



**murchisonshire**

*Ancient land under brilliant skies*

**Ordinary Council Meeting**

**22 June 2023**

**Minutes Attachments**



## Airspace change proposal

We seek your views on a proposal to minimise air traffic over Inyarrimanha Ilgari Bundara, the CSIRO Murchison Radio-astronomy Observatory. Stakeholder consultation is held online at <https://www.avsef.gov.au/>. We are extending a courtesy by providing a personal briefing to our neighbours wider Murchison community.

Murchison Shire Council 22 June 2023

### Background

With the support of the WA State Government and the Australian Government, CSIRO established Inyarrimanha Ilgari Bundara, the CSIRO Murchison Radio-astronomy Observatory (the Observatory) as one of the world's premier sites for radio astronomy and to attract the international Square Kilometre Array (SKA) project to Australia. There are already three radio astronomy instruments on the Observatory, including CSIRO's Australian SKA Pathfinder (ASKAP) and the Murchison Widefield Array (MWA), operated by Curtin University. The SKA-Low telescope itself is now being built.

Radio telescope receivers are designed to detect faint signals from the far side of the Universe so anything closer to hand is easy to spot and has the potential to mimic or drown out the signals the telescope is looking for. For example, ASKAP would get a strong signal from an astronaut on the Moon using an ordinary garage door opener.

The scientific success of these telescopes is dependent on maintenance of the Observatory's exceptional radio quiet qualities, so the Governments established various mechanisms to help protect the telescopes from harmful interference, while allowing for co-existence with other activities. For example, the Australian Radio Quiet Zone (WA), the Australian Communication and Media Authority's Radiocommunications Licencing Instruction MS32 (ACMA RALI MS32) and a 'Section 19 exemption area' established under WA's Mining Act 1978 (WA).

These protections keep some of the most significant sources of interference away from the telescopes, particularly mobile broadband (3G/4G/5G/NBN) and Digital TV. However, these protections do not extend to the powerful radio transmitters used by aircraft (such as such as DME and ADS-B), nor to the inadvertent use of mobile devices aboard aircraft by passengers or pilots.

### Flight data

We have been monitoring aircraft movements over the Observatory since September 2017 (detecting the ADS-B transponders at our radiofrequency interference monitoring station) so we know that there are about two flights a week that go directly over the telescopes at altitudes

lower than 13 000 feet (FL130, the limit for small or private operators using unpressurised aircraft) and about 34 a day at high altitude.

We have also detected that most regular passenger transport flights carry people who forgot to put their phones into flight mode, rendering the morning and evening 'rush' (when most overflights occur) unusable for observing in those bands. Among the low altitude flights, we regularly detect pilots using phones or tablets (which can maintain a connection to a mobile tower over 100 km away) and this saturates the telescopes at those frequencies.

## Interference

There are three levels of interference to consider in relation to radio astronomy:

1. Physical damage from overloading the telescopes' receivers to the point where they physically fail. This, clearly, must be avoided completely.
2. Saturation of the entire observing band or saturation of the receivers. Interference to the point where observations become impossible to undertake
3. Being 'over the limit', that is, exceeding the RALI MS 32 centre threshold level.

Our proposal is for airspace limits that protect against damage and saturation. To provide protection to the full telescope interference thresholds (point 3) would require a protective zone several hundred kilometres in diameter, which is clearly not reasonable.

## Proposal

The proposal is for aircraft movements to be restricted within a circle of radius 62.1 km (34 nautical miles) centred at 26.7409 S, 116.7269 E and with an upper limit of 60 000 feet (SFC-FL600). For the purposes of this document, we will refer to this restricted airspace as R-MRO.

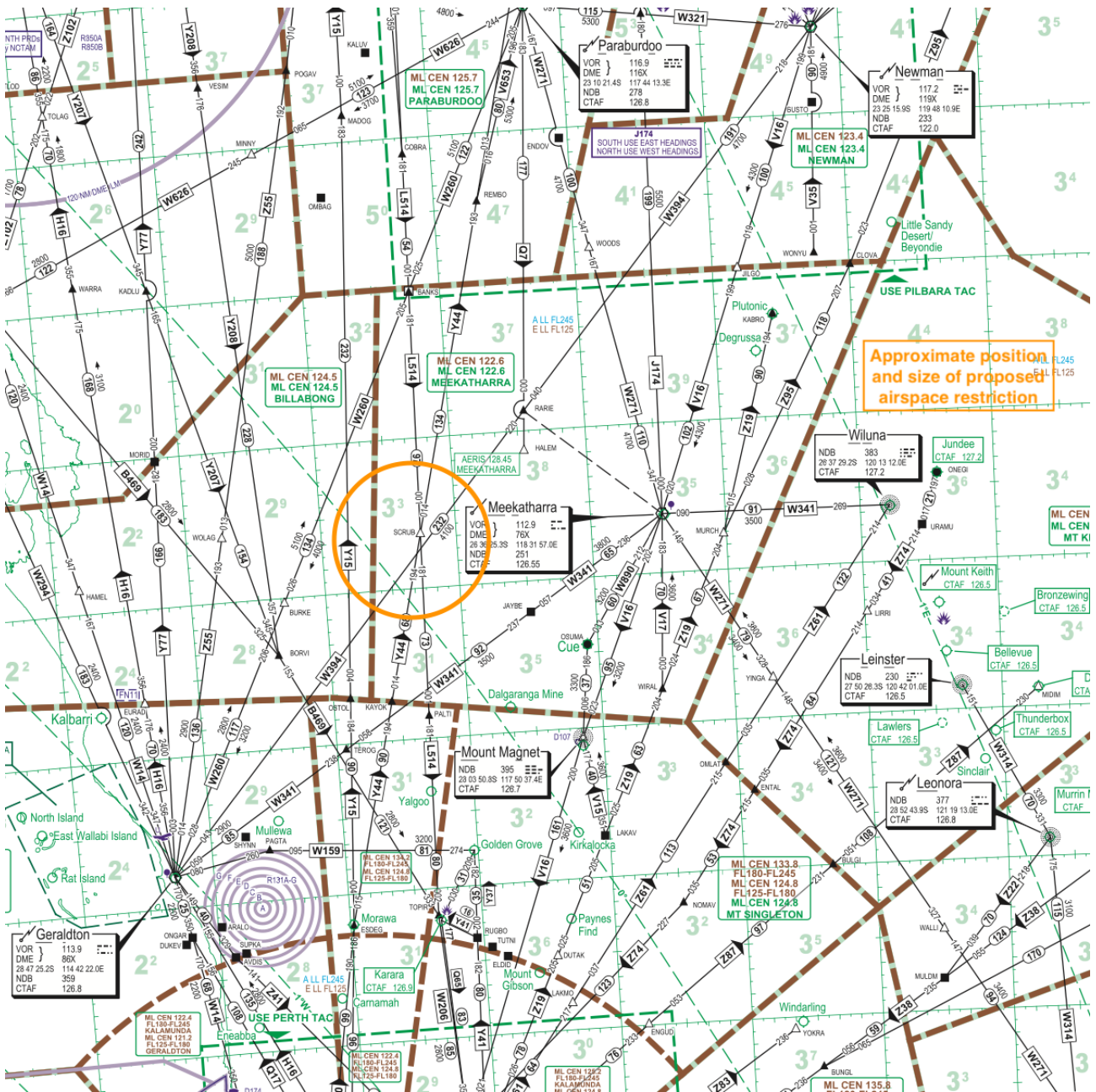
As a result of the requested restricted airspace, CSIRO further proposes that the current SCRUB navigation waypoint be replaced by two new waypoints, thus moving airways L514, Y44, W394, and Y60 to detour around the Observatory.

The two new waypoints, which we've dubbed QUIET and SKIES, are as follows:

- QUIET at WGS84, coordinates S 26.6937 E 116.0042 (minimum detour for traffic on Y44 and Y15)
- SKIES at WGS84, coordinates S 27.004 E 117.3905 (minimum detour for traffic on W394, Y44 and Y60)

For traffic on L514, either QUIET or SKIES give a roughly equal detour distance.

## Approximate location of the airspace restriction



## Impact

This proposal does not impact the approach or departure segments of regular passenger transport operations of any nearby airports. Also, the most common flight paths for low altitude aircraft have origins and destinations a significant distance from the Observatory, which minimises any additional distance required to avoid the Observatory.

We calculate that the average additional distance required to detour around R-MRO ranges from 0.06% to 1.17% of the total flight distance (see table). This is comparable to, or smaller than, the typical detour made around a thunderstorm.

Table 1 - Distance increase/decrease from typical flight paths when avoiding R-MRO.

	ORIGINAL DISTANCE [km]	VIA QUIET INCREASE [km]	VIA QUIET INCREASE [%]	VIA SKIES INCREASE [km]	VIA SKIES INCREASE [%]
Average	1615.72	11.61	1.17	2.69	0.06
Maximum	12449.40	33.90	3.10	49.50	6.00
Minimum	812.40	-66.60	-6.80	-20.50	-1.80
Standard deviation	1720.08	21.37	1.66	18.25	1.45

## Exemptions

CSIRO foresees that standing entry permits to R-MRO will need to be granted to a small subset of airspace users, such as:

- Pastoralists within R-MRO to allow regular pastoral activities, such as mustering.
- The Royal Flying Doctor Service (RFDS) attending medical emergencies within R-MRO (this permit would not include overflights between locations outside R-MRO).
- FIFO operators bringing personnel and contractors onto the Observatory.

For these airspace users, a detailed briefing package outlining the special operating conditions and areas to be avoided in the direct vicinity of the telescopes will be provided. The need for short term entry permits is also contemplated. Applications will be managed by CSIRO's Observatory Site Entity in a process similar to the existing Radio Emissions Management Plan (REMP) process required for activities on the ground within the radio quiet zone. Communication with the Observatory Site Entity will be through the email address: [mrose@csiro.au](mailto:mrose@csiro.au)

## Feedback

This proposal will be published on the the Aviation State Engagement Forum (AvSEF) site (<https://www.avsef.gov.au/>) in the coming weeks. If you have any further questions, you're welcome to email us at [mrose@csiro.au](mailto:mrose@csiro.au). For feedback to the proposal, please use the feedback form in the AvSEF filing.



**murchison**shire

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## **SHIRE OF MURCHISON**

### **MONTHLY FINANCIAL REPORT**

**For the Period Ending 31 May 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

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## **Compilation Report**

### **To the Council**

### **Shire of Murchison**

#### **Scope**

We have compiled the accompanying special purpose financial statements.

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

#### **The responsibility of the Shire**

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

#### **Our responsibility**

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

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

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

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

Travis Bate  
Signed at GERALDTON

RSM Australia Pty Ltd  
Chartered Accountants

Date 19<sup>th</sup> June 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

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

**Statement of Financial Activity**

Statements are presented on pages 5 and 6 showing a surplus/(deficit) as at 31 May 2023 of \$1,402,061

**Significant Revenue and Expenditure**

	Collected / Completed %	Annual Budget \$	YTD Budget \$	YTD Actual \$
<b>Significant Projects</b>				
Capex - Beringarra-Cue Rd - Convert To Gravel	105%	1,531,969	1,404,282	1,609,867
Carn-Mul Rd 245.04 - 254.10 Reconstruct Resheet Prep	100%	770,268	706,057	770,268
Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen vario	57%	523,233	479,600	297,412
Road Plant Purchases	152%	552,496	506,451	840,256
Capex Roads Construction General	0%	-	-	-
	104%	3,377,966	3,096,390	3,517,803
<b>Grants, Subsidies and Contributions</b>				
Operating grants, subsidies and contributions	52%	14,873,930	14,832,342	7,727,550
Non-operating grants, subsidies and contributions	116%	2,429,066	2,226,620	2,816,872
	61%	17,302,996	17,058,962	10,544,422
<b>Rates Levied</b>				
	99%	679,131	622,534	671,803

% - Compares current YTD actuals to the Annual Budget

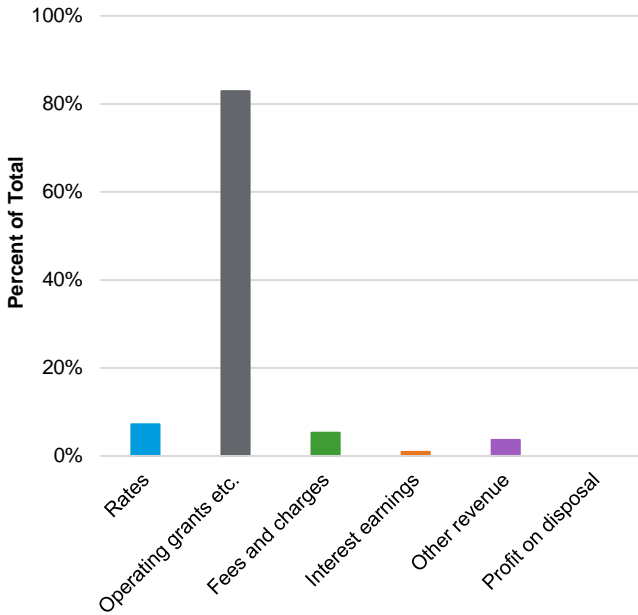
**Financial Position**

Account	Difference to Prior Year %	Current Year 31 May 23 \$	Prior Year 31 May 22 \$
Adjusted net current assets	29%	1,402,057	4,869,715
Cash and equivalent - unrestricted	54%	2,760,071	5,110,074
Cash and equivalent - restricted	65%	4,615,756	7,132,407
Receivables - rates	(36%)	(20,495)	57,201
Receivables - other	40%	130,942	328,573
Payables	236%	2,390,016	1,011,780

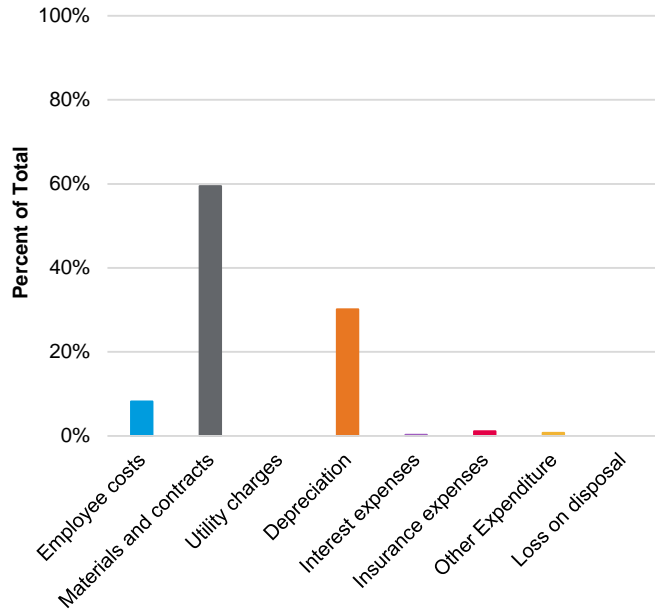
% - Compares current YTD actuals to prior year actuals

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

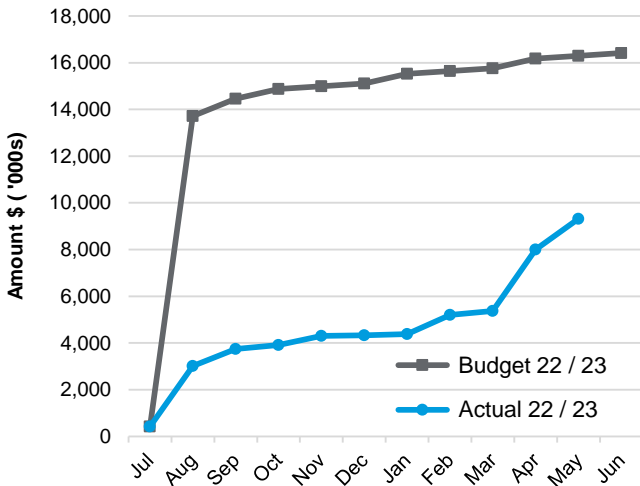
**Operating Income**



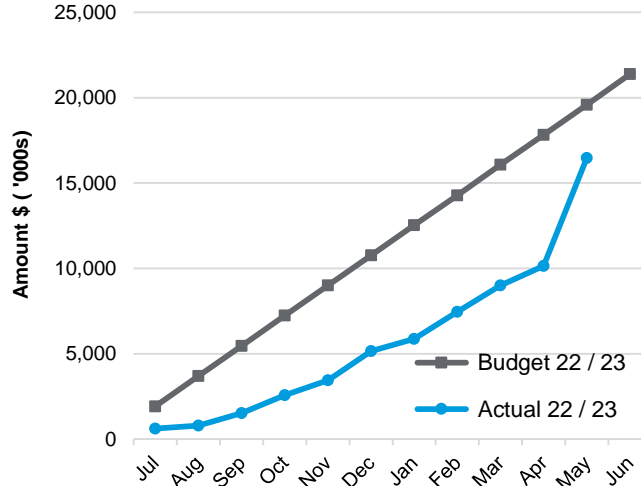
**Operating Expenditure**



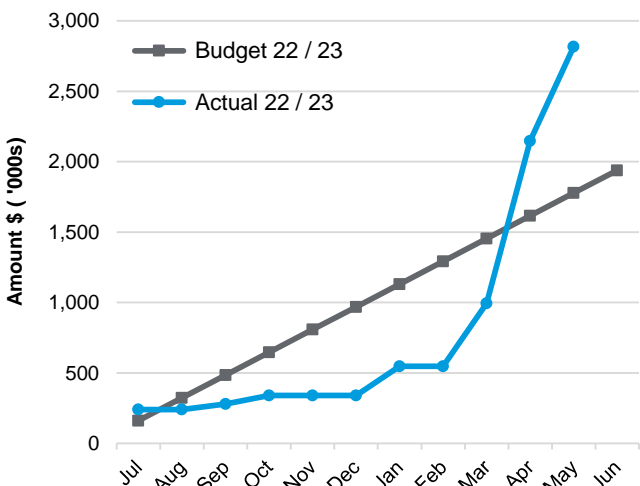
**Operating Revenues**



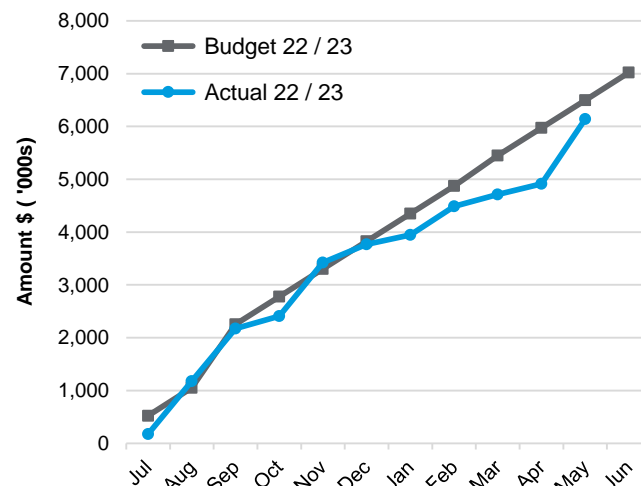
**Operating Expenses**



**Capital Revenues - Investing**



**Capital Expenses**



SHIRE OF MURCHISON  
STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ending 31 May 2023

## NATURE OR TYPE

	Note	Annual Budget \$	YTD Budget \$	YTD Actual \$	Var* \$	Var* %	Var
<b>Opening Funding Surplus / (Deficit)</b>	3	1,406,382	1,406,382	1,403,306			
<b>Revenue from Operating Activities</b>							
Rates	10	679,131	622,534	671,803	49,269	8%	
Grants, subsidies and contributions	12(a)	14,873,930	14,832,342	7,727,550	(7,104,792)	(48%)	▼
Fees and charges		720,821	660,704	493,274	(167,430)	(25%)	▼
Interest earnings		45,000	41,089	87,571	46,482	113%	▲
Other revenue		456,024	412,632	340,803	(71,829)	(17%)	▼
Profit on disposal of assets	8	-	-	-	-		
		<b>16,774,906</b>	<b>16,569,301</b>	<b>9,321,000</b>			
<b>Expenditure from Operating Activities</b>							
Employee costs		(1,286,969)	(1,177,661)	(1,352,515)	(174,854)	(15%)	▼
Materials and contracts		(16,621,380)	(15,242,889)	(9,792,661)	5,450,229	36%	▲
Depreciation on non-current assets		(3,520,116)	(3,226,641)	(4,964,563)	(1,737,922)	(54%)	▼
Interest expenses		(49,024)	(44,924)	(47,830)	(2,906)	(6%)	
Insurance expenses		(194,650)	(179,013)	(185,182)	(6,169)	(3%)	
Other expenditure		(200,234)	(185,991)	(123,236)	62,755	34%	▲
Loss on disposal of assets	8	-	-	-	-		
		<b>(21,872,373)</b>	<b>(20,057,119)</b>	<b>(16,465,986)</b>			
<b>Excluded Non-cash Operating Activities</b>							
Depreciation and amortisation		3,520,116	3,226,641	4,964,563			
Movement in Employee Benefits		(25,700)	-	-			
(Profit) / loss on asset disposal		-	-	-			
		<b>(1,603,051)</b>	<b>(261,177)</b>	<b>(2,180,423)</b>			
<b>Net Amount from Operating Activities</b>							
<b>Investing Activities</b>							
Grants, subsidies and contributions	12(b)	2,429,066	2,226,620	2,816,872	590,252	27%	▲
Proceeds from disposal of assets	8	59,000	34,417	-	(34,417)	(100%)	▼
Land and buildings	9(a)	(510,000)	(467,489)	(146,717)	320,772	69%	▲
Plant and equipment	9(c)	(676,938)	(626,347)	(960,498)	(334,151)	(53%)	▼
Furniture and equipment	9(b)	(116,909)	(107,140)	(43,772)	63,368	59%	▲
Infrastructure - roads	9(d)	(5,185,544)	(4,753,232)	(4,697,372)	55,860	1%	
Infrastructure - other	9(e)	(828,970)	(759,869)	(289,787)	470,082	62%	
		<b>(4,830,295)</b>	<b>(4,453,040)</b>	<b>(3,321,275)</b>			
<b>Net Amount from Investing Activities</b>							
<b>Financing Activities</b>							
Proceeds from Long Term Borrowings	11(a)	-	-	-			
Repayment of debentures	11(a)	(200,598)	(200,598)	(200,248)	350	0%	
Transfer from reserves	7	6,269,037	2,683,074	5,781,902	3,098,828	(115%)	
Transfer to reserves	7	(631,268)	(44,043)	(81,201)	(37,158)	(84%)	▼
		<b>5,437,171</b>	<b>2,438,433</b>	<b>5,500,452</b>			
<b>Net Amount from Financing Activities</b>							
<b>Closing Funding Surplus / (Deficit)</b>	3	<b>410,207</b>	<b>(869,402)</b>	<b>1,402,060</b>			

\* - 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 May 2023**  
**REPORTING PROGRAM**

	Note	Annual Budget \$	YTD Budget \$	YTD Actual \$	Var* \$	Var* %
<b>Opening Funding Surplus / (Deficit)</b>	3	1,406,382	1,406,382	1,403,306		
<b>Revenue from Operating Activities</b>						
Governance		69,469	63,679	32,374	(31,305)	(49%)
General purpose funding		1,941,758	1,881,121	1,970,493	89,372	5%
Law, order and public safety		19,588	17,930	19,845	1,915	11%
Health		-	-	396	396	
Education and welfare		250	220	-	(220)	(100%)
Housing		-	-	19,905	19,905	
Community amenities		486	440	178	(262)	(59%)
Recreation and culture		8,960	8,129	5,017	(3,112)	(38%)
Transport		13,430,975	13,403,028	6,375,391	(7,027,637)	(52%)
Economic services		1,203,421	1,103,091	823,292	(279,799)	(25%)
Other property and services		100,000	91,663	74,109	(17,555)	(19%)
		<b>16,774,907</b>	<b>16,569,301</b>	<b>9,321,001</b>		
<b>Expenditure from Operating Activities</b>						
Governance		(821,786)	(760,235)	(633,595)	126,640	17%
General purpose funding		(27,015)	(24,739)	(35,846)	(11,107)	(45%)
Law, order and public safety		(94,729)	(86,757)	(76,792)	9,965	11%
Health		(51,248)	(46,926)	(54,636)	(7,710)	(16%)
Education and welfare		(13,262)	(12,133)	(3,763)	8,370	69%
Housing		(84,330)	(76,736)	(99,562)	(22,826)	(30%)
Community amenities		(195,161)	(181,184)	(133,767)	47,417	26%
Recreation and culture		(426,595)	(390,786)	(344,620)	46,166	12%
Transport		(17,651,684)	(16,179,889)	(12,636,948)	3,542,941	22%
Economic services		(2,406,563)	(2,205,456)	(1,937,198)	268,258	12%
Other property and services		(100,000)	(92,278)	(509,259)	(416,981)	(452%)
		<b>(21,872,375)</b>	<b>(20,057,119)</b>	<b>(16,465,986)</b>		
<b>Excluded Non-cash Operating Activities</b>						
Depreciation and amortisation		3,520,116	3,226,641	4,964,563		
Movement in Employee Benefits		(25,700)	-	-		
(Profit) / loss on asset disposal	8	-	-	-		
<b>Net Amount from Operating Activities</b>		<b>(1,603,052)</b>	<b>(261,177)</b>	<b>(2,180,422)</b>		
<b>Investing Activities</b>						
Grants, subsidies and contributions	12(b)	2,429,066	2,226,620	2,816,872	590,252	27%
Proceeds from disposal of assets	8	59,000	34,417	-	(34,417)	(100%)
Land and buildings	9(a)	(510,000)	(467,489)	(146,717)	320,772	69%
Plant and equipment	9(c)	(676,938)	(626,347)	(960,498)	(334,151)	(53%)
Furniture and equipment	9(b)	(116,909)	(107,140)	(43,772)	63,368	59%
Infrastructure - roads	9(d)	(5,185,544)	(4,753,232)	(4,697,372)	55,860	1%
Infrastructure - other	9(e)	(828,970)	(759,869)	(289,787)	470,082	62%
<b>Net Amount from Investing Activities</b>		<b>(4,830,295)</b>	<b>(4,453,040)</b>	<b>(3,321,275)</b>		
<b>Financing Activities</b>						
Proceeds from long term borrowings	11(a)	-	-	-	-	
Repayment of debentures	11(a)	(200,598)	(200,598)	(200,248)	350	0%
Transfer from reserves	7	6,269,037	2,683,074	5,781,902	3,098,828	115%
Transfer to reserves	7	(631,268)	(44,043)	(81,201)	(37,158)	(84%)
<b>Net Amount from Financing Activities</b>		<b>5,437,171</b>	<b>2,438,433</b>	<b>5,500,452</b>		
<b>Closing Funding Surplus / (Deficit)</b>	3	<b>410,205</b>	<b>(869,402)</b>	<b>1,402,061</b>		

\* - 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 May 2023

## CAPITAL ACQUISITIONS AND FUNDING

Asset Group	Note	Annual Budget \$	YTD Actual Total \$
Land and buildings	9(a)	510,000	146,717
Plant and equipment	9(c)	676,938	960,498
Furniture and equipment	9(b)	116,909	43,772
Infrastructure - roads	9(d)	5,185,544	4,697,372
Infrastructure - other	9(e)	828,970	289,787
<b>Total Capital Expenditure</b>		<b>7,318,361</b>	<b>6,138,147</b>
<b>Capital Acquisitions Funded by:</b>			
Capital grants and contributions		2,429,066	2,816,872
Borrowings		-	-
Other (disposals and c/fwd)		59,000	-
Council contribution - from reserves		2,985,814	2,481,814
Council contribution - operations		1,844,481	839,461
<b>Total Capital Acquisitions Funding</b>		<b>7,318,361</b>	<b>6,138,147</b>

**SHIRE OF MURCHISON**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ending 31 May 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: 19 Jun 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 May 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 May 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 May 2023**

**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:

<b>Asset Class</b>	<b>Useful life</b>
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 Equipment (p.7)*

**SHIRE OF MURCHISON**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ending 31 May 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 May 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 May 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 there of. Maintain recreation centre, sports field, parks, gardens and other recreational facilities.

**TRANSPORT**

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

**ECONOMIC SERVICES**

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

**OTHER PROPERTY AND SERVICES**

Private works operations, plant repairs and operation costs.

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 May 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 May 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 May 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	Var \$	Var %	Var	Timing /	Explanation of Variance
				Permanent	
Operating Revenues					
Operating Grants, Subsidies and Contributions	(7,104,792)	(48%)	▼	Timing	Relates mainly to budget on flood damage, timing issue only. Refer note 12 for more detail.
Fees and Charges	(167,430)	(25%)	▼	Timing	Mostly related to Roadhouse Fuel Sales.
Interest Earnings	46,482	113%	▲	Timing	Interest earnings on term deposit with reinvestment in Feb.
Other Revenue	(71,829)	(17%)	▼	Timing	Mostly related to Roadhouse Shop Sales
Non Operating Grants, Subsidies and Contributions	590,252	27%	▲	Timing	Mainly related to MRWA - SKA Roads. Refer to Note 12 for further detail.

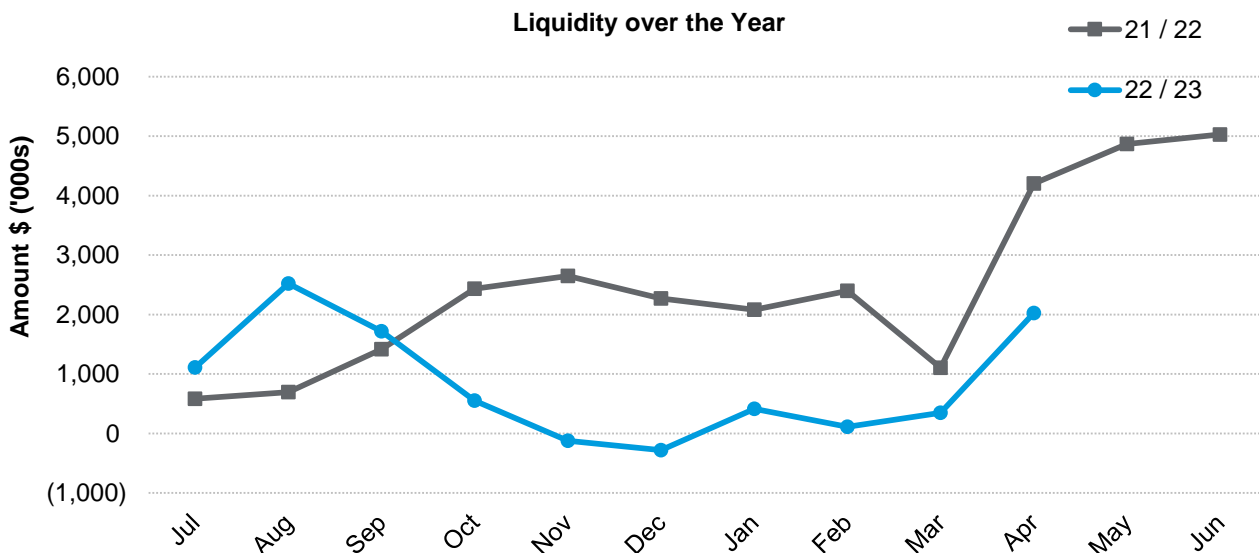
Operating Expense

Employee Costs	(174,854)	(15%)	▼	Timing	Vacancies at beginning of financial year, normalising towards end of financial year
Materials and contracts	5,450,229	36%	▲	Timing	Primarily related to timing of Flood Damage works.
Depreciation on Non-current Assets	(1,737,922)	(54%)	▼	Timing	To be reviewed. No impact on closing surplus/deficit
Other expenditure	62,755	34%	▲	Timing	Cost likely to normalise towards year end. Timing differences in relation to member sitting fees.

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

**3. NET CURRENT FUNDING POSITION**

	Note	Current Month 31 May 23	Prior Year Closing 30 Jun 22	This Time Last Year 31 May 22
		\$	\$	\$
<b>Current Assets</b>				
Cash unrestricted	4	2,760,071	2,216,196	5,110,074
Cash restricted	4	4,615,756	10,316,451	7,132,407
Receivables - rates	6(a)	(20,495)	78,537	57,201
Receivables - sundry	6(b)	130,942	1,517	328,573
Receivables - other		510,220	63,603	
Provision for doubtful debts		(16,493)	(16,493)	
Contract assets		182,020	182,020	-
Inventories		144,286	139,174	385,054
<b>Total Current Assets</b>		<b>8,306,308</b>	<b>12,981,005</b>	<b>13,013,309</b>
<b>Current Liabilities</b>				
Payables - sundry		(1,021,150)	(354,816)	(894,187)
Payables - other		(272,072)	(101,367)	
Rates received in advance				
Accrued salaries and wages		(41,429)		
Accrued expenses				
Accrued interest on loans		(6,492)		
Pensioner Rebates				
Deposits and bonds		(577,616)	(423,880)	
Contract liabilities		(377,174)	(377,174)	(117,000)
Loan liabilities	11(a)	(94,083)	(193,898)	(593)
<b>Total Payables</b>		<b>(2,390,016)</b>	<b>(1,451,136)</b>	<b>(1,011,780)</b>
Provisions		(183,760)	(187,775)	(134,483)
<b>Total Current Liabilities</b>		<b>(2,573,776)</b>	<b>(1,638,911)</b>	<b>(1,146,263)</b>
Less: cash reserves	7	(4,615,756)	(10,316,451)	(7,132,407)
Less: movement in provisions (non current)		183,760	183,764	134,483
Add: Disposal of Asses TBA		7,439		
Add: loan principal (current)		94,083	193,898	593
<b>Net Funding Position - Surplus / (Deficit)</b>		<b>1,402,057</b>	<b>1,403,306</b>	<b>4,869,715</b>





## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 May 2023

## 4. CASH AND FINANCIAL ASSETS

	Unrestricted	Restricted	Total	Institution	Interest	Maturity
	\$	\$	\$		Rate	Date
Cash					%	
Murchison Community Fund	352,969		352,969	Westpac	Variable	N/A
Municipal	2,143,568		2,143,568	Westpac	Variable	N/A
Cash On Hand	500		500	Cash on hand	Nil	N/A
Muni Short Term Investment	153,729		153,729	Westpac	Variable	N/A
Roadhouse	101,898		101,898	Westpac	Variable	N/A
CSIRO	7,407		7,407	Westpac	Variable	N/A
Reserve Funds		4,615,756	4,615,756	Westpac	Variable	N/A
<b>Total Cash and Financial Assets</b>	<b>2,760,071</b>	<b>4,615,756</b>	<b>7,375,828</b>			

## 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 May 2023**

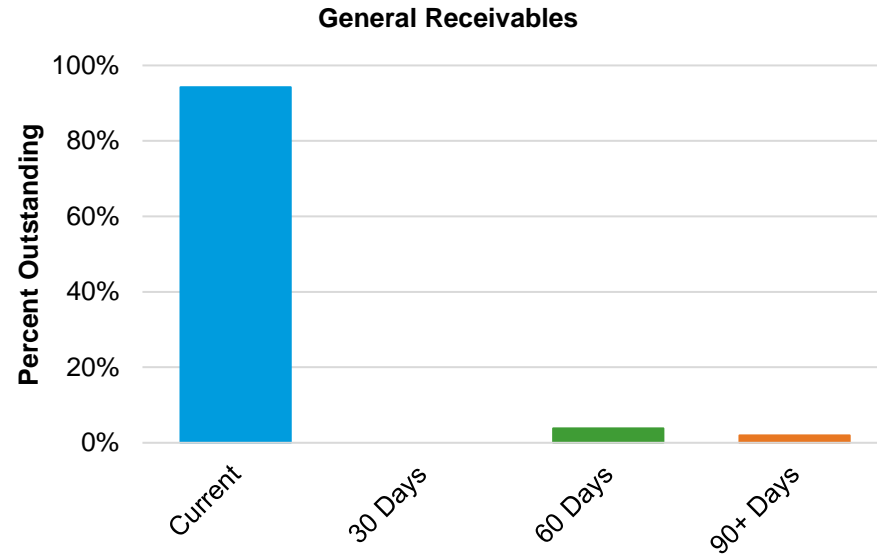
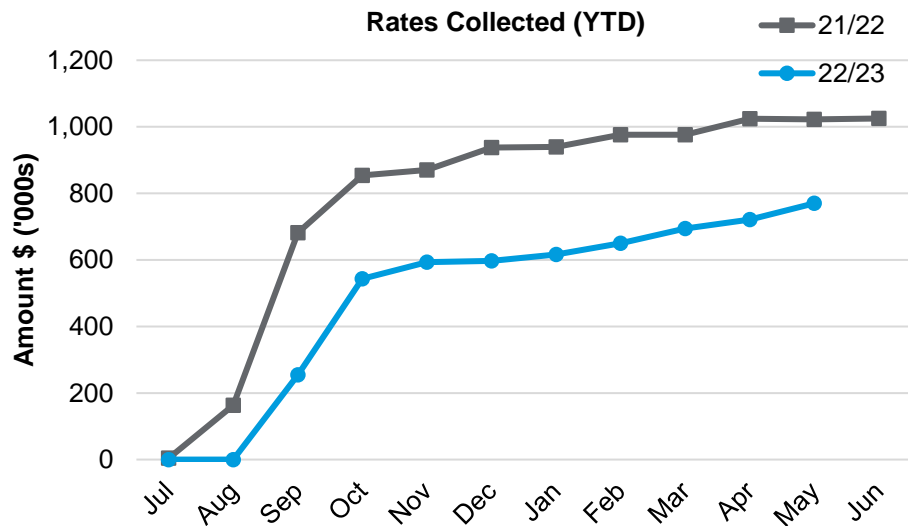
**6. RECEIVABLES**

**(a) Rates Receivable**

	31 May 23
	\$
Rates receivables	(20,495)
<b>Total Rates Receivable Outstanding</b>	<b>(20,495)</b>
Closing balances - prior year	78,537
Rates levied this year	671,803
Closing balances - current month	20,495
<b>Total Rates Collected to Date</b>	<b>770,835</b>

**(b) General Receivables**

	31 May 23
	\$
Current	123,379
30 Days	-
60 Days	5,000
90+ Days	2,563
<b>Total General Receivables Outstanding</b>	<b>130,942</b>



**Comments / Notes**

Rubbish fees included in YTD graph

**Comments / Notes**

Amounts shown above include GST (where applicable)

SHIRE OF MURCHISON

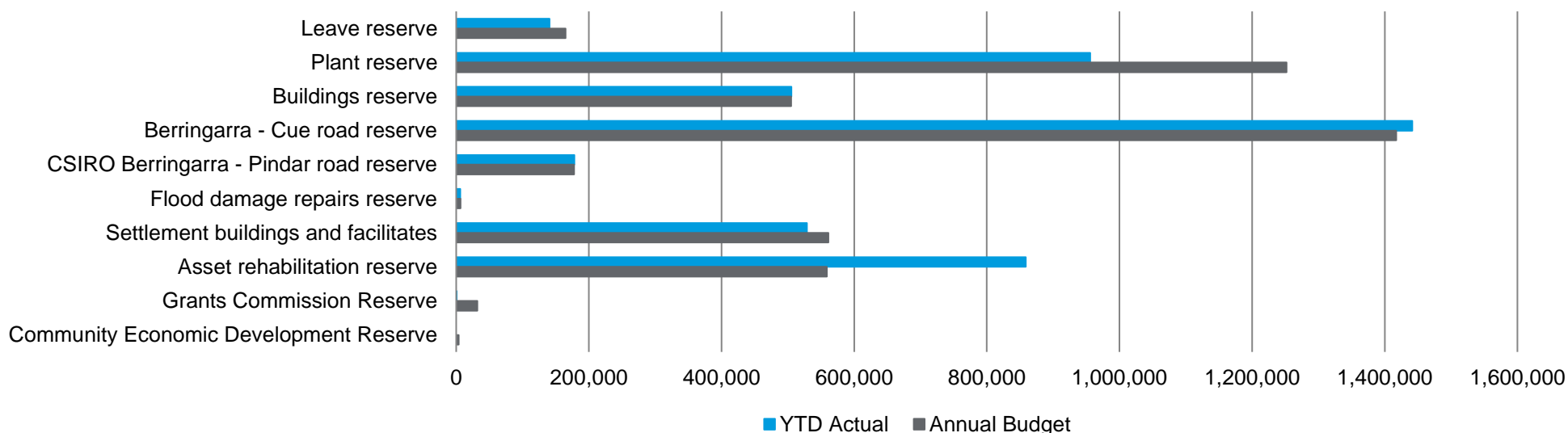
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 May 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 May 23 \$
Leave reserve	139,147	-	25,700	164,847	139,148	-	1,587	140,735
Plant reserve	1,372,758	(621,000)	500,000	1,251,758	1,372,758	(417,000)	-	955,758
Buildings reserve	499,636	-	5,325	504,961	499,636	-	5,697	505,333
Berringarra - Cue road reserve	3,457,923	(2,064,814)	24,000	1,417,109	3,457,924	(2,064,814)	48,477	1,441,587
CSIRO Berringarra - Pindar road reser	176,024	-	1,875	177,899	176,024	-	2,006	178,030
Flood damage repairs reserve	105,969	(100,000)	500	6,469	105,969	(100,000)	-	5,969
Settlement buildings and facilitates	522,857	-	38,246	561,103	522,857	-	5,964	528,822
Asset rehabilitation reserve	858,912	(300,000)	-	558,912	858,912	-	-	858,912
Grants Commission Reserve	3,183,223	(3,183,223)	31,992	31,992	3,183,223	(3,200,088)	17,470	604
Community Economic Development Re	-	-	3,630	3,630	-	-	-	-
<b>Total Cash Backed Reserves</b>	<b>10,316,449</b>	<b>(6,269,037)</b>	<b>631,268</b>	<b>4,678,680</b>	<b>10,316,451</b>	<b>(5,781,902)</b>	<b>81,201</b>	<b>4,615,750</b>

