



**murchisonshire**

*Ancient land under brilliant skies*

**Ordinary Council Meeting**

**28 September 2023**

**Agenda Attachments**





**murchison**shire

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## **SHIRE OF MURCHISON**

### **MONTHLY FINANCIAL REPORT**

**For the Period Ending 31 July 2023**



**RSM Australia Pty Ltd**

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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 22<sup>nd</sup> September 2023

#### **THE POWER OF BEING UNDERSTOOD**

AUDIT | TAX | CONSULTING

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

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

Liability limited by a scheme approved under Professional Standards Legislation

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

**Statement of Financial Activity**

Statements are presented on pages 5 and 6 showing a surplus/(deficit) as at 31 July 2023 of -\$1,667,220

**Significant Revenue and Expenditure**

	Collected / Completed %	Annual Budget \$	YTD Budget \$	YTD Actual \$
<b>Significant Projects</b>				
Beri-Pindar Rd - Resheet Incl Floodway Sections	98%	623,448	51,954	301,118
Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen vario	4%	2,291,451	190,953	89,349
Community Swimming Pool	0%	1,050,000	87,500	-
SKA Route General Construction Works	0%	3,045,854	253,821	198,358
Improvements To drinking Water reticulation	0%	450,000	37,500	94,083
	8%	7,010,754	584,228	588,824
<b>Grants, Subsidies and Contributions</b>				
Grants, subsidies and contributions	1%	5,504,585	102,975	64,731
Capital grants, subsidies and contributions	0%	5,800,331	358,972	-
	1%	11,304,916	461,947	64,731
<b>Rates Levied</b>				
	0%	3,261,265	210,923	-

% - Compares current YTD actuals to the Annual Budget

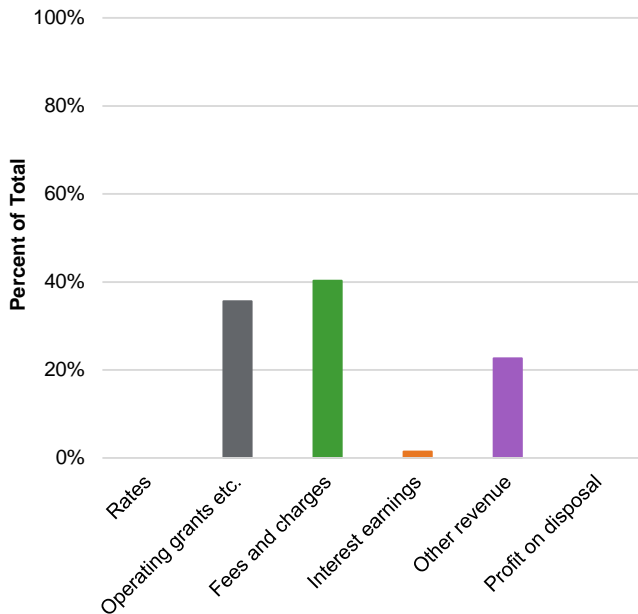
**Financial Position**

Account	Difference to Prior Year %	Current Year 31 Jul 23 \$	Prior Year 31 Jul 22 \$
Adjusted net current assets	(151%)	(1,667,221)	1,107,211
Cash and equivalent - unrestricted	(36%)	(828,371)	2,300,327
Cash and equivalent - restricted	0%	9,677,920	10,317,335
Receivables - rates	(43%)	(32,391)	74,989
Receivables - other	8%	5,465	64,423
Payables	127%	1,970,065	1,548,148

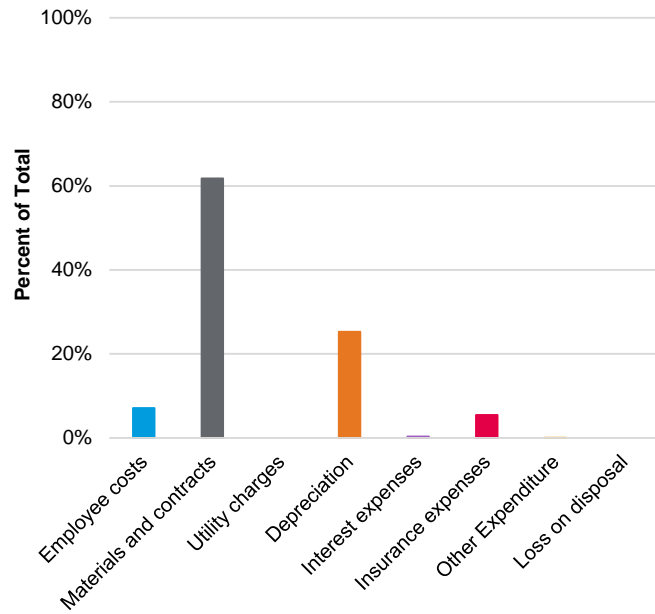
% - Compares current YTD actuals to prior year actuals

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

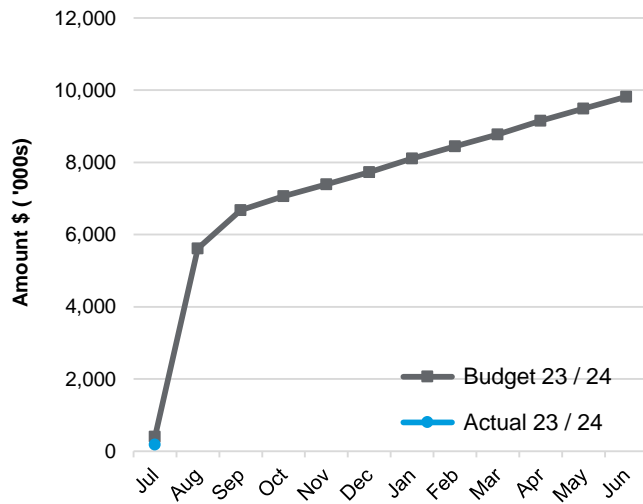
**Operating Income**



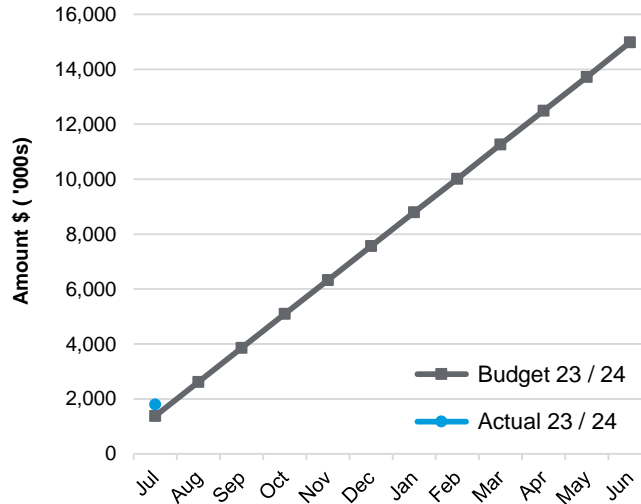
**Operating Expenditure**



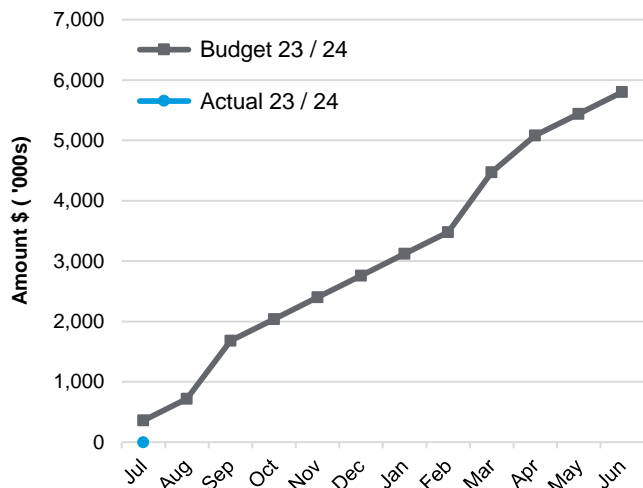
**Operating Revenues**



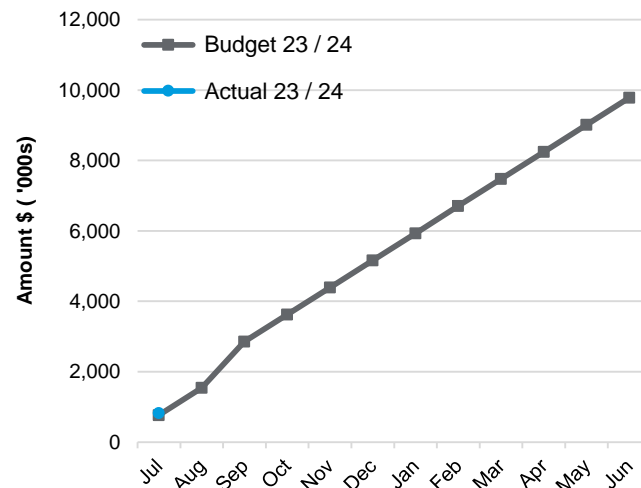
**Operating Expenses**



**Capital Revenues - Investing**



**Capital Expenses**



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

NATURE OR TYPE

	Note	Annual Budget \$	YTD Budget \$	YTD Actual \$	Var* \$	Var* %	Var
<b>Revenue from Operating Activities</b>							
Rates	10	3,261,265	210,923	-	(210,923)	(100%)	▼
Grants, subsidies and contributions	12(a)	5,504,585	102,975	64,731	(38,244)	(37%)	▼
Fees and charges		586,958	48,910	73,222	24,312	50%	▲
Interest earnings		88,100	6,882	2,651	(4,231)	(61%)	
Other revenue		378,701	31,522	41,160	9,638	31%	
Profit on disposal of assets	8	-	-	-	-		
		<b>9,819,610</b>	<b>401,212</b>	<b>181,763</b>			
<b>Expenditure from Operating Activities</b>							
Employee costs		(1,364,317)	(158,172)	(128,149)	30,023	19%	▲
Materials and contracts		(7,821,231)	(643,414)	(1,112,584)	(469,170)	(73%)	▼
Depreciation on non-current assets		(5,400,126)	(449,992)	(455,190)	(5,198)	(1%)	
Finance cost		(44,738)	(1,155)	(6,190)	(5,035)	(436%)	
Insurance expenses		(188,949)	(115,308)	(98,393)	16,915	15%	▲
Other expenditure		(160,373)	(12,112)	(725)	11,387	94%	▲
Loss on disposal of assets	8	-	-	-	-		
		<b>(14,979,734)</b>	<b>(1,380,153)</b>	<b>(1,801,230)</b>			
<b>Excluded Non-cash Operating Activities</b>							
Depreciation and amortisation		5,400,126	449,992	455,190			
Movement in Employee Benefits		-	-	-			
(Profit) / loss on asset disposal		-	-	-			
<b>Net Amount from Operating Activities</b>		<b>240,002</b>	<b>(528,949)</b>	<b>(1,164,277)</b>			
<b>Investing Activities</b>							
<b>Inflows from Investing Activities</b>							
Capital grants, subsidies and contribution:	12(b)	5,800,331	358,972	-	(358,972)	(100%)	▼
Proceeds from disposal of assets	8	100,000	8,333	-	(8,333)	(100%)	
		<b>5,900,331</b>	<b>367,305</b>	<b>-</b>			
<b>Outflows from Investing Activities</b>							
Land and buildings	9(a)	(567,500)	(47,290)	-	47,290	100%	▲
Plant and equipment	9(c)	(543,000)	-	-	-		
Furniture and equipment	9(b)	(91,500)	(7,624)	(23,333)	(15,709)	(206%)	▼
Infrastructure - roads	9(d)	(6,331,117)	(527,588)	(711,478)	(183,890)	(35%)	▼
Infrastructure - other	9(e)	(2,250,000)	(187,498)	(94,083)	93,415	50%	
		<b>(9,783,117)</b>	<b>(770,000)</b>	<b>(828,894)</b>			
<b>Net Amount from Investing Activities</b>		<b>(3,882,786)</b>	<b>(402,695)</b>	<b>(828,894)</b>			
<b>Financing Activities</b>							
<b>Inflows from Financing Activities</b>							
Transfer from reserves	7	6,327,983	527,332	-	(527,332)	100%	
		<b>6,327,983</b>	<b>527,332</b>	<b>-</b>			
<b>Outflows from Financing Activities</b>							
Repayment of debentures	11(a)	(189,033)	-	-	-		
Transfer to reserves	7	(2,972,301)	(247,692)	(1,930)	245,762	99%	▲
		<b>(3,161,334)</b>	<b>(247,692)</b>	<b>(1,930)</b>			
<b>Net Amount from Financing Activities</b>		<b>3,166,649</b>	<b>279,640</b>	<b>(1,930)</b>			
<b>Movement in Surplus or Deficit</b>							
<b>Opening Funding Surplus / (Deficit)</b>							
Amount attributable to operating activities	3	508,088	508,088	327,882			
Amount attributable to investing activities		240,002	(528,949)	(1,164,277)			
Amount attributable to financing activities		(3,882,786)	(402,695)	(828,894)			
		3,166,649	279,640	(1,930)			
<b>Closing Funding Surplus / (Deficit)</b>	3	<b>31,953</b>	<b>(143,916)</b>	<b>(1,667,219)</b>			

\*Closing deficit due to pending transfer from Grants Commission reserve processed in Sep 23 (\$4,684,983).



