment and have it ready for immediate use when required.

5. The Board shall appoint bush fire control officers in accordance with the requirements of the district and may prescribe the area over which each such officer shall have jurisdiction. The employment, dismissal and payment for services of persons (other than officers) employed for duties under this Act shall be vested in the chairman and secretary of the Board conjointly.

Duties of Officers.

6. The duties of all officers appointed under these by-laws shall be as laid down in the provisions of the Bush Fires Act, 1954, and each officer so appointed shall be supplied with a copy of the Act and regulations. The captain shall have full control over the members of the brigade whilst engaged in fire fighting and shall issue instructions as to the methods to be adopted by the firemen. In the absence of the captain, the first lieutenant; and in the absence of the first, the second lieutenant or senior officer of the brigade present at the fire shall exercise all the powers and duties of the captain.

Membership of Brigade.

7. (1) The membership of a bush fire brigade may consist of the following:—

- (a) Subscribing members;
- (b) fire-fighting members; and
- (c) associate members.

(2) Subscribing members shall be those persons, who being interested in forwarding the objects of the brigade, pay an annual subscription to the funds of the brigade at the following rates:—

	s.	d.
(i) Owner or occupier of land within the brigade area— minimum subscription of	10	0
(ii) Other persons—a minimum subscription of	5	0

(3) Fire fighting members shall be those persons, being able-bodied men over 18 years of age, who are willing to render service at any bush fire when called upon, and who sign an undertaking in the form contained in the First Schedule to these by-laws.

(4) Associate members shall be those persons who are willing to supply free motor transport for fire fighters or equipment, or are prepared to render other approved assistance, and who sign an undertaking in the form contained in the Second Schedule to these by-laws.

(5) No fees or subscriptions shall be payable either by fire fighting members or associate members and the enrolment of persons as such members shall in every case be subject to the approval of the Board.

(6) A subscribing member shall be eligible for enrolment as a fire fighting member.

Finance.

8. The expenditure incurred by the Board in the purchase of equipment, payment for services and generally for the purposes of this Act, shall be a charge on the ordinary revenue of the Board, but the secretary shall keep record of the expenditure incurred under this Act.

Meetings of Brigade.

9. Meetings will be held as necessary.

These by-laws under the Bush Fires Act, 1954, were passed by a resolution of the Murchison Road Board (a local authority under the provisions of such Act) at a meeting held at Boolardy Station, via Yalgoo, on the 5th day of December, 1960.

G. J. B. SHARPE,
Chairman.
GEO. CLARKE,
Secretary.

Approved by His Excellency, the Governor in Executive Council, this 22nd day of December, 1960.

R. H. DOIG,
Clerk of the Council.

First Schedule.

FORM OF ENROLMENT—FIRE FIGHTING MEMBER.

I, the undersigned, hereby make application to be enrolled as a fire fighting member of the.....Bush Fire Brigade.

My private address is.....

My business address is.....

I can be communicated with by telephone No.....

If needed, I can provide my own transport to the scene of any outbreak.
(This line to be struck out if not applicable.)

I hereby declare that I am over 18 years of age and in good health.

On election by the committee as a fire fighting member, I hereby undertake:—

- (1) To promote the objects of the brigade as far as shall be in my power.
- (2) To be governed by the provisions of the constitution and such by-laws and regulations as may from time to time be made thereunder.
- (3) To use my best endeavours to give assistance in fire fighting measures when called upon on such occasions to obey all orders and instructions issued by duly authorised officers of the brigade.

Applicant's Signature.....

Date

Second Schedule.

FORM OF ENROLMENT—ASSOCIATE MEMBER.

I, the undersigned, hereby make application for enrolment as an associate member of the.....Bush Fire Brigade.

(a) I am prepared to offer to transport fire fighting members and/or equipment to the scene of any outbreak when called upon. I have a motor vehicle of the following type....., available for such purpose.

(b) I am prepared to offer my services in the following capacity:—

(Paragraph (a) or (b) above may be struck out if both do not apply.)

My private address is.....

My business address is.....

I can be communicated with by telephone No.....

On election as an associate member by the committee, I hereby undertake:—

- (1) To promote the objects of the Brigade as far as shall be in my power.
- (2) To be governed by the provisions of the constitution and such by-laws and regulations as may from time to time be made thereunder.
- (3) To use my best endeavours to assist in fire suppression work in the above capacity when called upon.

Applicant's Signature.....

Date

MUNICIPAL CORPORATIONS ACT, 1906.

The City of Perth.

By-law No. 68 (Building Line).

L.G. 284/57.

A By-law of the Municipality of the City of Perth made under the provisions of the Municipal Corporations Act, 1906, and the City of Perth Act, 1925, and numbered 68, for the Provision of a New Building Line.

IN pursuance of the powers conferred by the Municipal Corporations Act, 1906, and the City of Perth Act, 1925, the Lord Mayor and Councillors of the City of Perth hereby prescribe a new building line on the eastern side of Golding Street as shown in the plan on the schedule hereto.