Annual Budget v YTD Actual



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

8. DISPOSAL OF ASSETS

Annual Budget

	WDV	Proceeds	Profit	(Loss)
	\$	\$	\$	\$
<b>Transport</b>				
<b>Plant and Equipment</b>				
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	-	-
<b>Total Disposal of Assets</b>	<b>59,000</b>	<b>59,000</b>	-	-
<b>Total Profit or (Loss)</b>				<b>-</b>

YTD Actual

	WDV	Proceeds	Profit	(Loss)
	\$	\$	\$	\$
<b>Other Property &amp; Services</b>				
<b>Motor Vehicle</b>				
	-	-	-	-
				-
				-
				-
<b>Total Disposal of Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Profit or (Loss)</b>				<b>-</b>

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

9. CAPITAL ACQUISITIONS

(a) Land and Buildings

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
<b>Community Amenities</b>						
	Container Deposit Shed	10,000	9,163	-	9,163	0%
<b>Economic Services</b>						
	F Capex - New Caravan Park Ablution Block	350,000	320,826	-	320,826	0%
	Capex - Roadhouse Residence	-	-	-	-	0%
	Staff Accommodation Units	-	-	-	-	0%
<b>Housing</b>						
	Capex - Renovation 6 Kurara Way	150,000	137,500	146,717	(9,217)	98%
<b>Transport</b>						
	Depot Buildings & Improvements	-	-	-	-	0%
<b>Total Land and Buildings</b>		<b>510,000</b>	<b>467,489</b>	<b>146,717</b>	<b>320,772</b>	

(b) Furniture & Equipment

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
<b>Governance</b>						
	Council Chambers Communications Gear/Tables	15,000	13,750	327	13,423	2%
	Server Replacement	32,000	29,326	30,025	(699)	94%
<b>Housing</b>						
	Staff Housing Furniture & Equipment	2,909	2,662	10,821	(8,159)	100%
<b>Economic Services</b>						
	Cap Ex Point Of Sale System Roadhouse	22,000	20,163	-	20,163	0%
	Capex - Washing Machines	15,000	13,750	-	13,750	0%
	Roadhouse Appliances	20,000	18,326	2,599	15,727	13%
	Roadhouse Furniture	10,000	9,163	-	9,163	0%
<b>Total Furniture &amp; Equipment</b>		<b>116,909</b>	<b>107,140</b>	<b>43,772</b>	<b>63,368</b>	

(c) Plant and Equipment

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
<b>Law, Order and Public Safety</b>						
	Slip on Fire Units	-	-	65,800	(65,800)	100%
<b>Transport</b>						
	Road Plant Purchases	552,496	506,451	840,256	(333,805)	152%
	Post Hole Digger & Trailer	49,741	45,595	49,741	(4,146)	100%
	Depot Plant & Equipment	4,701	4,301	4,701	(400)	100%
<b>Governance</b>						
	Administration Vehicles Purchases	70,000	70,000	-	70,000	0%
<b>Total Plant and Equipment</b>		<b>676,938</b>	<b>626,347</b>	<b>960,498</b>	<b>(334,151)</b>	

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

9. CAPITAL ACQUISITIONS (Continued)

(d) Infrastructure - Roads	Funding Source	Annual Budget	YTD Budget	YTD Actual	YTD Variance	% Complete
		\$	\$	\$	\$	
<b>Transport</b>						
Tourism Information Bays & Signage		30,000	27,500	-	27,500	0%
Cap Ex - Berringara-Cue Road - Upgrade Floodways		324,565	297,506	463,805	(166,299)	
Carn-Mul Rd 245.04 - 254.10 Reconstruct Resheet Prep for :		770,268	706,057	770,268	(64,211)	100%
Capex Grids General		85,000	77,913	105,383	(27,470)	124%
Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen various s		523,233	479,600	297,412	182,188	57%
Beri-Pindar Rd Wreath Flowers Works		202,455	185,559	204,873	(19,314)	101%
Beri-Pindar Rd 288.05 - 309.50 Resheet incl Floodways		368,323	337,612	146,701	190,911	40%
Carn-Mul Rd 82.62 - 83.54 & 86.90 - 88.05 Resheet incl Floc		250,000	229,163	1,633	227,530	1%
General Road Sealing Works		769,733	705,551	769,733	(64,182)	
SKA Route General Construction Works		-	-	327,698	(327,698)	
SKA Route Gravel Stockpiling Works		80,000	73,326	-	73,326	
SKA Route Twin Peaks-Woolen Rd Proj No 1		250,000	229,163	-	229,163	
Capex - Beringarra-Cue Rd - Convert To Gravel		1,531,969	1,404,282	1,609,867	(205,585)	105%
		<b>5,185,544</b>	<b>4,753,232</b>	<b>4,697,372</b>	<b>55,860</b>	
<b>Total Infrastructure - Roads</b>		<b>5,185,544</b>	<b>4,753,232</b>	<b>4,697,372</b>	<b>55,860</b>	
<b>(e) Infrastructure - Other</b>						
	Funding Source	Annual Budget	YTD Budget	YTD Actual	YTD Variance	% Complete
		\$	\$	\$	\$	
<b>Recreation &amp; Culture</b>						
Sports Club Access Upgrade		15,000	13,750	-	13,750	0%
<b>Economic Services</b>						
Roadhouse & C/V Park Precinct Works		20,000	18,326	-	18,326	0%
Capex - Provision of Solar Power		-	-	-	-	0%
Improvements To drinking Water reticulation		750,000	687,500	241,262	446,238	32%
Power Supply Upgrade		-	-	2,295	(2,295)	#DIV/0!
<b>Community Amenities</b>						
Cap-Ex - New Rubbish Tip		30,970	28,380	30,970	(2,590)	100%
Cap Ex - Niche Wall For Settlement Cemetery		13,000	11,913	15,260	(3,347)	117%
		<b>828,970</b>	<b>759,869</b>	<b>289,787</b>	<b>470,082</b>	
<b>Total Infrastructure - Other</b>		<b>828,970</b>	<b>759,869</b>	<b>289,787</b>	<b>470,082</b>	
<b>Total Capital Expenditure</b>		<b>7,318,361</b>	<b>6,714,077</b>	<b>6,138,147</b>	<b>575,930</b>	

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 May 2023

## 10. RATING INFORMATION

	Rateable Value \$	Rate in \$	Number of Properties #	Annual Budget Revenue \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	YTD Actual Revenue \$
<b>General Rates</b>								
UV Pastoral	1,232,909	0.032950	22	59,952	59,956	-	-	59,956
UV Mining	1,624,078	0.279400	12	398,748	398,744	1,798	-	400,542
UV Prospecting and exploration	1,486,430	0.080150	55	194,031	141,304	9,358	34,243	184,905
<b>Total General Rates</b>				<b>652,731</b>	<b>600,004</b>	<b>11,156</b>	<b>34,243</b>	<b>645,403</b>
<b>Minimum Rates</b>								
UV Pastoral		800	6	4,800	4,800	-	-	4,800
UV Mining		800	0	-	-	-	-	-
UV Prospecting and exploration		800	27	21,600	21,600	-	-	21,600
<b>Total Minimum Rates</b>				<b>26,400</b>	<b>26,400</b>	<b>-</b>	<b>-</b>	<b>26,400</b>
<b>Total General and Minimum Rates</b>				<b>679,131</b>	<b>626,404</b>	<b>11,156</b>	<b>34,243</b>	<b>671,803</b>
<b>Other Rate Revenue</b>								
Facilities fees (Ex Gratia)								-
<b>Total Rate Revenue</b>				<b>679,131</b>				<b>671,803</b>

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

11. INFORMATION ON BORROWINGS

(a) Debenture Repayments

(i) Loan 1 Purchase of Road Plant

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

(ii) Loan 2 Roadworks in 2020-21

	Annual Budget	YTD Budget	YTD Actual
	\$	\$	\$
<b>Transport</b>			
Opening balance	1,908,469	1,908,469	1,908,469
Principal payment	(185,598)	(185,598)	(185,598)
<b>Principal Outstanding</b>	<b>1,722,871</b>	<b>1,722,871</b>	<b>1,722,871</b>
Interest payment	(34,305)	(34,305)	(34,305)
Service fee	-	-	-
<b>Total Principal, Interest and Fees Paid</b>	<b>(219,903)</b>	<b>(219,903)</b>	<b>(219,903)</b>
<b>Total Principal Outstanding</b>	<b>1,722,871</b>	<b>1,722,871</b>	<b>1,722,871</b>
<b>Total Principal Repayments</b>	<b>(200,598)</b>	<b>(200,598)</b>	<b>(200,248)</b>



31/05/2023 SHIRE OF MURCHISON  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ending 31 May 2023**

**12. GRANTS, SUBSIDIES AND CONTRIBUTIONS**

**(a) Operating Grants, Subsidies and Contributions**

Program / Details	Grant Provider	Annual Budget \$	YTD Budget \$	YTD Actual \$
<b>General Purpose Funding</b>				
03201	F.A.G Grant - General	998,722	998,720	998,722
03202	F.A.G.Grant - Roads	217,085	217,084	212,151
<b>Law, Order and Public Safety</b>				
05102	DFES Operating Grant	18,431	16,885	18,838
<b>Education and Welfare</b>				
08004	Education & Welfare Revenue	250	220	-
<b>Community Amenities</b>				
<b>Transport</b>				
12212	MRWA Direct	251,732	230,747	251,732
12219	WANDRRA Flood Damage	13,179,220	13,178,320	6,122,635
<b>Economic Services</b>				
13201	Tour Area Prom Revenue	88,490	80,377	49,693
13201	Tour Area Prom Revenue	20,000	18,326	-
<b>Other Property &amp; Services</b>				
14404	Diesel Fuel Rebate	100,000	91,663	73,778
<b>Total Operating Grants, Subsidies and Contributions</b>		<b>14,873,930</b>	<b>14,832,342</b>	<b>7,727,550</b>

**(b) Non-operating Grants, Subsidies and Contributions**

<b>Transport</b>				
12213	MRWA Specific	480,000	440,000	372,000
12216	Roads to Recovery	565,000	517,913	618,236
12217	MRWA Black Spot	101,360	92,906	101,360
12238	LRCIP	910,206	834,350	572,184
12237	MRWA - SKA Roads	363,000	332,750	1,153,092
12244	Mining Related Road Contributions	7,500	6,875	-
<b>Law, Order and Public Safety</b>				
05121	Fire Prevention Grant	2,000	1,826	-
<b>Total Non-Operating Grants, Subsidies and Contributions</b>		<b>2,429,066</b>	<b>2,226,620</b>	<b>2,816,872</b>
<b>Total Grants, Subsidies and Contributions</b>		<b>17,302,996</b>	<b>17,058,962</b>	<b>10,544,422</b>

Check			
Operating	14,873,930	14,832,342	7,727,550
Variance	-	-	-
<hr/>			
Non-operating	2,429,066	2,226,620	2,816,872
Variance	-	-	-

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 May 2023

## 13. BUDGET AMENDMENTS

GL Code	Job Code	Description	Council Resolution	Classification	Increase in Cash	Decrease in Cash
03100	03100	ABC Expenses - Rate Revenue	Budget Review		150	
03103	03103	General Rates Levied	Budget Review		55,212	
03205	03205	Other General Purpose Funding	Budget Review		145	
03210	03210	Transfer to Grants Commission Reserve	Budget Review			(31,992)
04100	04100	Members Travelling Expenses	Budget Review			(3,819)
04101	04101	Members Conference Expenses	Budget Review			(4,295)
04104	04104	Members - Refresh & Receptions	Budget Review			(273)
04105	04105	Members - Insurance	Budget Review			(54)
04110	04110	Civic Receptions	Budget Review			(594)
04113	04113	ABC Expenses - Members	Budget Review		5,476	
04200	04200	ABC Expenses - Other Governance	Budget Review		11,730	
04203	04203	Other General Governance	Budget Review		11,500	
05100	05100	ABC Expenses - Fire Prevention	Budget Review		208	
05101	05101	Insurance - Fire Prevention	Budget Review			(1,342)
05102	05102	Income Relating to Fire Prevention	Budget Review		9,631	
05102	05102	Income Relating to Fire Prevention	Budget Review		907	
05105	05105	Fire Prevention Vehicle Expenses	Budget Review			(2,221)
05106	05106	Equip. & Cons - Fire Prevention	Budget Review		1,504	
05107	FIREO	Fire Expenses - Other	Budget Review			(1,500)
05107	FIREO	Fire Expenses - Other	Budget Review			(2,862)
05310	05310	ABC Expenses - O.L.O. & P.S.	Budget Review		138	
07404	07404	Analytical Expenses	Budget Review			(220)
07406	07406	ABC Expenses - Prev. Services	Budget Review		138	
07503	07503	ABC Expenses - Pest Control	Budget Review		138	
07700	07700	Medical Centre Expenses	Budget Review			(350)
07701	07701	Donation RFDS	Budget Review			(9,000)
07702	07702	Maintain Patient Transfer Vehicle	Budget Review			(1,336)
07705	07705	ABC Expenses - Other Health	Budget Review		311	
08002	08002	ABC Expenses - Education & Welfare	Budget Review		138	
08003	08003	Education Support	Budget Review			(3,575)
09101	M2OFF	Maintenance 2 Office Road (Ceo)	Budget Review		425	
09101	M2OFF	Maintenance 2 Office Road (Ceo)	Budget Review			(179)
09102	M4AKU	Maintenance 4A Kurara Way	Budget Review			(69)
09102	M4AKU	Maintenance 4A Kurara Way	Budget Review		58	
09103	M4BKU	Maintenance 4B Kurara Way	Budget Review			(42)
09104	M6KU	Maintenance 6 Kurara Way	Budget Review			(69)
09105	M8KU	Maintenance 8 Kurara Way	Budget Review			(74)
09106	M10AKU	Maintenance 10A Kurara Way	Budget Review		300	
09106	M10AKU	Maintenance 10A Kurara Way	Budget Review			(280)

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 May 2023

## 13. BUDGET AMENDMENTS

			Council	Increase in	Decrease in
09106	M10AKU	Maintenance 10A Kurara Way	Budget Review		(42)
09107	M10BKU	Maintenance 10B Kurara Way	Budget Review		(42)
09108	M12AKU	Maintenance 12A Kurara Way	Budget Review		(885)
09108	M12AKU	Maintenance 12A Kurara Way	Budget Review		(50)
09109	M12BKU	Maintenance 12B Kurara Way	Budget Review		(50)
09110	M14MUL	Maintenance 14 Mulga Cres	Budget Review		(656)
09110	M14MUL	Maintenance 14 Mulga Cres	Budget Review		(121)
09111	M16MUL	Maintenance 16 Mulga Cres	Budget Review		(46)
09113	09113	Staff Housing Costs Reallocated	Budget Review	3,014	
09117	M8MUL	Maintenance 8 Mulga Cres	Budget Review		(803)
09118	M10MUL	Maintenance 10 Mulga Cres	Budget Review		(391)
09133	09133	Staff Housing Furniture & Equipment	Budget Review		(2,909)
09134	RN6KU	Capex - Renovation 6 Kurara Way	Budget Review		(35,000)
09151	09151	Transfer to Reserves - Buildings	Budget Review		(2,625)
10100	MSANH	Expenses Relating To Sanitation - Household Refuse	Budget Review		(1,298)
10100	MSANH	Household Refuse Removal	Budget Review		(29)
10100	MSANH	Expenses Relating To Sanitation - Household Refuse	Budget Review		(1,758)
10100	MSANH	Expenses Relating To Sanitation - Household Refuse	Budget Review		(16)
10103	MTIP	Tip Maintenance	Budget Review		(11)
10104	C14703	Cap-Ex - New Rubbish Tip	Budget Review	19,030	
10105	10105	ABC Expenses - H'sehold Refuse	Budget Review	138	
10300	SEWER	Expenses Relating To Sewerage	Budget Review		(815)
10300	SEWER	Expenses Relating To Sewerage	Budget Review		(1,707)
10300	SEWER	Expenses Relating To Sewerage	Budget Review		(845)
10300	SEWER	Expenses Relating To Sewerage	Budget Review		(1,177)
10303	10303	ABC Expenses - Sewerage	Budget Review	138	
10500	MOSQ	Mosquito Control	Budget Review		(426)
10500	MOSQ	Mosquito Control	Budget Review		(2,580)
10500	MOSQ	Mosquito Control	Budget Review		(641)
10503	10503	ABC Exp. - Protection of Env.	Budget Review	279	
10604	10604	ABC Exp - Town Plng & Reg. Dev.	Budget Review	123	
10701	10701	Other Community Amenities Inc	Budget Review	186	
10704	MPTOIL	Maintenance - Public Conveniences (Near Roadhouse)	Budget Review		(2,546)
10704	MPTOIL	Maintenance - Public Conveniences (Near Roadhouse)	Budget Review		(181)
10704	MPTOIL	Maintenance - Public Conveniences (Near Roadhouse)	Budget Review		(1,901)
10704	MPTOIL	Maintenance - Public Conveniences (Near Roadhouse)	Budget Review		(18)
10705	MCEMET	Maintenance - Cemetery	Budget Review		(4)
10709	10709	ABC Expenses - O.C.A.	Budget Review	141	
10770	C14713	Cap Ex - Niche Wall For Settlement Cemetery	Budget Review	17,000	
11300	11300	ABC Expenses - Other Rec. & Sport	Budget Review	224	

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 May 2023

## 13. BUDGET AMENDMENTS

			Council	Increase in	Decrease in
11304	MPARKS	Maintenance - Parks And Reserves	Budget Review	14,615	
11304	MPARKS	Maintenance - Parks And Reserves	Budget Review		(181)
11304	MPARKS	Maintenance - Parks And Reserves	Budget Review	6,759	
11304	MPARKS	Maintenance - Parks And Reserves	Budget Review		(4,378)
11304	MPARKS	Parks & Reserves Mtce	Budget Review		(446)
11305	MSPORT	Maintenance - Murchison Sports Club	Budget Review		(3,428)
11305	MSPORT	Maintenance - Murchison Sports Club	Budget Review		(839)
11305	MSPORT	Maintenance - Murchison Sports Club	Budget Review		(6,500)
11305	MSPORT	Maintenance - Murchison Sports Club	Budget Review		(862)
11305	MSPORT	Maintenance - Murchison Sports Club	Budget Review		(2,666)
11305	MSPORT	Maintenance - Murchison Sports Club	Budget Review		(11)
11306	MPOLOC	Maintenance - Polocrosse Fields	Budget Review		(700)
11306	MPOLOC	Maintenance - Polocrosse Fields	Budget Review		(362)
11306	MPOLOC	Maintenance - Polocrosse Fields	Budget Review		(1,763)
11307	MSTOIL	Maintenance - Two Sports Toilet Blocks (Near Clubrooms And Between	Budget Review		(590)
11307	MSTOIL	Maintenance - Two Sports Toilet Blocks (Near Clubrooms And Between	Budget Review		(449)
11307	MSTOIL	Maintenance - Two Sports Toilet Blocks (Near Clubrooms And Between	Budget Review		(81)
11307	MSTOIL	Maintenance - Two Sports Toilet Blocks (Near Clubrooms And Between	Budget Review		(1)
11400	11400	Television Rebroadcasting	Budget Review	19,000	
11400	11400	Television Rebroadcasting	Budget Review		(18,436)
11404	11404	ABC Exp - TV Rebroadcasting	Budget Review	138	
11500	11500	Library Costs	Budget Review		(107)
11500	11500	Library Costs	Budget Review		(674)
11502	11502	ABC Expenses - Libraries	Budget Review	392	
11602	MUSEUM	Maintenance - Museum	Budget Review		(2,488)
11602	MUSEUM	Maintenance - Museum	Budget Review		(2,470)
11602	MUSEUM	Maintenance - Museum	Budget Review		(267)
11604	MUCOTT	Maintenance - Museum Cottage	Budget Review		(1,576)
11604	MUCOTT	Maintenance - Museum Cottage	Budget Review		(2,954)
11604	MUCOTT	Maintenance - Museum Cottage	Budget Review		(95)
11604	MUCOTT	Maintenance - Museum Cottage	Budget Review		(35)
11604	MUCOTT	Maintenance - Museum Cottage	Budget Review		(1,613)
11606	11606	ABC Expenses - Other Culture	Budget Review	1,491	
12101	C12003	Capex Roads Construction General	Budget Review	149,640	
12101	C12003	Capex Roads Construction General	Budget Review	130,387	
12101	C12003	Capex Roads Construction General	Budget Review	255,161	
12101	C12020	Carn-Mul Rd 245.04 - 254.10 Reconstruct Resheet Prep for Seal	Budget Review		(75,373)
12101	C12020	Carn-Mul Rd 245.04 - 254.10 Reconstruct Resheet Prep for Seal	Budget Review	4,812	
12101	C12020	Carn-Mul Rd 245.04 - 254.10 Reconstruct Resheet Prep for Seal	Budget Review	178,023	
12101	C12020	Carn-Mul Rd 245.04 - 254.10 Reconstruct Resheet Prep for Seal	Budget Review		(70,555)

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 May 2023

## 13. BUDGET AMENDMENTS

			Council	Increase in	Decrease in
12101	C12020	Carn-Mul Rd 245.04 - 254.10 Reconstruct Resheet Prep for Seal	Budget Review		(166,764)
12108	CGR000	Capex Grids General	Budget Review	35,000	
12109	12109	Depot Buildings & Improvements	Budget Review	15,000	
12111	12111	Depot Plant & Equipment	Budget Review		(4,701)
12118	C12031	Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen various sections	Budget Review	20,709	
12118	C12031	Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen various sections	Budget Review	3,745	
12118	C12031	Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen various sections	Budget Review	115,201	
12118	C12031	Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen various sections	Budget Review	17,532	
12118	C12031	Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen various sections	Budget Review	40,784	
12119	C12032	General Road Sealing Works	Budget Review		(15,743)
12119	C12032	General Road Sealing Works	Budget Review		(722,758)
12119	C12032	General Road Sealing Works	Budget Review		(14,168)
12119	C12032	General Road Sealing Works	Budget Review		(17,064)
12120	C12026	Beri-Pindar Rd Wreath Flowers Works	Budget Review		(9,689)
12120	C12026	Beri-Pindar Rd Wreath Flowers Works	Budget Review	288	
12120	C12026	Beri-Pindar Rd Wreath Flowers Works	Budget Review		(23,920)
12120	C12026	Beri-Pindar Rd Wreath Flowers Works	Budget Review		(11,046)
12120	C12026	Beri-Pindar Rd Wreath Flowers Works	Budget Review		(6,048)
12120	C12027	Beri-Pindar Rd 288.05 - 309.50 Resheet incl Floodways	Budget Review	3,460	
12120	C12027	Beri-Pindar Rd 288.05 - 309.50 Resheet incl Floodways	Budget Review		(2,688)
12120	C12027	Beri-Pindar Rd 288.05 - 309.50 Resheet incl Floodways	Budget Review		(859)
12120	C12036	SKA Route Gravel Stockpiling Works	Budget Review		(80,000)
12120	C12037	SKA Route Twin Peaks-Wooleen Rd Proj No 1	Budget Review		(250,000)
12131	12131	Trans. from Res - Beringarra-Cue	Budget Review	1,214,814	
12180	C12001	Capex - Beringarra-Cue Rd - Convert To Gravel	Budget Review		(2,086)
12180	C12001	Capex - Beringarra-Cue Rd - Convert To Gravel	Budget Review		(678,005)
12180	C12001	Capex - Beringarra-Cue Rd - Convert To Gravel	Budget Review		(1,878)
12180	C12002	Cap Ex - Beringarra-Cue Road - Upgrade Floodways	Budget Review		(149)
12180	C12002	Cap Ex - Beringarra-Cue Road - Upgrade Floodways	Budget Review		(19,500)
12180	C12002	Cap Ex - Beringarra-Cue Road - Upgrade Floodways	Budget Review		(304,648)
12180	C12002	Cap Ex - Beringarra-Cue Road - Upgrade Floodways	Budget Review		(268)
12203	R0001	Beringarra-Pindar Road	Budget Review	29,823	
12203	R0001	Beringarra-Pindar Road	Budget Review		(235)
12203	R0001	Beringarra-Pindar Road	Budget Review	25,675	
12203	R0003	Beringarra-Byro Road	Budget Review	5,401	
12203	R0003	Beringarra-Byro Road	Budget Review	8,824	
12203	R0004	Twin Peaks - Wooleen Road	Budget Review		(2,967)
12203	R0004	Twin Peaks - Wooleen Road	Budget Review		(2,841)
12203	R0004	Twin Peaks - Wooleen Road	Budget Review		(7,646)
12203	R0005	Booldardy - Kalli Road	Budget Review	4,613	

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 May 2023

## 13. BUDGET AMENDMENTS

			Council	Increase in	Decrease in
12203	R0006	Byro - Woodleigh Road	Budget Review	1,598	
12203	R0008	New Forrest - Yallalong Road	Budget Review		(4,530)
12203	R0008	New Forrest - Yallalong Road	Budget Review		(8,309)
12203	R0008	New Forrest - Yallalong Road	Budget Review		(9,001)
12203	R0010	Coolcalalaya Road	Budget Review		(688)
12203	R0010	Coolcalalaya Road	Budget Review		(2,330)
12203	R0010	Coolcalalaya Road	Budget Review		(5,818)
12203	R0011	Mileura - Nookawarra Road	Budget Review	5,587	
12203	R0016	Beringarra - Mt Gould Road	Budget Review	3,644	
12203	R0017	Tardie - Yuin Road	Budget Review	2,214	
12203	R0022	Innouendy Road	Budget Review	479	
12203	R0024	Boolarly Station Access Road	Budget Review	191	
12203	R0025	Yunda Road	Budget Review	2,382	
12203	R0026	Meeberrie - Wooleen Road	Budget Review		(757)
12203	R0026	Meeberrie - Wooleen Road	Budget Review		(145)
12203	R0027	Wooleen - Mt Wittenoorn Road	Budget Review	3,935	
12203	R0027	Wooleen - Mt Wittenoorn Road	Budget Review		(3,629)
12203	R0028	Mt Wittenoorn Road	Budget Review	2,929	
12203	R0031	Beringarra - Cue Road	Budget Review	1,789	
12203	R0032	Boolarly - Wooleen Road	Budget Review	1,030	
12203	R0032	Boolarly - Wooleen Road	Budget Review		(186)
12203	R0032	Boolarly - Wooleen Road	Budget Review	1,588	
12203	R0033	Cue - Kalli Road	Budget Review		(99)
12203	R0033	Cue - Kalli Road	Budget Review		(89)
12203	R0035	Butchers Track	Budget Review		(4,385)
12203	R0035	Butchers Track	Budget Review		(817)
12203	R0038	Mulga Crescent	Budget Review		(185)
12203	R0038	Mulga Crescent	Budget Review		(166)
12203	R0038	Mulga Crescent	Budget Review		(403)
12203	R0041	Kurara Way	Budget Review		(185)
12203	R0041	Kurara Way	Budget Review		(166)
12203	R0041	Kurara Way	Budget Review		(403)
12203	R0043	Carnarvon - Mullewa Road	Budget Review		(2,060)
12203	R0043	Carnarvon - Mullewa Road	Budget Review		(15,569)
12203	R0046	Wooleen Access Road	Budget Review		(259)
12203	R0046	Wooleen Access Road	Budget Review		(466)
12203	R0046	Wooleen Access Road	Budget Review		(1,127)
12203	R0047	Errabiddy Bluff Road	Budget Review		(342)
12203	R0047	Errabiddy Bluff Road	Budget Review		(666)
12203	R0047	Errabiddy Bluff Road	Budget Review		(1,529)

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 May 2023

## 13. BUDGET AMENDMENTS

			Council	Increase in	Decrease in
12203	R0051	Station Airstrips	Budget Review		(701)
12203	R0051	Station Airstrips	Budget Review		(1,263)
12203	R0051	Station Airstrips	Budget Review		(3,077)
12204	DEPOT	Depot Maintenance	Budget Review		(1,987)
12204	DEPOT	Depot Maintenance	Budget Review		(6,799)
12204	DEPOT	Depot Maintenance	Budget Review		(2,299)
12204	DEPOT	Depot Maintenance	Budget Review		(10,350)
12204	DEPOT	Depot Maintenance	Budget Review		(1,359)
12206	TSIGNS	Traffic Signs Maintenance	Budget Review		(2,043)
12206	TSIGNS	Traffic Signs Maintenance	Budget Review		(1,550)
12207	MBRIDG	Bridges Maintenance	Budget Review		(809)
12208	GPITS	Rehab Gravel Pits	Budget Review		(711)
12208	GPITS	Rehab Gravel Pits	Budget Review	3,910	
12208	GPITS	Rehab Gravel Pits	Budget Review		(1,281)
12208	GPITS	Rehab Gravel Pits	Budget Review		(3,910)
12210	BUND19	Bunding Kalli-Roderick Rd	Budget Review	80,000	
12212	12212	Grant - MRWA Direct	Budget Review	5,301	
12213	12213	Grant - MRWA Specific	Budget Review	120,000	
12220	12220	Traffic Licencing Commissions	Budget Review	23	
12223	MGRIDS	Maintenance/Improvements Grids	Budget Review		(3,103)
12223	MGRIDS	Maintenance/Improvements Grids	Budget Review		(5,866)
12223	MGRIDS	Maintenance/Improvements Grids	Budget Review		(3,889)
12227	12227	Road Loan Interest Expenses (WATC)	Budget Review		(581)
12227	12227	Road Loan Interest Expenses (WATC)	Budget Review		(1,381)
12235	FLOOD8	Flood Damage Feb 2021	Budget Review		(447)
12235	FLOOD8	Flood Damage Feb 2021	Budget Review		(805)
12235	FLOOD9	Flood Damage from Rain Event May 2021	Budget Review		(2,086)
12235	FLOOD9	Flood Damage from Rain Event May 2021	Budget Review		(3,755)
12237	12237	MRWA - SKA Roads Capital Grant	Budget Review	363,000	
12241	12241	ABC Exp - Roads & Depot	Budget Review	2,871	
12244	12244	Mining Related Roads Contributions	Budget Review	7,500	
12252	12252	Trans to Res - B/Pindar CSIRO	Budget Review		(975)
12302	12302	Road Plant Purchases	Budget Review	57,504	
12315	12315	Cap-Ex - Purchase Major Plant - Post Hole Digger & Trailer	Budget Review		(49,741)
12604	MAIRPT	Airport Maintenance	Budget Review	1,362	
12604	MAIRPT	Airport Maintenance	Budget Review		(308)
12604	MAIRPT	Airport Maintenance	Budget Review		(7,689)
12604	MAIRPT	Airport Maintenance	Budget Review		(2)
12605	12605	ABC Exp. - Aerodrome	Budget Review	135	
13103	13103	ABC Exp - Rural Services	Budget Review	281	

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 May 2023

## 13. BUDGET AMENDMENTS

			Council	Increase in	Decrease in
13201	13201	Tourism Area Promotion Revenue	Budget Review	20,000	
13201	13201	Tourism Area Promotion Revenue	Budget Review	11,430	
13203	C13010	Capex - Roadhouse Residence	Budget Review	425,000	
13203	C13027	Staff Accommodation Units	Budget Review	250,000	
13207	13207	ABC Exp- Tourism/Area Prom.	Budget Review	1,737	
13211	13211	Trans to Res - Com Econ Dev	Budget Review		(3,630)
13600	13600	ABC Expenses - Other Economic Services	Budget Review	1,332	
13601	WATER	Settlement Water Supply	Budget Review	1,117	
13601	WATER	Settlement Water Supply	Budget Review		(53)
13601	WATER	Settlement Water Supply	Budget Review		(7)
13602	POWER	Settlement Power Generation	Budget Review	1,701	
13602	POWER	Settlement Power Generation	Budget Review		(15,000)
13602	POWER	Settlement Power Generation	Budget Review		(1,582)
13602	GEN098	Powerhouse Generator No 1	Budget Review	2,299	
13602	GEN098	Powerhouse Generator No 1	Budget Review	1,269	
13602	GEN099	Powerhouse Generator No 2	Budget Review	974	
13602	GEN099	Powerhouse Generator No 2	Budget Review	1,269	
13603	FREGHT	Settlement Freight Service	Budget Review		(3,047)
13603	FREGHT	Settlement Freight Service	Budget Review		(26,618)
13603	FREGHT	Settlement Freight Service	Budget Review		(88)
13603	FREGHT	Settlement Freight Service	Budget Review		(2,335)
13604	RHTRAN	Roadhouse Transitional	Budget Review		(30,444)
13605	RHFDIE	Roadhouse Diesel Fuel Purchases	Budget Review		(77,933)
13606	RHFEXP	Roadhouse Fuel Other Expenses	Budget Review		(788)
13606	RHFEXP	Roadhouse Fuel Other Expenses	Budget Review		(346)
13606	RHFEXP	Roadhouse Fuel Other Expenses	Budget Review		(710)
13608	13608	Roadhouse Fuel Sales	Budget Review	60,180	
13609	13609	Roadhouse - Other Revenue	Budget Review	4,900	
13609	13609	Roadhouse - Other Revenue	Budget Review	771	
13612	13612	Trans to Res - Sett. Bldg & Facs.	Budget Review		(38,246)
13618	13618	Roadhouse - Shop Sales	Budget Review	127,490	
13619	RHOP1	Running Of The Roadhouse - Cost Of Goods	Budget Review		(104,939)
13619	RHOPER	Roadhouse Business Operational	Budget Review	4,686	
13619	RHOPER	Roadhouse Business Operational	Budget Review		(16,620)
13619	RHOPER	Roadhouse Business Operational	Budget Review		(2,560)
13619	RHOPER	Roadhouse Business Operational	Budget Review	7,756	
13619	RHOPER	Roadhouse Business Operational	Budget Review		(32,739)
13620	CPKEXP	Caravan Park Expenses - Grounds	Budget Review		(4,313)
13620	CPKEXP	Caravan Park Expenses - Grounds	Budget Review		(17,915)
13620	CPKEXP	Caravan Park Expenses - Grounds	Budget Review	412	



## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 May 2023

## 13. BUDGET AMENDMENTS

			Council	Increase in	Decrease in
13620	CPBULD	Caravan Park Outbuildings	Budget Review		(2,044)
13620	CPBULD	Cabins Caravan Park Expenses	Budget Review		(948)
13620	CPBULD	Caravan Park Outbuildings	Budget Review		(2,444)
13620	RHACM	Maintenance of Tourist Accommodation Units	Budget Review	4,819	
13620	RHACM	Maintenance of Tourist Accommodation Units	Budget Review		(11)
13620	RHACM	Maintenance of Tourist Accommodation Units	Budget Review		(7,200)
13622	13622	Trans from Res - Sett Facs.	Budget Review		(750,000)
13640	RHGDNS	Roadhouse Precinct Gardens	Budget Review	5,647	
13640	RHGDNS	Roadhouse Precinct Gardens	Budget Review	1,951	
13640	RHM	Roadhouse Cafe Bldg Maint	Budget Review	8,731	
13640	RHM	Roadhouse Cafe Bldg Maint	Budget Review		(533)
13640	RHM	Roadhouse Building & Surrounds	Budget Review		(7,402)
13640	RHM	Roadhouse Cafe Bldg Maint	Budget Review	2,944	
13640	RHRES	Roadhouse Residence	Budget Review		(290)
13640	RHRES	Roadhouse Residence	Budget Review		(86)
13640	RHRES	Roadhouse Residence	Budget Review		(6,032)
13640	RHRES	Roadhouse Residence	Budget Review		(511)
13641	ECOOOTH	Other Economic Services Expenses	Budget Review	467	
13641	ECOOOTH	Other Economic Services Expenses	Budget Review		(1,700)
13653	13653	Loan Proceeds - Micro Grid Pwr	Budget Review		(950,000)
13654	13654	R'House - Accom & Camping	Budget Review	22,809	
13655	TOUR	Tourism Operational Expenses	Budget Review		(7,147)
13655	TOUR	Tourism Operational Expenses	Budget Review	12,700	
13655	TOEVNT	Tourism Events	Budget Review		(49,500)
13656	13656	Housing Costs Allocated Economic Services	Budget Review		(6,523)
13657	C14304	Capex - Provision of Solar Power	Budget Review	1,100,000	
13657	C14720	Improvements To drinking Water reticulation	Budget Review		(570,000)
14200	14200	Plant Expenses PWOH	Budget Review		(25,684)
14202	14202	Sick Leave Expense	Budget Review	2,188	
14204	14204	Protective Clothing - Outside Staff	Budget Review		(7,039)
14205	OFFWKS	Works Salaries & Wages	Budget Review	5,883	
14207	14207	Less PWO Allocated to Works	Budget Review	87,356	
14212	SMOHS	Staff Training/Meetings/Osh	Budget Review		(27,112)
14212	SMOHS	Staff Training/Meetings/Osh	Budget Review		(6,851)
14212	SMOHS	Staff Training/Meetings/Osh	Budget Review		(2,690)
14212	SMOHS	Staff Training/Meetings/Osh	Budget Review		(2,431)
14213	14213	TOIL - Works	Budget Review	6,024	
14214	14214	Public Holidays - Works	Budget Review		(14,611)
14215	14215	ABC Expenses - P.W.Overheads	Budget Review	1,998	
14216	14216	Housing Costs Allocated to Works	Budget Review		(1,634)

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 May 2023

## 13. BUDGET AMENDMENTS

			Council	Increase in	Decrease in
14217	14217	Superannuation - P.W.O.	Budget Review		(16,250)
14302	14302	Insurance - Plant	Budget Review	12,131	
14303	14303	Fuel & Oils	Budget Review		(142,076)
14305	14305	Parts & Repairs	Budget Review		(116,555)
14305	14305	Parts & Repairs	Budget Review	116,555	
14305	14305	Parts & Repairs	Budget Review		(4,254)
14305	14305	Parts & Repairs	Budget Review		(2,610)
14306	14306	Internal Repair Wages	Budget Review	8,097	
14307	14307	Licences - Plant	Budget Review		(14,266)
14309	14309	Plant Operation Costs Allocated to Works	Budget Review	46,630	
14311	14311	Housing (Plant) Related Costs	Budget Review		(777)
14312	14312	Plant - Tools & Minor Equipment	Budget Review		(6,112)
14313	14313	ABC Expenses - Plant Operation Costs	Budget Review	3,118	
14500	14500	General Office and Administration	Budget Review		(792)
14500	14500	General Office and Administration	Budget Review	1,175	
14500	14500	General Office and Administration	Budget Review		(14,408)
14501	OFFADM	Administration Office Maintenance	Budget Review		(6,000)
14501	OFFADM	Administration Office Maintenance	Budget Review		(931)
14501	OFFADM	Administration Office Maintenance	Budget Review		(1,890)
14501	OFFADO	Administration Office Operations	Budget Review		(5,069)
14502	14502	Workers Comp. - Administration	Budget Review		(1,192)
14504	14504	Telecommunications - Admin	Budget Review		(3,304)
14505	14505	Travel & Accommodation - Admin	Budget Review		(851)
14507	14507	Trng./Conference - Admin	Budget Review		(4,003)
14507	14507	Trng./Conference - Admin	Budget Review		(53)
14507	14507	Trng./Conference - Admin	Budget Review		(635)
14508	14508	Printing & Stationery - Admin	Budget Review		(995)
14508	14508	Printing & Stationery - Admin	Budget Review		(4,929)
14512	14512	Income Relating to Administration	Budget Review	41,469	
14517	14517	Insurance - Admin	Budget Review	2,543	
14518	14518	Salaries - Administration	Budget Review	47,974	
14518	14518	Salaries - Administration	Budget Review		(1,782)
14520	14520	Superannuation - Admin	Budget Review		(2,049)
14522	14522	Consultants Administration	Budget Review		(38,800)
14522	14522	Consultants Administration	Budget Review	28,075	
14527	ADMVEH	Vehicle Expenses Administration	Budget Review		(701)
14550	14550	Less ABC Costs Alloc to W & S	Budget Review		(32,966)
14552	14552	Housing Costs Allocated to Admin	Budget Review		(603)
				5,604,534	(6,107,546)
			Total Decrease		<u>(503,013)</u>

13. BUDGET AMENDMENTS

Council	Increase in	Decrease in
		(25,700)
		924,942
		396,229

**From:** [Grants Commission](#)  
**Subject:** FA Grants  
**Date:** Tuesday, 20 June 2023 3:25:08 PM  
**Attachments:** [image001.png](#)

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Dear Local Government CEO

The Prime Minister announced a bring forward of 100% of the 2023-24 allocation for payment prior to 30 June 2023 please see - <https://www.pm.gov.au/media/australian-council-local-governments>

We are expecting that the 2022-23 allocations will be used for this bring forward payment.