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

	Note	Annual Budget \$	YTD Budget \$	YTD Actual \$	Var* \$	Var* %
<b>Revenue from Operating Activities</b>						
Governance		45,469	3,789	1,144	(2,645)	(70%)
General purpose funding		3,556,858	269,571	2,733	(266,838)	(99%)
Law, order and public safety		19,567	18,643	4,640	(14,003)	(75%)
Housing		-	-	2,604	2,604	
Recreation and culture		9,350	771	327	(444)	(58%)
Transport		5,158,007	22,579	60,098	37,519	166%
Economic services		945,358	78,776	110,216	31,440	40%
Other property and services		85,000	7,083	-	(7,083)	(100%)
		<b>9,819,610</b>	<b>401,212</b>	<b>181,763</b>		
<b>Expenditure from Operating Activities</b>						
Governance		(888,938)	(147,054)	(86,538)	60,516	41%
General purpose funding		(14,122)	(1,175)	(5,970)	(4,795)	(408%)
Law, order and public safety		(81,961)	(10,716)	(8,835)	1,881	18%
Health		(37,904)	(3,153)	(6,452)	(3,299)	(105%)
Education and welfare		(10,357)	(550)	-	550	100%
Housing		(86,790)	(7,183)	(9,975)	(2,792)	(39%)
Community amenities		(180,489)	(13,770)	(15,059)	(1,289)	(9%)
Recreation and culture		(419,281)	(34,911)	(54,612)	(19,701)	(56%)
Transport		(11,058,668)	(932,757)	(1,306,325)	(373,568)	(40%)
Economic services		(2,122,234)	(176,803)	(244,041)	(67,238)	(38%)
Other property and services		(78,990)	(52,083)	(63,424)	(11,341)	(22%)
		<b>(14,979,734)</b>	<b>(1,380,155)</b>	<b>(1,801,230)</b>		
<b>Excluded Non-cash Operating Activities</b>						
Depreciation and amortisation		5,400,126	449,992	455,190		
Movement in Employee Benefits		-	-	-		
(Profit) / loss on asset disposal	8	-	-	-		
<b>Net Amount from Operating Activities</b>		<b>240,002</b>	<b>(528,951)</b>	<b>(1,164,278)</b>		
<b>Investing Activities</b>						
<b>Inflows from Investing Activities</b>						
Capital grants, subsidies and contributor	12(b)	5,800,331	358,972	-	(358,972)	(100%)
Proceeds from disposal of assets	8	100,000	8,333	-	(8,333)	(100%)
		<b>5,900,331</b>	<b>367,305</b>	<b>-</b>		
<b>Outflows from Investing Activities</b>						
Land and buildings	9(a)	(567,500)	(47,290)	-	47,290	100%
Plant and equipment	9(c)	(543,000)	-	-	-	
Furniture and equipment	9(b)	(91,500)	(7,624)	(23,333)	(15,709)	(206%)
Infrastructure - roads	9(d)	(6,331,117)	(527,588)	(711,478)	(183,890)	(35%)
Infrastructure - other	9(e)	(2,250,000)	(187,498)	(94,083)	93,415	50%
		<b>(9,783,117)</b>	<b>(770,000)</b>	<b>(828,894)</b>		
<b>Net Amount from Investing Activities</b>		<b>(3,882,786)</b>	<b>(402,695)</b>	<b>(828,894)</b>		
<b>Financing Activities</b>						
<b>Inflows from Financing Activities</b>						
Transfer from reserves	7	6,327,983	527,332	-	(527,332)	(100%)
		<b>6,327,983</b>	<b>527,332</b>	<b>-</b>		
<b>Outflows from Financing Activities</b>						
Repayment of debentures	11(a)	(189,033)	-	-	-	
Transfer to reserves	7	(2,972,301)	(247,692)	(1,930)	245,762	99%
		<b>(3,161,334)</b>	<b>(247,692)</b>	<b>(1,930)</b>		
<b>Net Amount from Financing Activities</b>		<b>3,166,649</b>	<b>279,640</b>	<b>(1,930)</b>		
<b>Movement in Surplus or Deficit</b>						
<b>Opening Funding Surplus / (Deficit)</b>	3	508,088	508,088	327,882		
Amount attributable to operating activities		240,002	(528,951)	(1,164,278)		
Amount attributable to investing activities		(3,882,786)	(402,695)	(828,894)		
Amount attributable to financing activities		3,166,649	279,640	(1,930)		
<b>Closing Funding Surplus / (Deficit)</b>	3	<b>31,953</b>	<b>(143,918)</b>	<b>(1,667,220)</b>		

\*Closing deficit due to pending transfer from Grants Commission reserve processed in Sep 23 (\$4,684,983).

\* - 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 POSITION**  
**For the Period Ending 31 July 2023**

	<b>NOTE</b>	<b>FY 2024</b> <b>31 July 2023</b>	<b>FY 2023</b> <b>30 June 2023</b>
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	7,614,982	9,307,956
Trade and other receivables	5	635,913	528,839
Other financial assets	4	1,234,567	1,234,567
Inventories		199,873	160,285
Other assets		182,020	182,020
<b>TOTAL CURRENT ASSETS</b>		<b>9,867,355</b>	<b>11,413,667</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets		19,451	19,451
Property, plant and equipment	9	13,505,272	13,472,407
Infrastructure	9	91,762,749	91,421,910
<b>TOTAL NON-CURRENT ASSETS</b>		<b>105,287,472</b>	<b>104,913,768</b>
<b>TOTAL ASSETS</b>		<b>115,154,827</b>	<b>116,327,435</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,486,001	1,039,142
Other liabilities		377,174	377,174
Borrowings	11(a)	189,033	189,033
Employee related provisions		183,760	183,760
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,235,968</b>	<b>1,789,109</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11(a)	1,533,838	1,533,838
Employee related provisions		92,425	92,425
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,626,264</b>	<b>1,626,264</b>
<b>TOTAL LIABILITIES</b>		<b>3,862,232</b>	<b>3,415,372</b>
<b>NET ASSETS</b>		<b>111,292,596</b>	<b>112,912,063</b>
<b>EQUITY</b>			
Retained surplus		26,940,875	26,363,767
Reserve accounts	7	4,936,652	7,133,228
Revaluation surplus		79,415,068	79,415,068
<b>TOTAL EQUITY</b>		<b>111,292,596</b>	<b>112,912,063</b>

SHIRE OF MURCHISON

STATEMENT OF CAPITAL ACQUISITIONS AND FUNDING

For the Period Ending 31 July 2023

CAPITAL ACQUISITIONS AND FUNDING

		Annual Budget	YTD Actual Total
Asset Group	Note	\$	\$
Land and buildings	9(a)	567,500	-
Plant and equipment	9(c)	543,000	-
Furniture and equipment	9(b)	91,500	23,333
Infrastructure - roads	9(d)	6,331,117	711,478
Infrastructure - other	9(e)	2,250,000	94,083
<b>Total Capital Expenditure</b>		<b>9,783,117</b>	<b>828,894</b>
<b>Capital Acquisitions Funded by:</b>			
Capital grants and contributions		5,800,331	-
Borrowings		-	-
Other (disposals and c/fwd)		100,000	-
Council contribution - from reserves		1,643,000	-
Council contribution - operations		2,239,786	828,894
<b>Total Capital Acquisitions Funding</b>		<b>9,783,117</b>	<b>828,894</b>

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 July 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 2023/24 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: Kate Peacock  
Reviewed by: Travis Bate  
Date prepared: 22 Sep 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.

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

**(e) Superannuation**

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

**(f) Cash and Cash Equivalents**

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

**(g) Financial Assets at Amortised Cost**

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

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

**(h) Inventories****General**

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

**Land Held for Resale**

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

**(i) Trade and Other Receivables**

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

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

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

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

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Fixed Assets**

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

**Recognition of Assets**

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

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

**Gains and Losses on Disposal**

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

**(i) Depreciation of Non-current Assets**

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

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

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

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

<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

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 July 2023

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(l) Trade and Other Payables**

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

**(m) Prepaid Rates**

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

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

Provision is made for the Shire's obligation for short-term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the determination of the net current asset position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset position.

**Other long-term employee benefits**

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

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

**(o) Interest-bearing Loans and Borrowings**

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

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

**Borrowing Costs**

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

**(p) Provisions**

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measure using the best estimate of the amounts required to settle the obligation at the end of the reporting period.



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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(q) Contract Liabilities**

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

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

**(r) Current and Non-current Classification**

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

**(p) Nature or Type Classifications**

**Rates**

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

**Grants, Subsidies and Contributions**

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

**Capital Grants, Subsidies and Contributions**

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

**Revenue from Contracts with Customers**

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

**Profit on Asset Disposal**

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

**Fees and Charges**

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

**Service Charges**

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

**Interest Earnings**

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

**Other Revenue / Income**

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



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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(p) Nature or Type Classifications (Continued)**

**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 (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

**Utilities (Gas, Electricity, Water, etc.)**

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

**Insurance**

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

**Loss on Asset Disposal**

Loss on the disposal of fixed assets.

**Depreciation on Non-current Assets**

Depreciation expense raised on all classes of assets.

**Finance Cost**

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

**Other Expenditure**

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

**SHIRE OF MURCHISON**

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**

**For the Period Ending 31 July 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 July 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 July 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 July 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
Operating Revenues	\$	%		Permanent	
Rates	(210,923)	(100%)	▼	Timing	Timing issue of budget profile only.
Operating Grants, Subsidies and Contributions	(38,244)	(37%)	▼	Timing	Timing issue of budget profile only.
Fees and Charges	24,312	50%	▲	Timing	Roadhouse Fuel Sales above budget.
Non Operating Grants, Subsidies and Contributions	(358,972)	(100%)	▼	Timing	Timing issue of budget profile only.

Operating Expense

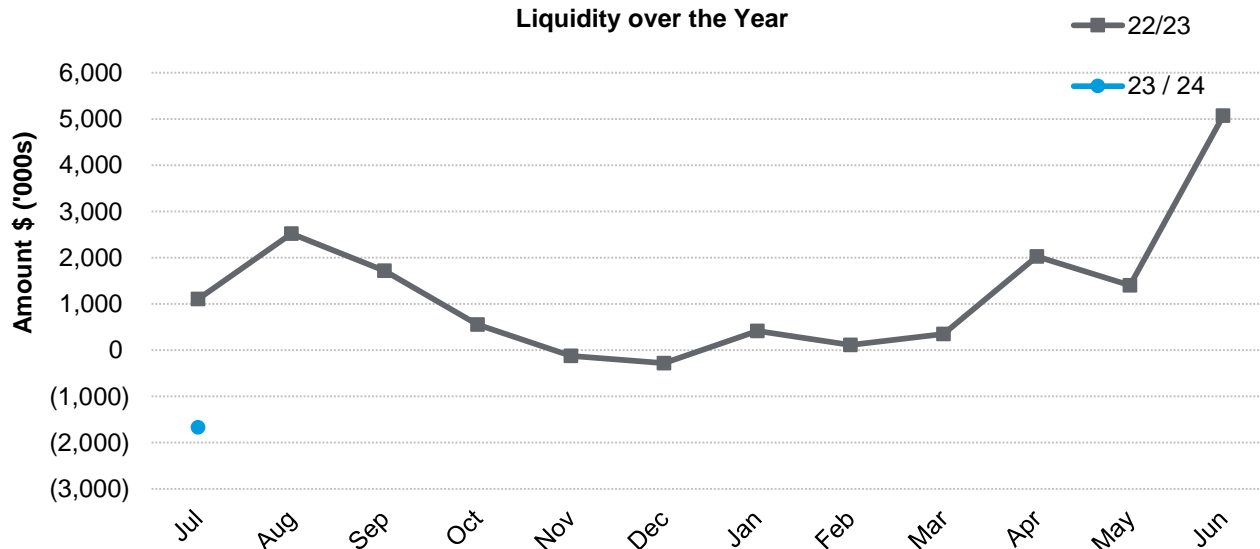
Employee Costs	30,023	19%	▲	Timing	Timing issue only.
Materials and contracts	(469,170)	(73%)	▼	Timing	Primarily related to timing of Flood Damage works (\$346,000). Roadhouse fuel purchases \$25K above budget in line with increased sales.
Insurance Expenses	16,915	15%	▲	Timing	Timing issue of budget profile only.
Other expenditure	11,387	94%	▲	Timing	Timing differences in relation to member sitting fees.

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

**3. NET CURRENT FUNDING POSITION**

	Note	Current Month 31 Jul 23 \$	Prior Year Closing 30 Jun 23 \$	This Time Last Year 31 Jul 22 \$
<b>Current Assets</b>				
Cash unrestricted	4	(828,371)	866,532	2,300,327
Cash restricted	4	9,677,920	9,675,990	10,317,335
Receivables - rates	6(a)	(32,391)	(21,870)	74,989
Receivables - sundry	6(b)	5,465	87,289	64,423
Receivables - other		597,188	397,771	317,391
Provision for doubtful debts		(16,493)	(16,493)	(22,417)
Contract assets		182,020	182,020	-
Inventories		199,873	160,285	146,067
<b>Total Current Assets</b>		<b>9,785,212</b>	<b>11,331,523</b>	<b>13,198,115</b>
<b>Current Liabilities</b>				
Payables - sundry		(603,725)	(204,215)	(537,790)
Payables - other		(53,826)	(42,354)	(374,359)
PAYG Tax withheld		(121,285)	(85,873)	-
Accrued salaries and wages		(41,429)	(41,429)	-
Accrued interest on loans		(6,492)	(6,492)	-
Trust Liability		49	49	-
Deposits and bonds		(157,860)	(576,685)	(423,933)
Contract liabilities		(377,174)	(377,174)	(303,004)
Murchison Community Fund		(419,290)	-	-
Loan liabilities	11(a)	(189,033)	(189,033)	90,938
<b>Total Payables</b>		<b>(1,970,065)</b>	<b>(1,523,206)</b>	<b>(1,548,148)</b>
Provisions		(183,760)	(183,760)	(134,483)
<b>Total Current Liabilities</b>		<b>(2,153,825)</b>	<b>(1,706,966)</b>	<b>(1,682,631)</b>
Less: cash reserves	7	(9,677,920)	(9,675,990)	(10,317,335)
Less: movement in provisions (non current)		183,760	183,760	-
Add: Disposal of Asses TBA		6,519	6,521	-
Add: loan principal (current)		189,033	189,033	(90,938)
<b>Net Funding Position - Surplus / (Deficit)</b>		<b>(1,667,221)</b>	<b>327,882</b>	<b>1,107,211</b>

**Liquidity over the Year**



## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 July 2023

## 4. CASH AND FINANCIAL ASSETS

	Unrestricted	Restricted	Total	Institution	Interest	Maturity
	\$	\$	\$		Rate	Date
<b>Cash</b>					%	
Murchison Community Fund	353,865		353,865	Westpac	Variable	N/A
Municipal	(1,535,907)		(1,535,907)	Westpac	Variable	N/A
Cash On Hand	500		500	Cash on hand	Nil	N/A
Muni Short Term Investment	154,119		154,119	Westpac	Variable	N/A
Roadhouse	191,645		191,645	Westpac	Variable	N/A
CSIRO	7,407		7,407	Westpac	Variable	N/A
Reserve Funds		9,677,920	9,677,920	Westpac	Variable	N/A
<b>Total Cash and Financial Assets</b>	<b>(828,371)</b>	<b>9,677,920</b>	<b>8,849,549</b>			

\*Municipal fund negative due to pending transfer from Grants Commission reserve processed in Sep 23.

