

Introduction

This 2023/24 Budget Snapshot provides a quick overview of the rationale behind and basic details of Council’s 2023/24 Budget.

Background

Previous COVID-19 Response arrangements have seen a significant amount of emphasis by the State and Commonwealth Governments to advance maintenance and capital spending on projects that benefit the community. Council responded proactively with an expanded program of capital expenditure on roads in part leading to the construction and sealing to a 7.2m seal width of the remaining 35.42km section of the Carnarvon-Mullewa Road between the Murchison Settlement and our south shire boundary. Council has been able to secure additional funding to assist from the Commonwealth’s Local Roads and Community Infrastructure Program and Main Roads WA for this band other roads projects, but this is also supplemented by additional Council contributions.

As shown later in this snapshot Council has also been proceeding on works to upgrade a range of projects in and around the Murchison Settlement.

4-Year Indicative Budget – Long Term Financial Management

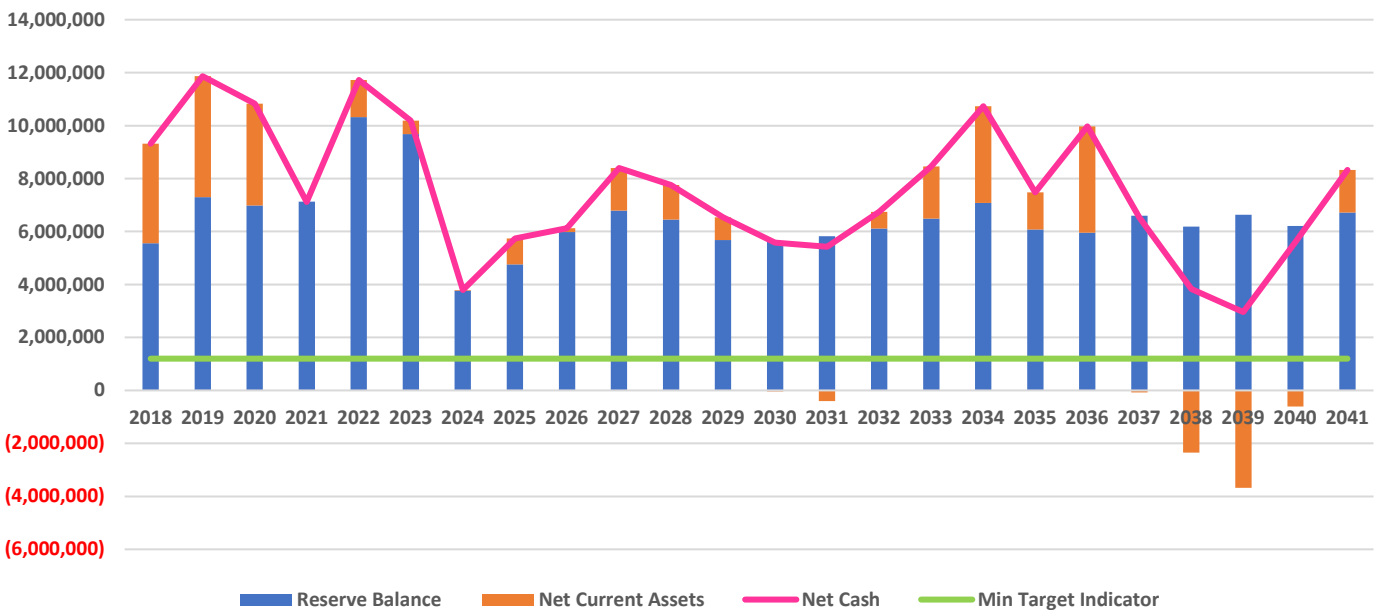
Obviously, Council’s works program will be carried out in a financially responsible manner and to this end whilst budgets are set and delivered on an annual basis, in reality works and services are delivered on a continuous basis with the financial year merely a point in time.

It is also considered prudent and now standard practice to look at the situation for a 4-year period. During 2022/23 Council also looked longer term, as also required under the provisions of the Local Government Act and updated its Corporate Business Plan, Asset Management Plan and Long-Term Financial Plan.

The Budget Reserves Net Current Assets Summary Graph shown below highlights this approach. As indicated, Council is well placed to manage all of the competing priorities in the next few years but does need additional revenue if it is to minimise being financially stretched in the future and to ensure existing ratepayers make some contribution for the use of assets and facilities today, and not leave all of the financial burden to future generations.

Budget Reserves Net Current Assets Summary

The following Budget Cash Summary is a graphical representation of the summary of our Reserves (Restricted Cash) and Net Current Assets (Unrestricted Cash) highlighting the now, recent past and into the future. Revenue from potential growth in Councils rates base has not been factored in. Whilst there are inherent unknowns with respect to the accuracy of future figures, nevertheless they have been based on accurate data and fairly represent future financial challenges that Council is addressing, a situation not unlike many small local governments.



Murchison Settlement Redevelopment Works

Over the past three years Council has been working on the upgrade of the Murchison Settlement Water Supply and Power Supply. The extent and scope of works required on each has significantly increased meaning that some projects previously identified that were unlikely to receive grant funding have been deferred, whilst some with part grant funding have been able to proceed in 2023/24.