The Treasurer's Determination process will continue as usual, and there is expected to be a significant positive adjustment that will form the remaining cash payment for 2023-24 which will be made in 4 equal quarterly instalments.

Kind regards

**Local Government Grants Commission**

Department of Local Government, Sport and Cultural Industries  
140 William Street, Perth WA 6000  
PO Box, 8349 Perth Business Centre, WA 6849.

Email [Grants.Commission@dlgsc.wa.gov.au](mailto:Grants.Commission@dlgsc.wa.gov.au)

Web [www.dlgsc.wa.gov.au](http://www.dlgsc.wa.gov.au)



Department of  
**Local Government, Sport  
and Cultural Industries**

*The Department acknowledges the Aboriginal peoples of Western Australia as the traditional custodians of this land, and we pay our respects to their Elders past and present.*

*SPEECH*

*16 Jun 2023*

*National Convention Centre, Canberra*

*Prime Minister*

*Check against delivery*

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I begin by acknowledging the Traditional Owners of the land on which we meet and I pay my respects to Elders past, present and emerging.

I'm proud to lead a government that will give all Australians the opportunity to give constitutional recognition to our First Nations People in a referendum that will be held in the last quarter of the year.

It's fantastic to see you all again today. I fulfilled a commitment, there were four people missed out on photos last night, but many now have multiple photos as a result of me getting here early this morning.

It is a great forum, the Australian Council of Local Government. It's an idea that we didn't take to an election in 2007, it's an idea that I came up with when I was appointed Minister for Local Government in the Rudd Government.

To bring together in a face-to-face way the national government with local government, in order to hear from you what your needs are, what issues you're facing, your policy agenda, right across the country.

Because we have so much in common. The national government is nothing more than an agglomeration of different communities. It's not something that's abstract from the people who you represent, as diverse as they are right around the country.

Being better prepared for natural disasters, delivering essential services, driving the transformation to clean energy that is occurring and delivering secure and affordable housing for all. These are all challenges that the different levels of government are dealing with.

And it's much better if we deal with these things co-operatively, because whilst they are all national priorities, they are of course, also priorities where local government has a real responsibility.

Take Housing. The most effective solution to improving housing affordability is boosting supply. This requires co-operation between every level of government.

Which is why at the most recent meeting of National Cabinet, we put better planning on the agenda, to build on the work being done through the National Housing Accord. I'm pleased state and territory governments have committed to working with us to improve planning and zoning to unlock more supply.

You need appropriate development, ones that are consistent with the needs of local communities.

In my local community, there are great examples of good development, indeed prize-winning development in some cases, with the Mirvac development that contained a library for the local community, contained open space. There's other examples of density along the railway lines and next to railway stations so you don't need the car parking spots.

But of course, we know that when it has gone wrong you can have very bad outcomes which don't serve the local community.

So we want to make sure that good projects and developments can survive and be built because we do need to deal with the pressures that are on.

We need also to recognise that there are communities out there in the regions that are crying out for more people as well, suffering from skill shortages. We need places for people to leave in order to fulfil the jobs and tasks which are there.

So I want to work with you to get this done. I see your role as being absolutely critical in being the voice of local communities about these issues.

Our government does recognise the importance of what you do. And we back that up with our presence here, we have a whole row of ministers sitting at the front.

But we back it up with engagement, I know that there have been literally hundreds and hundreds of meetings held this week in Parliament House.

But we back it up as well by getting out and about in the community and visiting you where you are. And delivering on that is something that I'm absolutely committed to doing.

This is in the best traditions of Labor Governments.

Beginning with the Financial Assistance Grants program that was established by the Whitlam Government in 1974.

We know the difference these grants make, that's why we are bringing forward the 2023-24 allocation, to make it available to it is paid as a pre-payment.

Coming out of the pandemic, we've heard the message from local government. We thought about even 75 per cent, but we're going to allocate the full bringing forward here this morning, because I think that is an appropriate thing.

And I thank those of you who've made representations to ensure that that has occurred.

We want to give councils the certainty to be able to deliver on those issues. And I understand there's an ongoing conversation about financial assistance grants that will continue as well.

We're also providing \$500 million in Roads to Recovery funding to help all councils build better, more resilient roads. And we're providing \$750 million to the Local Roads and Community Infrastructure Program.

This will help councils deliver much-needed local infrastructure, including roads, community centres, parks, sports grounds, bike paths, playgrounds, and libraries.

And I must say last night, from places as diverse as Bourke and Moree, to Campbelltown in South Australia this morning, to projects in Tasmania, in Queensland. It's been quite heartening that people come up and say 'you opened' or 'you fixed the Moree Baths' or 'you opened a project that was begun as part of the Regional Local Community Infrastructure Program'.

We know that it makes a difference when that funding goes through.

The truth is that they can make an enormous difference in the quality of life for your local communities - the right projects in the right places - making sure that that's improved.

It has been quite nostalgic to come back as Prime Minister to this forum, looking at the gains that were made.

I'm absolutely convinced that in ten years' time, you will look back at the period in which Kristy and Catherine were responsible for local government, and talk about the major difference that they have made in shaping your local communities.

I'm determined to build on this record as Prime Minister. Working with you – and listening to you.

Because local governments know the priorities of local communities. You're the ones using the roads and bike paths. Your children are going to the local schools, playing community sport, learning how to swim at the local pool, enjoying the neighbourhood park.

That's why it's so important that you get that say in determining how your infrastructure funding is spent.

Firstly, because it's a way of getting more integrity and transparency and accountability into the process. Gone are the colour-coded spreadsheets. We want to listen to you about what the priorities are.

And second, because it means better value for taxpayers and ratepayers by going through local government.

An example of this that has always stayed with me from my time as Minister is the upgrade of the Einasleigh River Bridge in Far North Queensland, right up there in the Gulf.

Once every few years there were floods and the Einasleigh River Bridge would be knocked over and the communities up there, Kuramba and Normanton, would be isolated. You would have to have food and health care flown in by chopper at an enormous cost.

And then they would build back the bridge to the same standard. Because if you could have done the same thing, you get the same outcome. And some people don't seem to realise that.

So they would build it back to the same standard, which is what the rules bizarrely were. And of course, it would get washed away again few years later the next time there was a flood.

So we got costings from state governments. The Queensland Government costed it some ridiculous amount. The Mayor of the Shire there, I don't know if that Shire's here today, said 'we can do it, we've got our own costing using day labour using local resources, local contractors'.

We allocated \$31 million, it was the second largest amount allocated under the Regional Local Community Infrastructure Program.

Well, not only were they able to build the bridge for that amount that was less than half what the state government at the time said it would cost.

They upgraded the bridge. It hasn't been washed away since. And they delivered it under budget.

So they came to us and said 'we've got this money left over but there's another bridge we'd quite like to have over the Copperfield River'.

In fact, the savings were so substantial they were enough to fund an entire second bridge, over the Copperfield River. So they built that too.

Two for the price of one is a good deal at the local supermarket. It's an even better deal when we're talking about the value of a bridge to protect a local community.



To me, it just underlined the importance of doing it this way. And in infrastructure projects, it's no accident that local government was put with infrastructure, because quite often it is far more efficient to go with you.

And it means too that the money that's spent, rather than people flying in from outside to get the jobs, the money stays in the local community as well.

The story also underlines the fact that local governments are the ones on the front line of natural disasters.

Since 2020, more than 80 per cent of Australia's Local Government Areas have been impacted by disasters.

Just think about that, 80 per cent. Some multiple times.

Homes have been destroyed. Businesses severely impacted. And, tragically, people have lost their lives.

The impact of floods, bushfires and cyclones has been devastating. That's why we need to prepare better rather than wait for these things to happen.

Our Disaster Ready Fund will provide state governments – in partnership with local councils and other organisations – with support to better prevent damage from natural disasters.

Common sense solutions like in Mackay, fixing up the levee and making sure that there's greater protection there rather than waiting to see what happens again.

I refer to that old saying, that if you do the same thing the same way you shouldn't be surprised that you get the same outcome.

We need to think in advance and better prepare for that.

We're also establishing a National Emergency Management Stockpile to support states and territories when their capacity is exceeded during a natural disaster.

The Stockpile will include emergency housing, generators, drinkable water and other life-saving equipment and services, helping meet the acute needs of disaster-impacted communities.

We're also helping councils better protect communities from flooding with a \$236 million investment over decade to upgrade and better maintain the flood gauge network right across Australia.

This is a big investment in flood-prone communities.

It will ensure we have a system of flood gauges that warns people when floods are coming, tells them more about what they're likely to experience and better protects our emergency services personnel.

Local governments are also absolutely critical to creating a sustainable, clean energy future.

And in so many ways, it's local government that have been ahead of other levels of government with this transition. You've been leaders in this space for a long time.

You're transitioning your fleets to electric vehicles, undertaking carbon accounting, increasing tree canopy cover and biodiversity, making council-owned buildings more energy efficient, and investing in low-emissions transport.

You're doing so much to reduce your communities' carbon footprints. And we're going to do more to back you up.

Today, I'm pleased to announce that our Government is creating a new Community Energy Upgrades Fund.

We are putting forward \$100 million to fund energy efficiency projects with local government.

This will enable high-impact energy upgrades to pool heating systems, lighting for sports grounds and courts, new storage technology at community centres and libraries. Projects that will reduce Australia's emissions and cut your power bills.

We will open this program before the end of the year. And we will partner with you, the councils and the Australian Local Government Association, to get maximum value for every project.

It is great to see so many local governments have made the commitment to net zero.

Our Government is determined to seize this once-in-a-generation opportunity and transform Australia into a renewable energy superpower.

And Chris Bowen, of course, my Minister with responsibility for this significant task of economic transformation is a former mayor and understands the important role that local communities will play in this transition and he'll be speaking to you later this morning.

We want to make sure that we hold to our promise to not leave communities behind. We want to help workers find good jobs in emerging industries while keeping communities strong.

And that's why our new Net Zero Authority will work closely with local governments through this process.

As a nation, we're only as strong as our communities. And we need to make the most of this opportunity to work together and build a better future for all Australians.

Our nation will only grow and prosper if all three levels of government – local, state and federal – work together to deliver policies and programs for the community.

So I thank you for coming to Canberra this week. I know many of you have travelled a long way.

You've brought constructive ideas, you've come together in a remarkable spirit of goodwill.

All of which gives us in the Federal Government great optimism for the journey ahead.

And I look forward to working with you to build a better future for Australia.

PRIME MINISTER OF AUSTRALIA



**murchisonshire**

*Ancient land under brilliant skies*

**Rating Strategy Review**

**June 2023**

## Introduction

The following Rating Strategy Review provides a summary of various matters that relevant to consideration of rates that are adopted annually as well as providing guidance on an a long-term policy basis.

## Background & Legislative Provisions

It is incumbent on the Shire administration, for equity reasons to ensure that differential rating proposals are highly equitable amongst ratepayer groupings, optimise total rate yields and are legally compliant.

Whilst the consideration of rates and the supporting objects and reasons for differential rates is an annual event given the COVID19 influence and zero rate increase scenario in 2020/21 and expansive COVID 19 changes to Council's operating environment, it is considered prudent to further expand on the 2021/22 and 2022/23 resets and continue with a more "eyes wide open review" but on a long-term basis.

The legislative provisions for rating are lengthy and complex. The following relevant summary highlights relevant legislative provisions under the *Local Government 1995* that are provided as a snap shot as part of this Rating Strategy Review

### *Rateable Land – s6.26*

Except as provided all land within a district is rateable land. Exemptions include:

- ~ Land which is the property of the Crown and used or held for a public purpose.
- ~ Land owned by the local government and used for that purpose by the local government.
- ~ Land used exclusively for charitable purposes.
- ~ Land which is exempt from rates under any written law
- ~ Land which is declared by the Minister to be exempt from rates.

### *Basis of Rates – s 6.28*

Land is rated according to the method of valuation as determined by the Minister. ie

- ~ unimproved value for land use predominately for rural purposes (UV); or
- ~ gross rental value for land used predominately for non-rural purposes (GRV).

Rates are based on valuations under the *Valuation of Land Act 1978*. The local government sets a rate in the dollar which is applied to this valuation to give the rates liability for each property.

### *Mining Valuations and Rates – s6.29*

Unless otherwise provided for mining tenements under the *Mining Act 1978* or permit drilling leases or licences under the *Petroleum and Geothermal Energy Resources Act 1967* are rated on unimproved value.

### *Rates and Service Charges - s 6.32*

Rates are established at the time Council adopts its budget to make up the budget deficiency. The following may be imposed:

- ~ a general rate imposed either uniformly or differentially.
- ~ a special area rate of minimum payment and
- ~ service charges

Where a rate is imposed it is required to be expressed rate in the dollar of the gross rental value of rateable land or on the unimproved value of rateable land depending on the circumstances.

*Differential General Rates – s6.33*

A local government may impose a single general rate which applies to all the properties in the unimproved value or gross rental value category; or alternatively, the local government can distinguish between land in either category on the basis of its zoning, use or whether or not it is vacant land (or a combination of these factors) and apply a differential rate to each.

Ministerial approval is required where a differential rate which is more than twice the lowest differential rate is to be imposed by it.

*Limit on Revenue from General Rates – s 6.34*

Unless otherwise approved by the Minister the amount shown in the annual budget as being yielded from general rates shall be within 90 and 110% of the budget deficiency.

*Minimum Payment – s 6.35*

A local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land. A minimum payment is to be a general minimum but, must ensure that the general minimum is imposed on not greater than —

- ~ 50% of the total number of separately rated properties in the district; or
- ~ 50% of the number of properties in each category being land rated on gross rental value, unimproved value to each differential rating category where a differential general rate is imposed.

A minimum payment is not to be imposed on more than the prescribed percentage separately rated properties or the number of properties rated under gross rental value, (GRV), unimproved value (UV) or in each differential rate category where this is imposed. The current prescribed limits are set under the *Local Government Financial Regulations 1996*.

There is no restriction on the proportion of properties subject to the minimum providing the minimum is not more than \$200. If the minimum is over \$200, no more than half of the properties (50%) can be subject to the minimum unless the differential rating category is for vacant land **and** Ministerial approval is granted.

*Local Government to give notice of certain rates – s6.36*

Before imposing any differential general rates or a minimum payment applying to a differential rate category a local government is to

- ~ give local public notice of its intention to do so.
- ~ prepare a document describing the objects of, and reasons for, each proposed rate and minimum payment and to publish the document on the local government's official website.
- ~ provide opportunity to receive and hear any submissions.

*Service Charges – s 6.38*

The money from any service charge imposed on owners or occupiers can only be used to meet the cost of providing a specific service. Under the *Local Government Financial Regulations 1996* prescribed works include property surveillance and security, television and radio rebroadcasting, underground electricity, and water.

*Rates Charges on Land- s 6.43*

Subject to the *Rates and Charges (Rebates and Deferments) Act 1992*, rates remain a charge on the land.

## A Value and Principle Approach

Through the Local Government Act 1995, Part 6, the Western Australian Parliament has conferred upon local government the power to levy and collect property tax in the form of rates. Property taxes with rare exemptions, are not fees for service or relate to directly or indirectly an any specific services provided by the Shire. Just like income tax they are a just that, a tax; with the property owner responsible for paying, although it is doubtful whether all ratepayers would necessarily see this in this light.

The application of Councils rate and budget setting are partly outlined in the Minister's policy approach when exercising his / her discretionary powers in relation to Minimum Payments, and differential rating with key values of **objectivity, fairness and equity, consistency, transparency, and administrative efficiency** required to be demonstrated. So long as Council meets these criteria the rating regime should comply.

However, this does not really provide much guidance when it comes to determining matters such as the levels and nexus between differential rates and minimums or any specific justification.

As with all taxation systems there are various well-established principles that have been applied in other local government jurisdictions. Some of these seem to have been included in the above values but perhaps the most useful in this regard a few points to consider.

Does the tax burden fall appropriately across different classes of ratepayers? Equity is a subjective concept that is difficult to define. What is considered fair for one person may be considered unfair for another. There are two main equity concepts used to guide the development of rating strategies (and taxation more generally): namely the Benefit Principle (Horizontal Equity) and Capacity to Pay Principle (Vertical Equity).

### *Benefit Principle*

Taxpayers should receive some benefits from paying tax, but not necessarily to the extent of the tax paid. Ratepayers in similar situations should pay similar amounts (ensured mainly by accurate property valuations undertaken in a consistent manner, their classification into homogenous property classes and the right of appeal against valuation).

Example of this is the application of a fixed charge or minimum rate component of a rating system; although the minimum payment example applies on a 'sliding' scale and unlike the fixed charge is not applied equally to all ratepayers.

In many local government jurisdictions this must be applied the same across all differential rate sectors whilst in Western Australia it can vary between differential rates sectors, although in doing so it could be argued that it weakens this principle.

### *Capacity to Pay Principle*

In levying taxes, the ability of the taxpayer to pay the tax must be considered. Those who are better off should pay more than those worse off (the rationale applies for the use of progressive and proportional income taxation. It implies a "relativity" dimension to the fairness of the tax burden).

Example of this is the rate in the \$ component and differential rate classification. How this is balanced is open to question. Benchmarking with other local governments are a useful exercise although only this provides a guide.

## Rating Nuances

A few rating issues.

- (a) There is a common misconception that rates are directly set by property values when in fact they are only derived in part from them after Council has considered a raft of budget and equity considerations.
- (b) If property values increase generally due to market forces by say 10%, rarely do rates increase by that amount and if property values decline, rates do not normally reduce. In each instance the rate in the \$ and potentially the minimum rate is adjusted.
- (c) Property valuations are a surrogate for income when it comes to the application of the Capacity to Pay Principle, even though this may not reflect in a personal sense. Just because a property valuation is higher than another doesn't necessarily mean that owner has an actual greater capacity to pay, just that on proportional basis they will attract under this principle a larger proportion of rates levied.
- (d) For properties that have a perpetual life and continue to exist from one year to the next, when property valuations increase through market forces, in reality there is no change to the rates base. If, however, a property has its GRV expanded by a capital development or subdivision or say a new tenement or changes its rating category then that is often termed "natural growth." If that element is not segmented for analysis purposes, then a rates base does not grow, adversely affecting the financial capacity of the local government and leads to new "growth" ratepayers subsidising old ones. This situation also applies reverse where a property such as a mining tenement or lease ceases to exist and disappears from the rates base  
As a result, any increase in the rate should be expressed in terms of a % revenue increase "excluding natural decline or growth." However, for UV properties that situation is less clear as there is no easy identifiable increase through natural growth as would be the case for GRV or Capital Values which apply in other rating systems.
- (e) For properties such as in the mining sector that do not have a perpetual life and are often highly speculative and can come and go regularly, property numbers and valuations from year to year can vary markedly. This makes it more difficult to treat in the same manner as perpetual life properties in part as the use of the capacity to pay principle may be relatively short lived and often any rates levied do not necessarily remain a charge on the land. Yet the entire value of the infrastructure and services provided by the Shire are also available to all ratepayers regardless and invariably this can only be addressed through differential rating. Not unreasonably high to very high differentials would be expected.
- (f) With perhaps the exception of perpetual life mining type properties given the vagaries and variables of valuations, differential rates, minimum rates and rates in the \$, the best and least unreliable comparator is properties' actual rates from one year to another and on sector and a district wide basis the average rate in a sector.

## Benchmarking

Like previous years, benchmarking included comparisons with neighbouring Shires. In 2021/22 the depth of analysis was expanded with the addition of two additional sparsely populated Shires more akin in makeup to Murchison. A far more expansive comparison was then undertaken. Last year five (5) additional comparators of which three (3) specifically relate to Murchison. This year this analysis has been further expanded upon.

As indicated in the attached (*Regional Rates Benchmarking Comparison*), whilst such an exercise is far from perfect and not conclusive there are common themes.

Like all local governments the Grants Commission undertakes a more systematic amongst other things to establish an average local government's rate capacity and with it an assessed level applied to each local government. This analysis is also presented.

The following tables and graphs are attached. Summary comments are also shown.



## Benchmarking Comparisons

- fig 00 Valuation Base \$  
*Provided as the “base” as this aspect is not subject to Council Policy influences. Murchison has way and far the smallest valuation base*
- fig 0 Average Valuations  
*Murchison’s average UV Valuation for the mining sector is significantly greater all of the others However, a number also have GRV mining values whereas some don’t.*
- fig 1 Rate Revenue by Sector \$  
*Murchison is way and far the smallest rate base.*
- fig 2 Rate Revenue by Sector %  
*In % terms the Mining contribution Murchison appears well within the parameters compared to others.*
- fig 3 Average Rate by Sector \$  
*The average mining rates paid in Murchison on the surface are well outside those of other Shires giving an opposite picture to fig 2 but as shown in fig 8 can partly be explained by the small size of the mining sector compared to other local governments.*
- fig 4 Rate Cents in \$ by Sector  
*The Pastoral and Mining Exploration Rates in the \$ appear low compared to others. However as indicated under points (a) and (f) above under Rating Nuances; rates in the \$ are not a good comparator per say.*
- fig 5 Rate Highest Rate in \$ v Pastoral Rate in the \$  
*The Mining Rate differential for Murchison appears and is very high compared to others but as other figs show there are a range of relevant reasons. The Threshold triggering requirements to obtain Ministerial Approval is also shown.*
- fig 6 % of ratepayers based on Minimum Payment  
*No major difference compared to others in the region.*
- fig 7 Min UV Rates Comparison \$  
*Min UV Rates for Murchison appear within the parameters of others. However, the amount is really a function of the rates base and equity considerations*
- fig 8 No of Pastoral Properties vs Others  
*The small numbers for Murchison appear to reflect our relatively small pastoral rates base compared to others. By comparison mining and other sectors elsewhere are very much larger in number*
- fig 9 UV Rates Comparison as % of Rates Base.  
*In % terms the Pastoral sector in Murchison appears to contribute to greater extent than other areas most likely reflecting the lack of GRV rates*
- fig 10 Min Rates  
*Min Rates for Murchison are within parameters of others. However, the amount is really a function of the rates base and equity considerations*
- fig 11 Grant Commission 3 Year Average Rates Assessments (\$)  
*Grants Commission have assessed Murchison as having significant capacity to lift rates in the pastoral sectors but also conversely reduce rates in the mining sector. However, this situation is not dissimilar to most other Shires.*
- fig 12 Grants Commission 3 Year Average Rates Comparison (%)  
*Grants Commission have assessed Murchison as having significant capacity to lift rates in the pastoral sectors but also conversely reduce rates in the mining sector. However, this situation is not dissimilar to most other Shires.*

fig 13 Non-Current Assets (\$)

fig 14 Depreciation Non-Current Assets

*Figs 13 & 14 shows a general snapshot of the value of assets that each Shire is required to manage and provides some broad context to the comparison as rate revenue is a significant source of own source funds. By comparison Murchison has a moderately large infrastructure component to manage but as shown in fig 1 has the equally smallest rate base by some measure.*

fig 15 Rates as a % of Depreciation.

*This highlights the importance of lifting overall levels of rate revenue as the proportion is very low, especially as there will be likely increase in new or upgraded assets which will need to be funded and replaced over time.*

fig 16 Revenue Rates & Grants Commission (\$)

*Shows the portion of rate revenue relative to other untied revenue sources (Grants Commission). Murchison is the smallest in \$ terms*

fig 17 Revenue Rates & Grants Commission (%)

*Shows the portion of rate revenue relative to other untied revenue sources (Grants Commission). Murchison is the smallest in % terms*

### Murchison Comparisons

fig A Murchison Grants Commission 3 Year Average Yearly Comparison (\$)

*This shows the continued effects of the previous policy approach where the distribution of rate revenue with increases in the pastoral sector over the past three years. Whilst rates from the mining sector have increased in total this was result if an increase in the numbers of mining tenements*

fig B Average Rates Yearly Comparison \$

*This shows the start of a policy approach to lift the quantum of rate revenue, in part as outlined by the Grants Commission Analysis in figs 11 and 12 but in doing so distribute rate revenue across sectors with increases in the Pastoral and Prospecting & Exploration Sector but with a reduction in the Mining Sector*

fig C Murchison Differential Rates Yearly History

*This shows empirically a reduction in the ratio of differentials between the mining and pastoral sectors over time*

fig D UV Valuations

*Shows decline in Pastoral Valuations relative to Mining over the period. Both sectors have stable numbers. Exploration sector has risen significantly mainly as numbers have changed dramatically*

fig E Sector UV Rates

*Shows relativity between sectors. Mining sector has risen significantly whilst Pastoral Sector has seen minimal change. Both sectors have stable numbers. Exploration sector has risen significantly mainly as numbers have changed dramatically*

fig F UV Pastoral Average Rates

*Pastoral Sector has seen minimal change*

fig G UV Mining Average Rates

*Mining Sector has seen moderate change but with greater net effect.*

fig H UV Exploration Average Rates

*Exploration Sector has seen steady significant growth from a low base.*

fig I UV Pastoral Average Rates with Mining Change Comparison \$

*This highlights a very low increase in Pastoral Rates (1.4%) per annum. This is well below inflation and much less than the 5% set in the current Corporate Plan. Mining increases (5.5%) are more realistic.*

*The Pastoral - Mining Comparison show the extent of this inequity and the inevitable "catch up" that arises*

*Exploration changes are higher as they have come from a low base and are much more variable and volatile from year to year as the numbers in the sector vary markedly from year to year.*

## Observations

The following observations are also noted.

- ~ The Mining Rate appears on the surface to be too high in comparison and makes up a much higher percentage of the rate base than compared to other areas.
- ~ As outlined in *DLGSC Rates Detailed Discussion Paper* a differential of 4 times the lowest differential rate has been suggested instead of the current level requiring rates to obtain Ministerial approval. This implies a recognition that large differentials are not exceptional
- ~ As shown Murchison's rate base is very very much smaller by some margin in comparison with others. Other Shires also have larger numbers within the Other (Mining and Other GRV) than Murchison. By contrast Murchison has a more infrastructure to manage relative to out rates base so the current differences are in part explainable.
- ~ Even though the Pastoral Rate makes up a small percentage of the rates base the average rate appears low in comparison and in 2021/22 a program to lift this commenced. Given the apparent and arguable over reliance on the mining sector, lifting the pastoral rates is appropriate. As indicated in the attached comparative local analysis a continuation of this strategic approach but in an accelerated manner is considered essential.

## Local Rates Rationale

Whilst benchmarking with Shires provides a useful guide, modelling local rates and changes in valuations needs to be undertaken. This is done on an annual basis once details of new valuations arrive.

Under the current methodology Local Government has limited options available to with respect to raising rates but needs to ensure long term financial sustainability it being incumbent that a long-term strategic approach be undertaken.

Essentially one can only control the controllables. For instance, local government it can only control through its decision-making aspects such as what it spends its money on, what fees and charges it can levy and what rates are derived. Virtually all other aspects a local government can address by way of influence, not direct control.

For Murchison like all local governments Rates are by and far the largest component in revenue raising. Whilst rates are small compared with grant revenue nevertheless, they are essential, and yield should be maximised.

Rationale to lift rate revenue is justified amongst other things for the following reasons

- 1 As indicated in the previous analysis in a number of figures there is a significant inequity between the current mining and pastoral rate. The current differential of 5.05 (even though reducing) is too large. When one considers that the rating methodology ignores capital improvements, which are mainly only applicable to pastoral properties, then this inequity is further compounded.

- 2 The current differentials based on average rates shows a significantly distorted picture.

Rating Sector	Rate cents in \$	Ratio	Average Rate \$	Ratio
Pastoral	4.9	1.0	2,313	1.0
Mining	24.6	5.02	36,249	15.67
Exploration & Prospecting	9.3	1.92	2,259	0.98

- 3 The current average rate for a pastoral property of \$2,313 is virtually the same as for Prospecting and Exploration but pales into insignificance compared the average rates of \$36,250 for a mine. Arguably Pastoral properties have more opportunity to benefit from Shire works than others.
- 4 Mining rate revenue is \$398,744 which is 64% of the rates base derived from just 11 properties. Such a heavy dependence is a potential risk.
- 5 The proportion of rate revenue as related to Councils recurrent works is extremely low. This makes Murchison more reliant than many on external grants such as grants commission, roads and flood damage and represents a potential risk financially if funding in these aspects are reduced.
- 6 Most local governments will improve the levels of service and undertake new works and upgrade assets. This in itself partly justifies an increase in rates. In our instance we have already substantially increased our asset base through new works and have an expanded works program to deliver including Long Term Financial Planning considerations. This provides ample justification for significant increases in rates.

### Strategic Rates Approach

It is essential that from a policy perspective option for future rate scenarios are explored with analysis tying into Council's Long Term Financial Plan. This should be done annually and also ensure that in comparative terms between each year, that as far as practicable, aspects associated with natural growth or decline are ignored.

Enc *Rates Benchmarking Comparison May 2023*  
*Rates Historical Comparison June 2023*





**murchisonshire**

*Ancient land under brilliant skies*

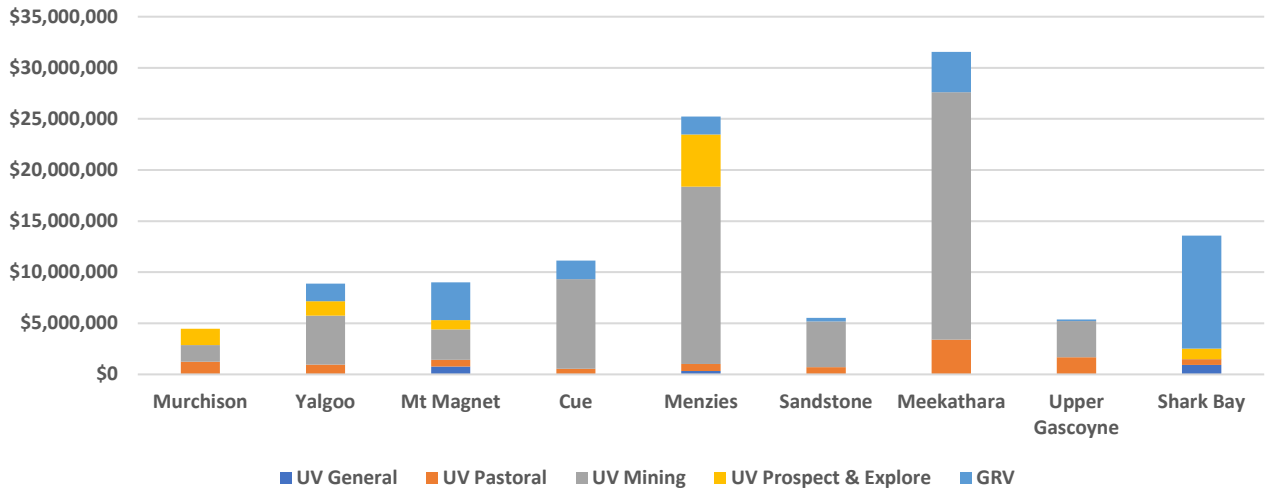
## **Rates Benchmarking Comparison**

**May 2023**



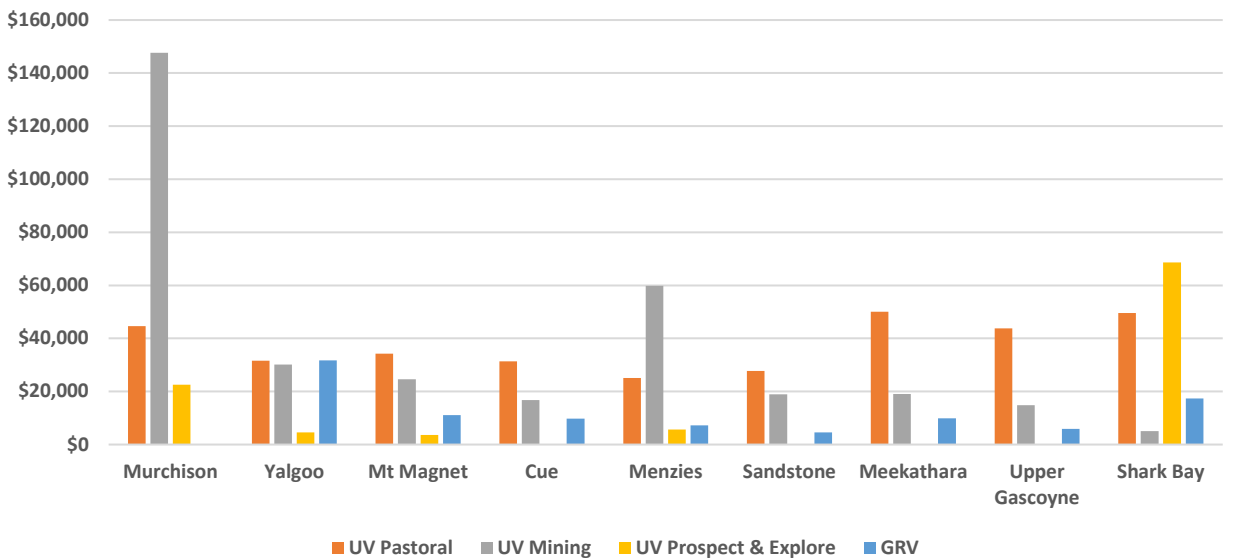
Murchison Shire -Rates Benchmarking Comparison - May 2023

Fig 00 - Valuation Base \$



UV General	\$0	\$0	\$780,000	\$0	\$340,200	\$0	\$0	\$0	\$931,642
UV Pastoral	\$1,250,213	\$946,504	\$651,270	\$565,432	\$677,718	\$693,674	\$3,404,248	\$1,662,786	\$544,676
UV Mining	\$1,624,078	\$4,802,576	\$2,972,016	\$8,758,860	\$17,360,497	\$4,499,025	\$24,206,400	\$3,566,639	\$10,050
UV Prospect & Explore	\$1,599,404	\$1,417,197	\$893,710	\$0	\$5,092,213	\$0	\$0	\$0	\$1,029,637
GRV	\$0	\$1,716,046	\$3,702,593	\$1,796,660	\$1,761,663	\$328,990	\$3,937,711	\$147,952	\$11,054,833

Fig 0 - Average Valuations \$ (Mt Mag UV General not graphed)

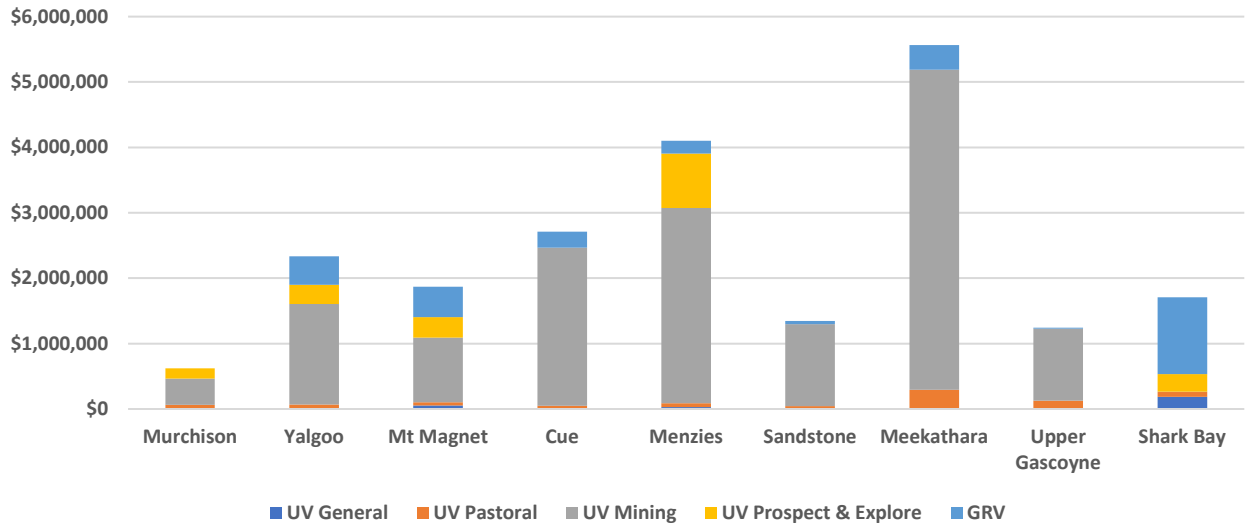


UV General	\$0	\$0	\$780,000	\$0	\$4,792	\$0	\$0	\$0	\$71,665
UV Pastoral	\$44,650	\$31,550	\$34,277	\$31,413	\$25,101	\$27,747	\$50,062	\$43,758	\$49,516
UV Mining	\$147,643	\$30,205	\$24,562	\$16,812	\$59,864	\$18,903	\$19,030	\$14,861	\$5,025
UV Prospect & Explore	\$22,527	\$4,572	\$3,663	\$0	\$5,709	\$0	\$0	\$0	\$68,642
GRV	\$0	\$31,779	\$11,086	\$9,712	\$7,220	\$4,569	\$9,919	\$5,918	\$17,382



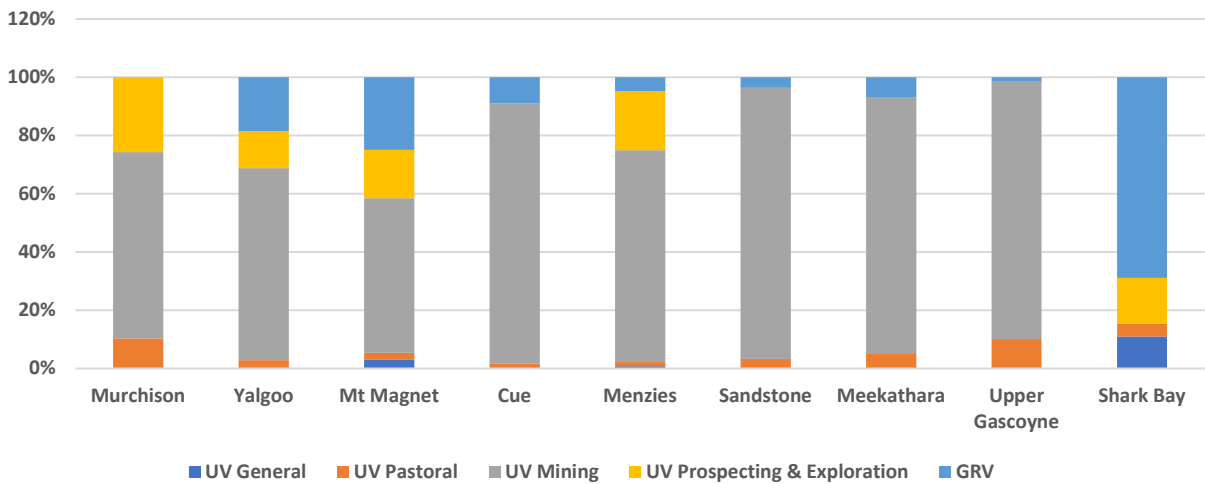
Murchison Shire -Rates Benchmarking Comparison - May 2023