## 5. TRUST FUND

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

## SHIRE OF MURCHISON

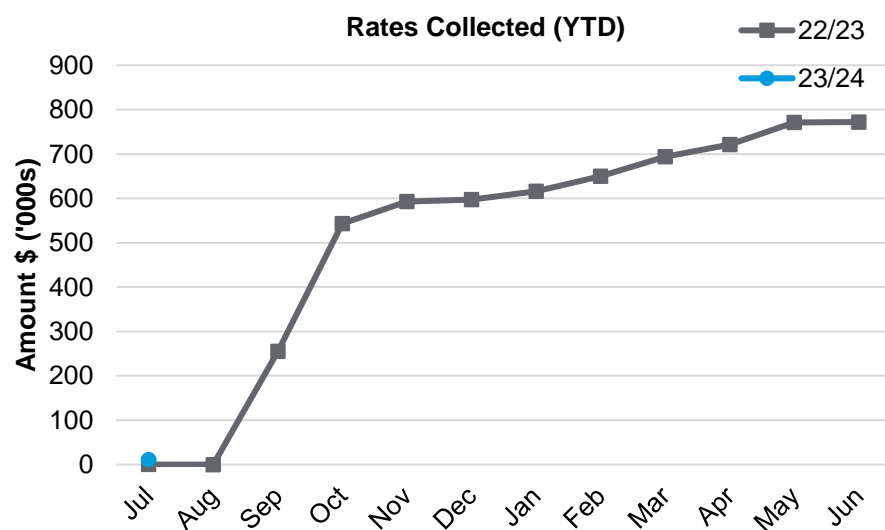
## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 July 2023

## 6. RECEIVABLES

## (a) Rates Receivable

	31 Jul 23
	\$
Rates receivables	(32,391)
<b>Total Rates Receivable Outstanding</b>	<b>(32,391)</b>
Closing balances - prior year	(21,870)
Rates levied this year	-
Closing balances - current month	32,391
<b>Total Rates Collected to Date</b>	<b>10,520</b>

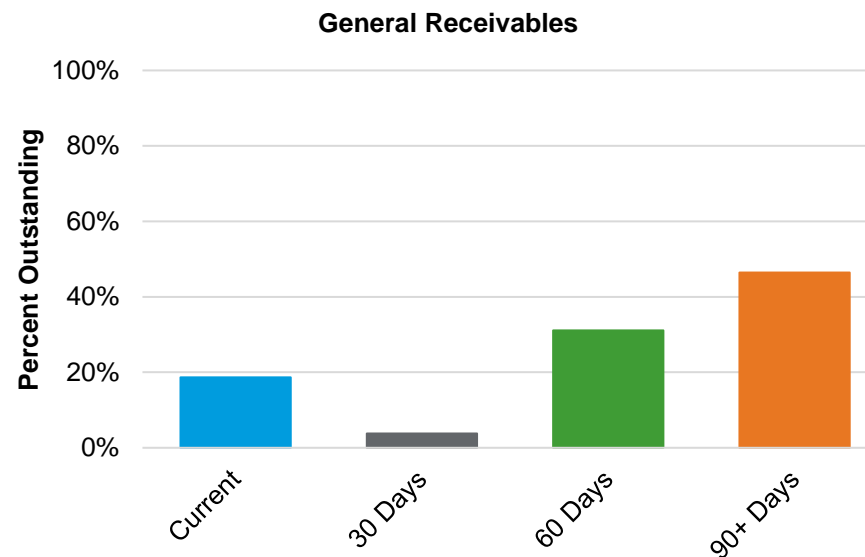


## Comments / Notes

Rubbish fees included in YTD graph

## (b) General Receivables

	31 Jul 23
	\$
Current	1,020
30 Days	207
60 Days	1,700
90+ Days	2,538
<b>Total General Receivables Outstanding</b>	<b>5,465</b>



## Comments / Notes

Amounts shown above include GST (where applicable)



## SHIRE OF MURCHISON

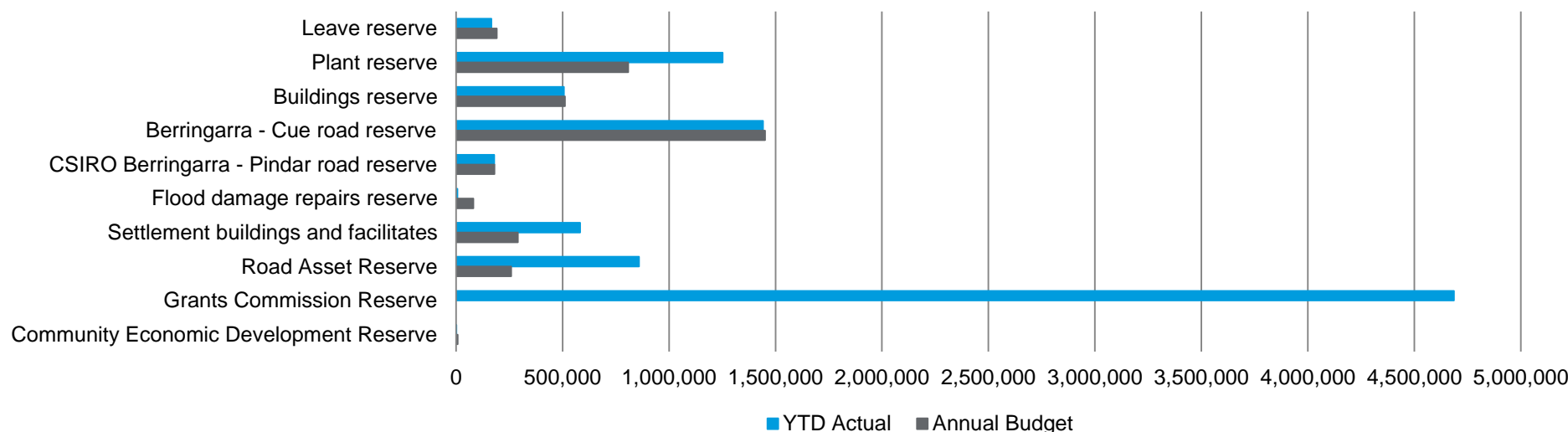
## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 July 2023

## 7. CASH BACKED RESERVES

Restricted by council:	Annual Budget				YTD Actual			
	Balance 01 Jul 23 \$	Transfers from \$	Transfer to \$	Balance 30 Jun 24 \$	Balance 01 Jul 23 \$	Transfers from \$	Transfer to \$	Balance 31 Jul 23 \$
<b>Reserve Name</b>								
Leave reserve	164,992	-	25,844	190,836	164,992	-	231	165,223
Plant reserve	1,251,758	(443,000)	-	808,758	1,251,758	-	-	1,251,758
Buildings reserve	505,854	-	5,325	511,179	505,854	-	708	506,562
Berringarra - Cue road reserve	1,441,587	-	10,000	1,451,587	1,441,587	-	-	1,441,587
CSIRO Berringarra - Pindar road rese	178,214	-	1,875	180,089	178,214	-	249	178,463
Flood damage repairs reserve	5,968	-	75,000	80,968	5,968	-	-	5,968
Settlement buildings and facilitates	581,416	(600,000)	308,961	290,377	581,776	-	741	582,517
Road Asset Reserve	858,912	(600,000)	-	258,912	858,912	-	-	858,912
Grants Commission Reserve	4,684,983	(4,684,983)	-	-	4,685,589	-	1	4,685,589
Community Economic Development F	1,335	-	6,720	8,055	1,335	-	-	1,335
Carnarvon-Mullewa Mining Related	-	-	7,500	7,500	-	-	-	-
Asset Management Reserve	-	-	2,531,076	2,531,076	-	-	-	-
Museum Reserve	-	-	-	-	-	-	-	-
<b>Total Cash Backed Reserves</b>	<b>9,675,019</b>	<b>(6,327,983)</b>	<b>2,972,301</b>	<b>6,319,337</b>	<b>9,675,985</b>	<b>-</b>	<b>1,930</b>	<b>9,677,914</b>

Annual Budget v YTD Actual



## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 July 2023

## 8. DISPOSAL OF ASSETS

## Annual Budget

	WDV	Proceeds	Profit	(Loss)
	\$	\$	\$	\$
Transport				
Plant and Equipment				
Plant and Equipment	100,000	100,000	-	-
<b>Total Disposal of Assets</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>-</b>
<b>Total Profit or (Loss)</b>				<b>-</b>

## YTD Actual

	WDV	Proceeds	Profit	(Loss)
	\$	\$	\$	\$
Other Property & Services				
Motor Vehicle	-	-	-	-
				-
				-
				-
<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 July 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	833	-	833	0%
<b>Economic Services</b>						
Tour Area Prom Buildings & Improvements		507,500	42,291	-	42,291	0%
Tour Area Prom Infrastructure		50,000	4,166	-	4,166	0%
<b>Total Land and Buildings</b>		<b>567,500</b>	<b>47,290</b>	<b>-</b>	<b>47,290</b>	

(b) Furniture & Equipment

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
<b>Housing</b>						
Staff Housing Furniture & Equipment		3,000	250	2,693	(2,443)	100%
<b>Economic Services</b>						
Cap Ex Point Of Sale System Roadhouse		25,000	2,083	-	2,083	0%
Capex - Washing Machines		22,000	1,833	20,640	(18,807)	94%
Roadhouse Appliances		16,000	1,333	-	1,333	0%
Roadhouse Furniture		10,500	875	-	875	0%
Tour Area & Prom Buildings & Improvements		15,000	1,250	-	1,250	0%
<b>Total Furniture &amp; Equipment</b>		<b>91,500</b>	<b>7,624</b>	<b>23,333</b>	<b>(15,709)</b>	

(c) Plant and Equipment

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
<b>Transport</b>						
Road Plant Purchases		543,000	-	-	-	0%
<b>Total Plant and Equipment</b>		<b>543,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

9. CAPITAL ACQUISITIONS (Continued)

(d) Infrastructure - Roads

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
<b>Transport</b>						
Beri-Pindar Rd Wreath Flower Works		-	-	2,571	(2,571)	
Beri-Pindar Rd - Resheet Incl Floodway Sections		623,448	51,954	301,118	(249,164)	
Carn-Mul Rd - Resheet Incl Floodway Sections		121,834	10,152	119,491	(109,339)	98%
Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen various s		2,291,451	190,953	89,349	101,604	4%
Reseal Works		148,530	12,377	-	12,377	0%
SKA Route General Construction Works		3,045,854	253,821	198,358	55,464	
SKA Route Twin Peaks - Wooleen Rd		-	-	593	(593)	
Capex Grids General		100,000	8,331	-	8,331	0%
<b>Total Infrastructure - Roads</b>		<b>6,331,117</b>	<b>527,588</b>	<b>711,478</b>	<b>(183,890)</b>	

(e) Infrastructure - Other

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
<b>Recreation &amp; Culture</b>						
Community Swimming Pool		1,050,000	87,500	-	87,500	0%
Sports Club Access Upgrade		30,000	2,500	-	2,500	0%
Community Splash Pool		350,000	29,166	-	29,166	0%
<b>Economic Services</b>						
Roadhouse & C/V Park Precinct Works		20,000	1,666	-	1,666	0%
Improvements To drinking Water reticulation		450,000	37,500	94,083	(56,583)	21%
Power Supply Upgrade		350,000	29,166	-	29,166	0%
<b>Total Infrastructure - Other</b>		<b>2,250,000</b>	<b>187,498</b>	<b>94,083</b>	<b>93,415</b>	
<b>Total Capital Expenditure</b>		<b>9,783,117</b>	<b>770,000</b>	<b>828,894</b>	<b>(58,894)</b>	

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 July 2023

## 10. RATING INFORMATION

	Rateable Value \$	Rate in \$	Number of Properties #	Annual Budget Revenue \$	Rate Revenue \$	Interim Rates CY \$	Interim Rates PY \$	YTD Actual Revenue \$
<b>General Rates</b>								
UV Pastoral	1,232,909	0.088894	22	109,655	-	-	-	-
UV Mining	16,725,080	0.169410	21	2,832,029	-	-	-	-
UV Prospecting and exploration	1,754,201	0.169410	61	297,180	-	-	-	-
<b>Total General Rates</b>				<b>3,238,864</b>	-	-	-	-
<b>Minimum Rates</b>								
UV Pastoral	21,304	800	6	4,800	-	-	-	-
UV Mining	8,140	800	4	3,200	-	-	-	-
UV Prospecting and exploration	43,144	800	18	14,400	-	-	-	-
<b>Total Minimum Rates</b>				<b>22,400</b>	-	-	-	-
<b>Total General and Minimum Rates</b>				<b>3,261,264</b>	-	-	-	-
<b>Other Rate Revenue</b>								
Facilities fees (Ex Gratia)								-
<b>Total Rate Revenue</b>				<b>3,261,264</b>				-

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 July 2023

## 11. INFORMATION ON BORROWINGS

## (a) Debenture Repayments

## (i) Loan 2 Roadworks in 2020-21

	Annual Budget \$	YTD Budget \$	YTD Actual \$
<b>Transport</b>			
Opening balance	1,722,871	1,722,871	1,722,871
Principal payment	(189,033)	-	-
<b>Principal Outstanding</b>	<b>1,533,838</b>	<b>1,722,871</b>	<b>1,722,871</b>
Finance cost payment	(30,870)	-	-
Service fee			
<b>Total Principal, Finance Cost and Fees Paid</b>	<b>(219,903)</b>	<b>-</b>	<b>-</b>
<b>Total Principal Outstanding</b>	<b>1,533,838</b>	<b>1,722,871</b>	<b>1,722,871</b>
<b>Total Principal Repayments</b>	<b>(189,033)</b>	<b>-</b>	<b>-</b>

## 12. GRANTS, SUBSIDIES AND CONTRIBUTIONS

### (a) 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	WALGGC	151,325	37,831	-
03202	F.A.G. Grant - Roads	WALGGC	55,693	13,923	-
	<b>Law, Order and Public Safety</b>				
05102	DFES Operating Grant	DFES	18,560	18,560	4,640
	<b>Community Amenities</b>				
	<b>Transport</b>				
12212	MRWA Direct	MRWA	269,961	22,496	-
12219	WANDRRA Flood Damage	MRWA	4,887,046	-	60,052
	<b>Economic Services</b>				
13201	Tour Area Prom Revenue		32,000	2,666	39
13609	Roadhouse Other Revenue		5,000	416	-
	<b>Other Property &amp; Services</b>				
14404	Diesel Fuel Rebate		85,000	7,083	-
<b>Total Grants, Subsidies and Contributions</b>			<b>5,504,585</b>	<b>102,975</b>	<b>64,731</b>

### (b) Capital Grants, Subsidies and Contributions

	<b>Transport</b>				
12213	MRWA Specific	MRWA	1,062,746	88,562	-
12216	Roads to Recovery		288,121	24,010	-
12238	LRCIP		632,708	-	-
12237	MRWA - SKA Roads	MRWA	2,956,810	246,400	-
12244	Mining Related Road Contributions		7,500	-	-
	<b>Recreation &amp; Culture</b>				
11311	Other Rec & Sport Grants		852,446	-	-
<b>Total Capital Grants, Subsidies and Contributions</b>			<b>5,800,331</b>	<b>358,972</b>	<b>-</b>
<b>Total Grants, Subsidies and Contributions</b>			<b>11,304,916</b>	<b>461,947</b>	<b>64,731</b>

Check				
	Operating	5,504,585	102,975	64,731
	Variance	-	-	-
	Non-operating	5,800,331	358,972	-
	Variance	-	-	-



**murchison**shire

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## **SHIRE OF MURCHISON**

### **MONTHLY FINANCIAL REPORT**

**For the Period Ending 31 August 2023**





**RSM Australia Pty Ltd**

Level 1, 12 Bayly Street Geraldton WA 6530

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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 22<sup>nd</sup> September 2023

#### **THE POWER OF BEING UNDERSTOOD**

AUDIT | TAX | CONSULTING

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

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

Liability limited by a scheme approved under Professional Standards Legislation

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

**Statement of Financial Activity**

Statements are presented on pages 5 and 6 showing a surplus/(deficit) as at 31 August 2023 of \$375,773

**Significant Revenue and Expenditure**

	Collected / Completed %	Annual Budget \$	YTD Budget \$	YTD Actual \$
<b>Significant Projects</b>				
Beri-Pindar Rd - Resheet Incl Floodway Sections	100%	623,448	103,908	621,761
Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen vario	14%	2,291,451	381,906	314,313
Community Swimming Pool	53%	1,050,000	175,000	-
SKA Route General Construction Works	0%	3,045,854	507,642	770,701
Improvements To drinking Water reticulation	0%	450,000	75,000	94,127
	24%	7,010,754	1,168,456	1,706,775
<b>Grants, Subsidies and Contributions</b>				
Grants, subsidies and contributions	22%	5,504,585	5,022,682	1,217,989
Capital grants, subsidies and contributions	6%	5,800,331	717,944	360,000
	14%	11,304,916	5,740,626	1,577,989
<b>Rates Levied</b>				
	69%	3,261,265	421,846	2,249,862