Council has also been in advanced planning for improvements within the Settlement through the Murchison Settlement Redevelopment Masterplan, Murchison Roadhouse Precinct Redevelopment and Murchison Vast Sky Experience Business Case. Snapshot summary of some projects from the 2023/24 Budget and Councils Asset Management Plan is shown as follows.

Project	Est Cost \$	Year
2023/24 Budget		
Community Swimming Pool (Part LRCIP Funded)	1,050,000	2024
Sports Club Paving & Minor Refurbishment	50,000	2024
Community Splash Pad (Part Lottery West Funded)	350,000	2024
Caravan Park Ablution Block	475,000	2024
Water Supply Upgrade Bores, Shed Ring Main	450,000	2024
Power Supply Upgrade Powerhouse Stage 1	350,000	2024
Container Deposit Shed	10,000	2024
Roadhouse Furniture & Equipment	26,500	2024
Roadhouse Point of Sale	25,000	2024
Roadhouse & C/V Park Precinct Works	20,000	2024
Carvan Park Buildings Improvements & Equipment	37,500	2024
Total	2,844,000	
Total funded by \$852,446 Grants, \$600,000 Reserves and \$1,391,554 Revenue		

Future Years Indicative Projects

New Roadhouse Residence	450,000	2025
Staff Housing New	450,000	2025
Water Supply Upgrade- Chlorinator	230,000	2025
Power Supply Relocate Powerhouse Stage 2	450,000	2025
Playground Upgrade (Potential Grant)	200,000	2026
Roadhouse Business Building Refurbishment	500,000	2026
Power Supply Solar Power Provision (loan)	1,000,000	2026
Staff Housing New	450,000	2026
Power Supply Replacement Works	150,000	2028
Community Centre Upgrade Stage 1	750,000	2029
Caravan Park Ensuites – 3 New Units	350,000	2029
Council Building Modifications	600,000	2029
Staff Housing New	450,000	2030
Staff Housing Extension to 3 units	270,000	2030
Community Centre Upgrade Stage 2	400,000	2032

Rates

Over the past three years a more in-depth analysis of Councils rating strategy has been undertaken. Amongst other things it indicated that Average Pastoral Sector Rates had increased 1.4% per annum since 2016, whilst Mining Average Rates increased 5.5% per annum. Whilst the differential between Mining and Pastoral had reduced from 10.7 to 5.0 this is still much greater than the 2.0 limit set under the Local Government where approval of then Minister for Local Government is required.

Council recognised that by both measures a significant one-off correction is required but that this made more difficult as the

average valuations within the Mining sector are also some 3 times greater than those in the Pastoral Sector and 6 times greater than the Exploration Sector.

In setting differential rates for 2023/24 Council formally adopted a previous policy position that as far as practicable aspects associated with natural growth or decline are ignored. In 2023/24 this growth is predominately in the Exploration Sector but also following receiving legal advice obtained a number of new Mining Properties under a Miscellaneous Mining Licence have for the first time been rated and identified in the budget separately

As indicated previously a lift in rate revenue to is required to minimise being financially stretched in the future.

The 2023/24 Budget provides for an overall **8.1%** increase (excluding natural growth or decline). This is not uniform with significant one-off corrections by way of increases in the Pastoral and Exploration Sectors with reductions in Mining Sector.

The following rates in the dollar and minimum rates have been adopted for 2023/24.

Differential Rate Type	Rate in dollar cents	Min Payment (\$)
UV Pastoral	8.894	800
UV Mining	16.941	800
UV Exploration	16.941	800

Council is always mindful of the impact on ratepayers and if there is anyone facing financial hardship, please contact the Council Office to discuss potential payment options.

Other Capital Works

Snapshot summary of some projects from the 2023/24 Budget and Councils Asset Management Plan is shown as follows.

Project	Ext Cost \$
2023/24 Budget	
Carn-Mul Rd 208.68 - 241. Reconstruct & Widen various sections Reseal Works	2,291,451
Beri-Pindar Rd 288.05 - 309.50 Resheet incl Floodways	148,530
Carn-Mul Rd 82.62 - 83.54 & 86.90 - 88.05 Resheet incl Floodways	623,448
SKA Route General Construction Works	121,834
Capex Grids General	3,045,854
Road Plant Purchases	100,000
Tourism Information Bays & Signage	543,000
Total	30,000
Total funded by \$4,940,385 Grants, \$600,000 Reserves and \$1,363,730 Revenue	

Future Years Indicative Road Projects

General Road Construction Works. Varies from \$3.0m to \$5.0m per annum

Summary

Overall, Council aims to responsibly provide a positive Budget and retain the Murchison Shire and Settlement in a sound long-term sustainable position.

Further Information

Refer Councils Website <https://www.murchison.wa.gov.au/> for details of the 2023/24 Budget (including an indicative 4-years). Also relevant are adopted Corporate Business Plan, Long Term Financial Plan, Asset Management Plan and Rating Strategy Reviews.