Fig 1 - Rate Revenue \$



UV General	\$0	\$0	\$55,310	\$0	\$29,598	\$0	\$0	\$0	\$187,082
UV Pastoral	\$64,756	\$66,916	\$45,287	\$46,814	\$59,392	\$44,920	\$296,091	\$125,721	\$73,842
UV Mining	\$398,744	\$1,538,662	\$991,909	\$2,420,904	\$2,984,345	\$1,251,032	\$4,890,425	\$1,100,754	\$3,468
UV Prospect & Explore	\$160,418	\$295,534	\$309,888	\$0	\$831,068	\$0	\$0	\$0	\$267,694
GRV	\$0	\$432,373	\$466,155	\$242,691	\$195,866	\$49,116	\$379,696	\$18,674	\$1,177,697
<b>Total</b>	<b>\$623,918</b>	<b>\$2,333,485</b>	<b>\$1,868,548</b>	<b>\$2,710,409</b>	<b>\$4,100,270</b>	<b>\$1,345,068</b>	<b>\$5,566,213</b>	<b>\$1,245,149</b>	<b>\$1,709,783</b>
<i>Previous Year</i>	<i>\$541,927</i>	<i>\$2,705,463</i>	<i>\$1,677,330</i>	<i>\$2,544,643</i>	<i>\$3,568,434</i>	<i>\$1,189,178</i>	<i>\$4,803,850</i>	<i>\$538,323</i>	<i>\$1,561,378</i>

Fig 2 - Rate Revenue by Sector %

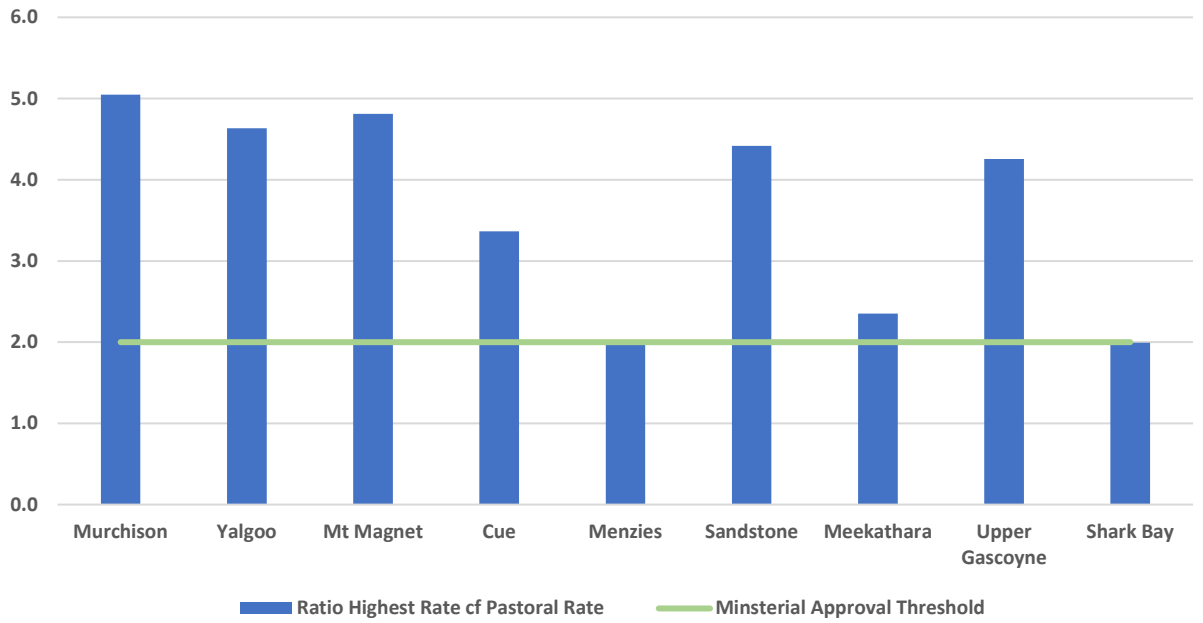


UV General	0%	0%	3%	0%	1%	0%	0%	0%	11%
UV Pastoral	10%	3%	2%	2%	1%	3%	5%	10%	4%
UV Mining	64%	66%	53%	89%	73%	93%	88%	88%	0%
UV Prospecting & Exploration	26%	13%	17%	0%	20%	0%	0%	0%	16%
GRV	0%	19%	25%	9%	5%	4%	7%	1%	69%



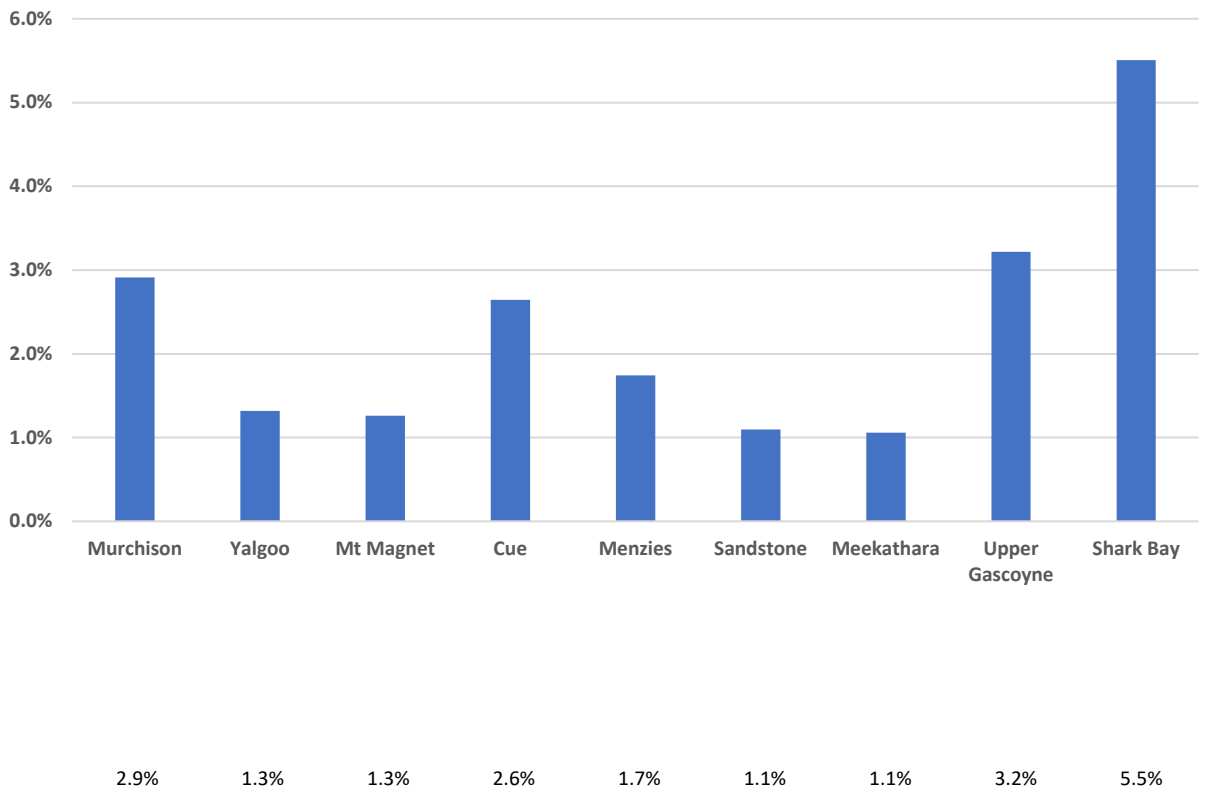
Murchison Shire -Rates Benchmarking Comparison - May 2023

Fig 5 - Highest Rate in \$ vs Pastoral Rate



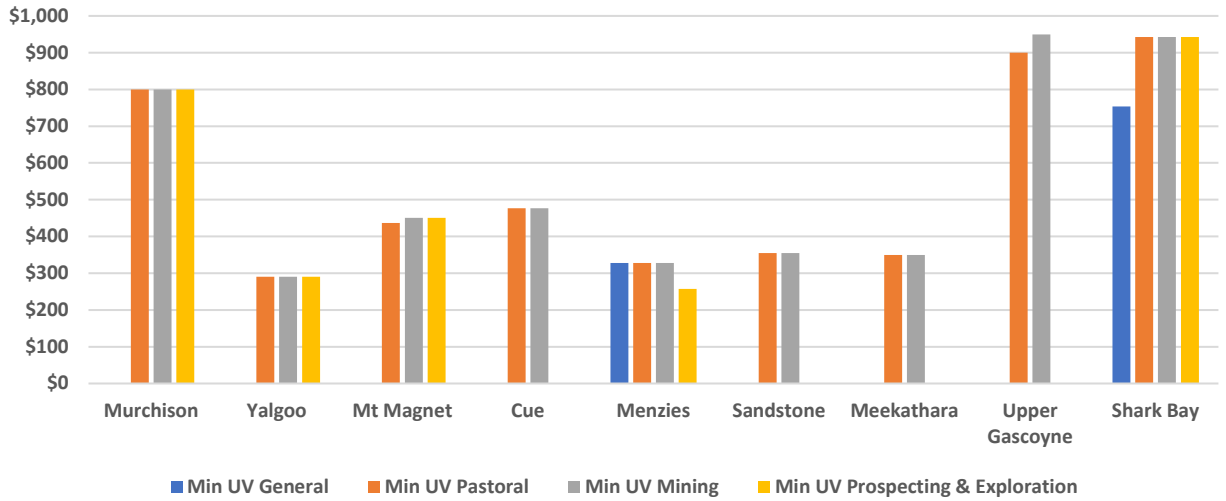
Ratio Highest Rate of Pastoral Rate	5.0	4.6	4.8	3.4	2.0	4.4	2.4	4.3	2.0
Ministerial Approval Threshold	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

Fig 6 - % of Ratepayers on Minimum Payment



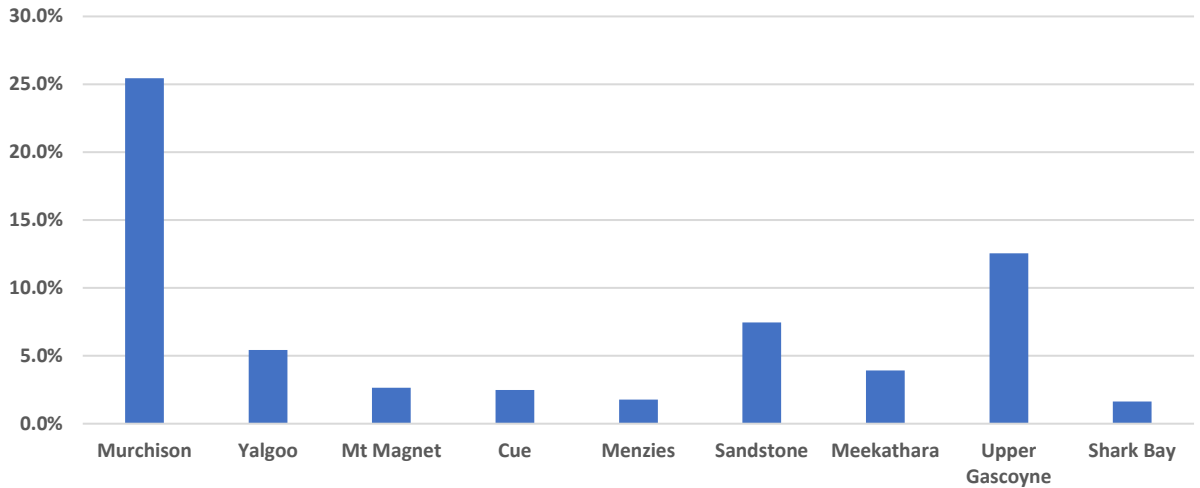
Murchison Shire -Rates Benchmarking Comparison - May 2023

Fig 7 - min UV Rates Comparison \$



Min UV General	\$0	\$0	\$0	\$0	\$328	\$0	\$0	\$0	\$754
Min UV Pastoral	\$800	\$290	\$437	\$477	\$328	\$355	\$350	\$900	\$943
Min UV Mining	\$800	\$290	\$450	\$477	\$328	\$355	\$350	\$950	\$943
Min UV Prospecting & Exploration	\$800	\$290	\$450	\$0	\$257	\$0	\$0	\$0	\$943

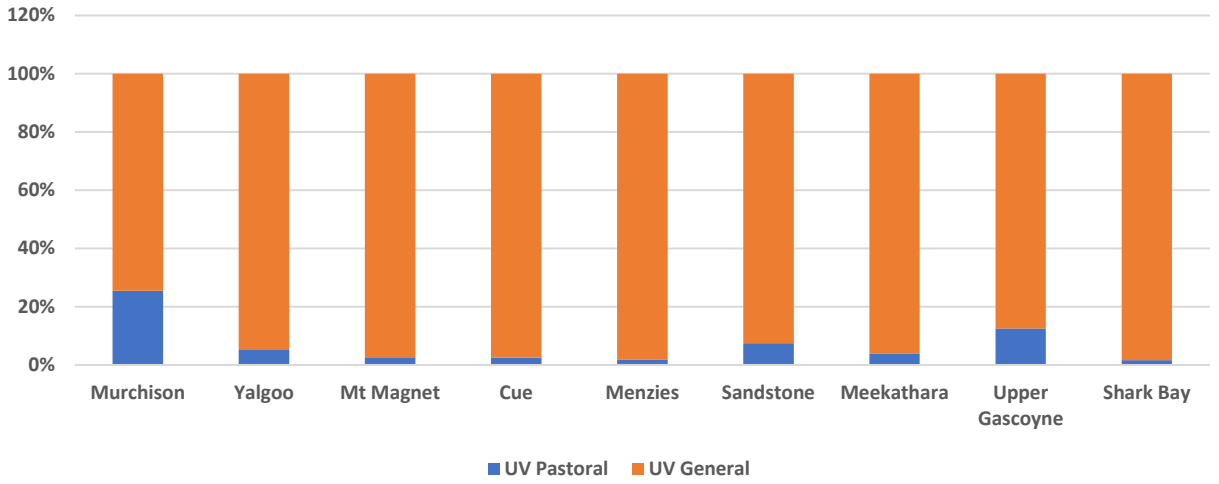
Fig 8 - % of Pastoral Properties vs Others



%	25.5%	5.4%	2.6%	2.5%	1.8%	7.5%	3.9%	12.5%	1.6%
UV Pastoral	28	30	19	18	27	25	68	38	11
UV Other	82	523	700	706	1,497	310	1,669	265	666

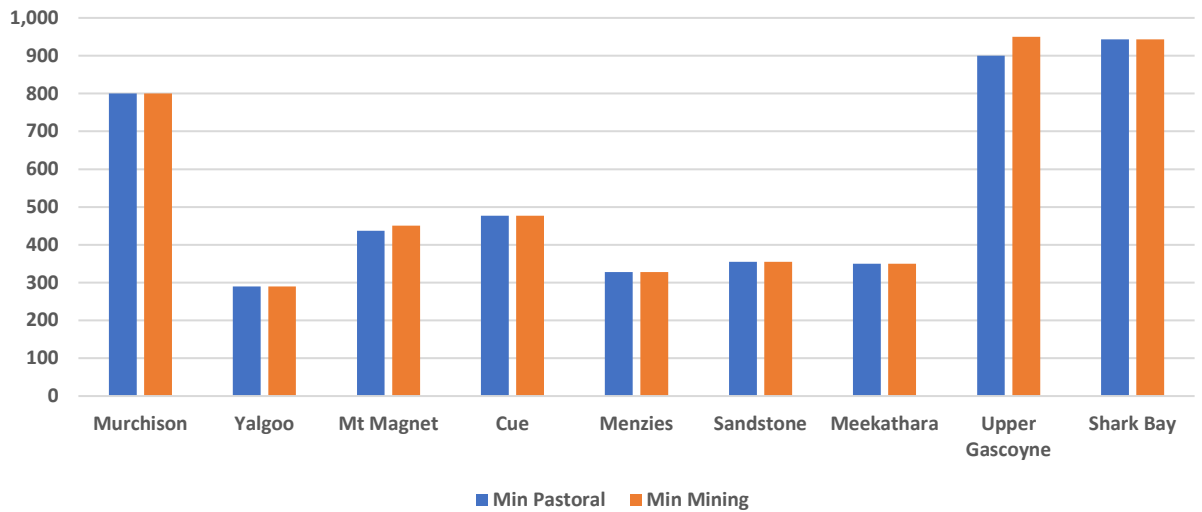
Murchison Shire -Rates Benchmarking Comparison - May 2023

Fig 9 - UV Pastoral Rates Comparison % of Rates Base



UV Pastoral	25%	5%	3%	2%	2%	7%	4%	13%	2%
UV General	75%	95%	97%	98%	98%	93%	96%	87%	98%

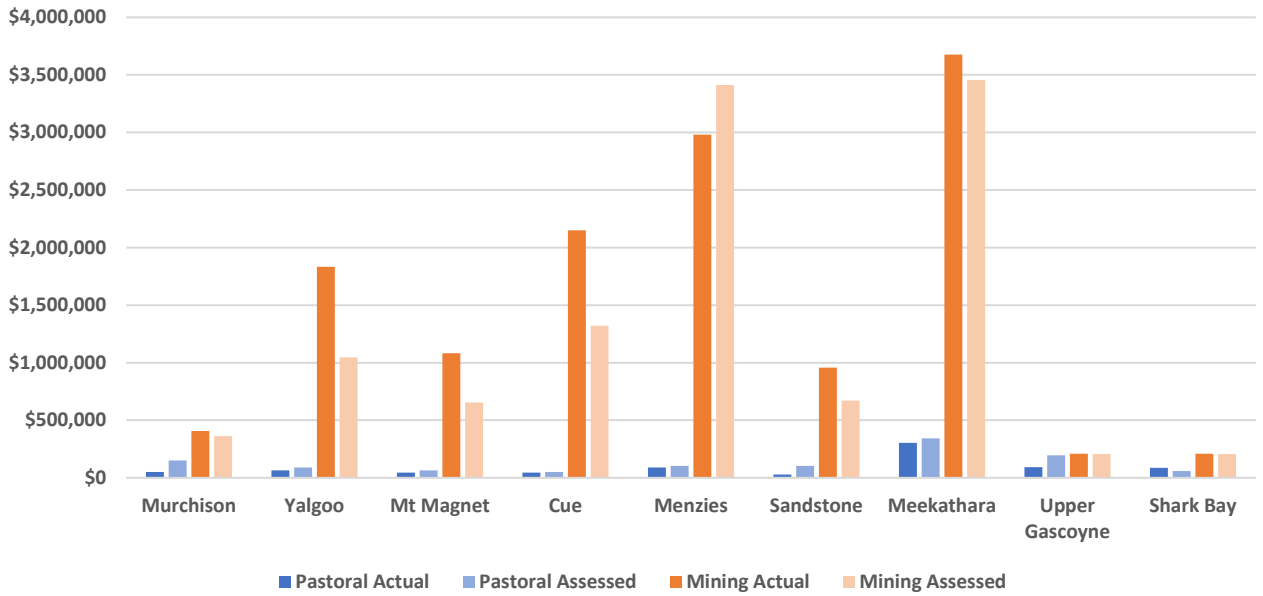
Fig 10 - Min Rates



Min Pastoral	800	290	437	477	328	355	350	900	943
Min Mining	800	290	450	477	328	355	350	950	943

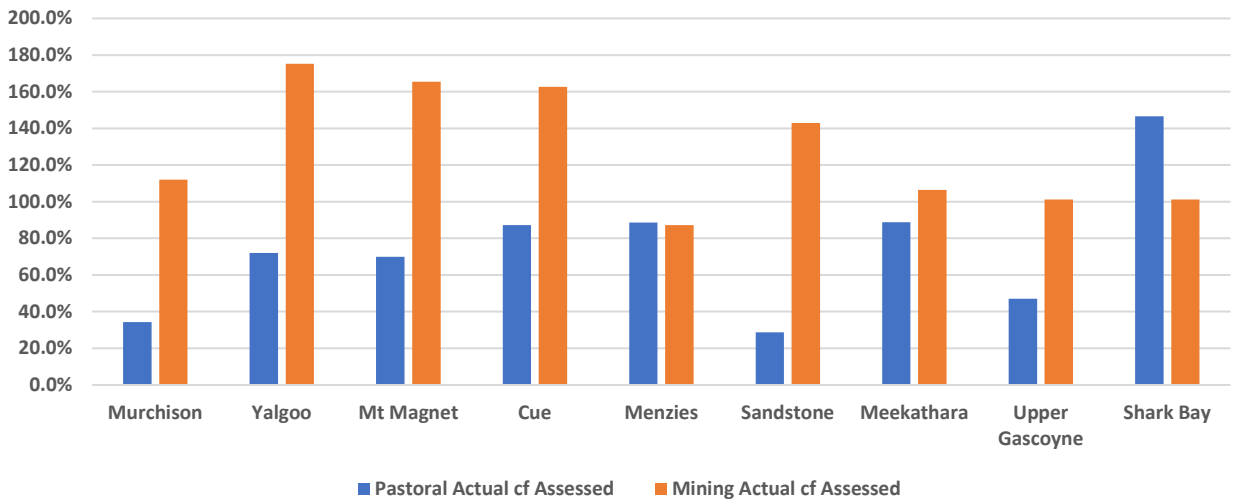
Murchison Shire -Rates Benchmarking Comparison - May 2023

Fig 11 - Grants Commission 3 Year Average Rates Assessments (\$)



Pastoral Actual	\$51,817	\$64,244	\$44,830	\$44,747	\$90,727	\$29,438	\$304,927	\$92,042	\$87,751
Pastoral Assessed	\$150,732	\$89,250	\$64,059	\$51,255	\$102,387	\$102,675	\$343,580	\$195,653	\$59,844
Mining Actual	\$405,949	\$1,832,457	\$1,082,895	\$2,149,970	\$2,980,280	\$958,132	\$3,675,883	\$208,329	\$208,329
Mining Assessed	\$362,518	\$1,045,633	\$654,206	\$1,320,856	\$3,413,381	\$670,465	\$3,455,502	\$205,790	\$205,790

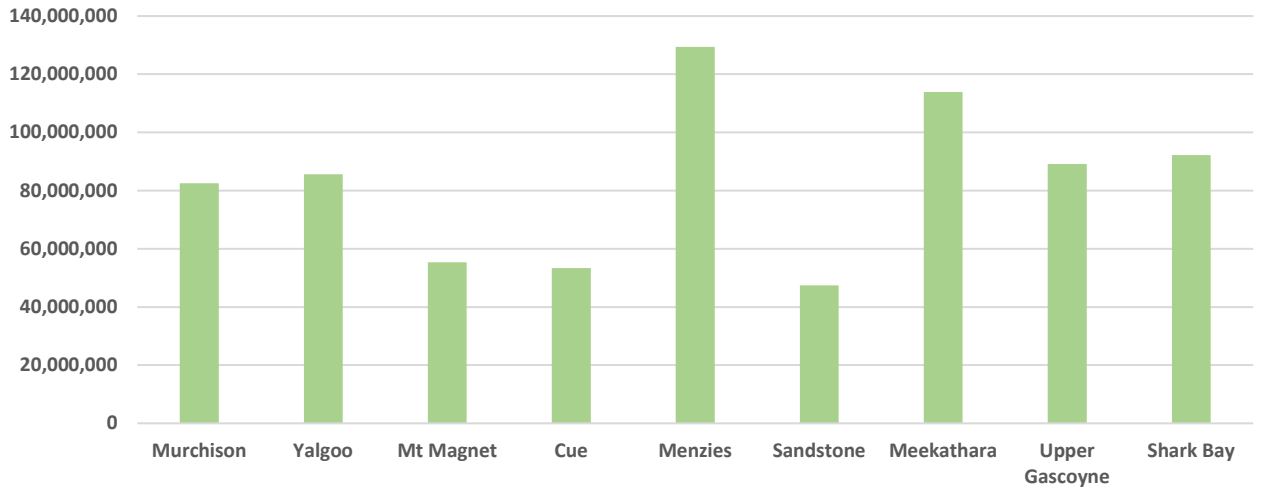
Fig 12 - Grants Commission 3 Year Average Rates Comparison %



Pastoral Actual cf Assessed	34.4%	72.0%	70.0%	87.3%	88.6%	28.7%	88.7%	47.0%	146.6%
Mining Actual cf Assessed	112.0%	175.2%	165.5%	162.8%	87.3%	142.9%	106.4%	101.2%	101.2%

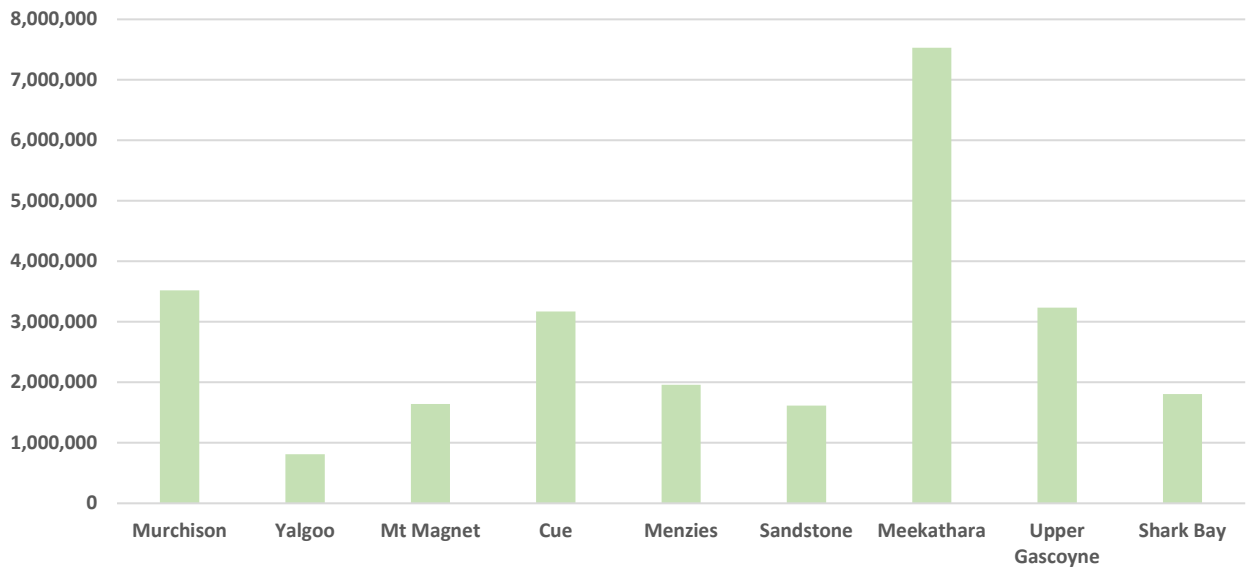
Murchison Shire -Rates Benchmarking Comparison - May 2023

Fig 13 - Non Current Assets



	Murchison	Yalgoo	Mt Magnet	Cue	Menzies	Sandstone	Meekathara	Upper Gascoyne	Shark Bay
Non Current Assets	82,533,018	85,585,286	55,388,018	53,388,729	129,447,590	47,441,761	113,831,448	89,093,203	92,154,116

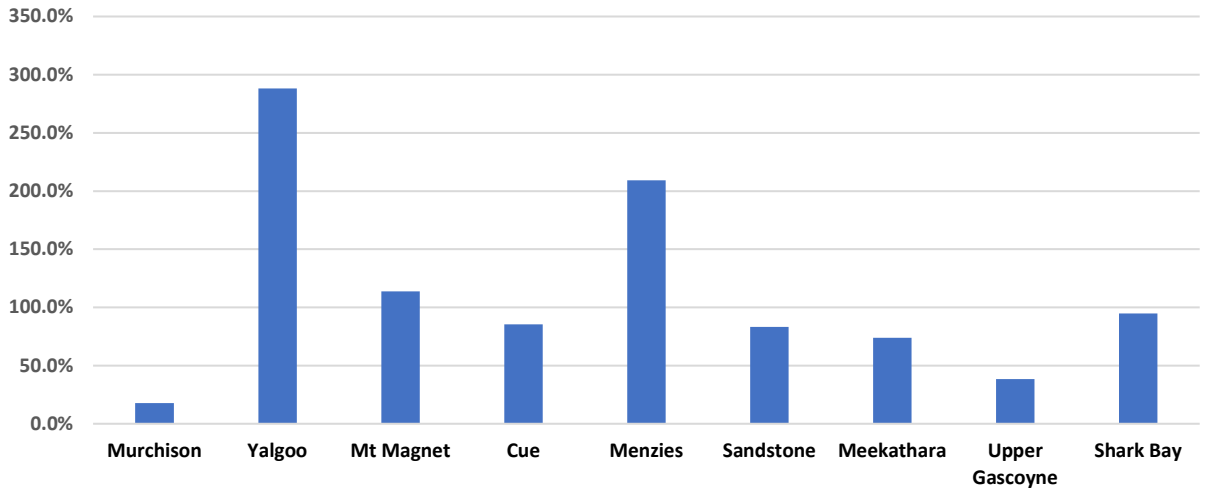
Fig14 - Depreciation Non Current Assets



	Murchison	Yalgoo	Mt Magnet	Cue	Menzies	Sandstone	Meekathara	Upper Gascoyne	Shark Bay
Depreciation	3,520,116	809,421	1,642,481	3,168,660	1,961,063	1,614,835	7,532,730	3,233,745	1,805,485

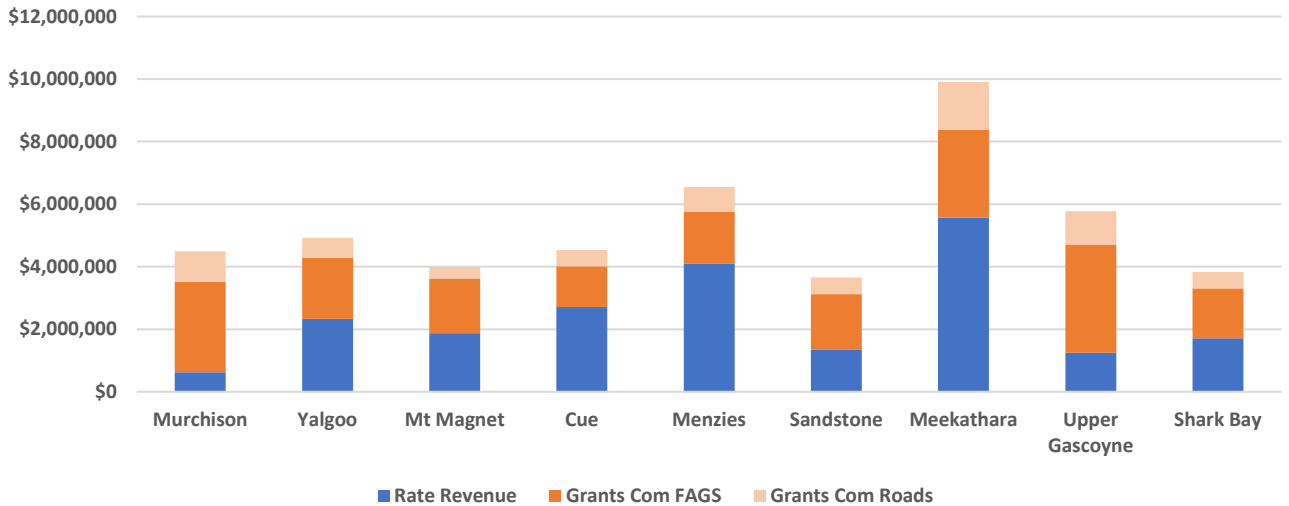
Murchison Shire -Rates Benchmarking Comparison - May 2023

Fig 15 - Rates as a % of Depreciation



	Murchison	Yalgoo	Mt Magnet	Cue	Menzies	Sandstone	Meekathara	Upper Gascoyne	Shark Bay
Rates as a % of Depreciation	17.7%	288.3%	113.8%	85.5%	209.1%	83.3%	73.9%	38.5%	94.7%

Fig 16 - Revenue Rates & Grants Commission \$



Rate Revenue	\$623,918	\$2,333,485	\$1,868,548	\$2,710,409	\$4,100,270	\$1,345,068	\$5,566,213	\$1,245,149	\$1,709,783
Grants Com FAGS	\$2,890,861	\$1,941,643	\$1,752,412	\$1,305,504	\$1,657,840	\$1,779,975	\$2,804,913	\$3,464,963	\$1,599,299
Grants Com Roads	\$973,575	\$647,054	\$366,966	\$519,327	\$791,203	\$524,886	\$1,534,381	\$1,061,615	\$518,647
<b>Total</b>	<b>\$4,488,353</b>	<b>\$4,922,182</b>	<b>\$3,987,926</b>	<b>\$4,535,240</b>	<b>\$6,549,312</b>	<b>\$3,649,929</b>	<b>\$9,905,507</b>	<b>\$5,771,727</b>	<b>\$3,827,728</b>







**murchisonshire**

*Ancient land under brilliant skies*

## **Murchison Historical Rates Comparison**

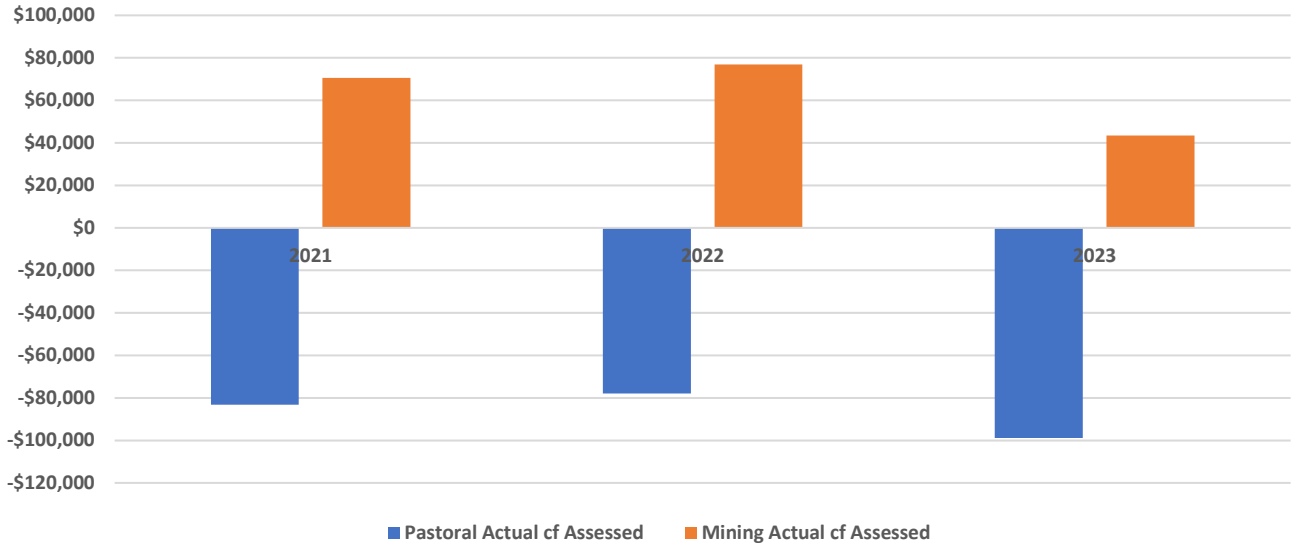
**June 2023**

## Summary Comments

<b>Fig A - Murchison Grants Commission 3 Year Average Yearly Comparison</b>	This shows the continued effects of the previous policy approach where the distribution of rate revenue with increases in the pastoral sector over the past three years. Whilst rates from the mining sector have increased in total this was result if an increase in the numbers of mining tenements
<b>Fig B -Average Rates Yearly Comparison</b>	This shows the start of a policy approach to lift the quantum of rate revenue, in part as outlined by the Grants Commission Analysis in figs 11 and 12 but in doing so distribute rate revenue across sectors with increases in the Pastoral and Prosecting & Exploration Sector but with a reduction in the Mining Sector
<b>Fig C - Murchison Differential Rates History</b>	This shows empirically a reduction in the ratio of differentials between the mining and pastoral sectors over time
<b>Fig D - UV Valuations</b>	Shows decline in Pastoral Valuations relative to Mining over the period. Both sectors have stable numbers. Exploration sector has risen significantly mainly as numbers have changed dramatically
<b>Fig E - Sector UV Rates</b>	Shows relativity between sectors. Mining sector has risen significantly whilst Pastoral Sector has seen minimal change. Both sectors have stable numbers. Exploration sector has risen significantly mainly as numbers have changed dramatically
<b>Fig F - UV Pastoral Average Rates</b>	Pastoral Sector has seen minimal change
<b>Fig G - UV Mining Average Rates</b>	Mining Sector has seen moderate change but with greater net effect
<b>Fig H - UV Exploration Average Rates</b>	Exploration Sector has seen steady significant growth from a low base
<b>Fig I - UV Pastoral Average Rates with Mining Change Comparison \$</b>	This highlights a very low increase in Pastoral Rates (1.4%) per annum. This is well below inflation and much less than the 5% set in the current Corporate Plan. Mining increases (5.5%) are more realistic. The Pastoral - Mining Comparison show the extent of this inequity and the inevitable "catch up" that arises Exploration changes are higher as they have come from a low base and are much more variable and volatile from year to year as the numbers in the sector vary markedly from year to year

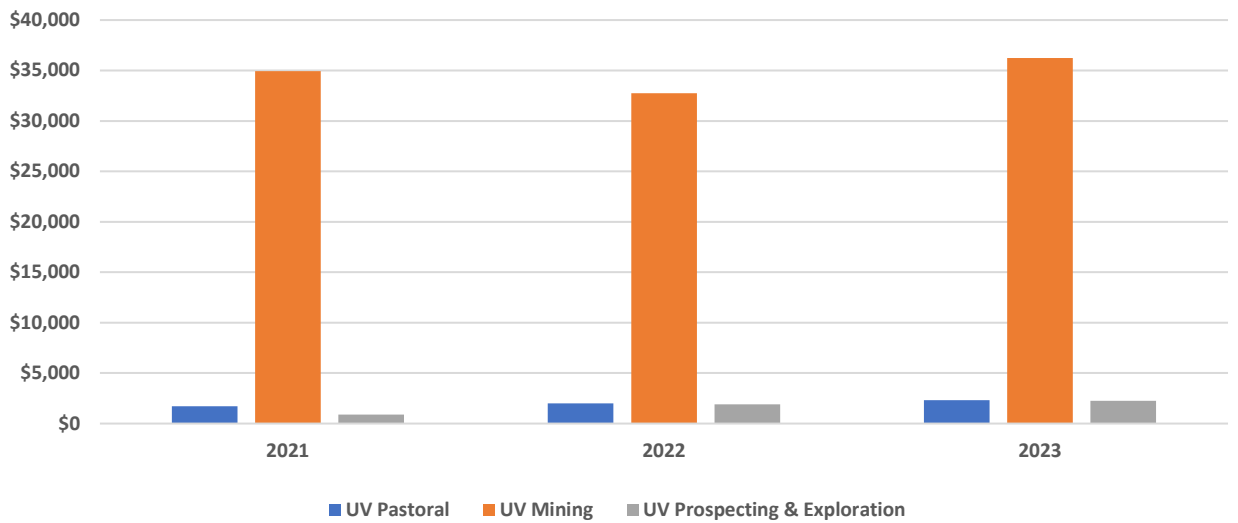
Murchison Shire -Historical Rates Comparison - June 2023

Fig A Murchison Grants Commission 3 Year Average Yearly Comparison \$



	2021	2022	2023		2021	2022	2023
Pastoral Actual	\$43,747	\$45,409	\$51,817	Pastoral Actual cf Assessed	-\$83,132	-\$77,930	-\$98,915
Pastoral Assessed	\$126,879	\$123,339	\$150,732	Mining Actual cf Assessed	\$70,507	\$76,911	\$43,431
Mining Actual	\$373,699	\$389,269	\$405,949				
Mining Assessed	\$303,192	\$312,358	\$362,518				