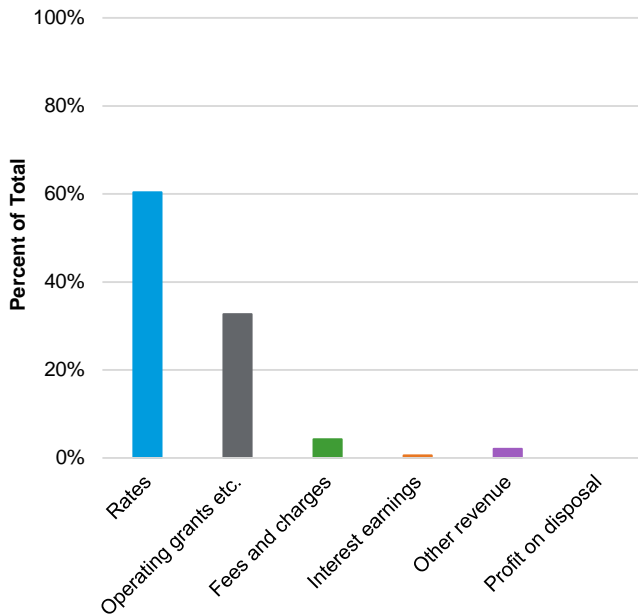
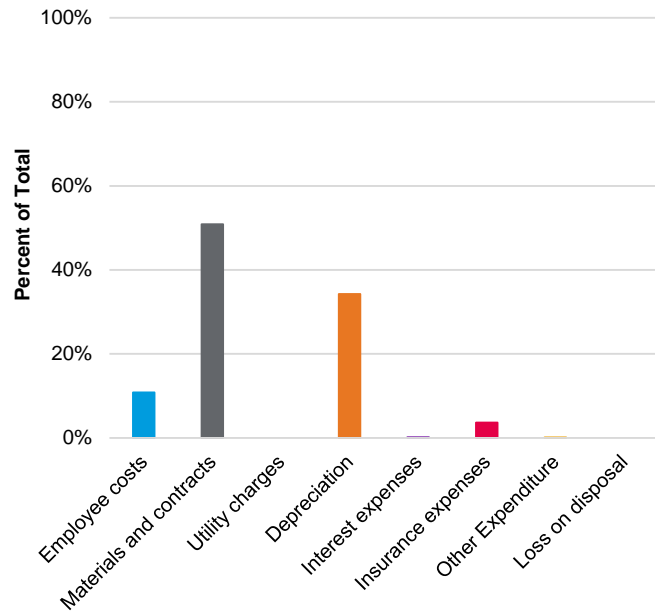
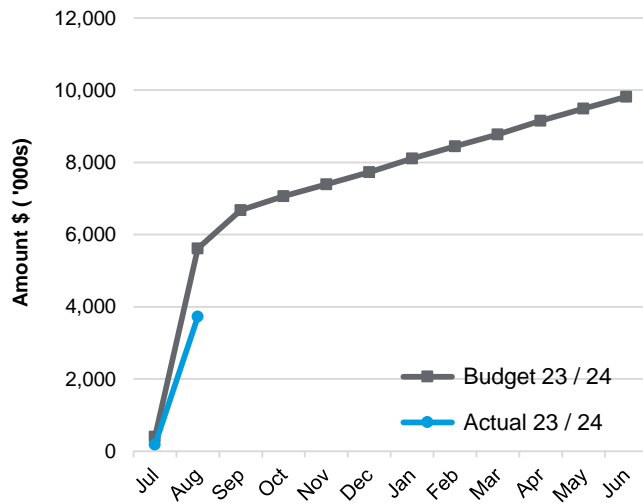
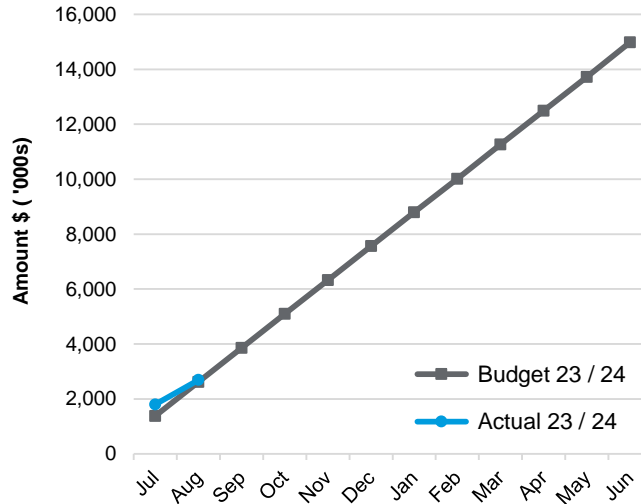
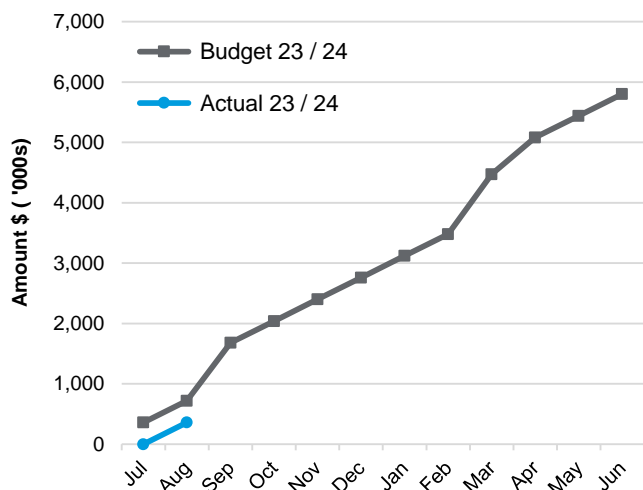
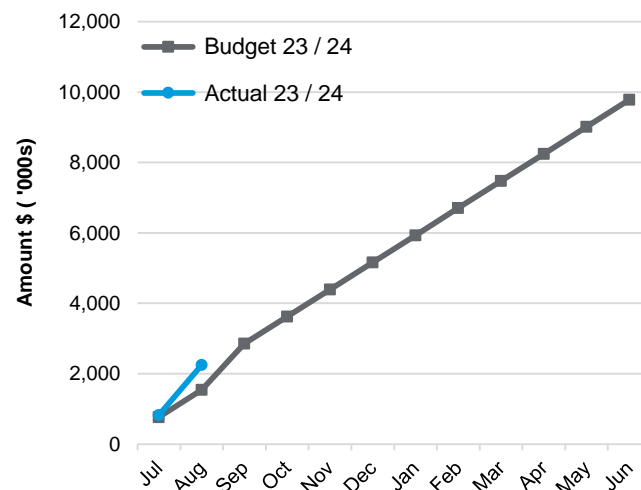
% - Compares current YTD actuals to the Annual Budget

**Financial Position**

Account	Difference to Prior Year %	Current Year 31 Aug 23 \$	Prior Year 31 Aug 22 \$
Adjusted net current assets	15%	375,771	2,520,706
Cash and equivalent - unrestricted	(85%)	(1,214,086)	1,434,322
Cash and equivalent - restricted	0%	9,697,352	10,320,131
Receivables - rates	2,918%	2,210,805	75,752
Receivables - other	0%	6,405	2,224,623
Payables	124%	1,898,115	1,525,786

% - Compares current YTD actuals to prior year actuals

**SHIRE OF MURCHISON**  
**MONTHLY FINANCIAL REPORT**  
For the Period Ending 31 August 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 August 2023

NATURE OR TYPE

	Note	Annual Budget \$	YTD Budget \$	YTD Actual \$	Var* \$	Var* %	Var
<b>Revenue from Operating Activities</b>							
Rates	10	3,261,265	421,846	2,249,862	1,828,016	433%	▲
Grants, subsidies and contributions	12(a)	5,504,585	5,022,682	1,217,989	(3,804,693)	(76%)	▼
Fees and charges		586,958	97,820	158,665	60,845	62%	▲
Interest earnings		88,100	13,764	22,155	8,391	61%	
Other revenue		378,701	63,044	77,706	14,662	23%	▲
Profit on disposal of assets	8	-	-	-	-		
		<b>9,819,610</b>	<b>5,619,156</b>	<b>3,726,377</b>			
<b>Expenditure from Operating Activities</b>							
Employee costs		(1,364,317)	(264,479)	(291,243)	(26,764)	(10%)	▼
Materials and contracts		(7,821,231)	(1,302,084)	(1,367,344)	(65,260)	(5%)	
Depreciation on non-current assets		(5,400,126)	(899,984)	(920,925)	(20,941)	(2%)	
Finance cost		(44,738)	(2,310)	(6,190)	(3,880)	(168%)	
Insurance expenses		(188,949)	(121,982)	(98,393)	23,589	19%	▲
Other expenditure		(160,373)	(24,224)	(4,246)	19,978	82%	▲
Loss on disposal of assets	8	-	-	-	-		
		<b>(14,979,734)</b>	<b>(2,615,063)</b>	<b>(2,688,341)</b>			
<b>Excluded Non-cash Operating Activities</b>							
Depreciation and amortisation		5,400,126	899,984	920,925			
Movement in Employee Benefits		-	-	-			
(Profit) / loss on asset disposal		-	-	-			
<b>Net Amount from Operating Activities</b>		<b>240,002</b>	<b>3,904,077</b>	<b>1,958,962</b>			
<b>Investing Activities</b>							
<b>Inflows from Investing Activities</b>							
Capital grants, subsidies and contribution	12(b)	5,800,331	717,944	360,000	(357,944)	(50%)	▼
Proceeds from disposal of assets	8	100,000	16,667	-	(16,667)	(100%)	▼
		<b>5,900,331</b>	<b>734,611</b>	<b>360,000</b>			
<b>Outflows from Investing Activities</b>							
Land and buildings	9(a)	(567,500)	(94,580)	-	94,580	100%	▲
Plant and equipment	9(c)	(543,000)	-	(285,547)	(285,547)		
Furniture and equipment	9(b)	(91,500)	(15,248)	(25,626)	(10,378)	(68%)	▼
Infrastructure - roads	9(d)	(6,331,117)	(1,055,176)	(1,844,409)	(789,233)	(75%)	▼
Infrastructure - other	9(e)	(2,250,000)	(374,996)	(94,127)	280,869	75%	
		<b>(9,783,117)</b>	<b>(1,540,000)</b>	<b>(2,249,709)</b>			
<b>Net Amount from Investing Activities</b>		<b>(3,882,786)</b>	<b>(805,389)</b>	<b>(1,889,709)</b>			
<b>Financing Activities</b>							
<b>Inflows from Financing Activities</b>							
Transfer from reserves	7	6,327,983	1,054,664	-	(1,054,664)	100%	
		<b>6,327,983</b>	<b>1,054,664</b>	<b>-</b>			
<b>Outflows from Financing Activities</b>							
Repayment of debentures	11(a)	(189,033)	-	-	-		
Transfer to reserves	7	(2,972,301)	(495,384)	(21,362)	474,022	96%	▲
		<b>(3,161,334)</b>	<b>(495,384)</b>	<b>(21,362)</b>			
<b>Net Amount from Financing Activities</b>		<b>3,166,649</b>	<b>559,280</b>	<b>(21,362)</b>			
<b>Movement in Surplus or Deficit</b>							
<b>Opening Funding Surplus / (Deficit)</b>							
Amount attributable to operating activities	3	508,088	508,088	327,882			
Amount attributable to investing activities		240,002	3,904,077	1,958,962			
Amount attributable to financing activities		(3,882,786)	(805,389)	(1,889,709)			
		3,166,649	559,280	(21,362)			
<b>Closing Surplus / (Deficit)</b>	3	<b>31,953</b>	<b>4,166,056</b>	<b>375,773</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 August 2023  
REPORTING PROGRAM

	Note	Annual Budget \$	YTD Budget \$	YTD Actual \$	Var* \$	Var* %
<b>Revenue from Operating Activities</b>						
Governance		45,469	7,578	2,830	(4,748)	(63%)
General purpose funding		3,556,858	487,388	2,323,854	1,836,466	377%
Law, order and public safety		19,567	18,726	4,640	(14,086)	(75%)
Housing		-	-	2,809	2,809	
Recreation and culture		9,350	1,542	918	(624)	(40%)
Transport		5,158,007	4,932,204	1,161,504	(3,770,700)	(76%)
Economic services		945,358	157,552	229,822	72,270	46%
Other property and services		85,000	14,166	-	(14,166)	(100%)
		<b>9,819,610</b>	<b>5,619,156</b>	<b>3,726,378</b>		
<b>Expenditure from Operating Activities</b>						
Governance		(888,938)	(217,867)	(140,397)	77,470	36%
General purpose funding		(14,122)	(2,350)	(10,797)	(8,447)	(359%)
Law, order and public safety		(81,961)	(17,185)	(11,928)	5,257	31%
Health		(37,904)	(6,306)	(10,509)	(4,203)	(67%)
Education and welfare		(10,357)	(1,100)	-	1,100	100%
Housing		(86,790)	(14,366)	(17,552)	(3,186)	(22%)
Community amenities		(180,489)	(27,540)	(25,874)	1,666	6%
Recreation and culture		(419,281)	(69,822)	(72,332)	(2,510)	(4%)
Transport		(11,058,668)	(1,850,409)	(1,873,416)	(23,007)	(1%)
Economic services		(2,122,234)	(353,606)	(432,495)	(78,889)	(22%)
Other property and services		(78,990)	(54,514)	(93,042)	(38,528)	(71%)
		<b>(14,979,734)</b>	<b>(2,615,065)</b>	<b>(2,688,341)</b>		
<b>Excluded Non-cash Operating Activities</b>						
Depreciation and amortisation		5,400,126	899,984	920,925		
Movement in Employee Benefits		-	-	-		
(Profit) / loss on asset disposal	8	-	-	-		
<b>Net Amount from Operating Activities</b>		<b>240,002</b>	<b>3,904,075</b>	<b>1,958,962</b>		
<b>Investing Activities</b>						
<b>Inflows from Investing Activities</b>						
Capital grants, subsidies and contribution	12(b)	5,800,331	717,944	360,000	(357,944)	(50%)
Proceeds from disposal of assets	8	100,000	16,667	-	(16,667)	(100%)
		<b>5,900,331</b>	<b>734,611</b>	<b>360,000</b>		
<b>Outflows from Investing Activities</b>						
Land and buildings	9(a)	(567,500)	(94,580)	-	94,580	100%
Plant and equipment	9(c)	(543,000)	-	(285,547)	(285,547)	
Furniture and equipment	9(b)	(91,500)	(15,248)	(25,626)	(10,378)	(68%)
Infrastructure - roads	9(d)	(6,331,117)	(1,055,176)	(1,844,409)	(789,233)	(75%)
Infrastructure - other	9(e)	(2,250,000)	(374,996)	(94,127)	280,869	75%
		<b>(9,783,117)</b>	<b>(1,540,000)</b>	<b>(2,249,709)</b>		
<b>Net Amount from Investing Activities</b>		<b>(3,882,786)</b>	<b>(805,389)</b>	<b>(1,889,709)</b>		
<b>Financing Activities</b>						
<b>Inflows from Financing Activities</b>						
Transfer from reserves	7	6,327,983	1,054,664	-	(1,054,664)	(100%)
		<b>6,327,983</b>	<b>1,054,664</b>	<b>-</b>		
<b>Outflows from Financing Activities</b>						
Repayment of debentures	11(a)	(189,033)	-	-	-	
Transfer to reserves	7	(2,972,301)	(495,384)	(21,362)	474,022	96%
		<b>(3,161,334)</b>	<b>(495,384)</b>	<b>(21,362)</b>		
<b>Net Amount from Financing Activities</b>		<b>3,166,649</b>	<b>559,280</b>	<b>(21,362)</b>		
<b>Movement in Surplus or Deficit</b>						
<b>Opening Funding Surplus / (Deficit)</b>						
Amount attributable to operating activities	3	508,088	508,088	327,882		
Amount attributable to investing activities		240,002	3,904,075	1,958,962		
Amount attributable to investing activities		(3,882,786)	(805,389)	(1,889,709)		
Amount attributable to financing activities		3,166,649	559,280	(21,362)		
<b>Closing Funding Surplus / (Deficit)</b>	3	<b>31,953</b>	<b>4,166,054</b>	<b>375,773</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 POSITION**  
**For the Period Ending 31 August 2023**

	<b>NOTE</b>	<b>FY 2024</b> <b>31 August 2023</b>	<b>FY 2023</b> <b>30 June 2023</b>
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	7,248,699	9,307,956
Trade and other receivables	5	2,971,283	528,839
Other financial assets	4	1,234,567	1,234,567
Inventories		159,946	160,285
Other assets	7	182,020	182,020
<b>TOTAL CURRENT ASSETS</b>		<b>11,796,515</b>	<b>11,413,667</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets		19,451	19,451
Property, plant and equipment	9	13,698,062	13,472,407
Infrastructure	9	92,525,040	91,421,910
<b>TOTAL NON-CURRENT ASSETS</b>		<b>106,242,553</b>	<b>104,913,768</b>
<b>TOTAL ASSETS</b>		<b>118,039,068</b>	<b>116,327,435</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	1,352,737	1,039,142
Other liabilities		377,174	377,174
Borrowings	11(a)	189,033	189,033
Employee related provisions		183,760	183,760
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,102,704</b>	<b>1,789,109</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11(a)	1,533,838	1,533,838
Employee related provisions		92,425	92,425
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,626,264</b>	<b>1,626,264</b>
<b>TOTAL LIABILITIES</b>		<b>3,728,968</b>	<b>3,415,372</b>
<b>NET ASSETS</b>		<b>114,310,100</b>	<b>112,912,063</b>
<b>EQUITY</b>			
Retained surplus		29,958,379	26,363,767
Reserve accounts	7	4,936,652	7,133,228
Revaluation surplus		79,415,068	79,415,068
<b>TOTAL EQUITY</b>		<b>114,310,100</b>	<b>112,912,063</b>

## SHIRE OF MURCHISON

## STATEMENT OF CAPITAL ACQUISITIONS AND FUNDING

For the Period Ending 31 August 2023

## CAPITAL ACQUISITIONS AND FUNDING

		Annual Budget \$	YTD Actual Total \$
<b>Asset Group</b>	<b>Note</b>		
Land and buildings	9(a)	567,500	-
Plant and equipment	9(c)	543,000	285,547
Furniture and equipment	9(b)	91,500	25,626
Infrastructure - roads	9(d)	6,331,117	1,844,409
Infrastructure - other	9(e)	2,250,000	94,127
<b>Total Capital Expenditure</b>		<b>9,783,117</b>	<b>2,249,709</b>
<b>Capital Acquisitions Funded by:</b>			
Capital grants and contributions		5,800,331	360,000
Borrowings		-	-
Other (disposals and c/fwd)		100,000	-
Council contribution - from reserves		1,643,000	-
Council contribution - operations		2,239,786	1,889,709
<b>Total Capital Acquisitions Funding</b>		<b>9,783,117</b>	<b>2,249,709</b>



## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 August 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 2023/24 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: Kate Peacock  
Reviewed by: Travis Bate  
Date prepared: 22 Sep 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.

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

**(e) Superannuation**

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

**(f) Cash and Cash Equivalents**

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

**(g) Financial Assets at Amortised Cost**

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

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

**(h) Inventories****General**

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

**Land Held for Resale**

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

**(i) Trade and Other Receivables**

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

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

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

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

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Fixed Assets**

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

**Recognition of Assets**

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

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

**Gains and Losses on Disposal**

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

**(i) Depreciation of Non-current Assets**

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

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

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

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

<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

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 August 2023

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(l) Trade and Other Payables**

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

**(m) Prepaid Rates**

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

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

Provision is made for the Shire's obligation for short-term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the determination of the net current asset position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset position.

**Other long-term employee benefits**

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

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

**(o) Interest-bearing Loans and Borrowings**

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

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

**Borrowing Costs**

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

**(p) Provisions**

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measure using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(q) Contract Liabilities**

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

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

**(r) Current and Non-current Classification**

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

**(p) Nature or Type Classifications**

**Rates**

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

**Grants, Subsidies and Contributions**

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

**Capital Grants, Subsidies and Contributions**

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

**Revenue from Contracts with Customers**

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

**Profit on Asset Disposal**

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

**Fees and Charges**

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

**Service Charges**

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

**Interest Earnings**

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

**Other Revenue / Income**

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**  
**(p) Nature or Type Classifications (Continued)**

**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 (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

**Utilities (Gas, Electricity, Water, etc.)**

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

**Insurance**

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

**Loss on Asset Disposal**

Loss on the disposal of fixed assets.

**Depreciation on Non-current Assets**

Depreciation expense raised on all classes of assets.

**Finance Cost**

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

**Other Expenditure**

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

**SHIRE OF MURCHISON****NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY****For the Period Ending 31 August 2023****1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(q) Program Classifications (Function / Activity)**

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

**GOVERNANCE**

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

**GENERAL PURPOSE FUNDING**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER AND PUBLIC SAFETY**

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

**HEALTH**

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

**EDUCATION AND WELFARE**

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

**HOUSING**

Provision and maintenance of staff housing.

**COMMUNITY AMENITIES**

Maintain a refuse site for the settlement.

**RECREATION AND CULTURE**

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

**TRANSPORT**

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

**ECONOMIC SERVICES**

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

**OTHER PROPERTY AND SERVICES**

Private works operations, plant repairs and operation costs.



## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 August 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 August 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 August 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
Operating Revenues	\$	%		Permanent	
Rates	1,828,016	433%	▲	Timing	Timing issue of budget profile only.
Operating Grants, Subsidies and Contributions	(3,804,693)	(76%)	▼	Timing	Relates mainly to budget on flood damage, timing issue only. Refer note 12 for more detail.
Fees and Charges	60,845	62%	▲	Timing	Roadhouse Fuel Sales above budget.
Other Revenue	14,662	23%	▲	Timing	Mostly related to Roadhouse Shop Sales
Non Operating Grants, Subsidies and Contributions	(357,944)	(50%)	▼	Timing	Timing issue of budget profile only. Refer note 12 for more detail.

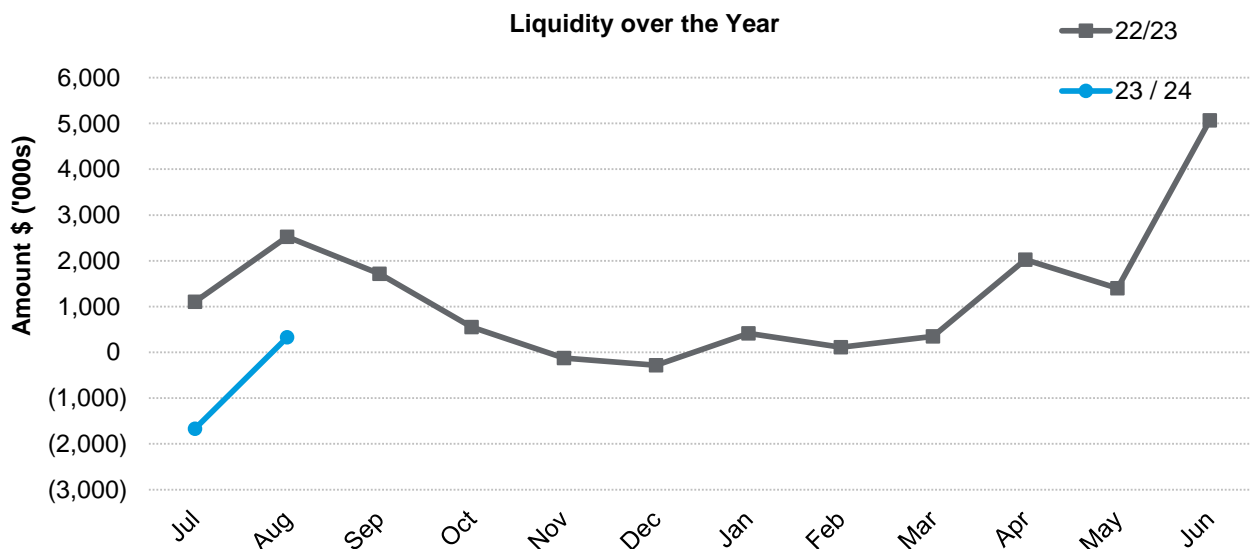
Operating Expense

Employee Costs	(26,764)	(10%)	▼	Timing	Timing issue only.
Insurance Expenses	23,589	19%	▲	Timing	Timing issue of budget profile only.
Other expenditure	19,978	82%	▲	Timing	Timing differences in relation to member sitting fees.

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

**3. NET CURRENT FUNDING POSITION**

	Note	Current Month 31 Aug 23 \$	Prior Year Closing 30 Jun 23 \$	This Time Last Year 31 Aug 22 \$
<b>Current Assets</b>				
Cash unrestricted	4	(1,214,086)	866,532	1,434,322
Cash restricted	4	9,697,352	9,675,990	10,320,131
Receivables - rates	6(a)	2,210,805	(21,870)	75,752
Receivables - sundry	6(b)	6,405	87,289	2,224,623
Receivables - other		749,737	397,771	416,206
Provision for doubtful debts		(16,493)	(16,493)	(22,417)
Contract assets		182,020	182,020	-
Inventories		159,946	160,285	143,427
<b>Total Current Assets</b>		<b>11,775,686</b>	<b>11,331,523</b>	<b>14,592,044</b>
<b>Current Liabilities</b>				
Payables - sundry		(422,960)	(204,215)	(470,479)
Payables - other		(101,880)	(42,354)	(419,800)
PAYG Tax withheld		(181,580)	(85,873)	
Accrued salaries and wages		(41,429)	(41,429)	
Accrued expenses				
Accrued interest on loans		(6,492)	(6,492)	
Trust Liability		49	49	
Deposits and bonds		(157,860)	(576,685)	(423,441)
Contract liabilities		(377,174)	(377,174)	(303,004)
Murchison Community Fund		(419,756)		
Loan liabilities	11(a)	(189,033)	(189,033)	90,938
<b>Total Payables</b>		<b>(1,898,115)</b>	<b>(1,523,206)</b>	<b>(1,525,786)</b>
Provisions		(183,760)	(183,760)	(134,483)
<b>Total Current Liabilities</b>		<b>(2,081,875)</b>	<b>(1,706,966)</b>	<b>(1,660,269)</b>
Less: cash reserves	7	(9,697,352)	(9,675,990)	(10,320,131)
Less: movement in provisions (non current)		183,760	183,760	-
Add: Disposal of Asses TBA		6,519	6,521	
Add: loan principal (current)		189,033	189,033	(90,938)
<b>Net Funding Position - Surplus / (Deficit)</b>		<b>375,771</b>	<b>327,882</b>	<b>2,520,706</b>



## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 August 2023

## 4. CASH AND FINANCIAL ASSETS

	Unrestricted	Restricted	Total	Institution	Interest	Maturity
	\$	\$	\$		Rate	Date
<b>Cash</b>					%	
Murchison Community Fund	354,331		354,331	Westpac	Variable	N/A
Municipal	(1,977,894)		(1,977,894)	Westpac	Variable	N/A
Cash On Hand	500		500	Cash on hand	Nil	N/A
Muni Short Term Investment	154,322		154,322	Westpac	Variable	N/A
Roadhouse	247,248		247,248	Westpac	Variable	N/A
CSIRO	7,407		7,407	Westpac	Variable	N/A
Reserve Funds		9,697,352	9,697,352	Westpac	Variable	N/A
<b>Total Cash and Financial Assets</b>	<b>(1,214,086)</b>	<b>9,697,352</b>	<b>8,483,266</b>			

\*Municipal fund negative due to pending transfer from Grants Commission reserve processed in Sep 23.

## 5. TRUST FUND

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

## SHIRE OF MURCHISON

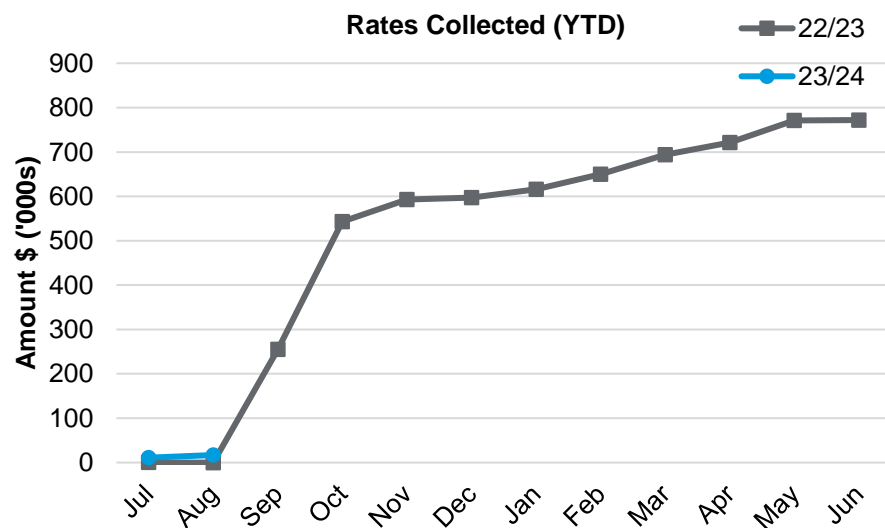
## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 August 2023

## 6. RECEIVABLES

## (a) Rates Receivable

	31 Aug 23
	\$
Rates receivables	2,210,805
<b>Total Rates Receivable Outstanding</b>	<b>2,210,805</b>
Closing balances - prior year	(21,870)
Rates levied this year	2,249,862
Closing balances - current month	(2,210,805)
<b>Total Rates Collected to Date</b>	<b>17,187</b>

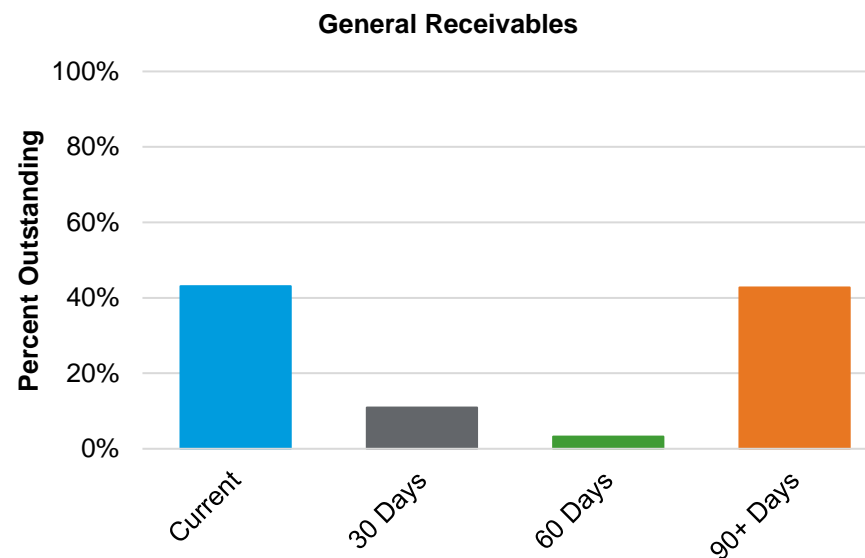


## Comments / Notes

Rubbish fees included in YTD graph

## (b) General Receivables

	31 Aug 23
	\$
Current	2,760
30 Days	700
60 Days	207
90+ Days	2,738
<b>Total General Receivables Outstanding</b>	<b>6,405</b>



## Comments / Notes

Amounts shown above include GST (where applicable)