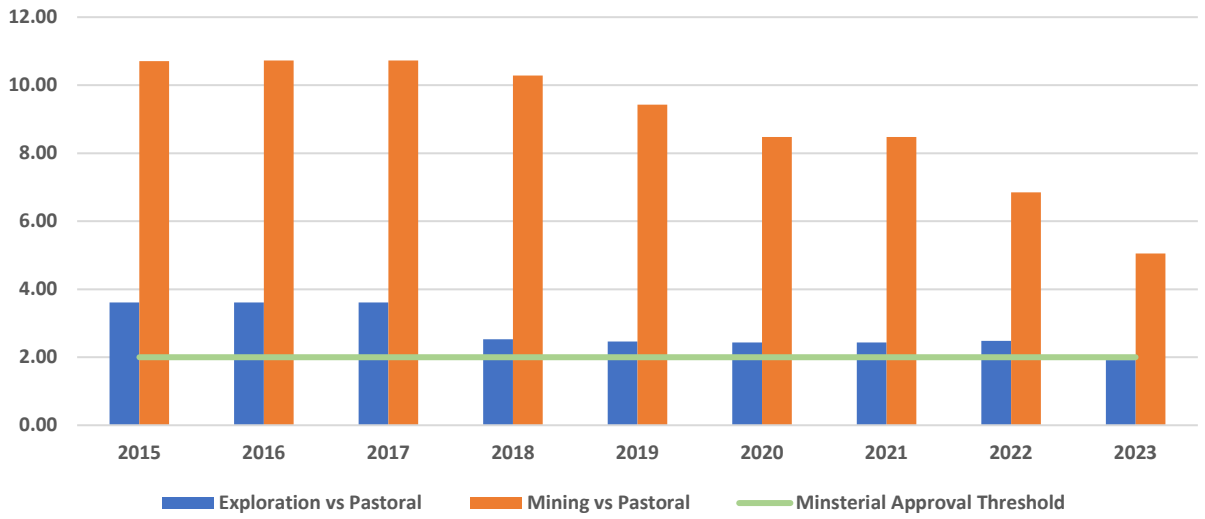
Fig B Murchison Average Rates Yearly Comparison



	2021	2022	2023
UV Pastoral	\$1,725	\$2,000	\$2,313
UV Mining	\$34,926	\$32,754	\$36,249
UV Prospecting & Exploration	\$877	\$1,893	\$2,259

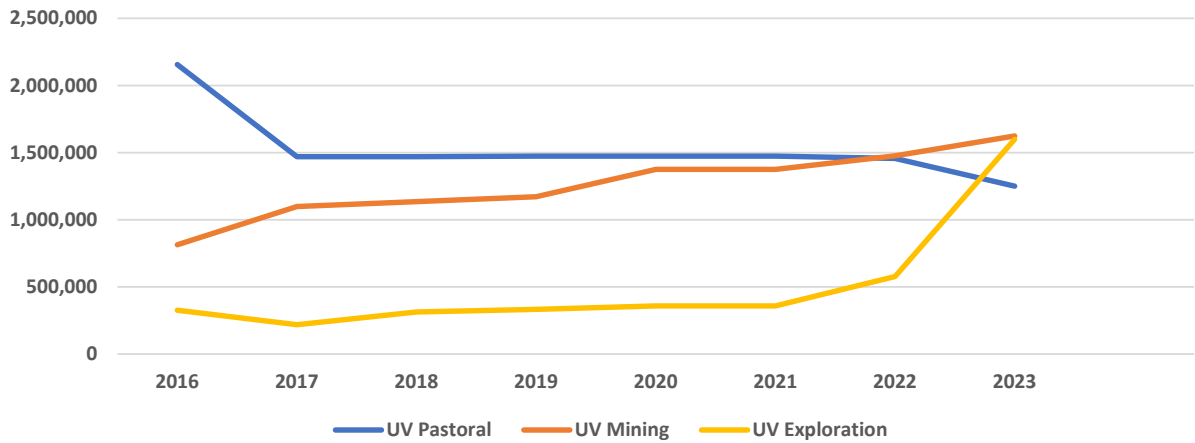
Murchison Shire -Historical Rates Comparison - June 2023

Fig C Murchison Differential Rates Ratio History



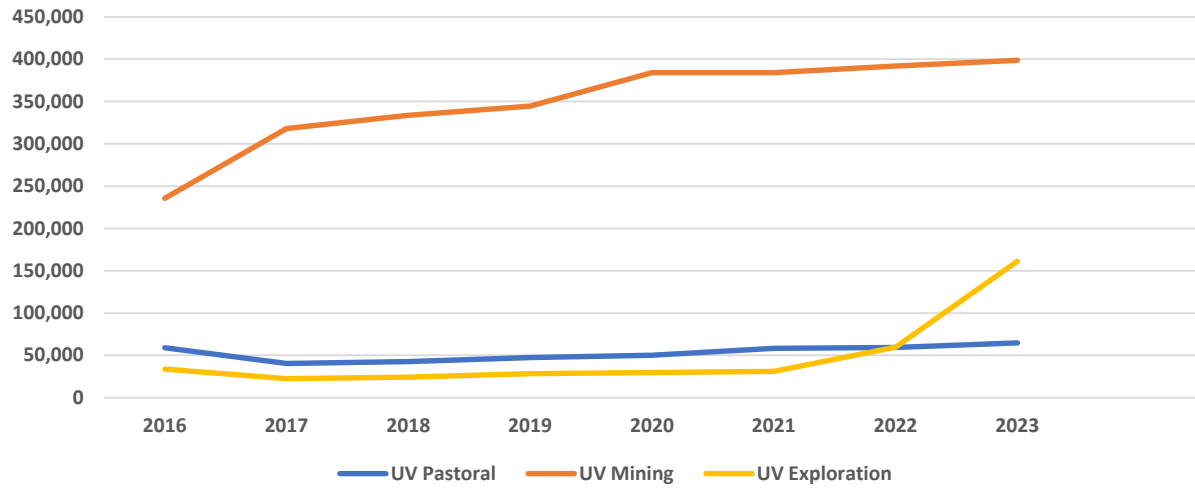
Exploration vs Pastoral	3.61	3.61	3.61	2.52	2.46	2.43	2.43	2.48	1.92
Mining vs Pastoral	10.70	10.72	10.72	10.29	9.42	8.48	8.48	6.85	5.05
Ministerial Approval Threshold	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Rates cents in \$									
UV Pastoral	2.28	2.48	2.48	2.54	2.67	2.70	2.70	2.86	3.12
UV Mining	25.30	26.56	26.56	27.22	28.58	28.95	28.95	29.40	29.40
UV Prospecting & Exploration	8.52	8.95	8.95	9.17	9.63	9.76	9.76	7.21	7.68

Fig D - UV Valuations \$



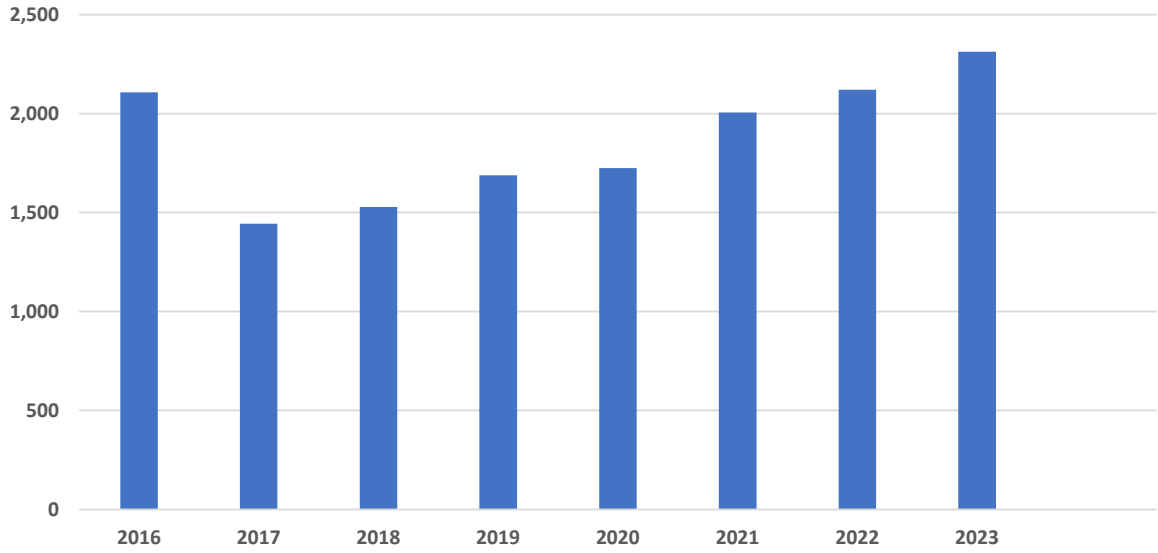
UV Pastoral	2,155,944	1,469,868	1,469,868	1,472,920	1,472,920	1,472,920	1,456,930	1,250,213
UV Mining	813,794	1,097,899	1,135,141	1,172,054	1,375,054	1,375,054	1,476,227	1,624,078
UV Exploration	326,101	218,543	313,069	333,105	358,625	358,625	577,110	1,599,404

Fig E - Sector UV Rates \$



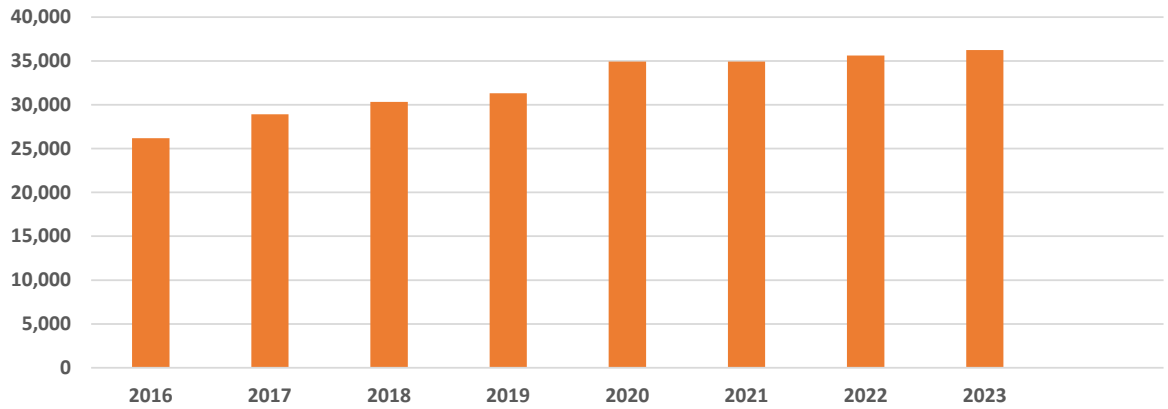
UV Pastoral	59,011	40,425	42,776	47,287	50,016	58,149	59,369	64,752
UV Mining	235,593	318,061	333,734	344,584	384,190	384,190	391,835	398,748
UV Exploration	33,919	22,460	24,428	28,421	29,811	31,191	59,690	161,219

Fig F - UV Pastoral Average Rates \$



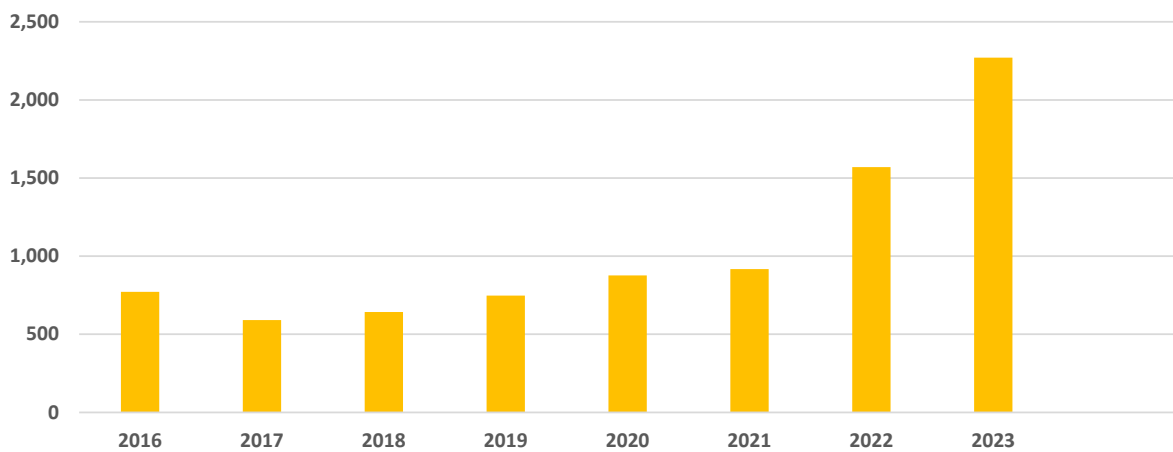
UV Pastoral	2,108	1,444	1,528	1,689	1,725	2,005	2,120	2,313
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Fig G - UV Mining Average Rates \$



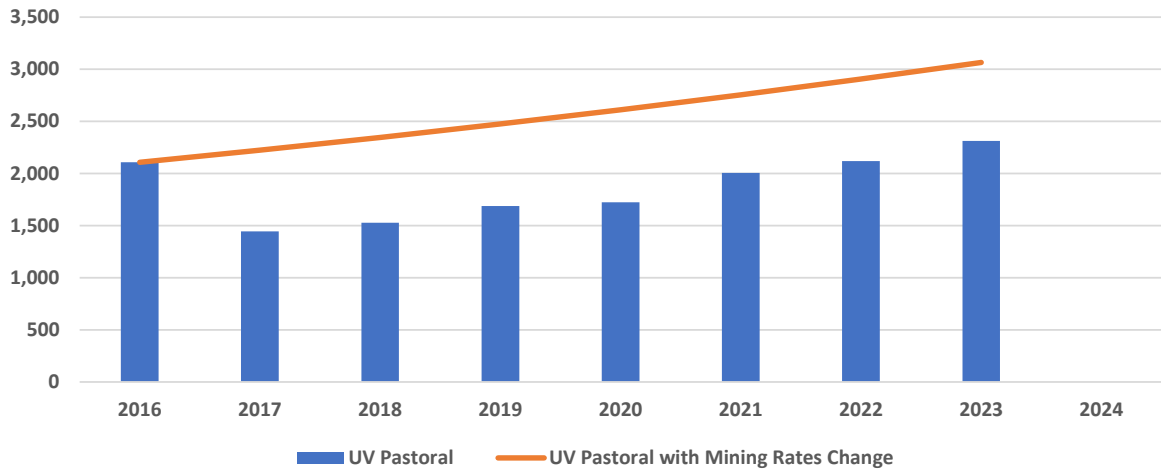
UV Mining	26,177	28,915	30,339	31,326	34,926	34,926	35,621	36,250
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Fig H - UV Exploration Average Rates \$



UV Exploration	771	591	643	748	877	917	1,571	2,271
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Fig I - UV Pastoral Average Rates with Mining Change Comparison \$



UV Pastoral	2,108	1,444	1,528	1,689	1,725	2,005	2,120	2,313
UV Pastoral with Mining Rates Change	2,108	2,223	2,346	2,475	2,611	2,754	2,905	3,065

2016		2023	% per annum
	UV Pastoral Average Rates % Change	9.7%	1.4%
	UV Mining Average Rates % Change	38.5%	5.5%
	UV Exploration Average Rates % Change	194.6%	27.8%
2,108	UV Pastoral Average Rates \$	2,313	
26,177	UV Mining Average Rates \$	36,250	
771	UV Exploration Average Rates \$	2,271	





## 2023/24 Financial Year

### Objects of and Reasons for Proposed Differential Rates and Minimum Payments

#### Council Meeting 25 May 2023

#### Overall Objectives

The purpose of levying rates is to meet a local governments' budget deficiency in each financial year in order to deliver services and facilities as detailed in the Strategic Community Plan and Corporate Business Plan but also address issues that arise from time to time that have impacts on the Council budget.

Historically, Council has imposed differential rates on the basis of whether land is used for pastoral purposes, mining or mineral exploration as it considers that under the general principles of taxation differential rating this is more equitable than a flat rate. It is essential for equity reasons to ensure that differential rating proposals are highly equitable amongst ratepayer groupings, which in themselves are diverse and optimise total rate yields in a legally compliant manner.

Council's overall objective is to balance these complex issues and levy property rates in a fair and equitable manner within Council's overarching philosophy to consider the key values of objectivity, fairness and equity, consistency, transparency, and administrative efficiency.

#### Reasons

##### Context

Murchison located within the broader Mid-West region of Western Australia and is known for being both the least populated local government area, and the only one without a town. Murchison Settlement acts as the heart of the Shire and is home to both the 'Oasis' Roadhouse and Shire Office and all Shire employees. It therefore it has no residential, commercial or industrial rate base in which to draw upon. It does, however, have an important responsibility for the maintenance of a vast network of inland roads, as well as providing support for travellers and locals through the provision of fuel services, a caravan park, recreational services, power, water and an aerodrome. Unlike other local governments these costs are for the most part additional to a normal local government operation.

For the Financial years 2020/21 to 2022/23, Council also acknowledges the strategic importance of the Budget, given the COVID-19 pandemic situation, and desires that all level of governments look to stimulate to assist in the recovery of the economy and council's positive response to this scenario. Like those budgets, the 2023/24 budget will still be affected by these considerations in part as the Council has received significant COVID19 related grants which inevitably require additional top up expenditure and needs to service a road loan associated with this stimulus approach.

More importantly significant changes have occurred since 2017 Council's Asset Management Plan and Long-Term Financial Plan were adopted. A recent review has confirmed a lift in rate revenue is required to fund immediate and long-term works and to address intergenerational issues. In accordance with sound practice as far as practicable rates in the \$ adopted from year to year are set excluding any *Natural Decline or Growth*.

Council is satisfied that the services and facilities it provides are managed efficiently and effectively and that it is adapting in an appropriate manner to the COVID19 environment and with it meeting significant the significant challenges of the times. Council remains of the opinion, one that is shared universally in the Region that it is appropriate to rate differentially in order to meet the budget deficiency.

As part of its drive to ensure efficiency and transparency within the organisation, Council continuously reviews its budget to ensure income and expenditure targets will be met. It also reviews the appropriateness and effectiveness of its risk management, internal control and legislative compliance as required under *Local Government (Audit) Regulations 1996* and reviews the appropriateness and effectiveness of the financial management systems and

procedures of the Shire as per regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.

For consistency, Council has ensured that properties that are used for the same purpose are rated in the same way and has considered and analysed in detailed the rates charged by neighbouring councils in its deliberations. For a very small local government achieving equity across the Pastoral and Mining Sectors is not without its challenges but the variable nature of the Minerals Exploration Sector and small size of the rate base also provides an additional complexity

In line with the latest Rating Strategy Review including a regional rates benchmarking analysis, it is proposed to continue the trend that started in 2021/22 to continue have the mining differential reduce as a ratio compared to the Pastoral Rate. The Prospecting and Exploration Rate will further increase.

**UV – Pastoral**

Current				Proposed			
4.863	cents in the dollar	\$800	Min Payment	8.894	cents in the dollar	\$800	Min Payment

Pastoral UV applies to any land that currently has a pastoral lease granted and is rated as the benchmark level. Council recognises the reduced viability of the sector caused by many years of droughts and floods, the devastation caused by the wild dog problem and noting that many in this category are required supplement their income through non pastoral activities. It also recognises the perpetual nature of the land, use, the long-term commitment of pastoralists to the region, their stewardship of Crown Land and that a non-Shire biosecurity rate is additionally linked to the valuations provided by the Valuer General. Several Pastoral Stations have in recent years also been taken over by the Crown or CSIRO and become non-rateable, thereby further impacting on this rating sector.

**UV – Mining**

Current				Proposed			
24.552	cents in the dollar	\$800	Min Payment	16.941	cents in the dollar	\$800	Min Payment

Mining UV applies to land for which a mining lease has been granted. The mining sector tends to be transitory in nature and benefits from established Shire services and infrastructure which is maintained in the long term with funding assistance by those rate payers who are established long term in the region. A consideration in setting the UV - Mining rate at a higher level than the benchmark UV – Pastoral rate is to ensure that the mining sector’s contribution is proportionate to the advantage it gains in using established facilities, and the relatively short time that the operation exists also noting that if a mine is developed into production, it will often place significant additional impacts on roads. Unlike pastoral sector the mining sector does do not pay a biosecurity rate linked to the valuations provided by the Valuer General, even though the mining/exploration sectors may pose a biosecurity risk.

**UV – Exploration/Prospecting**

Current				Proposed			
9.339	cents in the dollar	\$600	Min Payment	16.941	cents in the dollar	\$800	Min Payment

Exploration/Prospecting UV applies to land for which an exploration/prospecting lease has been granted. As with the UV – Mining sector, the UV - Exploration/Prospecting sector tends to be transitory. Mining licences also have a limited intrinsic value unless minerals are found and mined but the opportunity is still afforded to gain advantage from established facilities. Mining licences also have a high turnover of ownership. If a licence is terminated or the lessee does not pay rates for the period of the licence, the rates are generally not able to be recovered by the local government. Administration of licences for rating purposes is technically complex and disproportionate to that of base level rating. Unlike pastoral sector the mining sector does do not pay a biosecurity rate linked to the valuations provided by the Valuer General, even though the mining/exploration sectors may pose a biosecurity risk.

19 June 2023

Bill Boehm  
Chief Executive Officer  
Shire of Murchison  
PO Box 61  
MULLEWA WA 6630

By email: admin@murchison.wa.gov.au

**SUBMISSION - DIFFERENTIAL RATING 2023/2024**

Thank you for the opportunity to make a submission regarding the proposed rates for 2023/24.

We note that valuations provided by the Valuer General are used in calculating mining tenement rates, and these valuations are based on the rent imposed by the Department of Mines, Industry Regulation and Safety. Any increases in the rent therefore result in an increase in valuations and in turn an automatic increase in rates.

Effective from 1 July 2022, the Department increased the rent rate for exploration licences by 4.79%, prospecting licences by 6.06% and mining leases by 9.09%. With the Shire proposing an increase in the rates in the dollar for 2023/24 from 0.09339 to 0.16941, a significant increase in the actual rates levied will occur as illustrated in the table below.

		<b>2022/23 RID - Es &amp; Ps</b>	<b>0.09339</b>	<b>2023/24 Proposed RID - Es &amp; Ps</b>	<b>0.16941</b>
	<b>2022 Rates</b>	<b>2023 Rates - no change in RID</b>	<b>Percentage increase in rates - no change in RID</b>	<b>2023 Rates - proposed increase to RID</b>	<b>Percentage increase in rates - proposed increase</b>
P (200Ha)	\$308.19	\$326.87	6%	\$592.94	92.4%
E (10sbk)	\$340.87	\$357.22	5%	\$647.99	90.1%

The exploration and mining industry is one of the most significant contributors to the State's economy. It has played an integral role in the development and enduring strength of this State, creating jobs and opportunities across the State but particularly in remote and regional parts of Australia. The industry is undoubtedly critical to the continued economic recovery of the State and country which has been severely impacted by the COVID-19 crisis. While the resources sector is slowly recovering, it continues to be constrained by the ongoing labour, supply and capital shortages stemming from the pandemic and recent world events.

To support the continued contributions made by the resources sector to the State economy it is critical that all government fees are set so as to reduce the cost of doing business in the State in the face of ever increasing international competition wherever possible, and increase and incentivise investment in local exploration to discover vital new resources which benefit the whole of the State.

I would be happy to discuss this matter further on (08) 6467 7997.

Yours faithfully,



Shannon McMahon  
Director  
McMahon Mining Title Services



**murchisonshire**

*Ancient land under brilliant skies*

**Corporate Business Plan**

*Part of Council's Planning for the Future*

**Draft**

**June 2023**

## Preamble

Pursuant to s 5.56 of the Local Government Act 1995 a local government is required to plan for the future its district through the preparation and adoption of various plans in accordance with Division 3 of the Local Government (*Administration*) Regulations 1996 as shown below.

Reg	Plan
19C	<p>Strategic Community Plan</p> <p>The Community Plan Sets out the vision, aspirations and objectives of the community. It also</p> <ul style="list-style-type: none"> <li>Covers a period of at least 10 years and to be reviewed every 4 years</li> <li>Developed with regard to the capacity of current and anticipated resources, strategic performance indicators and demographic trends</li> </ul>
19DA	<p>Corporate Business Plan</p> <p>The Corporate Business Plan</p> <p>Sets out consistently with any relevant priorities as set out in the Strategic Community Plan Council's priorities for dealing with the objectives and aspirations of the community</p> <p>Governs internal business planning by expressing priorities by reference to operations that are within Council's capacity</p> <ul style="list-style-type: none"> <li>Develops and integrate matters relating to resources including <ul style="list-style-type: none"> <li>Asset Management</li> <li>Workforce Planning</li> <li>Long-Term Financial Planning</li> </ul> </li> </ul> <p>Covers a period at least 4 years and to be reviewed annually</p>

This document covers the Corporate Business Plan Elements as highlighted above

## Introduction

The Local Government (*Administration*) Regulations 1996 require the Strategic Community Plan to cover a period of at least 10 Financial Years and be reviewed at least once every 4 years, whilst plans that make up the Corporate Business Plan are to cover a period of at least 4 years and be reviewed annually.

From a practical and operational perspective, Council considers that whilst the period of the Strategic Community Plan and associated priorities within the Corporate Business Plan and Workforce Plan may be appropriate, it is considered that a longer-term 20-year view be taken with respect the actual application of resources through the Asset Management Plan and Long-Term Financial Plan.

In part this will align with more contemporary practice and allows consideration of works that may be required beyond a 10-year period but also recognise as highlighted below under "Background that significant changes have occurred since 2017 when the Strategic Community Plan and Corporate Business were adopted; many of which were previously not on the horizon.

The basis of this approach is also to ensure that mid- and long-term matters are considered annually so that pre-emptive actions can be taken today to mitigate potential future impacts and ensure long-term sustainability, but also importantly and that intergeneration equity matters are considered.

The principle of intergenerational equity holds that, to promote prosperity and quality of life for all, institutions should construct administrative acts that balance the short-term needs of today's generation

with the longer-term needs of future generations. It integral to the operation of society, governments including local government.

In local government this can be highlighted by the way it funds and accounts for the actions that it undertakes.

For instance, in any one year whilst operational cost are paid for by the community of the day some of the costs of replacement of assets should be paid and accounted for in the budget of the time as the residents and ratepayers have enjoyed the benefits of those assets and thereby not overly burden the future local community when assets need to be replaced. Similarly, current residents and ratepayers should not necessarily be required to pay entirely for future works which they have yet to benefit from.

Accordingly, both the Asset Management Plan and Long-Term Financial Plan are to address a period of 20 years each respective plan being prepared on the basis that it will be reviewed each year with year one of the Long-Term Financial Plan, which incorporates asset management aspects, being identical to the actual budget.

As a result, the Long-Term Financial Plan becomes effectively a 20-year budget document and one that can be reviewed and updated as new information comes to light but with the overall aim that it influences and guides the thinking as well as overall operation of the Shire in an integrated manner.

Put simply have regard to “*yesterday*”, look “*today*” but always focus on “*tomorrow*”. This way the future “*today*” will be potentially better than it would have otherwise been, the community grow and develop as a result and the financial costs will be more equitably distributed across the years.

Clearly these aspects require balancing and judgment. The Asset Management Plan and Long-Term Financial Plan aims to improve this balance by highlighting “*yesterday*”, “*today*” and “*tomorrow*”.

As a result, the Corporate Business Plan includes elements based on the above overarching philosophy.

## Background

Since 2017 work has continued to develop the scope of works and in deliver a range of Capital Works identified in the Corporate Business Plan. However various significant changes have occurred as outlined below that need to be considered.

### Murchison Settlement Redevelopment

#### *Murchison Settlement Masterplan*

The adopted in August 2021 the Settlement Masterplan took around 18 months to be finalised and provides a detailed layout of the way the settlement is to be developed. Importantly the Masterplan includes the following “Project Vision” statement which encapsulates the relationship of the Settlement within the context of the broader Shire.

*“To ensure that Murchison Settlement is an attractive focal point that enables the Shire to function successfully and deliver a range of services that will underpin community, cultural and economic development within the Settlement and broader Shire”*

Design principles have been developed to help guide the development of the Murchison Settlement Masterplan.

- ~ To create an attractive activity hub for the community and visitors to Murchison that maintains the existing character, cultural and built qualities of the Settlement.
- ~ Provide functional pedestrian connectivity, improved access, and sight lines throughout the precinct.

- ~ Design a unified landscape character that maximises shade.
- ~ Create a consolidated sequence of spaces and activities for locals and tourists.
- ~ Allow space in design for Geo/Astro tourism and convey the idea of 'The Oasis'.

A range of projects identified (in no priority order) included Community Swimming Pool / Splash Pad, New -Caravan Park Ablution Block, New -Caravan Park 2 Ensuite Units, General Settlement Amenity Improvements, and Playground Upgrade. An Interpretive Centre was also identified but required further scoping and development

#### *Murchison Settlement Roadhouse Precinct Detailed Concept Design*

In 2020/21 it was realised that Roadhouse and Caravan Park layout needed a supplementary review to further develop desired expansion that would dovetail into the wider Settlement Masterplan. Work was undertaken to also review the overall operation of the roadhouse, with Council assuming operational control in March 2021. This included considering the need to provide suitable long-term accommodation for the Roadhouse Management, to improve the functionality of the Roadhouse Business and to explore opportunities for a potential Interpretive Centre.

#### *Murchison Vast Sky Experience Business Case*

Adopted in February 2023 this Business Case evaluated opportunities from the emerging Mid-West space economy, with particular focus on the SKA and Mingenew Space Precinct. In many ways the development with potential transformative effect. It ticks an abundance of boxes such as strategically linking Vast Sky tourism, showcasing SKA / CSIRO, providing an accessible outback feel without camping out, increased GeoTourism and broader tourism within a regional context, purveying local history and pastoral influence, inclusion of local Wadjarli 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 entire business case should be seen as being complimentary to the Murchison Settlement Masterplan and Roadhouse development plans that have already been undertaken. Stage 1 spend is around \$10.4m with further stages foreshadowed totalling \$11.5m over around a 10-year period. Business Case shows a profitable operation after 2 years. Significant levels of external funding will be required with any delivery will likely be very long term without significant external investment.

#### *Murchison Settlement Infrastructure*

Works previously identified to provide a Chlorinator for the Water Supply have been reassessed to include a major upgrade of the supply itself and provision of a new ring main unit to also separate drinking water from parks and gardens irrigation. A significant upgrade of the power supply on top of a planned solar microgrid upgrade also need to be considered.

#### *Local Roads and Community Infrastructure Funds*

Commonwealth Funding from the Local Roads and Community Infrastructure Program is available in 2023/24 and potentially in 2024/25 which is applicable to Settlement Community related projects.

## **Significant Road Considerations**

### *Carnarvon-Mullewa Road Strategic Upgrade*

In February 2020 Council reviewed its strategic approach in the construction and sealing of the Carnarvon-Mullewa Road and varying from a 4.0m seal to a 7.2m seal.

In November 2022 the Shire finally completed sealing to 7.2m width the remaining 9.0km gravel section on the Carnarvon-Mullewa Road between the Murchison Settlement and the southern Shire boundary. Overall, the Shire has constructed and sealed to a 7.2m width 35.42km since 2021. In part this accelerated program was aided by additional road grants but also by a \$2.0m roadworks loan taken out in 2020/21 as part of a COVID19 Stimulus approach.

Construction and sealing of the remaining 27.6km within the City of Geraldton is still to be done an element that Council is encouraging the City to do. Rehabilitation and widening of existing 4.0m sealed sections is planned. Further strategic work involving potential construction of some passing lanes in

sections north of the Murchison Settlement in accordance with Main Roads WA Roads 2040 Strategy is also possible.

#### *Local Roads and Community Infrastructure Funds*

Significant increases in Commonwealth Road Funding from the Local Roads and Community Infrastructure Program have been received and applied upgrade works on the Carnarvon-Mullewa Road. This is programmed to continue for 2025/26 for rural, regional and outer suburban roads.

#### *Main Roads WA Regional Road Funds*

The Carnarvon- Mullewa Road is the only road within the Shire classified of such strategic importance to potentially attract funds Main Roads Regional Road Group Funds on a 2 for 1 basis for more than one road funding project per annum. Changes in scoring criteria provide increased scope to construct and or rehabilitate sections moving forward.

#### *SKA Route Works*

The Shire has been assigned the responsibility to undertaker works on the SKA Road Route to assist in the establishment of the SKA Project on Boolardy Station for a five-year period commencing 2022/23. Almost all of the roads affected are the responsibility of Council meaning that external funds are being provided on roads that would have otherwise had to be funded from Councils own revenue sources.

### **Strategic Community Plan Linkages**

Corporate Business Plan sets out consistently with any relevant priorities as set out in the Strategic Community Plan Council's priorities for dealing with the objectives and aspirations of the community and Governs internal business planning by expressing priorities by reference to operations that are within Council's capacity

The Structure of the Plan aligns within the framework of Council's Community Strategic Plan as a means to deliver the Shires Vision of

***“Working together to preserve the unique character of the Shire, supporting diverse and sustainable lifestyle and economic priorities.”***

This vision is proposed to be achieved through the following four well-being priorities.



#### **Economic**

**To develop the region's economic potential to encourage families and businesses to stay in the area**



#### **Environmental**

**To improve the sustainability of land use and improve the condition of the environment**



#### **Social**

**To develop, co-ordinate, provide and support services and facilities which enhance the quality of life in the Shire**



#### **Civic Leadership**

**To provide good governance to the Murchison Shire**



## Risks

It is important to consider the external and internal context in which the Shire of Murchison operates, relative to risk, in order to understand the environment in which the Shire seeks to achieve its strategic objectives.

The external and internal factors identified and considered during the preparation of this Strategic Community Plan are set out in the following Table.

<b>External Factors</b>	<b>Internal Factors</b>
Increasing community expectations in relation to service levels and service delivery	The objectives and strategies contained in the Council's current Community Strategic Plan
Rapid changes in information technology changing the service delivery environment	The timing and actions contained in the Council's Corporate Business Plan
Increased compliance requirements due to Government Policy and Legislation	Organisational size, structure, activities and location
Cost shifting by Federal and State Governments	Human resourcing levels and staff retention
Reducing external funding for infrastructure and operations	The financial capacity of the Shire
Changes in mining and pastoral practices and the associated social impacts	Allocation of resources to achieve strategic outcomes
Climate change and subsequent response	Maintenance of corporate records

## Strategies Actions and Alignment

Details of Strategies and Actions with comments in relation to achievement of outcomes under the Community Strategic Plan are attached

Also included is the alignment with the various services and facilities that are delivered by Council

## Financial Implications


Financial implications associated with delivering the Corporate Business Plan are outlined in the Asset Management Plan, Long Term Financial Plan and Annual Budget which also includes projections for a 4-year period.