## SHIRE OF MURCHISON

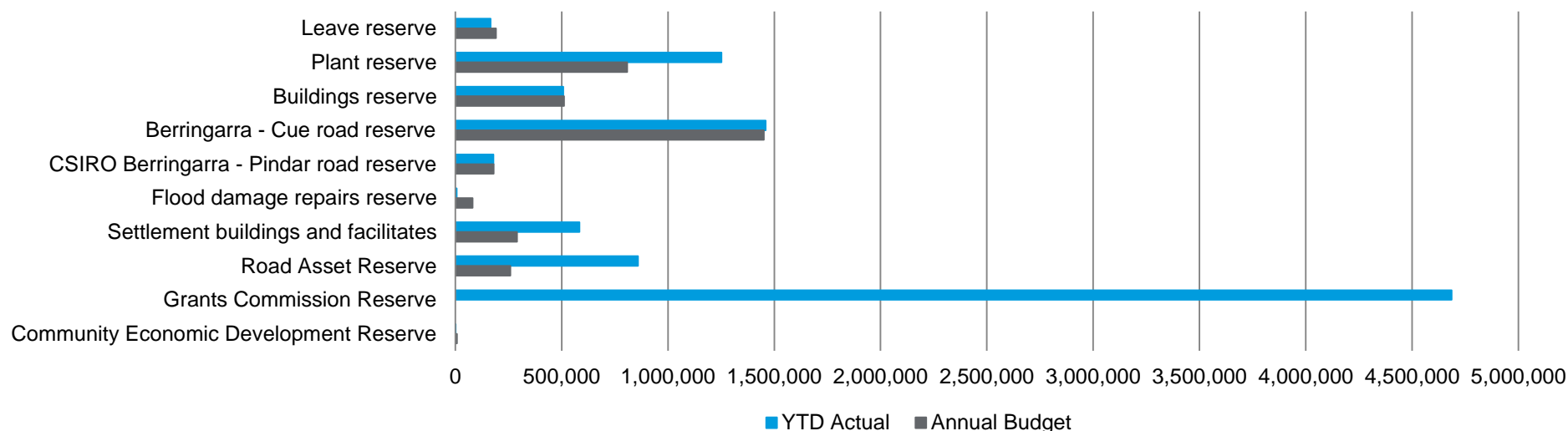
## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 August 2023

## 7. CASH BACKED RESERVES

Restricted by council:	Annual Budget				YTD Actual			
	Balance 01 Jul 23 \$	Transfers from \$	Transfer to \$	Balance 30 Jun 24 \$	Balance 01 Jul 23 \$	Transfers from \$	Transfer to \$	Balance 31 Aug 23 \$
<b>Reserve Name</b>								
Leave reserve	164,992	-	25,844	190,836	164,992	-	462	165,454
Plant reserve	1,251,758	(443,000)	-	808,758	1,251,758	-	-	1,251,758
Buildings reserve	505,854	-	5,325	511,179	505,854	-	1,417	507,271
Berringarra - Cue road reserve	1,441,587	-	10,000	1,451,587	1,441,587	-	17,500	1,459,087
CSIRO Berringarra - Pindar road rese	178,214	-	1,875	180,089	178,214	-	499	178,713
Flood damage repairs reserve	5,968	-	75,000	80,968	5,968	-	-	5,968
Settlement buildings and facilitates	581,416	(600,000)	308,961	290,377	581,776	-	1,483	583,259
Road Asset Reserve	858,912	(600,000)	-	258,912	858,912	-	-	858,912
Grants Commission Reserve	4,684,983	(4,684,983)	-	-	4,685,589	-	2	4,685,590
Community Economic Development F	1,335	-	6,720	8,055	1,335	-	-	1,335
Carnarvon-Mullewa Mining Related	-	-	7,500	7,500	-	-	-	-
Asset Management Reserve	-	-	2,531,076	2,531,076	-	-	-	-
Museum Reserve	-	-	-	-	-	-	-	-
<b>Total Cash Backed Reserves</b>	<b>9,675,019</b>	<b>(6,327,983)</b>	<b>2,972,301</b>	<b>6,319,337</b>	<b>9,675,985</b>	<b>-</b>	<b>21,362</b>	<b>9,697,346</b>

Annual Budget v YTD Actual



## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 August 2023

## 8. DISPOSAL OF ASSETS

## Annual Budget

	WDV	Proceeds	Profit	(Loss)
	\$	\$	\$	\$
Transport				
Plant and Equipment				
Plant and Equipment	100,000	100,000	-	-
<b>Total Disposal of Assets</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>-</b>
<b>Total Profit or (Loss)</b>				<b>-</b>

## YTD Actual

	WDV	Proceeds	Profit	(Loss)
	\$	\$	\$	\$
Other Property & Services				
Motor Vehicle	-	-	-	-
				-
				-
				-
<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 August 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	1,666	-	1,666	0%
<b>Economic Services</b>						
Tour Area Prom Buildings & Improvements		507,500	84,582	-	84,582	0%
Tour Area Prom Infrastructure		50,000	8,332	-	8,332	0%
<b>Total Land and Buildings</b>		<b>567,500</b>	<b>94,580</b>	<b>-</b>	<b>94,580</b>	

(b) Furniture & Equipment

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
<b>Housing</b>						
Staff Housing Furniture & Equipment		3,000	500	2,693	(2,193)	100%
<b>Economic Services</b>						
Cap Ex Point Of Sale System Roadhouse		25,000	4,166	-	4,166	0%
Capex - Washing Machines		22,000	3,666	20,945	(17,279)	95%
Roadhouse Appliances		16,000	2,666	1,988	678	12%
Roadhouse Furniture		10,500	1,750	-	1,750	0%
Tour Area & Prom Buildings & Improvements		15,000	2,500	-	2,500	0%
<b>Total Furniture &amp; Equipment</b>		<b>91,500</b>	<b>15,248</b>	<b>25,626</b>	<b>(10,378)</b>	

(c) Plant and Equipment

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
<b>Transport</b>						
Road Plant Purchases		543,000	-	285,547	(285,547)	53%
<b>Total Plant and Equipment</b>		<b>543,000</b>	<b>-</b>	<b>285,547</b>	<b>(285,547)</b>	



9. CAPITAL ACQUISITIONS (Continued)

(d) Infrastructure - Roads

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
<b>Transport</b>						
Beri-Pindar Rd Wreath Flower Works		-	-	15,009	(15,009)	
Beri-Pindar Rd - Resheet Incl Floodway Sections		623,448	103,908	621,761	(517,853)	
Carn-Mul Rd - Resheet Incl Floodway Sections		121,834	20,304	121,834	(101,530)	100%
Carn-Mul Rd 208.68 - 241.74 Reconstruct & Widen various s		2,291,451	381,906	314,313	67,593	14%
Reseal Works		148,530	24,754	-	24,754	0%
SKA Route General Construction Works		3,045,854	507,642	770,701	(263,059)	
SKA Route Twin Peaks - Wooleen Rd		-	-	790	(790)	
Capex Grids General		100,000	16,662	-	16,662	0%
<b>Total Infrastructure - Roads</b>		<b>6,331,117</b>	<b>1,055,176</b>	<b>1,844,409</b>	<b>(789,233)</b>	

(e) Infrastructure - Other

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	% Complete
<b>Recreation &amp; Culture</b>						
Community Swimming Pool		1,050,000	175,000	-	175,000	0%
Sports Club Access Upgrade		30,000	5,000	-	5,000	0%
Community Splash Pool		350,000	58,332	-	58,332	0%
<b>Economic Services</b>						
Roadhouse & C/V Park Precinct Works		20,000	3,332	-	3,332	0%
Improvements To drinking Water reticulation		450,000	75,000	94,127	(19,127)	21%
Power Supply Upgrade		350,000	58,332	-	58,332	0%
<b>Total Infrastructure - Other</b>		<b>2,250,000</b>	<b>374,996</b>	<b>94,127</b>	<b>280,869</b>	
<b>Total Capital Expenditure</b>		<b>9,783,117</b>	<b>1,540,000</b>	<b>2,249,709</b>	<b>(709,709)</b>	

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 August 2023

## 10. RATING INFORMATION

	Rateable Value \$	Rate in \$	Number of Properties #	Annual Budget Revenue \$	Rate Revenue \$	Interim Rates CY \$	Interim Rates PY \$	YTD Actual Revenue \$
<b>General Rates</b>								
UV Pastoral	1,232,909	0.088894	22	109,655	109,655	-	-	109,655
UV Mining	16,725,080	0.169410	21	2,832,029	1,823,827	-	-	1,823,827
UV Prospecting and exploration	1,754,201	0.169410	61	297,180	297,180	-	-	297,180
<b>Total General Rates</b>				<b>3,238,864</b>	<b>2,230,662</b>	-	-	<b>2,230,662</b>
<b>Minimum Rates</b>								
UV Pastoral	21,304	800	6	4,800	4,800	-	-	4,800
UV Mining	8,140	800	4	3,200	-	-	-	-
UV Prospecting and exploration	43,144	800	18	14,400	14,400	-	-	14,400
<b>Total Minimum Rates</b>				<b>22,400</b>	<b>19,200</b>	-	-	<b>19,200</b>
<b>Total General and Minimum Rates</b>				<b>3,261,264</b>	<b>2,249,862</b>	-	-	<b>2,249,862</b>
<b>Other Rate Revenue</b>								
Facilities fees (Ex Gratia)								-
<b>Total Rate Revenue</b>				<b>3,261,264</b>				<b>2,249,862</b>

## SHIRE OF MURCHISON

## NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

For the Period Ending 31 August 2023

## 11. INFORMATION ON BORROWINGS

## (a) Debenture Repayments

## (i) Loan 2 Roadworks in 2020-21

	Annual Budget \$	YTD Budget \$	YTD Actual \$
<b>Transport</b>			
Opening balance	1,722,871	1,722,871	1,722,871
Principal payment	(189,033)	-	-
<b>Principal Outstanding</b>	<b>1,533,838</b>	<b>1,722,871</b>	<b>1,722,871</b>
Finance cost payment	(30,870)	-	-
Service fee			
<b>Total Principal, Finance Cost and Fees Paid</b>	<b>(219,903)</b>	<b>-</b>	<b>-</b>
<b>Total Principal Outstanding</b>	<b>1,533,838</b>	<b>1,722,871</b>	<b>1,722,871</b>
<b>Total Principal Repayments</b>	<b>(189,033)</b>	<b>-</b>	<b>-</b>

## 12. GRANTS, SUBSIDIES AND CONTRIBUTIONS

### (a) 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	WALGGC	151,325	37,831	37,831
03202	F.A.G.Grant - Roads	WALGGC	55,693	13,923	13,923
	<b>Law, Order and Public Safety</b>				
05102	DFES Operating Grant	DFES	18,560	18,560	4,640
	<b>Community Amenities</b>				
	<b>Transport</b>				
12212	MRWA Direct	MRWA	269,961	44,992	269,961
12219	WANDRRA Flood Damage	MRWA	4,887,046	4,887,046	890,742
	<b>Economic Services</b>				
13201	Tour Area Prom Revenue		32,000	5,332	892
13609	Roadhouse Other Revenue		5,000	832	-
	<b>Other Property &amp; Services</b>				
14404	Diesel Fuel Rebate		85,000	14,166	-
<b>Total Grants, Subsidies and Contributions</b>			<b>5,504,585</b>	<b>5,022,682</b>	<b>1,217,989</b>

### (b) Capital Grants, Subsidies and Contributions

	<b>Transport</b>				
12213	MRWA Specific	MRWA	1,062,746	177,124	360,000
12216	Roads to Recovery		288,121	48,020	-
12238	LRCIP		632,708	-	-
12237	MRWA - SKA Roads	MRWA	2,956,810	492,800	-
12244	Mining Related Road Contributions		7,500	-	-
	<b>Recreation &amp; Culture</b>				
11311	Other Rec & Sport Grants		852,446	-	-
<b>Total Capital Grants, Subsidies and Contributions</b>			<b>5,800,331</b>	<b>717,944</b>	<b>360,000</b>
<b>Total Grants, Subsidies and Contributions</b>			<b>11,304,916</b>	<b>5,740,626</b>	<b>1,577,989</b>

#### Check

Operating	5,504,585	5,022,682	1,217,989
Variance	-	-	-

Non-operating	5,800,331	717,944	360,000
Variance	-	-	-



## Murchison Settlement Power & Water Upgrade Project

### Business Case

#### 0 BUSINESS CASE

Project involves an upgrade to Power and Water Infrastructure at the Murchison Settlement to provide potable water to all existing and future workforce residents and visitors and ensure a secure and reliable power supply for all that can be adapted later as fund permit through the provision of solar power.

Business Case outlining background, rationale and benefits outlined as follows.

##### 0.1 Objective

Council's adopted vision is

*"to ensure that the 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."*

Overall objective of this project is to provide a pivotal step in achieving this vision through upgraded infrastructure that will allow new workforce accommodation and tourist and community facilities to be delivered in a more timely and cost-effective manner without undue burden being placed on the community.

##### 0.2 Background

The Murchison Settlement currently comprises Shire Office, Shire Depot, Roadhouse, Caravan Park and 6 Cabins, Community Sports Centre, Museum, Airport, Cemetery and Parks and Gardens. Workforce accommodation consists of 7 Dwellings, 2 Duplex Units, Museum Cottage, Roadhouse Manager Residence and 3 Motel style self-contained units with common kitchen for casual roadhouse workers.

The Shire is very unique. It has no town within its sparse population and large service area with all who residing in the Murchison Settlement forming the Shires workforce. The Settlement itself is located on crown land that has been dedicated for Shire Purposes. The Shire through its own funds is responsible for the provision of all infrastructure unlike all local governments who generally have State owned enterprises to provide these basic services. The Shire is also responsible to build and maintain all buildings and provide for all workforce housing.

The list below as provided to the WA Grants Commission details all of the expenses that more or less would not apply to most other local governments. All costs relate to current workforce subsidies as all staff have rent and utility free accommodation with buildings and lawns maintained by the Shire. These are expected to remain in place into the future.

This aspect is significant and it is submitted that it provides additional and somewhat unique justifications in support of this application.

**WA Grants Commission Extract from Shire Submissions**

Item	2021/22		2020/21	
	Operating	Capital	Operating	Capital
Housing Costs	262,697	35,713	295,387	720,820
Television Rebroadcasting	27,626		25,565	
Water Supply	10,784	67,208	3,585	
Power Supply	353,370		284,700	261,803
Freight Service	109,907		90,856	
Roadhouse & Caravan Park Expenses	653,194	67,032	527,327	65,277
Roadhouse & Caravan Park Revenue	-326,589		-304,737	
<b>Net</b>	<b>1,090,989</b>	<b>169,953</b>	<b>922,683</b>	<b>1,047,900</b>

**0.3 Specific Deliverables**

Project involves an upgrade to Power and Water Infrastructure at the Murchison Settlement to provide potable water to all existing and future workforce residents and visitors and ensure a secure and reliable power supply for all that can be adapted later as fund permit through the provision of solar power. Specific Works comprise the following.

**0.3.1 Power Supply**

Stage 1 Works as per this application involves provision of a new Powerhouse to provide a new power supply enclosed in a quiet environment at a new location. In indicated in *Attach 11 Power Upgrade Plans & Specifications* works include installation of a new Power Station, Site Main Switchboard & Infrastructure including

- ~ 415VAC Diesel Generator Packages
- ~ Switchgear
- ~ Switchroom
- ~ Bulk Diesel Fuel Storage & Transfer System
- ~ Site Electrical Installation
- ~ Electrical Vehicle Charging Station
- ~ Ancillary Structures
- ~ Civil Works

Stage 2 future works as described in *Attach 12 Microgrid Feasibility Report* foreshadow provision of solar power at some stage, but this project cannot proceed without completion of Stage 1 being completed.