## Previous

28 September 2017

## Corporate Business Plan - Strategies &amp; Actions Outline - June 2023

Alignment with Strategic Community Plan 2016/17 - 2026/27

Strategy	Action No	Actions	Desired Trends & Comments	2023	2024	2025	2026	2027
 <b>Economic well-being</b> To develop the region's economic potential to encourage families and businesses to stay in the area	<b>Outcome 1.1 Maintenance and upgrade of road network</b>			<i>Aim for improved road safety and increased seal widening on the Carnarvon-Mullewa Road</i>				
	1.1.1	To develop, maintain and improve an efficient road system to support the transport requirements associated with the pastoral and mining industries and tourism						
	1.1.1.1	current Lobbying State and Federal Governments to adequately fund roads	Ongoing	•	•	•	•	•
	1.1.1.2	current Maintaining an effective working relationship with Main Roads WA	Ongoing	•	•	•	•	•
	1.1.1.3	current Continue road improvement program	Ongoing. Member of Main Roads Mid West Regional Roads Group and Murchison Sub Group	•	•	•	•	•
	1.1.1.4	current Install safety signage at entry points to the Shire, including 'drive to conditions', UHF frequencies, 'no mobile service', carry enough water	New Entrance Signs installed. Safety signs part you Roadside bay installation		•	•		
<b>Outcome 1.2 Tourism Development</b>			<i>Increase visitor numbers and longer duration of stay</i>					
1.2.1	To promote and support a sustainable tourism industry in the Shire of Murchison							
	1.2.1.1	current Construction / development of an Interpretive Centre in the Murchison Settlement	Part of Murchison Vast Sky Business Case which requires substantial funding for it to proceed					
	1.2.1.2	current Expansion of Murchison Settlement Caravan Park's accommodation facilities and construction of a camp kitchen			•			
	1.2.1.3	new Construction of Facilities as identified in the Murchison Settlement Masterplan			•		•	
	1.2.1.4	new Upgrade of Roadhouse Accommodation and Facilities as identified in the Murchison Roadhouse Development Plan				•	•	
	1.2.1.5	new Construction of Facilities as identified in the Murchison VAST Sky Business Case	Inclusion subject to additional new external funding					

Corporate Business Plan - Strategies & Actions Outline - June 2023

Alignment with Strategic Community Plan 2016/17 - 2026/27

Strategy	Action No	Actions	Desired Trends & Comments	2023	2024	2025	2026	2027	
<b>Outcome 1.3 Economic development</b>			<i>Water and Electricity Supply upgraded</i>						
1.3.1 Retain existing industries and encourage the establishment of new industries to broaden the region’s economic base through the provision of residential and industrial land / buildings in Murchison Settlement	1.3.1.1	current Explore options for the provision of land for residential and industrial development options in the Murchison Settlement	To be reviewed at a later date						
	1.3.1.2	current Dissemination of information on employment and training opportunities within Shire and other organisations to the community	To be reviewed at a later date						
	1.3.1.3	current Provide training and employment opportunities for the local community	Ongoing	•	•	•	•	•	
1.3.2 The water supply to the Murchison Settlement is currently non-potable. Provision of a safe water supply is important to there ongoing amenity and development of the Settlement	1.3.2.1	complan Provision of a safe water supply to the Murchison Settlement		•	•				
1.3.3 Update of the Settlement electricity supply network including use of renewable sources	1.3.3.1	new Upgrade supply at Powerhouse to achieve a quieter and more reliable operation		•	•				
	1.3.3.2	complan Provision of power from renewable sources at the Murchison Settlement					•		
1.3.4 Murchison Oasis Roadhouse and Caravan Park to be an attractive focal point that enables the Shire to function successfully and deliver a range of services that will underpin the community, cultural and economic development of the Settlement and broader Shire	1.3.4.1	new Manage and operate the Murchison Oasis Roadhouse and Caravan Park to fulfill strategic aims	Ongoing operation and management	•	•	•	•	•	
	1.3.4.2	new Introduce and implement a point of sale management system		•	•	•	•	•	
	1.3.4.3	new Introduce a local incentive scheme			•				

Corporate Business Plan - Strategies & Actions Outline - June 2023

Alignment with Strategic Community Plan 2016/17 - 2026/27

Strategy	Action No	Actions	Desired Trends & Comments	2023	2024	2025	2026	2027
 <p><b>Environmental well-being</b>  <b>To improve the sustainability of land use and improve the condition of the environment</b></p>								
<b>Outcome 2.1 Waste Management</b>				<i>Reduction in waste going to landfill</i>				
2.1.1 Develop and implement programs to reduce and control littering Develop and implement programs to encourage community ownership of the road side litter issue	2.1.1.1	current Develop and implement programs to encourage community ownership of the road side litter issue		•	•	•	•	•
	2.1.1.2	current Better community engagement, signage encouraging 'respect for country' and encouraging people to take litter with them or leave it at rubbish facilities within the settlement.	Ongoing	•	•	•	•	•
	2.1.1.3	current Provision of more bins at the roadhouse and caravan park to deal with this	Ongoing Review on an as required basis	•	•	•	•	•
<b>Outcome 2.2 Energy efficiency</b>				<i>Policy developed. Application incorporated into operational practices</i>				
2.2.1 Develop a policy to assess energy efficiency of appliances and other assets as part of the acquisition process	2.2.1.1	current Develop a policy for assessing energy efficiency as part of the acquisition process for appliances and other assets	Reviewed and updated on an ongoing basis			•		
	2.2.1.2	current Replacement of existing appliances and other assets with more energy efficient models as part of the infrastructure maintenance and upgrade program	Ongoing brief with budgeted purchases	•	•	•	•	•


Corporate Business Plan - Strategies & Actions Outline - June 2023

Alignment with Strategic Community Plan 2016/17 - 2026/27

Strategy	Action No	Actions	Desired Trends & Comments	2023	2024	2025	2026	2027
<b>Outcome 2.3 Environmental initiatives</b>			<i>As below</i>					
2.3.1 To protect and rehabilitate the Shires natural environment and support the pastoral industry	2.3.1.1	Continued support for community groups	Ongoing					
	2.3.1.2	Develop a strategy for managing drainage in relation to flood and storm water on roads with other stakeholders	Policy developed. Incorporated into road design and road maintenance practices	•	•	•	•	•
	2.3.1.3	Pursue funding opportunities for control of noxious weeds and declared animals	Ongoing	•	•	•	•	•
	2.3.1.4	Continued support for community groups controlling noxious weeds and declared animals	Ongoing	•	•	•	•	•
	2.3.1.5	Continuation of Bunding and Remediation of Old Roads and Borrow Pits	Ongoing	•	•	•	•	•
	2.3.1.6	Prepare an evidence based report to support off reserve remediation work including downstream dispersal						
	2.3.1.7	Small Scale support for Vermin Control	Provision of vermin control bounty scheme	•	•	•	•	•

Corporate Business Plan - Strategies & Actions Outline - June 2023

Alignment with Strategic Community Plan 2016/17 - 2026/27

Strategy	Action No	Actions	Desired Trends & Comments	2023	2024	2025	2026	2027	
 <b>Social well-being</b> To develop, co-ordinate, provide and support services and facilities which enhance the quality of community life in the Shire	<b>Outcome 3.1 Infrastructure upgrade and improvement</b>								
	<i>As below</i>								
3.1.1 Maintain and improve infrastructure within the Shire to support social and economic activities (buildings and other infrastructure)	3.1.1.1	current Explore and pursue funding opportunities to support the Shire’s capital works and maintenance programs	Ongoing	•	•	•	•	•	
	3.1.1.2	current Follow up plans and ideas of disbanded cemetery committee	Ongoing	•	•	•	•	•	
	3.1.1.3	current Complete development of the cemetery	Ongoing	•	•	•	•	•	
	3.1.1.4	complan Refurbishment of Community Centre	Part of Murchison Settlement Redevelopment Works	•	•	•	•	•	
<b>Outcome 3.2 Emergency services</b>		<i>As below</i>							
3.2.1 Supply resources for, and co-ordinate delivery of, emergency services within the Shire	3.2.2.1	current Bush fire brigade training	Ongoing	•	•	•	•	•	
	3.2.2.2	current St John Ambulance First Aid training to be held at Murchison Settlement	Ongoing	•	•	•	•	•	
	3.2.2.3	new Further development of the Local Emergency Management arrangements	Ongoing	•	•	•	•	•	
	3.2.2.4	complan Bushfire Brigade Fast Attack purchase	Subject to successful funding application	•	•				

Corporate Business Plan - Strategies & Actions Outline - June 2023

Alignment with Strategic Community Plan 2016/17 - 2026/27

Strategy	Action No	Actions	Desired Trends & Comments	2023	2024	2025	2026	2027
<b>Outcome 3.3 Provision of health service information</b>			<i>As below</i>					
3.3.1 Shire to act as a reference point for the provision of health and well-being information for local residents	3.3.1.1	current Gather information on health services provided in neighbouring communities and develop methodologies for communicating to the local community	Ongoing	•	•	•	•	•
	3.3.1.2	current Establish a central information hub advising contact details and resources for services available in surrounding districts	Ongoing maintenance of Community mailing list	•	•	•	•	•
<b>Outcome 3.4 Provision of Education Support</b>			<i>As below</i>					
3.4.1 Provide support for access to Educational opportunities	3.4.1.1	new Continue support of School of the Air and ICPA	Ongoing	•	•	•	•	•
	3.4.1.2	new Explore options for inclusion of educational facilities in any upgrade of the Community Centre	Part of Murchison Settlement Redevelopment Works					

Corporate Business Plan - Strategies & Actions Outline - June 2023

Alignment with Strategic Community Plan 2016/17 - 2026/27

Strategy	Action No	Actions	Desired Trends & Comments	2023	2024	2025	2026	2027	
 <p>Civic Leadership well-being To provide good governance to the Murchison Shire</p>	<b>Outcome 4.1 Workforce planning</b>								
	<i>As below</i>								
4.1.1 Development of a Workforce Plan to ensure human resources can be optimised to achieve the Shire’s strategic objectives	4.1.1.1	current Seek funding for development of a Community Development Officer position to implement actions to achieve Council’s strategic objectives	Position incorporated into Shire Staff	•	•	•	•	•	
	4.1.1.2	new Update and review Workforce Plan	Workforce Plan updated reviewed and implemented operationally	•	•	•	•	•	
<b>Outcome 4.2 Regional collaboration</b>		<i>As below</i>							
4.2.1 Work collaboratively with neighbouring shires, state and federal government and private enterprise to ensure the efficient and effective use of the Shire’s scarce resources	4.2.1.1	current Identify opportunities where collaboration can achieve greater outcomes for the local community than the Shire could achieve acting in isolation	Ongoing. Includes councillor representation on the WALGA Murchison Country Zone and CEO representation on the Murchison Economic Group	•	•	•	•	•	
<b>Outcome 4.3 Financial planning and management</b>		<i>As below</i>							
4.3.1 To responsibly manage Council’s financial resources to ensure optimum value for money and sustainable asset management	4.3.1.1	current Identify opportunities where collaboration can achieve greater outcomes for the local community than the Shire could achieve acting in isolation	Ongoing	•	•	•	•	•	
	4.3.1.2	current Adopt an asset management and replacement strategy that minimises the net cost of replacing assets	Major review in 2023. Ongoing updates each year thereafter	•	•	•	•	•	
	4.3.1.3	current Assess all potential funding sources, particularly grants to enable the maximisation of community benefit from	Ongoing	•	•	•	•	•	
<b>Outcome 4.4 Strategic planning</b>		<i>Full review of Community Strategic Plan completed</i>							
4.4.1 Ongoing reviews of the Community Strategic Plan	4.4.1.1	current A full review of the Strategic Community Plan will be scheduled for four years from when it is adopted			•	•			



Corporate Business Plan - Strategies & Actions Outline - June 2023

Alignment with Strategic Community Plan 2016/17 - 2026/27

Strategy	Action No	Actions	Desired Trends & Comments	2023	2024	2025	2026	2027
<b>Outcome 4.5 Asset management</b>			<i>As below</i>					
4.5.1	4.5.1.1	current Maintain an Asset Management Plan	Major review for a 20 year period in 2023. Ongoing updates each year thereafter					
<b>Outcome 4.6 Communication Strategies with the Community including more involvement with Pia Wadjarri &amp; CSIRO</b>			<i>As below</i>					
4.6.1	4.6.1.1	complan Publication and distribution of the Shire's bi-monthly newsletter (the Monologue)	Ongoing	•	•	•	•	•
	4.6.1.2	complan Hosting Community Meetings and Forums	Ongoing	•	•	•	•	•
	4.6.1.3	complan Email communication on developing issues	Ongoing	•	•	•	•	•
	4.6.1.4	complan Shire councillors and staff to attend CSIRO Stakeholder meetings	Regular representation and reports back to Council	•	•	•	•	•
	4.6.1.5	new CSIRO & SKAO representatives to be provided with opportunities to address Council at Council Meetings	Ongoing	•	•	•	•	•
	4.6.1.6	new Shire representatives regular attend PIA functions	Ongoing	•	•	•	•	•
4.6.2	4.6.2.1	new Support local workshops and cultural development opportunities where there is alignment with local community development actions	Ongoing. Increased participation	•	•	•	•	•

Corporate Business Plan - Services & Facilities Alignment with Strategic Actions

Services

Outcomes



Economic



Environmental



Social



Civic Leadership

Services	Economic	Environmental	Social	Civic Leadership
Aged Care		2.3.1		
Airport	1.2.1		3.1.1	4.3.1
Animal Control		2.3.1		
Building Control	1.2.1			
Building Maintenance	1.1.1	2.2.1	3.1.1	4.3.1, 4.5.1
Bush Fire Control			3.2.1	
Cemetery			3.1.1	
Community Cultural Development	1.2.1, 1.3.1			4.6.1, 4.6.2
Community Information Services			3.3.1,	4.6.1
Economic Development	1.2.1, 1.3.1			
Elected Member Support				4.2.1
Environmental Health			2.1.1, 3.3.1	
Financial Management				4.3.1
Food Inspections			3.3.1	
General Administration				4.5.1
Human Resource Management				4.1.1
IT systems				4.3.1
Library			3.1.1	
Parks Gardens & Reserves	1.2.1	2.3.1	3.1.1	4.5.1
Public Buildings for Hire			3.1.1	4.3.1
Ranger Services		2.3.1		
Recreation & Sporting Services	1.3.1	2.3.1		
Recreation Facilities		3.1.1		4.3.1, 4.4.1
Roadhouse & Caravan Park	1.2.1, 1.3.4	2.1.1, 2.3.1	3.1.1	4.3.1, 4.5.1
Roads Infrastructure	1.1.1			
Town Planning	1.2.1			4.4.1
Transport Registration				4.3.1
Verges and Footpaths	1.1.1			
Vermin & Weed Control		2.3.1		
Visitors / tourist centre	1.2.1		3.1.1	
Waste Management		2.1.1		



**murchisonshire**

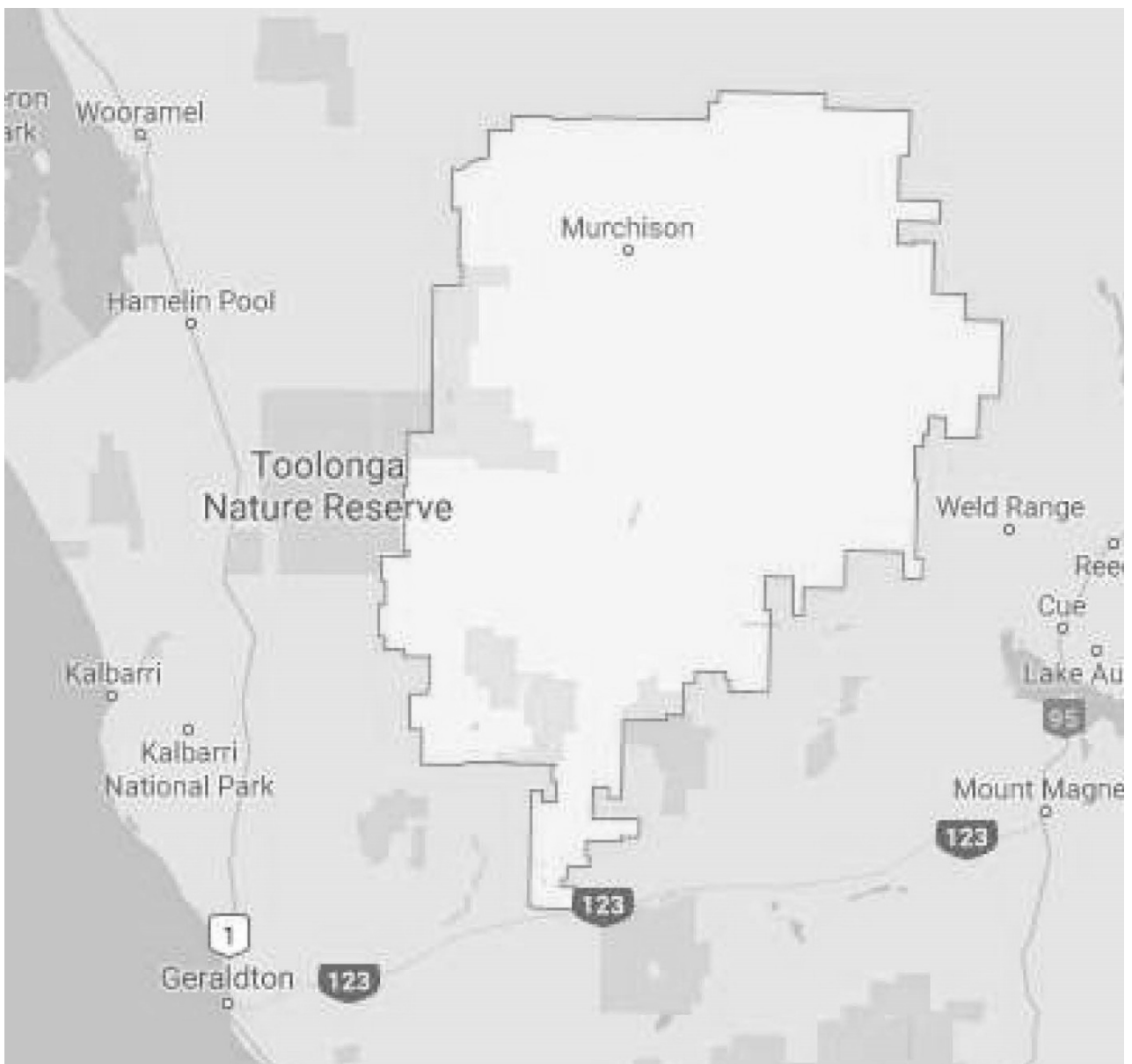
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A wide-angle landscape photograph showing a rocky plateau with sparse vegetation. The foreground is dominated by a rocky, reddish-brown cliff face with horizontal layers. The middle ground is a flat, rocky plain covered with low-lying green and yellow shrubs. The background is a vast, flat expanse of land stretching to the horizon under a clear, light blue sky.

**Murchison Shire Annual Report**  
**For the year ending 30 June 2022**

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## Overview

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

This year's 2021/22 Annual Report was finalised and adopted by Council at its Ordinary Meeting on 22 June 2023.



## Shire Information

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Web Page	www.murchison.wa.gov.au		
Office Hours	8.00am to 5.00pm Monday to Friday		
Road Condition Reports	www.murchison.wa.gov.au/road conditions		
Population	153	Land Area	49,500 sq km
Electors	75	Length of sealed roads	142km
Employees	19	Length of unsealed roads	1,806 km
Local Government Classifications	WA - Band 4	Australian - Rural Remote Extra Small (RTX)	

## Overview

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

The Settlement has twelve dwellings, the Shire Office, the district museum, roadhouse, community centre, cricket pitch and practice nets, one tennis court and two lawn bowls rinks under lights, stables and horse yards, five polocrosse fields and three ablution/toilet blocks.

Since taking on management of the Roadhouse all 28 people who reside in the Settlement are either Shire employees or related to Shire employees. Electricity and water supplies are owned and run by the Council. It is the engine room for the entire operation of the Shire.

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

The surrounding country is mainly used for pastoral purposes, predominantly cattle and sheep. The Murchison River catchment has a significant influence, with sporadic and widespread flooding a feature to be managed.

Tourism continues to develop and expand, with some stations involved in station stays. The Murchison Oasis Caravan Park and motel units located at the Settlement provide facilities for tourists and contractors. There is also an increased number of mining companies in the exploration stage within the Shire.

The Murchison Radio Astronomy site (MRO) has been developed by CSIRO on a portion of the Boolardy pastoral lease and will be the location for the Australian component of the Square Kilometre Array, which will be

developed in future years as part of an international, ground breaking science project with state-of-the-art radio telescopes.

The Shire of Murchison is one of the older Local Governments in Western Australia, having its origins in the Murchison District Roads Board, established 31<sup>st</sup> August 1875, and the Upper Murchison Roads Board established 12<sup>th</sup> July 1907.

These two were amalgamated in 1911 as the Murchison Roads Board. In July 1961, under the provisions of the Local Government Act, the Roads Board became the Shire of Murchison. In 2004 a portion of the then Mullewa Shire was added to the Murchison Shire.

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

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



**Branding**

At its March 2018 ordinary Meeting, Council adopted a new tag line for the Shire of Murchison namely

*"Ancient land under brilliant skies"*

During the year with the assistance of Cr E Foulkes-Taylor and Frances Pollock; graphic designers Identify Perth prepared various concepts which were presented to the February 2020 Council Meeting.

At this meeting Council adopted the logo as shown, with a capital M coloured to represent our ancient land and brilliant skies, and written as **murchisonshire** - a change from Shire of Murchison

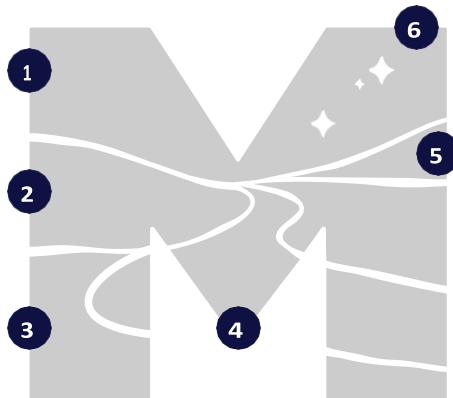
Explanation and rationale for Council's new logo is as follows:



**murchisonshire**  
*Ancient land under brilliant skies*

**ILLUSTRATIONS**

- 1. Nights Sky
- 2. Green Foliage
- 3. Red Rocks
- 4. Murchison River
- 5. Low Clouds
- 6. Brilliant Stars



**TYPOGRAPHY**

The strong, bold and confident typography that has been used for the key 'M' is accented with subtle rounded edges to give it a friendly feel.

Use of lowercase for 'murchison shire' was at the request of the client, to complement existing tone of voice - friendly and approachable - and is consistent with communications already in circulation.

The tagline 'Ancient land under brilliant skies' in a hand stroked script lettering underlines the words 'murchison shire' adding strength to the name and complementing the hand drawn style of the illustration.

**COLOURS**

The colour palette is inspired and taken from the vibrant spectrum of colours experienced and seen within Murchison. Used tastefully within the 'M' to create a colourful landscape. We have also drawn inspiration from the mural located in the Murchison Sports Community Centre that was said to encapsulate the *essence* of the Shire.







## President's Report



The financial year of 2021/2022 was a bit different to other years I have experienced on Council because so many of our activities were adjusted to accommodate COVID. I feel our Shire came through the quite challenging period in relatively good shape compared to many other parts of the country.

During the past twelve months the RFDS has made a couple of very welcome (and a bit overdue given the attention some other joints get in my biased opinion) visits to the Settlement to carry out COVID vaccinations, plus a few other items of health-related assistance.

On December the 18<sup>th</sup> 2021 at the annual Christmas function in the Settlement, Lucia and Steve Human from Yallalong were welcomed as Australian citizens in a short, formal ceremony. Congratulations Lucia and Steve for travelling the various roads that have led to you becoming brand new Australians living in the Murchison.

On December the 18<sup>th</sup> 2021 at the annual Christmas function in the Settlement, Lucia and Steve Human from Yallalong were welcomed as Australian citizens in a short, formal ceremony. Congratulations Lucia and Steve for travelling the various roads that have led to you becoming brand new Australians living in the Murchison.

As you may already know, long-term Murchison resident Jano Foulkes Taylor, died at Yuin on January 31<sup>st</sup>. Jano was a generous contributor of her time and energy to the Murchison community. You don't have to look around the Settlement too far before spotting something that she contributed to, from trees planted and artworks hung to the Museum etc.

Tenders were awarded for the flood damage work that is scheduled to be done around various parts of the Shire. Most of the work is in the northern half of the Shire. THEM Earthmoving and Squires Resources are the two operators that have won the tenders, with work due to start from around August 2022 onwards and planned to take about 10 months or so.



RSM in Geraldton has won a contract to assist the Shire administration with our financial management going forward. The Local Government law makers could never be accused of keeping what, I reckon, is the reasonably logical process of financial record keeping and management, very common sense or logical. RSM have good experience in these processes however, and we look forward to working with them

I wish I had a more substantial update on the Optic Fibre connection that Pia and the Settlement have been promised, but I can only say that the new Federal Govt has committed to carrying this out, so hopefully some initial components of the project, with on ground activities, will occur in the 2022-2023 financial year.

The Oasis Roadhouse under the Shire's management continues to provide a valuable service to locals and visitors alike. Council has recently adjusted the opening hours to better manage the workload on the operators. The opening hours, while slightly reduced, are I feel, still as good, or better, than many similar sized operations within the region.

CEO Bill Boehm has committed to two more years meaning his current contract will wind up in August 2024. Council looks forward to working with Bill on what looks like a couple of reasonably full years ahead.

With the support of the Midwest Development Commission, there are a couple of exciting projects

continuing to be worked through. Encouraging Geotourism through the Murchison Geo-Region initiative, planning and budgeting for improved facilities around the Settlement as part of developing a Murchison SKA Experience, and a concerted push to continue sealing the Carnarvon/Mullewa Rd from the Settlement to our Shire's south boundary are all such projects.

Poor old COVID 19 gets blamed for just about everything these days I think, but I'm going to add to that because the restrictions in the early stages of the pandemic, followed by the backlog of work, has meant the Shire has not been able to follow through with its plans to build an additional ablution block for the Roadhouse/Caravan park. This is most disappointing, and Council will continue its efforts to get this underway as soon as possible.

Thank you to my fellow Councillors for your continuing efforts towards guiding the Shire in a positive and sustainable direction. Thanks also to the Shire Crew, both administration and works who, along with many volunteers, keep the whole operation running.

*Roscoe Foulkes-Taylor*  
President

## Governance

### Elected Members

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



*Cr Roscco Foulkes-Taylor - Yuin Station*

*President*

*Term Expires Oct 2023*

*Member Audit Committee, Murchison Community Fund Management Committee, Local Emergency Management Committee, Plant Working Group, Settlement Drinking Water Working Group, Settlement Power Supply Working Group, SKA Stakeholder Meeting Representative, Murchison Regional Road Group and WALGA Zone Delegate*



*Cr Andrew Whitmarsh - Byro Station*

*Deputy President*

*Term Expires Oct 2023*

*Member Audit Committee, Wild Dog Control Working Group, Murchison Settlement Redevelopment Working Group, SKA Stakeholder Meeting Representative and WALGA Zone Delegate*



*Cr Quentin Fowler - Mt Narryer Station*

*Member*

*Term Expires Oct 2023*

*Member Audit Committee, Settlement Drinking Water Working Group.*



*Cr Emma Foulkes-Taylor - Yuin Station*

*Member*

*Term Expires Oct 2025*

*Member Murchison Settlement Redevelopment Working Group, SKA Stakeholder Meeting Representative and Murchison GEO Region Working Group, WALGA Zone Delegate, Monologue Editor and Council Document Editor. Cr Emma Foulkes-Taylor has also been separately appointed as a Local Government Representative on the Mid-West Development Commission.*

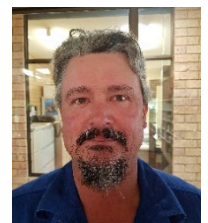


*Cr Michelle Fowler - Mt Narryer Station*

*Member*

*Term Expires Oct 2025*

*Member Murchison Settlement Redevelopment Working Group, Information Bay Working Group*



*Cr Greydon Mead - Bullardoo Station*

*Member*

*Term Expires Oct 2025*

*Member Plant Working Group, Settlement Power Supply Working Group and Wild Dog Working Group*



*Cr Paul Squires - Twin Peaks Station*

*Member*

*Term Expired Oct 2023*

*Member Plant Working Group, Settlement Drinking Water Working Group and Murchison Regional Road Group*

## Councillor Meeting Attendance

There were 11 Ordinary Meetings, and 1 Electors Meeting of Council held between 1 July 2021 and 30 June 2022. A breakdown of Councillors' presence at meetings is detailed in the following table with both number of meetings attended, and number scheduled shown

Councillor	Term	Ordinary Meeting	Electors Meeting	Total	
Cr Roscco Foulkes-Taylor	President	Full Year	11-11	1-1	12-12
Cr Andrew Whitmarsh	Deputy President	Full Year	10-11	1-1	11-12
Cr Quentin Fowler	Member	Full Year	10-11	1-1	11-12
Cr Michelle Fowler	Member	17.10.21 – 30.06.22	8-8		8-8
Cr Emma Foulkes Taylor	Member	Full Year	11-11	1-1	12-12
Cr Greydon Mead	Member	01.07.21 – 16.10.21 28.11.21 – 30.06.22	10-10	1-1	11-11
Cr Paul Squires	Member	01.07.21 – 16.10.21	3-3	1-1	4-4

Other meetings attended also included Audit Committee, Local Emergency Management Committee, various Working Groups and Tender Assessment Panels. External meetings attended as Council representatives included Regional Road Group and Murchison sub-Regional Road Group, SKA Stakeholders and WALGA Zone Meeting (Cue Parliament).

## General

Council formally deliberated on a large array of governance matters during the year as per the following highlights:

Following consolidation of its 2005 Policy Manual in 2020/21 Council reviewed and updated Policies 1.2 Public Question Time, 1.8 Australian Citizenships, 3.2 Staff Housing, 4.5 Financial Hardship, 4.7 Fraud Control, 5.3 Roadhouse Fuel, 6.1 Roads and 6.2 Private Works. Council also adopted new policies 5.5 Community Garden and 5.6 Community Paddock.

Council successfully negotiated with Mid-West Freight to extend the contract for the Provision of Freight Services to the Murchison Settlement pending a review of the scope of services required. Following this review tenders were sought with Council accepting a fixed price service option from Mid-West Freight.

Council endorsed Cr Emma Foulkes Taylor's application to be a Board Member to Mid-West Development Commission and was pleased that this application was accepted.

That in relation to submissions to the State Government's Local Government Reform Process, Council predominately accepted WALGA's general views but also provided specific comments which were then separately sent to the WALGA, and the Minister for Local Government as follows.

Reforms 3.1 Recording and Live Streaming of All Council Meetings and 3.5 Chief Executive Officer Key Performance Indicators (KPI's) be published were not supported

Reform 4.3 Introduction of Preferential Voting was supported for single position vacancies with support for Proportional Representation for multi position vacancies.

Support for random order ballot papers was also recommended.

Reform 4.5 Tiered Limits on the Number of Councillors with limit of 5 councillors for Shires with a population of up to 5,000 was not supported

Reform 5.4 Local Governments may pay Superannuation Contributions for Elected Members was not supported as was thought that increasing the allowance would be a simpler method to achieve the desired outcome of providing more encouragement to recruiting potential councillors

Council formally advanced the case for increased strategic importance of the Carnarvon-Mullewa Road.

In part this initially involved Council writing to the City of Greater Geraldton formally advising of the impacts of the City's current practices in relation to road closures on the Carnarvon-Mullewa and Beringarra- Pindar Roads. The City were also advised as to the work that Council is undertaking to upgrade this Road, highlighting the importance of this road to the Murchison Shire and region. Council also requested that the City include seal construction projects on this road within their City as part of future Main Roads WA Mid-West funding submissions.

Following a response from the City, Council then prepared an appropriate reply in relation to the City's decision to not apply for Main Roads WA Mid West Funding, nor Federal Government's Remote Roads Upgrade Pilot Program Funding for seal construction projects on the Carnarvon-Mullewa within the City of Greater Geraldton.

Council supported a request from the Southern Rangelands Pastoral Alliance for an initial contribution of \$20,000 to help ensure the longevity of this important grower group which represents pastoral interests in our shire and, as a result, amended its 2020/21 budget to allocate this amount. Consideration of future funding

allocations were pending a review of progress over the ensuing 12 months.

Council supported a request from Shelly Fowler to provide matching funds, up to \$500, to aid in fundraising for a Biggest Morning Tea cancer fundraising event which subsequently became a huge success. Council also agreed to sponsor the Isolated Children's Parents Association (ICPA) 51<sup>st</sup> ICPA Conference held in Perth on 3<sup>rd</sup> to 4<sup>th</sup> August 2022 for an amount of \$2,000 and allocated this amount in the 2022/23 Budget.

During the year Council considered a proposal from 10M Mining to use the Carnarvon-Mullewa and Twin-Peaks-Wooleen Roads for an initial trial to cart 16,000 tonnes of iron ore to Geraldton. Following a raft of preconditions being requested to be undertaken as a precursor to

Council making a decision, Council noted the combined efforts of both parties to reach an agreement and endorsed, in principle, a Maintenance Works Deed for the Carnarvon-Mullewa and Twin-Peaks-Wooleen Road.

Council continued with negotiations for a potential Roadworks Contract Agreement with Main Roads WA to construct and maintain various Shire roads associated with the SKA route and by the end of the year was able to finalise an agreement.

As part of an improved engagement approach with Governments, Council arranged for the development and implementation of coherent political and communication strategy to advance the development of the Murchison Settlement and Shire generally.



## Chief Executive Officer’s Report

### Staff

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

Council’s very small staff team punch well above their weight, actively assisting in a complementary fashion

#### Governance

Chief Executive Officer Mr Bill Boehm

#### Corporate Services

Community Manager DCEO Mr Steven Cosgrove  
 Corporate Services Officer Ms Racheal King  
 Administration Officer Ms Vicki Dumbris  
 Finance Manager (casual) Keith White  
 Finance Officer (casual) Ms Bernie Peirl

#### Roadhouse

Roadhouse Manager Mr Nick Drew  
 Roadhouse Services Officer Ms Eryl Phillips  
 Casual Customer Services Officers and Cleaning Staff used during the year Mr Jack Galecio  
 Ms Sarah Fitzpatrick  
 Ms Danielle Storey  
 Mrs Dianne White  
 Ms Deliah Carnamah  
 Ms Leela Taylor

across a large array of areas and, where necessary due to our small size, utilise a range of external contract resources.

We once again take this opportunity to thank all members of staff for their service, as well as a number of contractors who support our service delivery.

#### Works

Works Manager Mr William Herold  
 Technical Projects Officer Ms Kaye Doyle until 20.07.21  
 Depot Officer Ms Melissa Faye until 14.04.22  
 Depot Officer Mrs Lisa Keen from 14.03.22  
 Mechanic Mr Stuart Broad  
 Leading Hand Construction Mr Mark Jones  
 Plant Operator Mr Glen Pinnegar  
 Plant Operator Mr Ivor Dumbris  
 Plant Operator Mr Brent Cowmeadow  
 Plant Operator Mr Michel Hodder from 28.01.22  
 Plant Operator Mr Peter Troy until 21.11.21  
 Plant Operator Mr Neil Combe  
 Plant Operator Mr Michael Keen from 10.03.22  
 Gardener Mr Ryan Prow

#### Other Contract Staff

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



The backbone of the Shire’s operation involves the management, maintenance, repair, construction and reconstruction of the vast array of Council’s road network. Council’s small construction crew (5) and maintenance crew (2) are supplemented by various contractors.

### Settlement Redevelopment

Following on from previous years, a program to review the extent of projects required in and around the Murchison Settlement for future years, UDLA were engaged to undertake a Masterplan for the Settlement. Elements included: a Transportable Classroom, Community Sports Centre Upgrade, Community Swimming Pool and Splashpad, New Caravan Park Ablution Block, New Caravan Park Ensuites, Playground Upgrade and General amenity improvements to the Settlement.



During the year a draft report was prepared, and community feedback noted before Council formally adopted the Murchison Settlement Masterplan Report including feedback received.

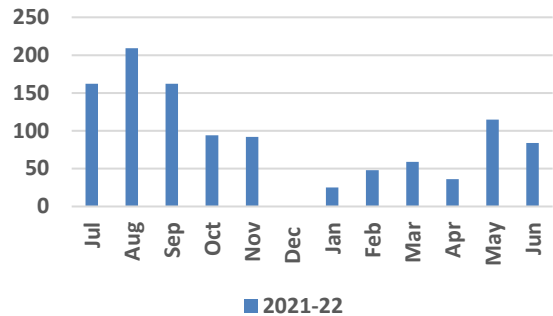
This project was also further developed and advanced with Council contributions to the Mid-West Development Commission’s Business Case Work for the Murchison Settlement by way of the Murchison SKA Interpretive Experience Planning Project and Murchison Roads Planning and Design Planning Project

### Murchison Oasis Roadhouse

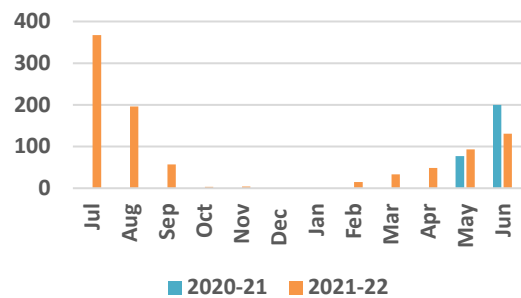


2021/22 saw the first full year operation since assuming control of the Murchison Oasis Roadhouse and Caravan Park. Roadhouse Manager Nick Drew and Roadhouse Services Officer Eyrl Philips have successfully consolidated the operation as a community business under the shire’s operations, ably assisted by a raft of casuals. Public feedback continues to be positive.

Accommodation Cabins



Accommodation Park Sites



**Road Maintenance**

Council’s Road network comprises some 1,948.17 km of formed, formed and surfaced and sealed roads, categorised by road hierarchy function as follows.

Category	Description	Length (km)
Cat A	Regional Distributor	279.87
Cat A	Local Distributor	828.42
Cat A	Local Feeder	215.18
Cat A	Local Access	331.83
Cat E	Local Station Access Only	292.87

Each category has its own level of strategic importance which, amongst other things, influence road maintenance practices.

Along with other road maintenance activities regular maintenance grading and patching works are undertaken throughout the year, programmed according to the condition at the time and traffic generated, more or less in accordance with the relevant road category

During 2021/22, received maintenance grading either once or twice according to circumstances with an overall length of 3,205km of works being achieved.

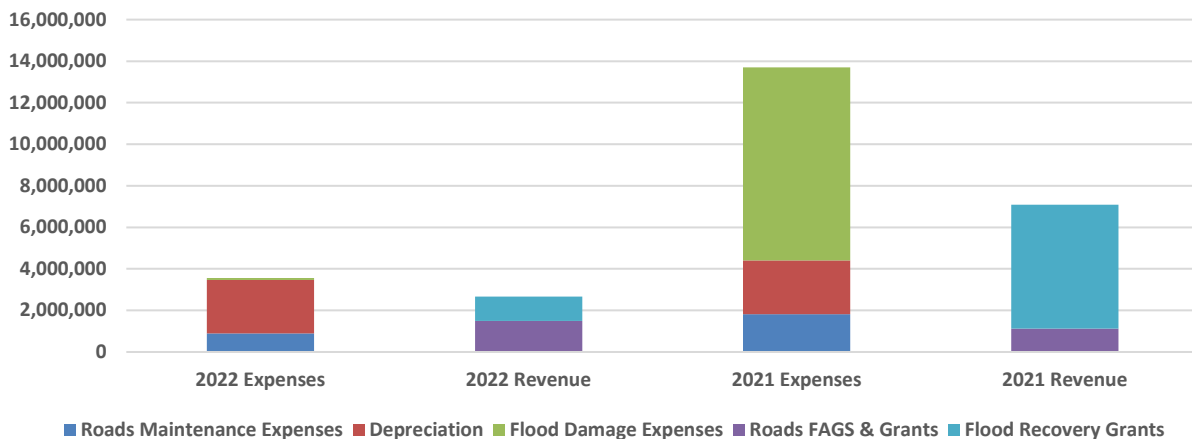
As indicated in the diagram below, over the past few years Flood Damage Repairs associated with declared disaster events has seen significant fluctuations in the levels of road maintenance expenditure and revenue through the following flood events:

2020/21 Flood 6 (AGRN 863 April 2019 Event) Flood 7 (AGRN 899 February 2020 Event) and commencing Flood 8 (AGRN 951 Tropical Low Feb 2021 Event)

2019/20 Flood 6 (AGRN 863 April 2019 Event) and Flood 7 (AGRN 899 February 2020 Event)

These actions significantly impacted on Council’s normal level of road maintenance operations. Depreciation, a non-cash expense, is also shown.

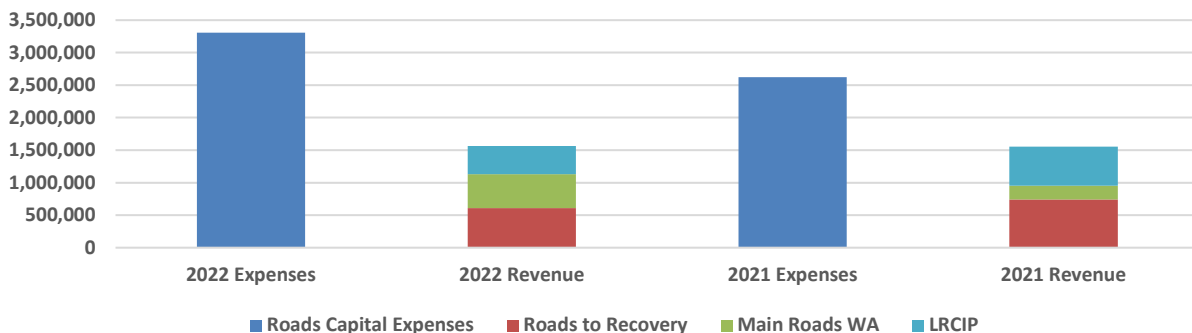
**Road Maintenance Expenses & Revenue (\$)**



**Road Construction**

As indicated below, the extent of roads construction activity is greatly influenced by Commonwealth funds provided through the Local Roads Community Infrastructure Program. This funding program runs for several years and was a part of a stimulus response to the COVID 19 Pandemic.

**Roads Capital Expenses & Revenue (\$)**







As shown below, in response to Local Roads Community Infrastructure Program Funding, and to maximise future funding grant opportunities, works to upgrade the Carnarvon-Mullewa Road to a 7.2 sealed standard continued from 2020/21.


Murchison Shire - Portion of a 3 Year Rolling Road Construction Program Section on Carnarvon -Mullewa Road											
Year	2022	2022	2022	2022	2022	2022	2021	2022	2021	2021	2021
		2023	2023	2023						2024	
SLK Start	241.74	245.04	248.34	251.22	254.10	257.40	261.91	266.00	266.52	269.70	271.50
SLK End	245.04	248.34	251.22	254.10	257.40	261.91	266.00	266.52	269.70	270.35	278.83
Length km	3.30	3.30	2.88	2.88	3.30	4.51	4.09	0.52	3.18	1.15	7.33
Funding	Council Main Roads WA	Council LRCIP Phase 3	Council Main Roads WA	Council Main Roads WA	Council LRCIP Phase 2	Council LRCIP Phase 2	Council LRCIP Phase 1		Council LRCIP Phase 1		Council Main Roads WA LRCIP Phase 1
Type	Seal	Hills Section Gravel to Seal			Seal				Seal		

Notes

Aug-21 LRCIP Phase 3 Funding to be used to supplement all projects within Gravel to Seal Section

Nov-21 Following successful funding application changes made to program to reflect two Main Roads Projects being undertaken in 2023 rather than 2023 and 2024

Feb-22 2023 Main Roads projects brought forward to be undertaken in 2022 and 2024



This is also reflected in the \$3,309,267 capital roadworks undertaken during year as follows.

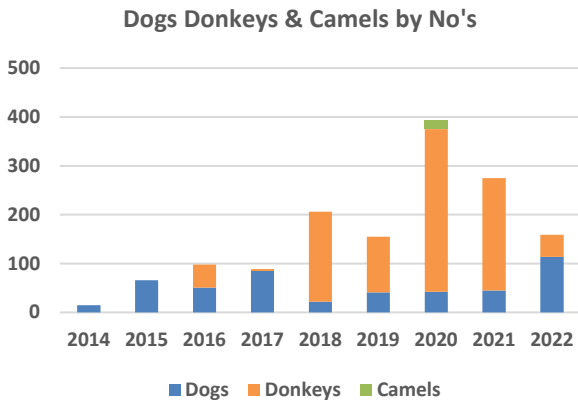
Road	Location	Works
Carnarvon-Mullewa	0.00 at Bilung Creek	Floodway Reconstruction
Carnarvon-Mullewa	Sections North of Curbur Station	Reseal Works
Carnarvon-Mullewa	241.74 – 245.04	Reconstruct Resheet Prep for Seal & Two Coat Seal
Carnarvon-Mullewa	253.70 - 261.92	Reconstruct Resheet Prep for Seal & Two Coat Seal
Carnarvon-Mullewa	266.00 - 266.52	Construct & Two Coat Seal of Realignment at Pinegrove
Various	Various locations	Grids Replacement

**Vermin Control Bounty Scheme**

Since 2014 the Shire has operated a Vermin Control Bounty Scheme to assist in the control of Wild Dogs, Donkeys and Camels. This scheme is a Shire initiative which is an addition to other State Government actions.

Prices for scalps are as follows. Wild Dogs \$100, Donkeys \$20 and Camels \$10.

Number recorded since the scheme’s inception are shown as follows:



**Settlement Power**

Continued work towards upgrading our Settlement power. During the summer period the existing generating capacity continued to be placed under significant stress. Whilst Council continues to work towards greening our power operation, a new generator was programmed for 2019/20, and subsequently commissioned in 2020/21, was installed in 2021/22.

**Potable Water**

Work towards providing potable water for Settlement residents and visitors continues with the provision of new bores.

**Staff Housing**

Refurbishment work 6 Kurara Way commenced. A one room extension to 10A Kurara Way was also completed.

**Plant and Equipment**

Purchased a Crew Cab Truck, second-hand grid roller, flat-top trailer, and used flat-top trailer.

**Community Library**

During the year works to replace the existing outdoor pavers with a concrete slab and tiles in the library section of the Council Office were completed. Works significantly improved the library area which also doubles as a supportive space on Council meeting days. With previous years’ works to install air-conditioning and provide a new linking sliding doors, this has afforded significant operational improvements.



**General Community Participation**

All residents and ratepayers are encouraged to respond to surveys and provide feedback to Council on an ongoing basis to help build a stronger and economically resilient community.

Council regularly updates and utilises its community email list to assist, as well as facilitating publication of the Murchison Monologue about life in the Shire of Murchison. During the year, 4 newsletters were produced and distributed. Shire President Rossco Foulkes-Taylor also distributed community publications entitled “Rossco’s Rundowns” to the community before including these segments within the Monologue.

In 2021/22 the Murchison Polocrosse Tournament was able to recommence in July following previous year’s cancellation due to COVID-19. The Shire Christmas celebrations in December continued as the main Shire community event.



*Bill Boehm  
Chief Executive Officer*

## Strategic Community Plan

The Local Government Act and associated Regulations require a Local Government to ensure that a Strategic Community Plan is made for its district

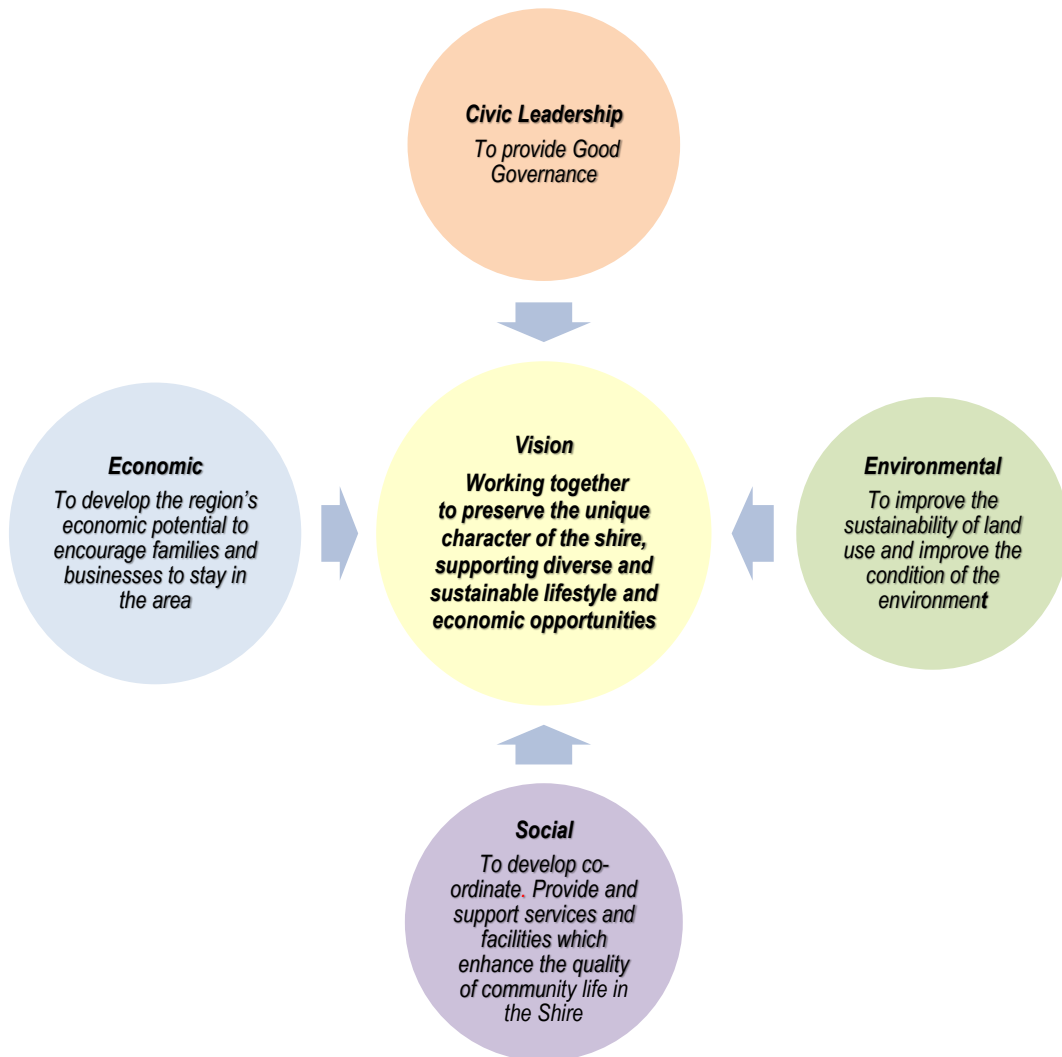
- ~ Ensure that a Corporate Business Plan is made for its district and
- ~ include in its Annual Report an overview of the Plan for the Future, including major initiatives planned to commence or continue in the next year.

In accordance with Integrated Planning and Reporting Requirements, the Shire of Murchison has developed a ten-year Strategic Community Plan, a 15-year Long Term Financial Plan and a four-year Corporate Business Plan. It is anticipated that some further update will occur in 2022/23.

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

A full review of the plan was undertaken and the revised 2016/17 to 2026/27 Strategic Community Plan was adopted on the 29 March 2017 and, as shown below, is built around four well-being priorities.


t



Various major initiatives were planned to commence or continue in the next few years. The proposed desktop review of the plan may alter priorities, especially as specific elements of the plan have been directly impacted by the current COVID-19 Coronavirus environment and a raft of other changes.

In the meantime, actions undertaken in relation to the Corporate Business Plan are shown in the following table:

## Corporate Business Plan - Strategies &amp; Actions Outline as aligned with the Strategic Community Plan 2016/17 - 2026/27

Strategy	Action	Actions	Desired Trends & Comments
 <p><b>Economic well-being</b></p> <p>To develop the region's economic potential to encourage families and businesses to stay in the area</p>			
<b>Outcome 1.1 Maintenance and upgrade of road network</b>			<i>Aim for improved road safety and increased seal widening on the Carnarvon-Mullewa Road</i>
1.1.1 To develop, maintain and improve an efficient road system to support the transport requirements associated with the pastoral and mining industries and tourism	1.1.1.1	Lobbying State and Federal Governments to adequately fund roads	Additional Road funding from the Commonwealth's Local Roads Community Infrastructure Program (\$432,672) to supplement Roads to Recovery Funding (\$606,679) which is part of a 5-year program. Main Roads WA funds (\$524,240) effectively doubled from previous years due to submissions presented.
	1.1.1.2	Maintaining an effective working relationship with Main Roads WA	Member of Main Roads Mid-West Regional Roads Group and Murchison Sub Group. CEO Member of Main Roads WA Technical Working Group
	1.1.1.3	Continue road improvement program	Refer Capital Works section of the Annual Report Carnarvon-Mullewa 0.00 at Bilung Creek Floodway Reconstruction Carnarvon-Mullewa Sections North of Curbur Station Reseal Works Carnarvon-Mullewa 241.74 – 245.04 & 253.70 - 261.92 Reconstruct Resheet Prep for Seal & Two Coat Seal Carnarvon-Mullewa 266.00 - 266.52 Construct & Two Coat Seal of Realignment at Pinegrove Grids Replacement at various locations
	1.1.1.4	Install safety signage at entry points to the Shire, including 'drive to conditions', UHF frequencies, 'no mobile service', carry enough water	New Entrance Signs previously installed in 2020/21
<b>Outcome 1.2 Tourism Development</b>			<i>Increase visitor numbers and longer duration of stay</i>
1.2.1 To promote and support a sustainable tourism industry in the Shire of Murchison	1.2.1.1	Construction / development of an Interpretive Centre in the Murchison Settlement	Part of Murchison Vast Sky Business Case which requires substantial funding for it to proceed
	1.2.1.2	Expansion of Murchison Settlement Caravan Park's accommodation facilities and construction of a camp kitchen	Tenders called for a new Caravan Park Ablution Block in December 2021, but no responses were received. Further follow up required.

Strategy	Action No	Actions	Desired Trends & Comments
<b>Outcome 1.3 Economic development</b>			<i>Water and Electricity Supply upgraded</i>
1.3.1 Retain existing industries and encourage the establishment of new industries to broaden the region's economic base through the provision of residential and industrial land / buildings in Murchison Settlement	1.3.1.1	Explore options for the provision of land for residential and industrial development options in the Murchison Settlement	To be reviewed at a later date.
	1.3.1.2	Dissemination of information on employment and training opportunities within Shire and other organisations to the community	To be reviewed at a later date
	1.3.1.3	Provide training and employment opportunities for the local community	Ongoing as opportunities arise



**Environmental well-being**

To improve the sustainability of land use and improve the condition of the environment

<b>Outcome 2.1 Waste Management</b>			<i>Reduction in waste going to landfill</i>
2.1.1 Develop and implement programs to reduce and control littering Develop and implement programs to encourage community ownership of the road side litter issue	2.1.1.1	Develop and implement programs to encourage community ownership of the road side litter issue	Ongoing as opportunities arise
	2.1.1.2	Better community engagement, signage encouraging 'respect for country' and encouraging people to take litter with them or leave it at rubbish facilities within the settlement.	Ongoing as opportunities arise
	2.1.1.3	Provision of more bins at the roadhouse and caravan park to deal with this	Ongoing Review on an as required basis

<b>Outcome 2.2 Energy efficiency</b>			<i>Policy developed. Application incorporated into operational practices</i>
2.2.1 Develop a policy to assess energy efficiency of appliances and other assets as part of the acquisition process	2.2.1.1	Develop a policy for assessing energy efficiency as part of the acquisition process for appliances and other assets	Reviewed and updated on an ongoing basis
	2.2.1.2	Replacement of existing appliances and other assets with more energy efficient models as part of the infrastructure maintenance and upgrade program	Ongoing brief with budgeted purchases

Strategy	Action	Actions	Desired Trends & Comments	
	No			
<b>Outcome 2.3 Environmental initiatives</b>			<i>As below</i>	
2.3.1	To protect and rehabilitate the Shires natural environment and support the pastoral industry	2.3.1.1	Continued support for community groups	Ongoing. Settlement Freight subsidy Contact. Annual Christmas Tree celebrations, ANZAC Day and Murchison Polocrosse support. Funding support for, Biggest Morning Tea Cancer Fund Raising Event and the Isolated Children's Parents Association (ICPA) 51st ICPA Conference held in Perth
		2.3.1.2	Develop a strategy for managing drainage in relation to flood and storm water on roads with other stakeholders	Policy developed. Incorporated into road design and road maintenance practices
		2.3.1.3	Pursue funding opportunities for control of noxious weeds and declared animals	Ongoing
		2.3.1.4	Continued support for community groups controlling noxious weeds and declared animals	Ongoing including for CRBA and Local Vermin Control Bounty Scheme



### Social well-being

To develop, co-ordinate, provide and support services and facilities which enhance the quality of community life in the Shire

<b>Outcome 3.1 Infrastructure upgrade and improvement</b>			<i>As below</i>	
3.1.1	Maintain and improve infrastructure within the Shire to support social and economic activities (buildings and other infrastructure)	3.1.1.1	Explore and pursue funding opportunities to support the Shire's capital works and maintenance programs	Council contribution to the Mid-West Development Commission's Business Case Work for the Murchison Settlement by way of the Murchison SKA Interpretive Experience Planning Project and Murchison Roads Planning and Design Planning Project
		3.1.1.2	Follow up plans and ideas of disbanded cemetery committee	Ongoing
		3.1.1.3	Complete development of the cemetery	Cemetery Niche wall budgeted for but not completed until 2022/23
<b>Outcome 3.2 Emergency services</b>			<i>As below</i>	
3.2.1	Supply resources for, and co-ordinate delivery of, emergency services within the Shire	3.2.2.1	Bush fire brigade training	Ongoing
		3.2.2.2	St John Ambulance First Aid training to be held at Murchison Settlement	Ongoing
<b>Outcome 3.3 Provision of health service information</b>			<i>As below</i>	

Strategy	Action No	Actions	Desired Trends & Comments
3.3.1 Shire to act as a reference point for the provision of health and well-being information for local residents	3.3.1.1	Gather information on health services provided in neighbouring communities and develop methodologies for communicating to the local community	Ongoing
	3.3.1.2	Establish a central information hub advising contact details and resources for services available in surrounding districts	Ongoing maintenance of Community mailing list



### Civic Leadership well-being

#### To provide good governance to the Murchison Shire

#### Outcome 4.1 Workforce planning

4.1.1 Development of a Workforce Plan to ensure human resources can be optimised to achieve the Shire's strategic objectives	4.1.1.1	Seek funding for development of a Community Development Officer position to implement actions to achieve Council's strategic objectives	As below Position incorporated into Shire Staff
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#### Outcome 4.2 Regional collaboration

4.2.1 Work collaboratively with neighbouring shires, state and federal government and private enterprise to ensure the efficient and effective use of the Shire's scarce resources	4.2.1.1	Identify opportunities where collaboration can achieve greater outcomes for the local community than the Shire could achieve acting in isolation	As below Ongoing. Includes councillor representation on the WALGA Murchison Country Zone and CEO representation on the Murchison Economic Group
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#### Outcome 4.3 Financial planning and management

4.3.1 To responsibly manage Council's financial resources to ensure optimum value for money and sustainable asset management	4.3.1.1	Identify opportunities where collaboration can achieve greater outcomes for the local community than the Shire could achieve acting in isolation	As below Ongoing
	4.3.1.2	Adopt an asset management and replacement strategy that minimises the net cost of replacing assets	Major review programmed for 2022/23.
	4.3.1.3	Assess all potential funding sources, particularly grants to enable the maximisation of community benefit from matching cash contributions by Council	Ongoing



Strategy	Action No	Actions	Desired Trends & Comments
<b>Outcome 4.4 Strategic planning</b>			<i>Full review of Community Strategic Plan completed</i>
4.4.1 Ongoing reviews of the Community Strategic Plan	4.4.1.1	A full review of the Strategic Community Plan will be scheduled for four years from when it is adopted	
<b>Outcome 4.5 Asset management</b>			<i>As below</i>
4.5.1 Meet the required level of service in the most cost-effective manner for present and future Residents	4.5.1.1	Maintain an Asset Management Plan	Major review programmed for 2022/23.

## Statutory Reporting Requirements

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

### Public Interest Disclosures

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken. The Chief Executive Officer is the designated responsible officer under the Act and has complied with all obligations. There were no disclosures or complaints lodged during 2021-22.

### National Competition Policy

Council operations in 2021-22 did not fall within the requirements of the National Competition Policy

### Register of Certain Complaints of Minor Breaches

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

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

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

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

The Shire reports no complaints as defined under s5.110 (6) (b) or (c) of the Act for the period ending 30 June 2022.

### Information About Certain Employees

In accordance with s5.53(2)(g) of the *Local Government Act 1995* and s19B of the *Local Government (Administration) Regulations 1996*, there are no employees other than the CEO who have an annual salary of \$130,000 per annum or more.

Salary Band	Number of Employees	
	2022	2021
\$140,000 to \$149,999	1	1

The CEO’s remuneration comprised \$166,830 (salary, superannuation, allowances & fees) and \$33,758 (non-cash benefits).

### Freedom of Information

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

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

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

It is the aim of the Shire of Murchison to make information available promptly, at the least possible cost and wherever possible, documents will be provided outside the freedom of information (FOI) process. During 2021/22 the Shire received no Freedom of Information applications.

### Record Keeping

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

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

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

The Shire of Murchison completed a full review of its record keeping plan in November 2018 which was

submitted to the State Records Office. It is expected that a significant amount of catch-up work will be required to implement the plan.

### Disability Access and Inclusion Plan

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

The Murchison Shire Council Disability Access & Inclusion Plan was originally adopted in July 2008, then reviewed in

the later part of 2015 and the review adopted by Council in February 2016 and later in July 2021 after community consultation.

The Disability Access and inclusion Plan 2021–2025 includes seven outcomes and underpinning strategies to ensure that people with disability have the same opportunities as other people to access the services of public authority.

The seven outcomes and achievements against strategies for 2021-22 are as follows:

#### Outcomes

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

#### Achievements against Strategies

Shire services are monitored to ensure equitable access and inclusion, especially in regard to events being organised or funded.

The DAIP is considered a living document and is inclusive to all shire plans and strategies.

Consideration is given to providing wheelchair access for all new development works.

All recreational areas are accessible.

All Shire information is available in alternative format upon request.

Staff are aware.

Website meets contemporary good practice.

Staff and Council are aware of disability issues and provide a high standard of customer service to all who attend the Shire.

Grievance mechanisms are in place but have not yet been utilised by any people with disability.

Through our website, people with disability are encouraged to participate in any public consultation.

People with disability are encouraged to apply for any employment with the Shire.

## Financial Overview

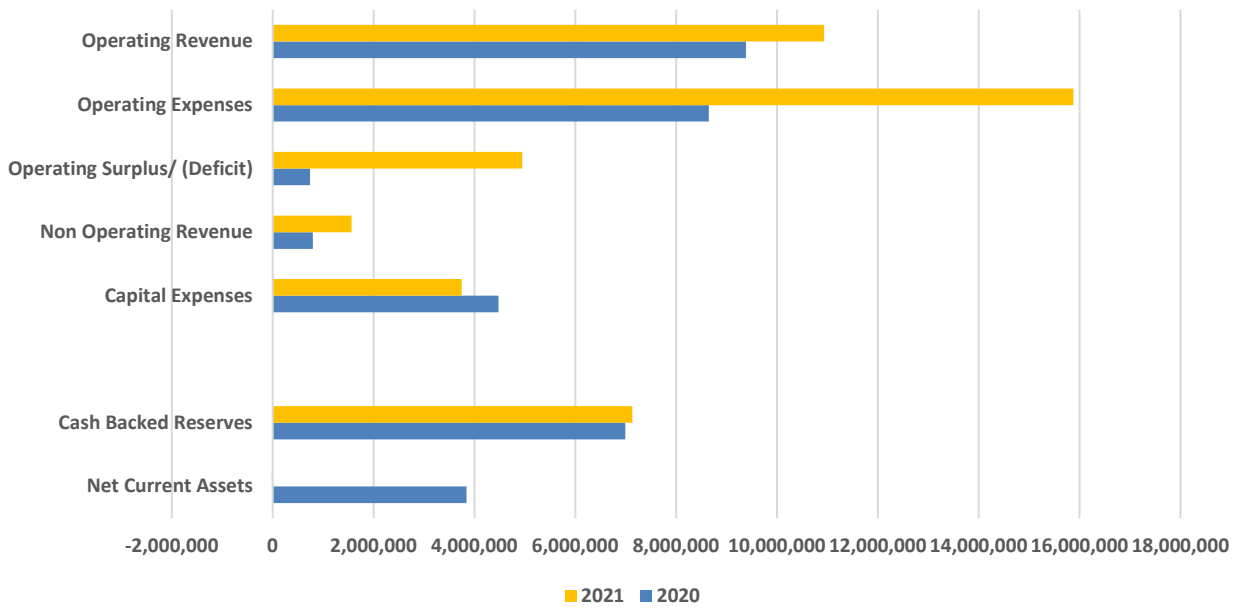
### Financial Summary

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

Depending on the circumstances during the year the Financial Performance may vary widely. The main influencing factor that dramatically increased both operating income and operating expenses involved repairs to Council’s road network following continuation of flood restoration works associated with various events as follows:

- 2021/22 Flood 6 (AGRN 863 April 2019 Event) Flood 7 (AGRN 899 February 2020 Event) and commencing Flood 8 (AGRN 951 Tropical Low Feb 2021 Event) and Flood 9 (AGRN 974 Flood Event 29-31 March 2021)
- 2020/21 Flood 6 (AGRN 863 April 2019 Event) Flood 7 (AGRN 899 February 2020 Event) and commencing Flood 8 (AGRN 951 Tropical Low Feb 2021 Event)

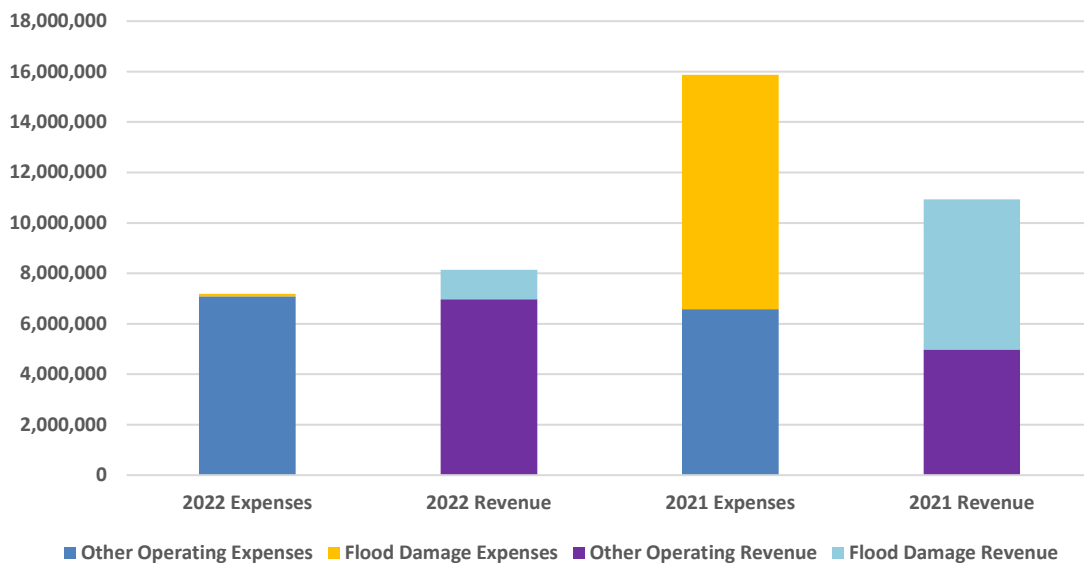
Financial Summary (\$)



### Operating Revenue & Expenses

A summary of operating revenue and expenses over several years is show below.

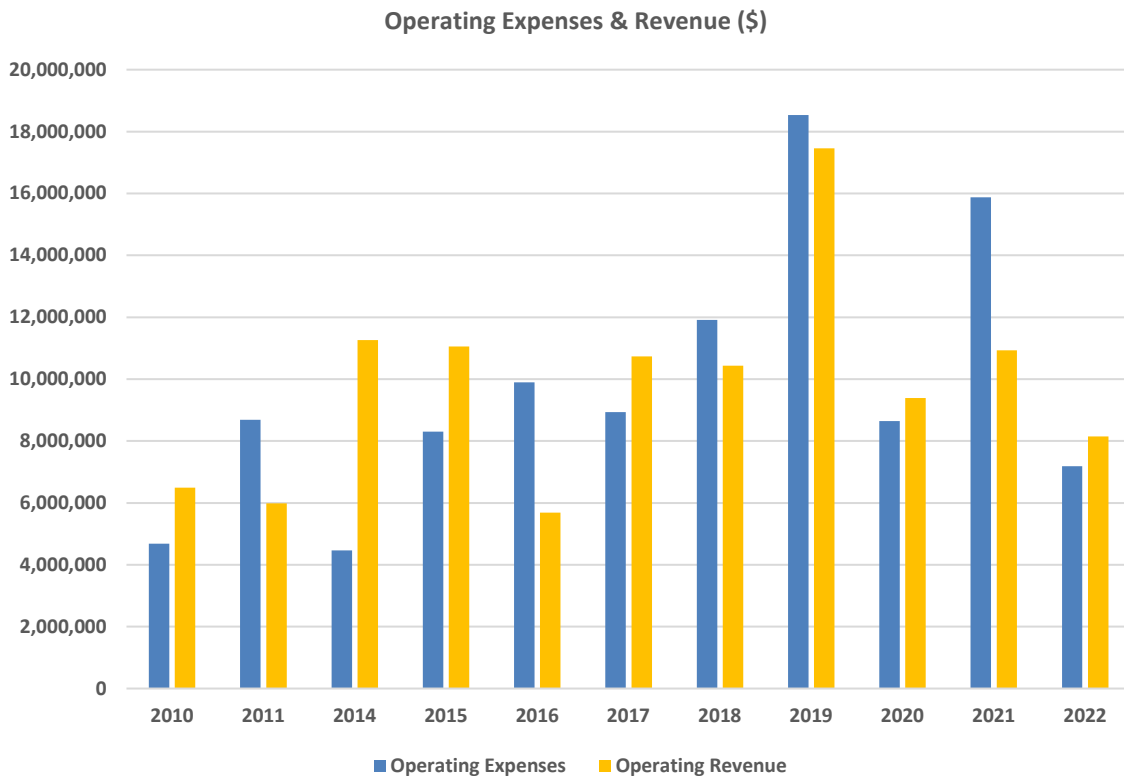
Operating Expenses & Revenue (\$)



Summary categorisation of operating revenue and expenses is shown as follows:

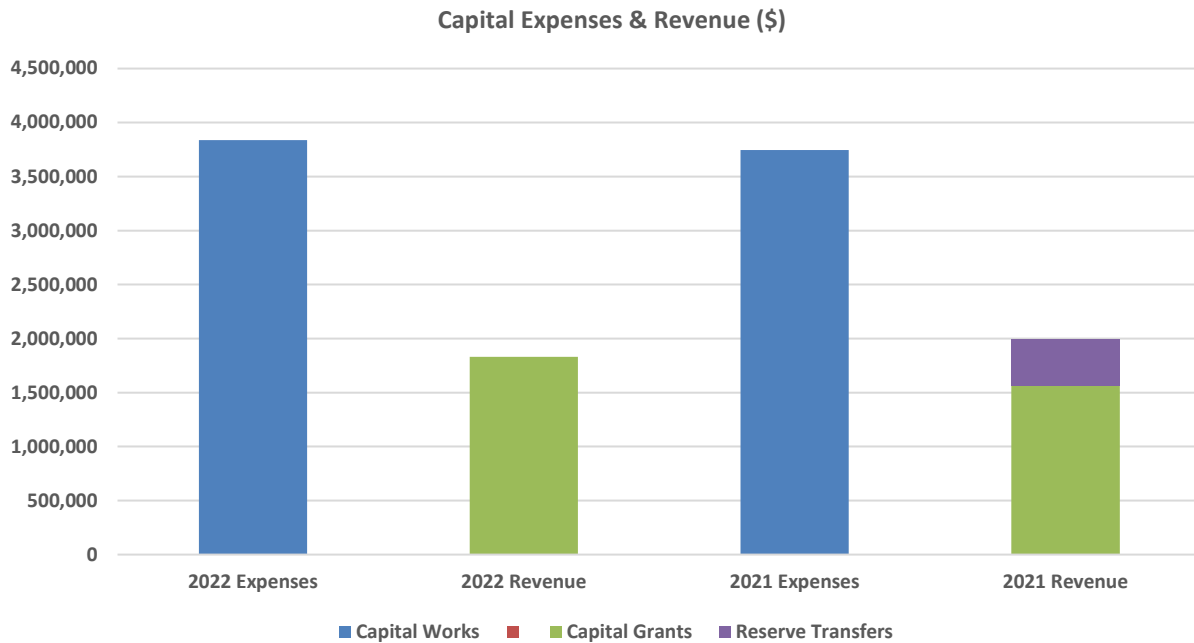
Revenue \$	2022	2021	Expenses \$	2022	2021
Rates	538,967	449,391	Governance	678,186	564,439
Operating Grants & Subsidies	6,843,572	10,053,330	General Purpose Revenue	35,928	54,704
Fees & Charges	478,569	315,350	Law Order & Public Safety	110,124	108,119
Interest Earnings	10,134	55,981	Health	44,085	43,314
Other Revenue	272,938	56,390	Education & Welfare	2,064	1,000
	<b>8,144,180</b>	<b>10,930,442</b>	Housing	101,448	0
			Community Amenities	134,943	150,654
			Recreation & Culture	273,053	270,893
			Transport	5,878,176	13,708,686
			Economic Services	1,670,372	967,554
			Other Property & Services	194,291	8,534
				<b>9,122,670</b>	<b>15,877,897</b>
			<i>Non-Cash Amounts included in the above</i>	<i>5,673,805</i>	<i>3,407,360</i>

A summary of operating revenue and expenses (including depreciation which is non-cash) over several years is shown below.



### Capital Expenses & Revenue

A summary of capital revenue and expenses is show below.



### Financial Position

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

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

Whilst these indicators are one aspect to consider in assessing overall performance, other factors include: the range of services offered, efficiency of services delivered, community satisfaction, sparseness, and major events such as flood repairs etc which, as previously indicated under Operating Revenue, have a significant impact.

For instance, in 2018/19 whilst the Debt Service Cover Ratio as outlined under Note 30 of the Notes to Financial Report is recognised as being “supposedly” below the

(DLGCSI) standard, in reality this was influenced by \$1.55m in short-term loan payments which were outstanding at the end of the financial year, but later paid in 2019/20 from flood damage grants. For practical purposes Council is almost debt free.

The figure is also subject to question depending on the timing of an entity’s asset valuation and the degree of sophistication of the Asset Management Plan which, in our case, was adopted in 2013. Much has changed since. Some of the definitions of ratios required to be calculated do not appear to be in accordance with contemporary practice, with the one size fits all criteria difficult to apply with any uniformity in such a widely varying State.

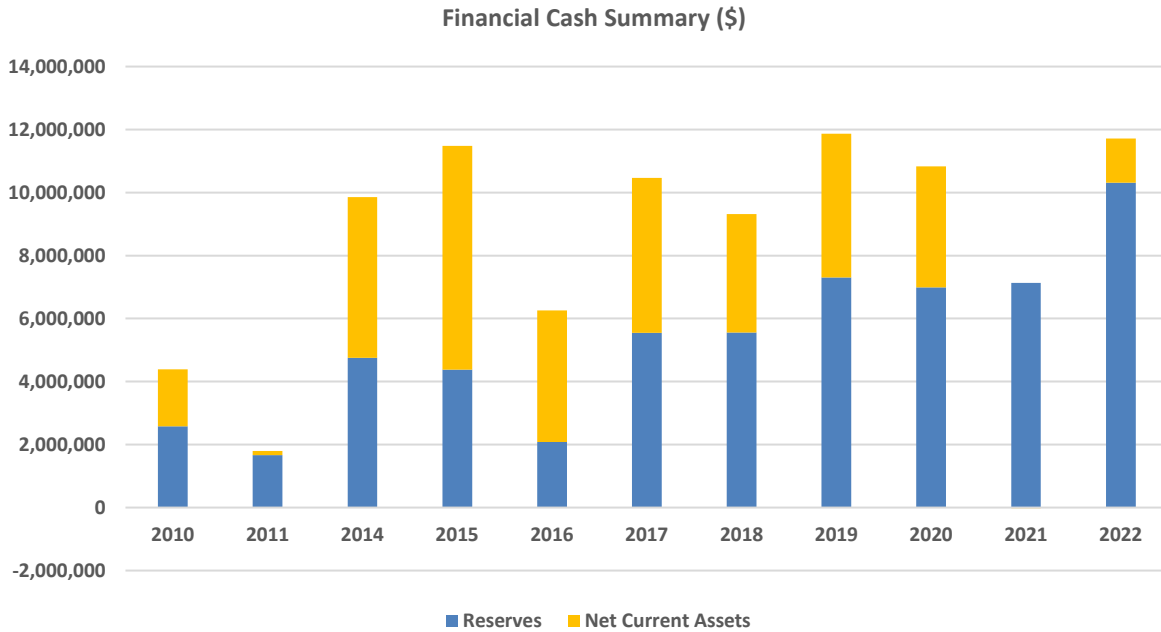
In 2019 WALGA commissioned an independent review of the current legislated financial indicators and have adopted a modified set with significantly different components.

It was also noted that

*“Financial Ratios measure financial performance and do not measure a local government’s efficiency or effectiveness in delivering its programs and services”.*

It is considered that Council’s current approach to measure the amount of available cash, as shown by the combined cash reserves and Net Current Assets Position, and develop and continually update our asset management and long-term financial plans.

As shown below “cash wise” Council’s financial position has improved over time, notwithstanding an increase in the quantum of works undertaken.



Regardless of the figures questions maybe be asked by the community about a local government’s revenue, expenses and service delivery.

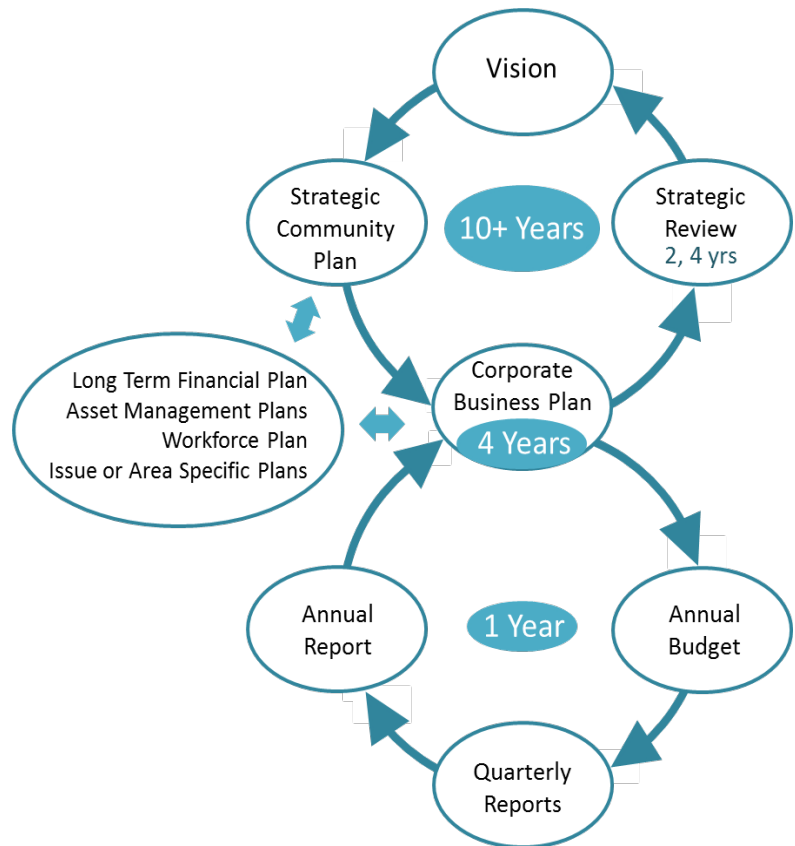
This same question is asked at a Council level where it is recognised that having sound data and analysis is critical to good medium to long term decision making.

Council is committed to improvements in this area and during the year commenced detailed strategic work including:

Revalidation of Council’s RAMM Database and Road Condition Assessment leading, in part, to the adoption of a long-term sealing program and plant replacement through an adaptive model.

This is part of the adjacent continuous improvement approach that Council continues to embark on.

It is anticipated that the Long-Term Financial Plan, Asset Management Plan and Corporate Business Plan will be updated in 2022/23.



## Financial Report

Council's Financial Report for the year ending 30 June 2022 report comprises

Statement by Chief Executive Officer,

Statement of Comprehensive Income by Nature or Type

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Rate Setting Statement

Notes to and Forming Part of the Annual Report

Independent Auditors Report



**SHIRE OF MURCHISON**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

Certification of Financial Report	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Rate Setting Statement	7
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The Shire of Murchison conducts the operations of a local government with the following community vision:

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

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

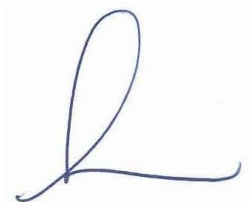


SHIRE OF MURCHISON  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

The attached financial report of the Shire of Murchison for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Murchison at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the

11th day of May



2023

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Chief Executive Officer

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William James Boehm

SHIRE OF MURCHISON  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	28(a),2(a)	538,967	532,000	449,391
Operating grants, subsidies and contributions	2(a)	6,843,572	3,514,494	10,053,330
Fees and charges	27(c),2(a)	478,569	701,530	315,350
Interest earnings	2(a)	10,134	60,500	55,981
Other revenue	2(a)	272,938	500	56,390
		8,144,180	4,809,024	10,930,442
<b>Expenses</b>				
Employee costs		(1,411,298)	(1,458,351)	(1,433,390)
Materials and contracts		(1,791,490)	(2,399,276)	(10,739,810)
Depreciation	10(a)	(3,653,752)	(3,680,437)	(3,360,980)
Finance costs	2(b)	(27,790)	(11,740)	(567)
Insurance		(180,109)	(161,408)	(150,817)
Other expenditure	2(b)	(121,519)	(208,900)	(192,333)
		(7,185,958)	(7,920,112)	(15,877,897)
		958,222	(3,111,088)	(4,947,455)
Capital grants, subsidies and contributions	2(a)	1,829,863	1,587,350	1,563,591
Loss on asset disposals	10(d)	(11,568)	(11,828)	-
Fair value adjustments to financial assets at fair value through profit or loss		999	-	647
Loss on revaluation of Infrastructure - bridges	9(a)	(1,925,144)	-	-
		(105,850)	1,575,522	1,564,238
<b>Net result for the period</b>	27(b)	<b>852,372</b>	<b>(1,535,566)</b>	<b>(3,383,217)</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	22,180,187	-	-
<b>Total other comprehensive income for the period</b>	15	<b>22,180,187</b>	-	-
<b>Total comprehensive income for the period</b>		<b>23,032,559</b>	<b>(1,535,566)</b>	<b>(3,383,217)</b>

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



SHIRE OF MURCHISON  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022

	NOTE	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	9,109,699	8,156,910
Trade and other receivables	5	127,164	738,111
Other financial assets	4(a)	3,422,952	-
Inventories	6	139,174	143,889
Other assets	7	182,020	-
<b>TOTAL CURRENT ASSETS</b>		<b>12,981,009</b>	<b>9,038,910</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	4(a)	19,451	18,452
Property, plant and equipment	8	12,770,481	10,656,425
Infrastructure	9	90,544,571	72,236,720
<b>TOTAL NON-CURRENT ASSETS</b>		<b>103,334,503</b>	<b>82,911,597</b>
<b>TOTAL ASSETS</b>		<b>116,315,512</b>	<b>91,950,507</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	880,062	1,619,201
Other liabilities	12	377,174	308,322
Borrowings	13	193,898	1,176
Employee related provisions	14	187,775	134,483
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,638,909</b>	<b>2,063,182</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	1,736,657	15,002
Employee related provisions	14	92,425	57,361
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,829,082</b>	<b>72,363</b>
<b>TOTAL LIABILITIES</b>		<b>3,467,991</b>	<b>2,135,545</b>
<b>NET ASSETS</b>		<b>112,847,521</b>	<b>89,814,962</b>
<b>EQUITY</b>			
Retained surplus		23,116,002	25,451,098
Reserve accounts	31	10,316,451	7,128,983
Revaluation surplus	15	79,415,068	57,234,881
<b>TOTAL EQUITY</b>		<b>112,847,521</b>	<b>89,814,962</b>

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



SHIRE OF MURCHISON  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2020</b>		<b>28,973,378</b>	<b>6,989,920</b>	<b>57,234,881</b>	<b>93,198,179</b>
Comprehensive income for the period					
Net result for the period		(3,383,217)	-	-	(3,383,217)
Total comprehensive income for the period		(3,383,217)	-	-	(3,383,217)
Transfers from reserves	31	428,000	(428,000)	-	-
Transfers to reserves	31	(567,063)	567,063	-	-
<b>Balance as at 30 June 2021</b>		<b>25,451,098</b>	<b>7,128,983</b>	<b>57,234,881</b>	<b>89,814,962</b>
Comprehensive income for the period					
Net result for the period		852,372	-	-	852,372
Other comprehensive income for the period	15	-	-	22,180,187	22,180,187
Total comprehensive income for the period		852,372	-	22,180,187	23,032,559
Transfers from reserves	31	-	-	-	-
Transfers to reserves	31	(3,187,468)	3,187,468	-	-
<b>Balance as at 30 June 2022</b>		<b>23,116,002</b>	<b>10,316,451</b>	<b>79,415,068</b>	<b>112,847,521</b>

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



SHIRE OF MURCHISON  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022

NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates	1,026,508	532,000	93,189
Operating grants, subsidies and contributions	6,905,551	3,206,172	10,399,102
Fees and charges	472,645	701,530	337,767
Interest received	10,134	60,500	55,981
Goods and services tax received	70,899	239,928	1,095,775
Other revenue	272,938	500	56,390
	8,758,675	4,740,630	12,038,204
<b>Payments</b>			
Employee costs	(1,314,582)	(1,458,351)	(1,381,193)
Materials and contracts	(2,537,822)	(2,399,276)	(10,251,054)
Finance costs	(27,790)	(11,740)	(567)
Insurance paid	(180,109)	(161,408)	(150,817)
Goods and services tax paid	-	(239,928)	(1,226,261)
Other expenditure	(121,519)	(208,900)	(192,333)
	(4,181,822)	(4,479,603)	(13,202,225)
<b>Net cash provided by (used in) operating activities</b>	16(b) 4,576,853	261,027	(1,164,021)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	8(a) (528,372)	(1,142,639)	(1,124,074)
Payments for construction of infrastructure	9(a) (3,309,267)	(3,987,926)	(2,621,373)
Non-operating grants, subsidies and contributions	1,716,695	1,587,350	1,563,591
Proceeds from financial assets at amortised cost	-	-	6,645,418
Net payments for financial assets at amortised cost	(3,422,952)	-	-
Proceeds from sale of property, plant & equipment	10(d) 5,455	47,000	-
<b>Net cash provided by (used in) investing activities</b>	(5,538,441)	(3,496,215)	4,463,562
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	30(a) (85,623)	(139,382)	(1,137)
Proceeds from new borrowings	30(a) 2,000,000	2,750,000	-
<b>Net cash provided by (used in) financing activities</b>	1,914,377	2,610,618	(1,137)
<b>Net increase (decrease) in cash held</b>	952,789	(624,570)	3,298,404
Cash at beginning of year	8,156,910	7,949,651	4,858,506
<b>Cash and cash equivalents at the end of the year</b>	16(a) 9,109,699	7,325,081	8,156,910

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



SHIRE OF MURCHISON  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2022

NOTE	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	29(b) (17,596)	4,820	3,843,908
<b>OPERATING ACTIVITIES</b>			
<b>Revenue from operating activities (excluding general rate)</b>			
Operating grants, subsidies and contributions	6,843,572	3,514,494	10,053,330
Fees and charges	478,569	701,530	315,350
Interest earnings	10,134	60,500	55,981
Other revenue	272,938	500	56,390
Fair value adjustments to financial assets at fair value through profit or loss	999	-	647
	7,606,212	4,277,024	10,481,698
<b>Expenditure from operating activities</b>			
Employee costs	(1,411,298)	(1,458,351)	(1,433,390)
Materials and contracts	(1,791,490)	(2,399,276)	(10,739,810)
Depreciation	(3,653,752)	(3,680,437)	(3,360,980)
Finance costs	(27,790)	(11,740)	(567)
Insurance	(180,109)	(161,408)	(150,817)
Other expenditure	(121,519)	(208,900)	(192,333)
Loss on asset disposals	10(d) (11,568)	(11,828)	-
Loss on revaluation of non-current assets	(1,925,144)	-	-
	(9,122,670)	(7,931,940)	(15,877,897)
Non-cash amounts excluded from operating activities	29(a) 5,673,805	3,692,265	3,407,360
<b>Amount attributable to operating activities</b>	4,157,347	37,349	(1,988,839)
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions	1,829,863	1,587,350	1,563,591
Proceeds from disposal of assets	10(d) 5,455	47,000	-
Purchase of property, plant and equipment	8(a) (528,372)	(1,142,639)	(1,124,074)
Purchase and construction of infrastructure	9(a) (3,309,267)	(3,987,926)	(2,621,373)
<b>Amount attributable to investing activities</b>	(2,002,321)	(3,496,215)	(2,181,856)
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings	30(a) (85,623)	(139,382)	(1,137)
Proceeds from borrowings	30(a) 2,000,000	2,750,000	-
Transfers to reserves (restricted assets)	31 (3,187,468)	(1,653,800)	(567,063)
Transfers from reserves (restricted assets)	31 -	2,006,188	428,000
<b>Amount attributable to financing activities</b>	(1,273,091)	2,963,006	(140,200)
<b>Surplus/(deficit) before imposition of general rates</b>	864,339	(491,040)	(466,987)
<b>Total amount raised from general rates</b>	28(a) 538,967	532,000	449,391
<b>Surplus/(deficit) after imposition of general rates</b>	29(b) <b>1,403,306</b>	<b>40,960</b>	<b>(17,596)</b>

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



**SHIRE OF MURCHISON**  
**INDEX OF NOTES TO THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**1. BASIS OF PREPARATION**

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

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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

**The local government reporting entity**

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 23 of the financial report.