**0.3.2 Water Supply**

Provision of a Chlorinator to supplement current works that are well underway involving construction of a new water ring main, 4 new bores, 8 tanks, 1 mixing tank and connections to existing buildings and reticulation as per *Attach 3 Water Infrastructure Pics* and *Attach 10 Extract 2023 Water Supply Upgrade Contract*.

The Chlorinator works as described under *Attach 13 Water Chlorination Assessment* have not been included in the current scope of works under construction and likely won't be given other commitments without external funding, hence this application.

## 0.4 Stakeholders

This infrastructure directly benefits all 28 existing residents and visitors who live and visit the Murchison Settlement. However, Council has directly identified the need to house additional staff members to meet current needs plus additional future staff that may arise, and casual roadhouse staff as identified through foreshadowed growth in tourism. Refer *Attach 15 Workforce Needs Analysis*.

Unfortunately, there are few opportunities for collaboration with other stakeholders in relation to this project given the Shires' remoteness and specific purpose in its establishment. Collaboration for a funding of a range of other community projects as outlined as follows and as per supporting attachments will be enhanced if this project proceeds.

## 0.5 Assessment Criteria

Response to Assessment Criteria are shown as follows.

# 1 Need and Priority

## 1.1 Context

Over the past 4 years Council has undertaken a series of strategic and business planning actions that has assisted in justifying and prioritising works and services leading to an updated Asset Management and Long-Term Financial Plan being adopted in August 2023.

The following documents are attached which illustrates the extent of works and actions that in part underpinned this plan and which highlight the extend of community economic development actions that require this project infrastructure to be effective.

*Attach 4 Murchison Settlement Masterplan Report*

Outlines the rationale and spatial and concept precinct planning for a raft of community economic development initiatives including community pool, splashpad, playground, community centre upgrade and roadhouse precinct vision.

*Attach 5 Murchison Roadhouse Precinct Redevelopment*

Outlines a complete redevelopment of the Roadhouse and environs including construction of a new separate residence for the Roadhouse Manager, internal redevelopment of the existing roadhouse and external environment and installation of shade for fuel facilities.

*Attach 6 Murchison Vast Sky Experience Business Case*

Outlines business case for a major development of the Settlement based on catering for demand to service the Night Sky Tourism market with showcase connections to CSIRO's MRO and SKA Projects which are not publicly accessible. Strong indigenous and tourism experience focus with significant employment growth predicted in a revenue positive environment.

Each of these plans have a significant impact on the fabric of the community but will also aid in increased remote worker employment opportunities and growth as well as aiding in recruitment and retention for existing operations.

## 1.2 Identified Program

Costs associated with implementing these are included in Councils Settlement Buildings & Infrastructure Asset Management Plan as per the extract below. Future costs are indicative.

The grey highlighted sections are directly associated with workforce aspects but in reality, all of the projects will be positively impacted through this project.

Job No	Description	Comments	Ext Cost \$ (excl Inflation)	Year
C14226	Staff Housing	New Staff Housing	450,000	2026
C14226	Staff Housing	New Staff Housing	450,000	2027
C14226	Staff Housing	New Staff Housing yet to be quantified		
RN10BK	Renovation 10B Kurara Way	New Single Room Extension as per 10A Kurara Way	90,000	2030
RN4AKU	Renovation 4A Kurara Way	New Single Room Extension as per 10A Kurara Way	90,000	2030
RN4BKU	Renovation 4B Kurara Way	New Single Room Extension as per 10A Kurara Way	90,000	2030
C10002	Community Centre Upgrade Stage 1	Refurbish existing Sports Club	750,000	2029
C14234	Community Centre Upgrade Stage 2	Refurbish / upgrade existing Sports Club	400,000	2032
C11002	Community Swimming Pool	Part LRCIP Funded	1,050,000	2024
C11003	Playground Upgrade	Potential part Lottery West Funded	200,000	2026
C11004	Sports Club Access Upgrade	Relay Paving and extend grass areas	30,000	2024
C11006	Community Splash Pad	Part Lottery West Funded	350,000	2024
C11050	Other Rec & Sport Buildings & Improv		0	0
C11640	Museum Build & Improv General	Extension following implementation Part of Vast Sky Business Works	0	0
C13005	New Caravan Park Ablution Block		475,000	2024
C13010	Roadhouse Residence	New Accommodation for Roadhouse Manager	450,000	2025
C13015	Roadhouse Business Bldg.	Major refurbishment	500,000	2026
	Ensuites to C/V Park Cabins	Defer at this stage and revisit if necessary	0	0
C13025	Caravan Park Ensuites	New 3 Units	350,000	2029
C13026	Interpretive Centre	Part of Vast Sky Business Case	0	0
C13027	Staff Accommodation Units	Initial two separate units	300,000	2025
C13027	Staff Accommodation Units	Part of Vast Sky Business Case Requirements	0	0
C13670	Water Supply Capital	General Water Asset Replacement Works Post plan as majority new in 2024	0	0
C13671	Irrigation Water Supply Capital	Replacements to be separately assessed as required	0	0
C14720	Drinking Water reticulation	Construct new pump house, fencing and ring main unit	498,496	2023
C14720	Drinking Water reticulation	Complete new pump house ring main unit & connections	450,000	2024
C14720	Drinking Water Potable	New Chlorinator. Potential Infrastructure Development Funding	275,000	2024
C13660	Power Supply Capital	Replace section underground power - Part 1	150,000	2028
C13660	Power Supply Capital	Replace section underground power - Part 2	150,000	2036
C13661	Power Supply Upgrade	Upgrade of Powerhouse. Potential Infrastructure Development Funding	350,000	2024
C13661	Power Supply Upgrade	Upgrade of Powerhouse. Potential Infrastructure Development Funding	450,000	2025



Job No	Description	Comments	Ext Cost \$ (excl Inflation)	Year
C13662	Solar Power Provision	Potential Grant or loan funded	1,000,000	2026
C14001	Minor Modifications to Council Building Other Infrastructure Works	Move Library, Refurbish & Extend Council Chamber to cover in verandah	600,000	2029

### 1.3 Need - Disadvantage

Murchison is located some 200km from Mullewa and 300km and as such represents a significant and practical barrier in the provision of regional key worker accommodation which is essential for the Murchison Shire to operate and expand into the future.

In addition, as also as outlined under Section 0.2 above, the financial burden associated with the provision of water and power infrastructure as well as housing falls entirely on the Shire which has.

- ~ a very small population of around 153.
- ~ a large area of some 49,500 sq km to service.
- ~ large infrastructure obligations with 142km of sealed roads and 1,806km of unsealed roads with expanded emphasis in sealing and widening the Carnarvon-Mullewa Road.
- ~ small rate base of \$538,900 which represents around 11% of the Shire's combined untied recurrent funding (Grants Commission and Rates)

The combined total water infrastructure spend over the past two years including this project is shown in Section 3. This is a very significant amount on top of current works programs and if implemented without es-external funding would invariably mean other works required would have to be deferred. The 2022/23 and 2023/24 budgets were specifically affected in this way.

### 1.4 Need - Power

As shown in *Attach 2 Power Infrastructure Pics* the current Powerhouse is antiquated and despite upgrades to gensets in 2020 is entirely unsuited for the very hot climate we experience continually over 4-5 months. Regular outages are experienced with water supply currently also in operable during any power outage. The current location in an open environment is noisy with all residents and visitors affected but particularly those in close proximity to the Roadhouse.

All of the current deficiencies associated with the current power and water supply will be rectified through the Project with benefits long lasting and able to meet all future water and power demands including providing an opportunity for a stage 2 future upgrade as outlined in *Attach 12 Microgrid Feasibility Report* with provision of solar power which will see a significant reduction in diesel once constructed. Depending on the funding model a saving of around \$180k per annum will eventually follow.

### 1.5 Need - Water

The lack of potable water is a significant health issue and can have a detrimental effect in food handling practices with residents and visitors advised to not drink the water without boiling, and as indicated in the *Attach 7 Water Supply Community Notice*, previous results of recent testing of the Community Water Supply have detected an amoeba that can cause amoebic meningitis.

This will be partly rectified through current water supply improvements as shown through per *Attach 3 Water Infrastructure Pics* as the source of water and tank and reticulation design will greatly minimise but

not eliminate potential water contamination, especially in summer as the water temperature is such that potential harmful bacteria may flourish.

## 1.6 Need - Overall

It is considered that the Project Proposal is justified and reasonable and appropriately located to service all existing and future developments within the Settlement including those required for key regional workers.

## 2 Government Strategic Priorities

### 2.1 Affordable Accommodation

The provision and all costs of all workforce accommodation within the Murchison Settlement is met by Council. This includes staff and contractors. This will not change but as outlined only increase into the future. The quality of life for workers associated with this project will however significantly increase.

### 2.2 Government Strategic Planning Objectives

Project meets various strategic State Government priorities as per *Attach 14 Extracts of Government Strategic Priorities*. A summary with comments where relevant is shown as follows.

#### 2.2.1 Mid-West Regional Blueprint

##### *Water*

*Ensure Mid-West water availability, quality and potential for domestic and economic development uses is properly understood. Additional, supply and efficiency. Investigate new water sources for future regional development that focuses on innovation to maximise current and future efficiencies. Work with communities and providers to ensure adequate supply of quality water that meets the needs of all communities.*

Project builds on Councils current proactive action to upgrade its non-potable water supply with new bores pumping station and ring main unit by installation of a chlorinator to ensure a potable supply for tourists and residents. This underpins the entire project to assist in tourism attraction, an action that is difficult for Council to achieve given costs incurred,

##### *Energy Management Innovation*

*Investigate and invest in integrated technologies for the efficient management of regional energy (as well as water and waste)*  
Project is the first step to allow for the provision of a future solar powered microgrid project

##### *Tourism*

*Support initiatives for tourism operators and associated service providers to enhance the quality, value and appeal of experiences for visitors to the region ie skills and workforce development and product to cater for the specific needs of visitors. Work with local governments and relevant agencies to prioritise and in some cases rationalise social infrastructure and services.*

Project delivers increases appeal of visitors with the ability to have potable water available at no cost for local use and ongoing travel.

##### *Small Remote Communities.*

*Deliver a united approach together with local, State and Federal agencies to plan for appropriate and timely investment of infrastructure and services for remote communities in the Mid-West given the infrastructure challenges by being a small remote community. Murchison is specifically identified.*

Project strongly aligns as an intended target.

### 2.2.2 Mid-West Tourism Development Strategy

*Open up sites and places previously overlooked or underdeveloped. Increase accommodation capacity from camping through to resorts. Develop chalets / park homes at Caravan Parks.*

Project assists in increasing accommodation with potable water and a secure power supply essential.

### 2.2.3 Mid-West Regional Planning and Infrastructure Framework

#### 2.2.12 Challenges

*TI10 Increasing power transmission capability for the Mid West region including support for energy production and supply.*

*TI11 Managing the competing demands for water where resources are limited and encouraging fit for purpose use of water, reuse and efficiency technologies.*

*TI13 Ensuring that communities have adequate access to regional and local social infrastructure and services.*

*TI15 Attracting residents and workforce through the provision of quality social infrastructure, services, affordable housing and well-designed communities.*

Project assists in meeting all of the above challenges

### 2.2.4 WA Housing Strategy 2020-2030

#### Focus area 1: Supply

*Outcome: We have a choice of homes for people of all cultures, ages, incomes and circumstances*

*2 Increase the availability of secure and affordable rental models.*

*3 Create the conditions and mechanisms to harness private and institutional investment for social and affordable housing.*

#### Focus area 2: Design

*Outcome: Our communities and homes are designed for now and the future*

*3 Increase housing diversity and the ability to easily adapt homes to meet current and future housing needs.*

*5 Take a place-based approach when making asset decisions by working with communities to create fit-for-purpose housing that responds to local need.*

*6 Renew and revitalise under-utilised and poorly performing places to better meet local need.*

#### Focus area 5: Housing pathways

*Outcome: We can move homes easily when we choose or our needs change*

*5 Use housing as an enabler to improve social and economic participation and improve procurement methods to*

The nature of the Murchison Settlement remains that all workforce accommodation within the Settlement is affordable with zero rents but with by and large the financial burden falling on the Shire. Project assists in improving the situation through direct benefits (potable water and reliable power) but also frees up Councils finances to accelerate workforce housing.

### 2.2.5 Mid West Development Commission Strategic Plan 2023 – 2026

*Plan has yet to be formally publicised but there are 5 strategic initiatives with strategic initiative 1.3 “Normalise regional living standards” These are shown with comments as follows.*

*Improve housing investment and market confidence for workforce and population growth.*

This directly relates to Council, who are the investors in housing and community economic and tourist development outcomes within the Shire and broader region.

*Facilitate affordable residential land availability across the region.*

This directly relates to Council as it will be the owner and responsible authority.

*Facilitate workforce development from regional economic growth.*

Works will directly assist Council's plans and actions.

*Capture regional benefit from government and major industry infrastructure investment.*

Government investment in this project directly assists the Shire in advancing investment in community and economic infrastructure as outlined under section 1.2 above

*Enable a climate resilient Mid-West.*

Project Funding will enable Council to advance the provision of solar power

*Raising regional quality of life.*

Government investment in this project directly assists the Shire in advancing investment in community and economic infrastructure as outlined under section 1.2 above

*Support creative industry development.*

Not applicable

### 2.2.6 Murchison Regional Strategy

*Promote a strong and diverse economy that supports local businesses and attracts external investment.*

*Develop and promote the Murchison Region's unique cultural and geological heritage to attract tourism and investment.*

*Harness the presence of the Square Kilometre Array (SKA) to facilitate skill development in Science, Technology, Engineering and Mathematics (STEM) fields for local residents and businesses.*

Project facilitates an expansion of the current offering in Murchison and provides a quality internal space that will be used for promotion of our local and geological heritage as well as promoting CSIRO and SKA science works and catering for demand for dark ski experience.

### 2.2.7 Letter of Support

As indicated in *Attach 17 Letter of Support* this proposal has the support of the Mid-West Development Commission who have over a number of years directly worked with and assisted Council in various Strategic Economic Development actions and infrastructure projects such as the replacement of the Historic Ballinyoo Bridge on the Carnarvon-Mullewa Road, and recently business case work, namely *Attach 6 Murchison Vast Sky Business Case* and construction and sealing of a section of the Carnarvon-Mullewa Road within the City of Greater Geraldton.

## 3 Viability and Capability

### 3.1 Preplanning

The extent of preplanning involved is shown below but also shown in the following attachments.

*Attach 3 Water Infrastructure Pics*

*Attach 11 Power Upgrade Plans & Specifications*

*Attach 8 Power Upgrade Costings*

*Attach 12 Microgrid Feasibility Report*

*Attach 9 Water Chlorination Costings*

*Attach 13 Water Chlorination Assessment*

*Attach 10 Extract 2023 Water Supply Upgrade Contract*

Preplanning works and preconstruction activities, which are extensive and include reputable experienced consultants namely Petro Min Engineers (Power) and GHD (Water) entirely funded by Council.

Works include the following.

Item	Utility	Year	Amount \$	Council \$
<b>Previous Works</b>				
Supply and fit two new gensets	Power	2020/21	261,803	261,803
Feasibility study and concept design for new microgrid project	Power	2020/21	17,110	17,110
Sink and cap four new water supply bores	Water	2021/22	28,930	28,930
Preliminary concept design. Purchase 8 new water supply tanks	Water	2021/22	38,278	38,278
Commence upgrade design works	Power	2022/23	40,415	40,415
Develop detailed design and specifications. Tender works. Appoint contractor and commence works. Review Chlorination Options	Water	2022/23	19,283	19,283
Construct new pump house, fencing and ring main unit	Water	2022/23	481,146	481,146
Complete new pump house ring main unit & connections	Water	2022/23	400,000	400,000
Complete upgrade design works	Power	2023/24	90,535	90,535
<b>Total</b>			<b>1,377,500</b>	<b>1,377,500</b>

### 3.2 Proposed Works

Works required as per this submission as outlined below to be completed are not onerous and can be completed within 12 months given the preplanning that has already been undertaken.