**Judgements and estimates**

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

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

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.

SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

## 2. REVENUE AND EXPENSES

### (a) Revenue

#### Contracts with customers

Recognition of revenue is dependent 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	Timing of revenue recognition
Rates	General rates.	Over time.	Payment dates adopted by Council during the year.	None.	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.	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.	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.	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.	On payment and issue of the licence, registration or approval.
Other inspections	Regulatory Food, Health and Safety.	Single point in time.	Full payment prior to inspection.	None.	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.	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.	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.	Output method based on goods.
Commissions	Commissions on licencing and ticket sales.	Over time.	Payment in full on sale.	None.	When assets are controlled.
Reimbursements	Insurance claims.	Single point in time.	Payment in arrears for claimable event.	None.	When claim is agreed.

Consideration from contracts with customers is included in the transaction price.

#### Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature or types of goods or services is provided in the table below:

#### For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	538,967	-	538,967
Operating grants, subsidies and contributions	6,843,572	-	-	-	6,843,572
Fees and charges	478,569	-	-	-	478,569
Interest earnings	-	-	5,481	4,653	10,134
Other revenue	272,938	-	-	-	272,938
Capital grants, subsidies and contributions	-	1,829,863	-	-	1,829,863
<b>Total</b>	<b>7,595,079</b>	<b>1,829,863</b>	<b>544,448</b>	<b>4,653</b>	<b>9,974,043</b>

SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

## 2. REVENUE AND EXPENSES (Continued)

## (a) Revenue (Continued)

## Revenue Recognition (Continued)

For the year ended 30 June 2021

Nature or type	Contracts with customers \$	Capital grant/contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	-	-	449,391	-	449,391
Operating grants, subsidies and contributions	10,053,330	-	-	-	10,053,330
Fees and charges	315,350	-	-	-	315,350
Interest earnings	-	-	13,201	42,780	55,981
Other revenue	56,390	-	-	-	56,390
Capital grants, subsidies and contributions	-	1,563,591	-	-	1,563,591
<b>Total</b>	<b>10,425,070</b>	<b>1,563,591</b>	<b>462,592</b>	<b>42,780</b>	<b>12,494,033</b>

Note	2022 Actual	2022 Budget	2021 Actual
<b>Interest earnings</b>			
Interest on reserve funds	4,563	39,500	30,006
Rates instalment and penalty interest (refer Note 28(f))	5,481	8,000	13,201
Other interest earnings	90	13,000	12,774
	10,134	60,500	55,981
<b>(b) Expenses</b>			
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report	43,989	73,200	35,700
- Other services	6,500	-	-
	50,489	73,200	35,700
<b>Finance costs</b>			
Borrowings	25,441	11,740	567
Other	2,349	-	-
	27,790	11,740	567
<b>Other expenditure</b>			
Impairment losses on rates receivables	-	50,000	22,417
Sundry expenses	121,519	158,900	169,916
	121,519	208,900	192,333

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**3. CASH AND CASH EQUIVALENTS**

Cash at bank and on hand  
 Term deposits  
**Total cash and cash equivalents**

Held as  
 - Unrestricted cash and cash equivalents  
 - Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
	9,109,699	4,737,612
	-	3,419,298
16(a)	9,109,699	8,156,910
	2,216,200	1,027,927
16(a)	6,893,499	7,128,983
	9,109,699	8,156,910

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

**Restricted financial assets**

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 16.

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Other financial assets at amortised cost**

Term deposits

Held as

- Restricted other financial assets at amortised cost

**(a) Non-current assets**

Financial assets at fair value through profit and loss

**Financial assets at fair value through profit and loss**

Units in Local Government House Trust

	2022	2021
	\$	\$
	3,422,952	-
	3,422,952	-
	3,422,952	-
	3,422,952	-
16(a)	3,422,952	-
	3,422,952	-
	19,451	18,452
	19,451	18,452
	19,451	18,452
	19,451	18,452

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 26 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

**Financial assets at fair value through profit and loss**

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

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 21.

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**5. TRADE AND OTHER RECEIVABLES**

**Current**

	Note	2022 \$	2021 \$
Rates receivable		78,537	562,530
Trade and other receivables		1,517	67,512
GST receivable		59,587	130,486
Receivables for employee related provisions	14	4,016	-
Allowance for credit losses of trade and other receivables	21(b)	-	-
Allowance for credit losses of rates receivables	21(b)	(16,493)	(22,417)
		127,164	738,111

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

**Classification and subsequent measurement**

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

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

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

**6. INVENTORIES**

**Current**

	2022 \$	2021 \$
Fuel and materials	139,174	143,889
	139,174	143,889

The following movements in inventories occurred during the year:

**Balance at beginning of year**

Inventories expensed during the year	143,889	72,987
Additions to inventory	(970,678)	(487,206)
<b>Balance at end of year</b>	965,963	558,108
	139,174	143,889

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

**SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**7. OTHER ASSETS**

**Other assets - current**

**Contract assets**

	2022	2021
	\$	\$
	182,020	-
	182,020	-

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

**Contract assets**

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at the end of the period.

Impairment of assets associated with contracts with customers are detailed at note 2 (b).

SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	Buildings and improvements	Furniture and equipment	Plant and equipment	Work in progress	Total property, plant and equipment
		\$	\$	\$	\$	\$
Balance at 1 July 2020		7,096,906	26,595	3,206,857	6,535	10,336,893
Additions		783,680	14,626	325,768	-	1,124,074
Prior year assets expensed					(6,535)	(6,535)
Depreciation	10(a)	(349,673)	(2,949)	(445,385)	-	(798,007)
Balance at 30 June 2021		7,530,913	38,272	3,087,240	-	10,656,425
<b>Comprises:</b>						
Gross balance amount at 30 June 2021		8,808,253	44,120	4,199,254	-	13,051,627
Accumulated depreciation at 30 June 2021		(1,277,340)	(5,848)	(1,112,014)	-	(2,395,202)
Balance at 30 June 2021		7,530,913	38,272	3,087,240	-	10,656,425
Additions		251,616	8,849	267,907	-	528,372
Disposals		-	-	(17,023)	-	(17,023)
Revaluation increments / (decrements) transferred to revaluation surplus		2,464,567	-	-	-	2,464,567
Depreciation	10(a)	(396,261)	(6,245)	(459,354)	-	(861,860)
Balance at 30 June 2022		9,850,835	40,876	2,878,770	-	12,770,481
<b>Comprises:</b>						
Gross balance amount at 30 June 2022		13,393,789	52,969	4,445,160	-	17,891,918
Accumulated depreciation at 30 June 2022		(3,542,954)	(12,093)	(1,566,390)	-	(5,121,437)
Balance at 30 June 2022		9,850,835	40,876	2,878,770	-	12,770,481

\* Asset additions included additions received at substantially less than fair value:

During the year ended 30 June 2021	-	-	-	-	-	-
During the year ended 30 June 2022	-	-	-	-	-	-

**SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

(b) Carrying Value Measurements

Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>						
	Buildings and improvements	3	Cost approach using depreciated replacement cost	Independent valuer	June 2022	Improvements to land using residual values and remaining useful life assessments inputs.
<p>Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.</p> <p>During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.</p>						
<b>(ii) Cost</b>						
<b>Furniture and equipment</b>						
			Cost	Cost		Purchase cost
<b>Plant and equipment</b>						
			Cost	Cost		Purchase cost



**SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**9. INFRASTRUCTURE**

**(a) Movements in Balances**

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

Note	Infrastructure - roads	Infrastructure - bridges	Total Infrastructure
	\$	\$	\$
<b>Balance at 1 July 2020</b>	68,286,794	3,891,526	72,178,320
Additions	2,621,373	-	2,621,373
Depreciation	(2,511,768)	(51,205)	(2,562,973)
<b>Balance at 30 June 2021</b>	68,396,399	3,840,321	72,236,720
<b>Comprises:</b>			
Gross balance at 30 June 2021	93,799,385	4,096,342	97,895,727
Accumulated depreciation at 30 June 2021	(25,402,986)	(256,021)	(25,659,007)
<b>Balance at 30 June 2021</b>	68,396,399	3,840,321	72,236,720
Additions	3,309,267	-	3,309,267
Revaluation increments / (decrements) transferred to revaluation surplus	19,774,835	(59,215)	19,715,620
Revaluation (loss) / reversals transferred to profit or loss	-	(1,925,144)	(1,925,144)
Depreciation	(2,740,689)	(51,203)	(2,791,892)
<b>Balance at 30 June 2022</b>	88,739,812	1,804,759	90,544,571
<b>Comprises:</b>			
Gross balance at 30 June 2022	129,306,253	4,658,230	133,964,483
Accumulated depreciation at 30 June 2022	(40,566,441)	(2,853,471)	(43,419,912)
<b>Balance at 30 June 2022</b>	88,739,812	1,804,759	90,544,571

\* Asset additions included additions received at substantially less than fair value:

During the year ended 30 June 2021	-	-	-
During the year ended 30 June 2022	-	-	-

SHIRE OF MURCHISON  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2022	Construction costs and current condition residual values and remaining useful life assessments.
	Infrastructure - bridges	3	Cost approach using depreciated replacement cost	Management valuation	June 2022	Construction costs and current condition residual values and remaining useful life assessments.

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

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

SHIRE OF MURCHISON  
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FOR THE YEAR ENDED 30 JUNE 2022

## 10. FIXED ASSETS

## (a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings and improvements	8(a)	396,261	278,824	349,673
Furniture and equipment	8(a)	6,245	3,644	2,949
Plant and equipment	8(a)	459,354	559,438	445,385
Infrastructure - roads	9(a)	2,740,689	2,787,327	2,511,768
Infrastructure - bridges	9(a)	51,203	51,204	51,205
		3,653,752	3,680,437	3,360,980

## Depreciation rates

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

Asset Class	Useful life
Buildings & 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

## (b) Temporarily Idle or retired from use assets

The Shire did not hold any temporarily idle or retired assets not classified as for sale at balance date.

## (c) Fully Depreciated Assets in Use

	2022 \$	2021 \$
The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.		
Plant and equipment	78,000	-
	78,000	-

SHIRE OF MURCHISON  
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10. FIXED ASSETS (Continued)

(d) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and equipment	\$ 17,023	\$ 5,455	\$ -	\$ (11,568)	58,828	47,000	-	(11,828)	-	-	-	-
	17,023	5,455	-	(11,568)	58,828	47,000	-	(11,828)	-	-	-	-

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
<b>Plant and Equipment</b>				
<b>Recreation and culture</b>				
Kubota Tractor Mower	17,023	5,455	-	(11,568)

**SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**10. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

**Initial recognition and measurement for assets held at cost**

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

**Initial recognition and measurement between mandatory revaluation dates for assets held at fair value**

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. 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 zero cost or otherwise significantly less than fair value, 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 that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

**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 carrying amount for each asset class 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.

**Revaluation (continued)**

For property, plant and equipment and infrastructure, 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. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

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

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

**Depreciation on revaluation**

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

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

**Amortisation**

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**11. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors
Prepaid rates
Accrued payroll liabilities
ATO liabilities
Bonds and deposits held
Accrued expenses

2022	2021
\$	\$
306,064	313,910
3,548	-
41,429	36,092
59,938	56,915
423,879	423,182
45,204	789,102
880,062	1,619,201

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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.

**Trade and other payables**

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

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**Prepaid rates**

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

**SHIRE OF MURCHISON**  
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**12. OTHER LIABILITIES**

**Current**

Capital grant/contributions liabilities

**Reconciliation of changes in capital grant/contribution liabilities**

Opening balance

Additions

Revenue from capital grant/contributions held as a liability at the start of the period

**Expected satisfaction of capital grant/contribution liabilities**

Less than 1 year

	2022 \$	2021 \$
Capital grant/contributions liabilities	377,174	308,322
	377,174	308,322
Opening balance	308,322	-
Additions	377,174	308,322
Revenue from capital grant/contributions held as a liability at the start of the period	(308,322)	-
	377,174	308,322
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	377,174	308,322
	377,174	308,322

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 26(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF MURCHISON  
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**13. BORROWINGS**

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Bank loans		193,898	1,736,658	1,930,556	1,176	15,002	16,178
<b>Total secured borrowings</b>	30(a)	193,898	1,736,657	1,930,555	1,176	15,002	16,178

**Secured liabilities and assets pledged as security**

Bank loans are secured by a floating charge over the assets of the Shire of Murchison.

The Shire of Murchison has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 26(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 21.

Details of individual borrowings required by regulations are provided at Note 30(a).



**SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**14. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave

Long Service Leave

**Non-current provisions**

Long Service Leave

	2022	2021
	\$	\$
Annual Leave	162,037	116,351
Long Service Leave	25,738	18,132
	<u>187,775</u>	<u>134,483</u>
Long Service Leave	92,425	57,361
	<u>92,425</u>	<u>57,361</u>
	<u>280,200</u>	<u>191,844</u>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

**Amounts are expected to be settled on the following basis:**

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
Less than 12 months after the reporting date	187,775	49,217
More than 12 months from reporting date	92,425	142,627
	<u>280,200</u>	<u>191,844</u>
Expected reimbursements of employee related provisions from other WA local governments included within other receivables	5 (4,016)	-

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

SHIRE OF MURCHISON  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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15. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	2022 Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	2021 Total Movement on Revaluation	2021 Closing Balance
Revaluation surplus - Buildings and improvements	\$ 5,397,026	\$ 2,464,567	\$ -	\$ 2,464,567	\$ 7,861,593	\$ 5,397,026	\$ -	\$ -	\$ -	\$ 5,397,026
Revaluation surplus - Infrastructure - roads	51,778,640	19,774,835	-	19,774,835	71,553,475	51,778,640	-	-	-	51,778,640
Revaluation surplus - Infrastructure - bridges	59,215	-	(59,215)	(59,215)	-	59,215	-	-	-	59,215
	57,234,881	22,239,402	(59,215)	22,180,187	79,415,068	57,234,881	-	-	-	57,234,881

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

SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

## 16. NOTES TO THE STATEMENT OF CASH FLOWS

### (a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	9,109,699	7,325,081	8,156,910
<b>Restrictions</b>				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	6,893,499	6,776,595	7,128,983
- Financial assets at amortised cost	4	3,422,952	-	-
		10,316,451	6,776,595	7,128,983
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	31	10,316,451	6,776,595	7,128,983
<b>Total restricted financial assets</b>		10,316,451	6,776,595	7,128,983

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

Net result		852,372	(1,535,566)	(3,383,217)
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(999)	-	(647)
Depreciation/amortisation		3,653,752	3,680,437	3,360,980
(Profit)/loss on sale of asset		11,568	11,828	-
Loss on revaluation of fixed assets		1,925,144	-	-
Prior year work in progress expensed		-	-	6,535
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		610,947	-	(426,821)
(Increase)/decrease in other assets		(182,020)	-	-
(Increase)/decrease in inventories		4,715	-	(70,902)
Increase/(decrease) in trade and other payables		(739,139)	-	564,828
Increase/(decrease) in employee related provisions		88,356	-	40,492
Increase/(decrease) in other liabilities		68,852	(308,322)	308,322
Non-operating grants, subsidies and contributions		(1,716,695)	(1,587,350)	(1,563,591)
Net cash provided by/(used in) operating activities		4,576,853	261,027	(1,164,021)

### (c) Undrawn Borrowing Facilities Credit Standby Arrangements

Bank overdraft limit		1,000,000		1,000,000
Bank overdraft at balance date		-		-
Credit card limit		5,000		5,000
Credit card balance at balance date		(1,566)		(1,303)
<b>Total amount of credit unused</b>		1,003,434		1,003,697

### Loan facilities

Loan facilities - current		193,898		1,176
Loan facilities - non-current		1,736,657		15,002
<b>Total facilities in use at balance date</b>		1,930,555		16,178

### Unused loan facilities at balance date

NIL NIL

**SHIRE OF MURCHISON**  
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## 17. CONTINGENT LIABILITIES

The Shire of Murchison was in compliance with the *Contaminated Sites Act 2003* section 11 listed sites to be possible sources of contamination

- Murchison settlement tip; and
- Murchison works depot

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and degree with the Department of Water and Environmental Regulation (DWER), the need and criteria for remediation, the Shire is unable to accurately quantify its clean-up liabilities for potential contaminated sites.

The Shire is continuing to monitor the sites and will progressively undertake site investigations and remediation on a risk based approach.

## 18. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	201,780	105,461
- plant & equipment purchases	59,666	38,485
	261,446	143,946
Payable:		
- not later than one year	261,446	143,946

SHIRE OF MURCHISON  
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## 19. RELATED PARTY TRANSACTIONS

## (a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Cr. Roscco Foulkes-Taylor</b>			
President's annual allowance	12,032	13,000	12,032
Meeting attendance fees	13,824	10,000	9,870
Other expenses	-	1,667	385
Annual allowance for ICT expenses	1,165	1,084	874
Travel and accommodation expenses	4,920	5,500	2,110
	31,941	31,251	25,271
<b>Cr. Andrew Whitmarsh</b>			
Deputy President's annual allowance	5,015	5,500	5,015
Meeting attendance fees	9,504	10,000	9,870
Other expenses	-	1,667	385
Annual allowance for ICT expenses	1,165	1,083	1,165
Travel and accommodation expenses	2,222	5,500	1,616
	17,906	23,750	18,051
<b>Cr. Emma Foulkes-Taylor</b>			
Meeting attendance fees	9,504	10,000	9,870
Other expenses	-	1,667	385
Annual allowance for ICT expenses	1,165	1,083	1,165
Travel and accommodation expenses	5,939	4,750	4,033
	16,608	17,500	15,453
<b>Cr. Quentin Fowler</b>			
Meeting attendance fees	9,504	10,000	9,870
Other expenses	-	1,667	385
Annual allowance for ICT expenses	1,165	1,083	1,165
Travel and accommodation expenses	762	4,750	2,131
	11,431	17,500	13,551
<b>Cr. Greydon Mead</b>			
Meeting attendance fees	7,920	10,000	9,870
Other expenses	-	1,666	385
Annual allowance for ICT expenses	1,165	1,083	1,165
Travel and accommodation expenses	2,085	4,750	2,085
	11,170	17,499	13,505
<b>Cr. Paul Squires</b>			
Meeting attendance fees	2,376	10,000	9,870
Other expenses	-	1,666	385
Annual allowance for ICT expenses	291	1,084	874
Travel and accommodation expenses	374	4,750	499
	3,041	17,500	11,628
<b>Cr. Michelle Fowler</b>			
Meeting attendance fees	7,128	-	-
Annual allowance for ICT expenses	874	-	-
Travel and accommodation expenses	291	-	-
	8,293	-	-
	100,390	125,000	97,459
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	12,032	13,000	12,032
Deputy President's annual allowance	5,015	5,500	5,015
Meeting attendance fees	59,760	60,000	59,220
Other expenses	-	10,000	2,310
Annual allowance for ICT expenses	6,990	6,500	6,408
Travel and accommodation expenses	16,593	30,000	12,474
19(b)	100,390	125,000	97,459

**SHIRE OF MURCHISON**  
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**19. RELATED PARTY TRANSACTIONS**

**(b) Key Management Personnel (KMP) Compensation**

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	409,473	368,245
Post-employment benefits	45,065	48,956
Employee - other long-term benefits	11,339	2,590
Council member costs	100,390	97,459
19(a)	566,267	517,250

*Short-term employee benefits*

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

*Post-employment benefits*

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

*Other long-term benefits*

These amounts represent annual leave and long service leave entitlements accruing during the year.

*Termination benefits*

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

*Council member costs*

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

**(c) Transactions with related parties**

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

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

In addition to KMP compensation above the following transactions occurred with related parties:

Purchase of goods and services

	2022 Actual	2021 Actual
	\$	\$
Purchase of goods and services	759,373	4,631,635
<b>Amounts payable to related parties:</b>		
Trade and other payables	52,223	9,914
- Elected members	80	24,714

**Amounts payable to related parties:**

Trade and other payables

- Elected members

**(d) Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

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

*ii. Other Related Parties*

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

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

*iii. Entities subject to significant influence by the Shire*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence.

Significant influence may be gained by share ownership, statute or agreement.

**SHIRE OF MURCHISON  
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**20. JOINT ARRANGEMENTS**

**Share of joint operations**

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

**Statement of Financial Position**

	2022 Actual	2021 Actual
	\$	\$
Buildings	96,273	59,787
Less: Accumulated depreciation	(22,049)	(13,896)
<b>Total assets</b>	<b>74,224</b>	<b>45,891</b>
<b>Total equity</b>	<b>74,224</b>	<b>45,891</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

A joint operation is a joint arrangement where the Shire has joint control with another party to the joint arrangement. All parties to joint arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**21. FINANCIAL RISK MANAGEMENT**

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

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2022</b>					
Cash and cash equivalents	0.02%	9,109,699	-	9,109,199	500
Financial assets at amortised cost - term deposits	0.07%	3,422,952	3,422,952	-	-
<b>2021</b>					
Cash and cash equivalents	0.03%	8,156,910	3,419,298	4,737,112	500

**Sensitivity**

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

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	91,092	47,371

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 30(a).



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**21. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade and Other Receivables**

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	0.07%	23.12%	23.33%	15.19%		
Gross carrying amount	780	47,599	11,121	19,037	78,537	
Loss allowance	1	11,005	2,595	2,892	16,493	5
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss	0.00%	18.76%	4.91%	0.00%		
Gross carrying amount	433,954	117,396	7,939	3,241	562,530	
Loss allowance	-	22,027	390	-	22,417	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Less than 1 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	220	400	0	897	1,517	
Loss allowance	-	-	-	-	-	5
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	64,138	-	100	3,274	67,512	
Loss allowance	-	-	-	-	-	5

SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ 22,417	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in loss allowance recognised in profit or loss during the year	-	22,417	-	-	-	-
Unused amount reversed	(5,924)	-	-	-	-	-
Closing loss allowance at 30 June	16,493	22,417	-	-	-	-

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

**Contract Assets**

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**21. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk**

**Payables and borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b><u>2022</u></b>					
Trade and other payables	880,062	-	-	880,062	880,062
Borrowings	222,460	1,108,040	777,333	2,107,833	1,930,555
Contract liabilities	377,174	-	-	377,174	377,174
	<u>1,479,696</u>	<u>1,108,040</u>	<u>777,333</u>	<u>3,365,069</u>	<u>3,187,791</u>
<b><u>2021</u></b>					
Trade and other payables	1,619,201	-	-	1,619,201	1,619,201
Borrowings	1,705	8,524	9,376	19,605	16,178
Contract liabilities	308,322	-	-	308,322	308,322
	<u>1,929,228</u>	<u>8,524</u>	<u>9,376</u>	<u>1,947,128</u>	<u>1,943,701</u>

**SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Shire.

**23. TRUST FUNDS**

The Shire did not have any funds held at balance date over which it has no control.

**24. MAJOR LAND TRANSACTIONS**

The Shire did not have any major land transactions during the financial year.

**25. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire was not involved in any trading undertakings or major trading undertakings during the financial year.

**SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**26. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**a) Goods and services tax (GST)**

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

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

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

**b) Current and non-current classification**

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

**g) Fair value of assets and liabilities**

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

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

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

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

**h) Interest earnings**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

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

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

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

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

**k) Initial application of accounting standards**

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

**New accounting standards for application in future years**

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

**SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**27. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

<b>Objective</b>	<b>Description</b>
<p><b>Governance</b></p> <p>To provide the decision-making framework to facilitate allocation of limited resources.</p>	<p>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.</p>
<p><b>General purpose funding</b></p> <p>To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p><b>Law, order, public safety</b></p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision of various by-laws, fire prevention and animal control.</p>
<p><b>Health</b></p> <p>To provide an operational framework for environmental and community health.</p>	<p>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.</p>
<p><b>Education and welfare</b></p> <p>To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Support of education facilities within the Shire and of any external resources necessary to assist with education programmes for all residents.</p>
<p><b>Housing</b></p> <p>To provide and maintain staff housing.</p>	<p>Provision and maintenance of staff housing.</p>
<p><b>Community amenities</b></p> <p>To provide services required by the community.</p>	<p>Maintain a refuse site for the settlement.</p>
<p><b>Recreation and culture</b></p> <p>To establish and effectively manage infrastructure and resources which will help the social well being of the community.</p>	<p>Provide a library and museum and operation there of. Maintain recreation centre, sports field, parks, gardens and other recreational facilities.</p>
<p><b>Transport</b></p> <p>To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, drainage works and traffic signs. Maintenance of the settlement airstrip.</p>
<p><b>Economic services</b></p> <p>To help promote the Shire and its economic wellbeing.</p>	<p>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.</p>
<p><b>Other property and services</b></p> <p>To monitor and control Shires overheads operating account.</p>	<p>Private works operations, plant repairs and operation costs.</p>

SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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## 27. FUNCTION AND ACTIVITY (Continued)

## (b) Income and expenses

	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Income excluding grants, subsidies and contributions</b>			
Governance	25,954	7,000	13,375
General purpose funding	550,774	593,000	505,371
Law, order, public safety	-	500	50
Community amenities	85	-	270
Recreation and culture	6,139	2,150	7,561
Transport	863	-	62
Economic services	684,816	691,880	341,889
Other property and services	32,976	-	9,181
	1,301,607	1,294,530	877,759
<b>Grants, subsidies and contributions</b>			
Governance	4,444	5,000	-
General purpose funding	5,165,980	1,970,000	3,757,609
Law, order, public safety	12,793	21,500	27,638
Education and welfare	2,500	-	-
Community amenities	-	300	-
Recreation and culture	22,240	5,460	-
Transport	3,229,214	2,999,284	7,728,509
Economic services	90,449	300	-
Other property and services	145,815	100,000	103,165
	8,673,435	5,101,844	11,616,921
<b>Total Income</b>	9,975,042	6,396,374	12,494,680
<b>Expenses</b>			
Governance	(678,186)	(715,413)	(564,439)
General purpose funding	(35,928)	(89,319)	(54,704)
Law, order, public safety	(110,124)	(95,057)	(108,119)
Health	(44,085)	(56,962)	(43,314)
Education and welfare	(2,064)	(1,200)	(1,000)
Housing	(101,448)	(84,329)	-
Community amenities	(134,943)	(149,805)	(150,654)
Recreation and culture	(273,053)	(312,067)	(270,893)
Transport	(5,878,176)	(5,033,343)	(13,708,686)
Economic services	(1,670,372)	(1,377,082)	(967,554)
Other property and services	(194,291)	(17,363)	(8,534)
<b>Total expenses</b>	(9,122,670)	(7,931,940)	(15,877,897)
<b>Net result for the period</b>	852,372	(1,535,566)	(3,383,217)

SHIRE OF MURCHISON  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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## 27. FUNCTION AND ACTIVITY (Continued)

	2022 Actual	2022 Budget	2021 Actual
<b>(c) Fees and Charges</b>	\$	\$	\$
General purpose funding	1,345	-	-
Governance	13,295	7,000	9,506
Law, order, public safety	-	500	50
Community amenities	85	-	270
Recreation and culture	370	2,150	3,361
Economic services	463,474	691,880	302,163
	<u>478,569</u>	<u>701,530</u>	<u>315,350</u>
<b>(d) Total Assets</b>	\$	\$	
Governance	1,818,024	1,585,295	
General purpose funding	5,665,736	1,698,526	
Law, order, public safety	100,518	87,216	
Health	39,750	8,193	
Housing	1,999,970	2,012,623	
Community amenities	109,685	67,026	
Recreation and culture	1,580,034	1,006,186	
Transport	102,077,609	80,465,341	
Economic services	2,787,556	1,940,300	
Other property and services	136,630	3,079,155	
Unallocated	-	646	
	<u>116,315,512</u>	<u>91,950,507</u>	





SHIRE OF MURCHISON  
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## 28. RATING INFORMATION (Continued)

### (c) Specified Area Rate

The Shire did not raise any specified area rates for the year ended 30th June 2022.

### (d) Service Charges

### (e) Discounts, Incentives, Concessions, & Write-offs

The Shire did not grant any discounts or incentives, concessions or write-offs for the year ended 30th June 2022.

### (f) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Jnpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	15/10/2021	-	0.00%	7.00%
<b>Option Two</b>				
First instalment				
Second instalment				
<b>Option Three</b>				
First instalment	15/10/2021	-	0.00%	7.00%
Second instalment	17/12/2021	11.0	0.00%	7.00%
Third instalment	18/02/2022	11.0	0.00%	7.00%
Fourth instalment	18/04/2022	11.0	0.00%	7.00%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	5,481	8,000	13,201
Charges on instalment plan	-	500	-
	5,481	8,500	13,201

SHIRE OF MURCHISON  
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## 29. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2021/22	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(1 July 2021 Brought Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
	Less: Movement in liabilities associated with restricted cash	53,292	-	49,217
	Less: Movement in receivables for employee related provisions	(4,016)		
	Less: Fair value adjustments to financial assets at fair value through profit and loss	(999)	-	(647)
10(d)	Add: Loss on disposal of assets	11,568	11,828	-
9(a)	Add: Loss on revaluation of fixed assets	1,925,144	-	-
	Add: Prior year work in progress expensed	-	-	6,535
10(a)	Add: Depreciation	3,653,752	3,680,437	3,360,980
	Non-cash movements in non-current assets and liabilities:			
	Employee benefit provisions	35,064	-	(8,725)
	<b>Non-cash amounts excluded from operating activities</b>	<b>5,673,805</b>	<b>3,692,265</b>	<b>3,407,360</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
	Less: Reserve accounts	(10,316,451)	(6,776,595)	(7,128,983)
	Add: Current liabilities not expected to be cleared at end of year			
	- Current portion of borrowings	193,898	2,613,009	1,176
	- Employee benefit provisions	183,759	134,483	134,483
	<b>Total adjustments to net current assets</b>	<b>(9,938,794)</b>	<b>(4,029,103)</b>	<b>(6,993,324)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
	Total current assets	12,981,009	8,231,266	9,038,910
	Less: Total current liabilities	(1,638,909)	(4,161,203)	(2,063,182)
	Less: Total adjustments to net current assets	(9,938,794)	(4,029,103)	(6,993,324)
	<b>Net current assets used in the Rate Setting Statement</b>	<b>1,403,306</b>	<b>40,960</b>	<b>(17,596)</b>

SHIRE OF MURCHISON  
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FOR THE YEAR ENDED 30 JUNE 2022

30. BORROWING

(a) Borrowings

Purpose	Note	Loan Number	Institution*	Interest Rate %	Principal at 30 June 2021		Principal at 30 June 2022		Actual		Budget		Principal at 30 June 2022	
					July 2021	June 2021	July 2021	June 2021	Actual Interest Repayments During 2021-22	Actual Interest Repayments During 2022-22	Budget Interest Repayments During 2021-22	Budget Interest Repayments During 2022-22	July 2021	June 2022
Plant Roadworks in 2020-21		1	WATC	3.30%	17,315	16,177	15,745	15,001	567	679	529	(629)	7,901	1,908,939
MicroGrid power		2	WATC	1.00%	-	-	-	-	-	24,762	18,421	(83,061)	7,901	1,908,939
MicroGrid power		3	WATC	1.00%	-	-	-	-	-	25,441	(18,950)	(139,982)	11,740	2,626,796
<b>Total Borrowings</b>		13			17,315	16,177	15,745	15,001	567	25,441	(18,950)	(139,982)	11,740	2,626,796

\* WA Treasury Corporation

(b) New Borrowings - 2021/22

Particulars/Purpose	Institution*	Loan Type	Term Years	Interest Rate %	Amount Borrowed		2022 Budget	2022 Actual	Amount (Used)	Actual Interest Repayments	Actual Interest Repayments	Total Interest & Charges
					Actual	Budget						
Semi Annual Compounding	WATC	Compound	10	1.00%	2,000,000	2,000,000	(2,000,000)	(2,000,000)	(2,000,000)	199,033	199,033	-
MicroGrid power	WATC	Compound			750,000	750,000	(750,000)	(750,000)	(750,000)	199,033	199,033	-
					2,000,000	2,750,000	(2,000,000)	(2,750,000)	(2,750,000)	199,033	199,033	-

(c) Unspent Borrowings

Particulars	Date	Unspent Balance 1 July 2021	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2022
Roadworks in 2020-21	28/10/2021	\$ -	2,000,000	(2,000,000)	\$ -

SHIRE OF MURCHISON  
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31. RESERVE ACCOUNTS

	2022 Actual		2022 Actual		2022 Budget		2022 Budget		2021 Actual		2021 Actual		2021 Actual	
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Opening Balance	Transfer to	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted council</b>														
(a) Leave reserve	139,088	59	-	139,147	139,088	25,700	-	164,788	138,380	708	0	138,380	0	139,088
(b) Plant replacement reserve	1,372,757	1	-	1,372,758	1,372,757	300,000	(478,000)	1,194,757	1,433,553	51,204	(112,000)	1,433,553	(112,000)	1,372,757
(c) Building reserve	499,422	213	-	499,635	499,422	2,700	(11,000)	491,122	512,797	2,625	(16,000)	512,797	(16,000)	499,422
(d) Berrigarra-Cue road reserve	3,454,306	3,618	-	3,457,924	3,454,306	24,000	(767,188)	2,711,118	3,430,426	23,880	-	3,430,426	-	3,454,306
(e) CSIRO Berrigarra-Pindar road reserve	175,949	75	-	176,024	175,949	900	-	176,849	175,053	896	-	175,053	-	175,949
(f) Flood damage repairs reserve	105,969	-	-	105,969	105,969	500	-	106,469	255,503	466	(150,000)	255,503	(150,000)	105,969
(g) Settlement buildings and facilities reserve	522,634	223	-	522,857	522,634	1,300,000	(350,000)	1,472,634	669,208	3,426	(150,000)	669,208	(150,000)	522,634
(h) Asset rehabilitation reserve	858,858	54	-	858,912	858,858	-	(400,000)	458,858	375,000	483,858	-	375,000	-	858,858
(i) Grants Commission reserve	-	3,183,225	-	3,183,225	-	-	-	-	-	-	-	-	-	-
	7,128,983	3,187,468	-	10,316,451	7,128,983	1,653,800	(2,006,188)	6,776,595	6,989,920	567,063	(428,000)	6,989,920	(428,000)	7,128,983

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant replacement reserve	Ongoing	To be used for the purchase of plant.
(c) Building reserve	Ongoing	To be used for the construction / renovation of administration centre and Works Depot.
(d) Berrigarra-Cue road reserve	Ongoing	To be used to maintain the road in a post Jack Hills mine closure environment by converting the road from bitumen to gravel and performing other associated works as required.
(e) CSIRO Berrigarra-Pindar road reserve	Ongoing	To be used to fund additional maintenance work required due to CSIRO traffic.
(f) Flood damage repairs reserve	Ongoing	To be used towards the 'trigger point' for Western Australia Natural Disaster Relief funded flood damage works.
(g) Settlement buildings and facilities reserve	Ongoing	To be used to fund improvements to and maintenance of settlement buildings and facilities as well as new facilities.
(h) Asset rehabilitation reserve	Ongoing	To be used to fund works associated with rehabilitating Council's Infrastructure Assets
(i) Grants Commission reserve	Ongoing	To ensure that any Grants Commission funds received are only applied to income and expenses in the financial year in which they apply.



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022 Shire of Murchison

To the Councillors of the Shire of Murchison

#### Opinion

I have audited the financial report of the Shire of Murchison (Shire) which comprises:

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- is presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

#### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other information

The Chief Executive Officer (CEO) is responsible for the preparing and the Council for overseeing, the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

### **Responsibilities of the Chief Executive Officer and Council for the financial report**

The Chief Executive Officer of the Shire is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

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

### **Auditor's responsibilities for the audit of the financial report**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

### **My independence and quality control relating to the report on the financial report**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Shire of Murchison for the year ended 30 June 2022 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.



Patrick Arulsingham  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
16 May 2023





## **murchison**shire

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