Item	Utility	Year	Amount \$	Council \$	Funding Request \$
Commence upgrade works with new switchboard and new powerhouse.	Power	2023/24	400,000	40,000	360,000
Install and fit new Chlorinator.	Water	2023/24	275,000		275,000
Complete upgrade works with new switchboard and new powerhouse.	Power	2024/25	503,710	50,371	453,339
<b>Total</b>			<b>1,178,710</b>	<b>90,371</b>	<b>1,088,339</b>

### 3.3 Future Power & Water Works

The following additional works have also been identified but the first one (Solar Microgrid) will be influenced by the outcome of this application.

Item	Utility	Year	Amount \$	Council \$
<b>Future Works</b>				
New solar microgrid (Subject to budget and if this application is successful)	Power	2025/26	1,100,000	1,100,000
Infrastructure Upgrades	Power	2027/28	150,000	150,000
Infrastructure Upgrades	Power	2025/36	150,000	150,000
<b>Total</b>			<b>1,400,000</b>	<b>1,400,00</b>

### 3.4 Overall Management

The Shire will manage the project and has a track record of undertaking similar works of this size and nature across a range of areas including roads, buildings and this specific infrastructure and with options for WA based and regional contractors as required.

Recent examples include construction of two (2) new dwellings in 2020 and 2021, Water infrastructure currently underway as per *Attach 3 Water Infrastructure Pics* and *Attach 10 Extract 2023 Water Supply Upgrade Contract* and construction and sealing of 36.42km of the Carnarvon-Mullewa Road to a 7.2 m standard between 2021 and 2022.

Shire staff will assist in the construction with local plant and machinery where required but for these specific type of upgrade works the required expertise remains with external contractors, a number of which are familiar with the local infrastructure and circumstances. As shown in *Attach 11 Power Upgrade Plans & Specifications* and *Attach 13 Water Chlorination Assessment* these have been designed by reputable experienced consultants namely Petro Min Engineers (Power) and GHD (Water), both of whom will be involved in overseeing the tender and construction processes.

Locally, Council's Works Manager William Herold has extensive 20 plus years' works construction experience whilst the Chief Executive Officer Bill Boehm has over 40 years Local Government management, planning and engineering experience with qualifications including a Bachelor of Civil Engineering and Graduate Diploma's in Municipal Engineering and Building Surveying.

The Shire is responsible for ongoing maintenance of the works post construction, just like all of Councils operations and makes appropriate budget allocations as required. Shire staff have been trained and practiced in day-to-day operations and also have on call support arrangements in place with remote monitoring to be a feature of the works.

Council as an adopted Asset Management and Long-Term Financial Plan in place. These feed into each respective year's budget with all updated annually. As indicated under the Section 0.2 and 1.2 commitments to ongoing workforce accommodation are strong and have been included in these strategic programs.

## 4 Value for Money

### 4.1 Certainty over costs

The budget figures shown have been supported by independent external consultants' analysis. Refer to *Attach 8 Power Upgrade Costings and Attach 9 Water Chlorination Costings*. The costs of any cost overruns will be met by Council.

### 4.2 Latent Capacity of Capacity of Infrastructure

The capacity of the existing infrastructure to cope has been assessed. Essentially the water supply works currently underway has been designed to cater for potential growth. The majority of water infrastructure including headworks and ring main will as a result be new. Design of upgraded power infrastructure has been similarly designed with potential growth in mind as well as to cater for installation of solar power in the near future. Provision to upgrade sections of existing power reticulation has also been factored into the adopted Asset Management and Long-Term Financial Plan.

### 4.3 Regional Worker Value for Money Assessment

As indicated under Section 1.2 and included in the adopted Asset Management and Long-Term Financial Plan,

- ~ new workforce accommodation totalling \$1,920,000 has been included.  
It needs to be recognised that all of Councils staffing costs constitute Regional Workforce Accommodation
- ~ capital expenses on community economic projects totalling \$8,305,000 have included.

#### 4.3.1 What's included in this Preliminary Assessment.

*Attach 15 Workforce Needs Analysis* as per the summary below highlights what staffing we expect are and what accommodation units this will entail but also what has been included in the Long-Term Financial Plan (LTFP).

		No Staff	No Accom Units
<i>Note only 5 new units have been formally included in the LTFP &amp; Value for Money Analysis</i>	Existing	18.5	17
	Future	9	10
		<b>27.5</b>	<b>27</b>

Although the basic work is broad brush approach the following summary as per *Attach 16 Value for Money Assessment* highlights the extent of potential positive impact funding this project will have.

Item	Amount \$	Council \$	Funding Request \$
<b>Total Power &amp; Water Infrastructure</b>	<b>3,656,210</b>	<b>2,567,871</b>	<b>1,088,339</b>
		70.2%	29.8%
<b>Works Facilitated by Funding</b>			
Housing Facilitated by Project	1,920,000		
Community Economic Development Works Facilitated by Project	8,305,000		
<b>Total Facilitated by Funding</b>	<b>10,225,000</b>		
<b>Value for Money Assessment</b> (ratio funding request to Total Works Facilitated)			<b>9.4</b>

#### 4.3.2 What's not included in this Preliminary Assessment.

As indicated in *Attach 15 Workforce Needs Analysis*, additional growth is likely, and this will be above what has been detailed in *Attach 16 Value for Money Assessment*.

Matters that have not been included are and which will impact on future accommodation requirements are highlighted as follows.

- ~ Number of staff positions (husband and wife / partner teams) that currently exist. Whilst there is no guarantee that this will continue at the current level in the future, but it would be expected, as the amenity and facilities improve so does the likelihood that growth in staff can be accommodated with (husband and wife / partner teams). Certainly, this is part of Council's Strategy.
- ~ Additional staff required through identified improvements in operations which are currently quite lean.
- ~ Current positions that are outsourced. There is no guarantee that this will continue at the current level in the future.
- ~ Current Works Manager accommodation as that person lives on a local station, some 50km away from the Settlement. Historically this situation has not occurred is unlikely to re-occur into the future meaning a dwelling will be required.
- ~ Separate contractor housing that we currently provide now through current circumstances but won't be able to do so in the future as it is likely that the existing residence used for such a purpose will be required for staff.
- ~ Any growth in Tourism that is expected to occur, and which will be positively impacted upon through delivery of this project and resultant community economic developments.
- ~ Any growth associated in changes to roadworks construction and maintenance -practices with less reliance on contractors. The current road works crew/ contractor mix has evolved over time with a 5 person construction gang and 2 person maintenance gang supplemented by local contractors, two of whom reside in the Shire and are keen to work locally. This mix is likely to change at some stage in the future. As contractor costs are twice local Shire costs then at some stage there may be opportunities to expand the current work crews as the initial upfront housing and plant costs will over time be recouped by ongoing savings compared to contractor payments. In addition where works are undertaken on grant funded programs such as Roads to Recovery, Main Roads WA or Local Roads Community Infrastructure some of those costs will be funded from external sources through applicable cost allocation processes.
- ~ As indicated in *Attach 6 Murchison Vast Sky Business Case*, substantial increased growth from increased tourism is expected and will impact but has also not been factored into the assessment.

#### 4.3.3 Overview

In other words, a very conservative approach has been taken with the resultant Value for Money Assessment more than likely substantially understating the situation.



#### 4.4 Community Benefit

This submission highlights a large array of community economic development actions that this project will deliver. These include the following.

##### 4.4.1 Direct Community Benefits

Provision of potable water means that all community has a safe supply free from potential health concerns and as outlined under section 1.5 elimination of an amoeba that can cause amoebic meningitis. This brings the community in line with most of Western Australia with safer drinking, showering, teeth cleaning and food preparation a positive outcome. This will also lead to a significant reduction in the use of bottled and packaged drinking water with cost savings for individuals a corresponding reduction in waste. These benefits also translate to tourists and visitors some who will not have the ability to stock up on water supplies as they travel the State.

Provision of an upgraded power supply means significantly increases reliability to all who live and reside in and visit Murchison with a corresponding reduction in operating costs. Relocating the supply and providing a less noisy operation will significantly improve the amenity for all residents and visitors but particularly those in close proximity to the Roadhouse. An electric vehicle charging station is also proposed and this will increase options for those that wish to travel remotely. This project will also accelerate the provision of solar power thereby reducing operating costs and greenhouse gas emissions.

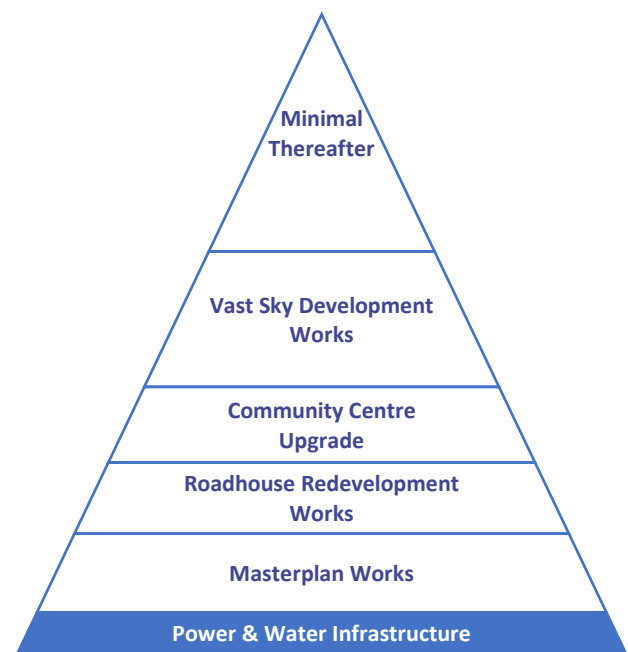
##### 4.4.2 Other Community Benefits

In one way or another this project will underpin actions as described in

- ~ *Attach 4 Murchison Settlement Masterplan*
- ~ *Attach 5 Murchison Roadhouse Precinct Redevelopment*
- ~ *Attach 6 Murchison Vast Sky Business Case.*

On as project basis these are outlined under Section 1.2.

The overall inter dependent relationship between this Power and Water Upgrade Project and wider community economic development of Murchison and the region is highlighted as per the adjacent diagram.



As previously indicated aspects and increases in regional workforce will follow as part of the implementation of all of the above strategies which are entirely the responsibility of Council.

#### Risk Management

Risks and responsibilities associated with this project remain entirely with Council and is a core feature of the Shire's operation. There is no reliance in any third-party infrastructure provider arrangements. This also means that the Governments overall intention to assist in meeting Regional Workforce Accommodation needs can be more readily assured compared with more complex multi-party arrangements.

#### 4.5 Co-Contributions

Proposed funding and contributions are detailed in Sections 3.1. 3.2. 3.3 and 4.3.1. Essentially under this project as summarised below it is proposed that specifically that.

- ~ the provision of the power upgrade be funded on a 90:10 basis but also recognising Councils pre and post power supply commitments.
- ~ the provision of a chlorinator be funded of a 100% basis recognising Councils previous and current upgrade works.
- ~ consideration for current disadvantages as outlined under Section 0.2 and future needs.

Item	Amount	Council	Funding Request
	\$	\$	\$
Total Power & Water Infrastructure Analysis	3,656,210	2,567,871	1,088,339
		70.2%	29.8%

Any additional costs incurred over and above the requested funding will be met by Council.

## 5 Summary

Considering all of aspects it is submitted that the infrastructure funding “ask” is justified and reasonable.

Putting into context the funding requested equates to funding a minimum of at 3 duplex houses but also allows Council to fund other community economic development works as outlined that will directly benefit our expanded regional workforce.

## 6 Further Information

Further information in relation to this submission may be obtained by contacting Bill Boehm Chief Executive Officer by phone on 9963 7999, mobile 0428 637 998 or email [ceo@murchison.wa.gov.au](mailto:ceo@murchison.wa.gov.au).

*Bill Boehm*  
*Chief Executive Officer*  
*4 September 2023*

#### Attachments

Attach 1	Murchison Settlement Map & Land Tenure	Attach 10	Extract 2023 Water Supply Upgrade Contract
Attach 2	Power Infrastructure Pics	Attach 11	Power Upgrade Plans & Specifications
Attach 3	Water Infrastructure Pics	Attach 12	Microgrid Feasibility Report
Attach 4	Murchison Settlement Masterplan	Attach 13	Water Chlorination Assessment
Attach 5	Murchison Roadhouse Precinct Redevelopment	Attach 14	Extracts of Government Strategic Priorities
Attach 6	Murchison Vast Sky Business Case	Attach 15	Workforce Needs Analysis
Attach 7	Water Supply Community Notice	Attach 16	Value for Money Assessment
Attach 8	Power Upgrade Costings	Attach 17	Letter of Support
Attach 9	Water Chlorination Costings		

Workforce Needs Analysis

Position	Location	Type	Status	No Staff	No Accom Units	Comments
Chief Executive Officer	2 Office Road	3 Bedroom Dwelling	Existing	1	1	
Gardener / Casual Roadhouse	4A Kurara Way	1 Bedroom Duplex	Existing	1.5	1	Proposed Extension incl in LTFP
Plant Operator	4B Kurara Way	1 Bedroom Duplex	Existing	1	1	Proposed Extension incl in LTFP
Finance Officer	6 Kurara Way	3 Bedroom Dwelling	Existing	1	1	
Plant Operator	8 Kurara Way	3 Bedroom Dwelling	Existing	1	1	
Plant Operator	10A Kurara Way	2 Bedroom Duplex	Existing	1	1	
Plant Operator	10B Kurara Way	1 Bedroom Duplex	Existing	1	1	Proposed Extension incl in LTFP
Plant Operator	12A Kurara Way	2 Bedroom Duplex	Existing	1	1	
Plant Operator	12B Kurara Way	2 Bedroom Duplex	Existing	1	1	
Senior Finance Admin Officer / Plant Operator	6 Mulga Cres	4 Bedroom Dwelling	Existing	2	1	
Plant Operator / Admin Officer	8 Mulga Cres	3 Bedroom Dwelling	Existing	2	1	
To be advised	10A Mulga Cres	2 Bedroom Duplex	Future	1	1	Incl in LTFP
To be advised	10B Mulga Cres	2 Bedroom Duplex	Future	1	1	Incl in LTFP
To be advised	12A Mulga Cres	2 Bedroom Duplex	Future	1	1	Incl in LTFP
To be advised	12B Mulga Cres	2 Bedroom Duplex	Future	1	1	Incl in LTFP
Mechanic	14 Mulga Cres	6 Bedroom Dwelling	Existing	1	1	
Contractors House	16 Mulga Cres	4 Bedroom Dwelling	Existing		1	Likely filled by current vacant position
Roadhouse Managers	Roadhouse	3 Bedroom within Roadhouse	Existing	2	1	New separate dwelling incl in LTFP
Roadhouse Casual	Roadhouse	1 room shared kitchen	Existing	1	1	
Roadhouse Casual	Roadhouse	1 room shared kitchen	Existing	1	1	
Roadhouse Casual	Roadhouse	1 room shared kitchen	Future	1	1	
Museum Cottage	Museum	1 bedroom cottage	Existing		1	Volunteer accommodation may change
Financial Accountant			Future	1		Currently outsourced but may change
Works Manager			Future	1	1	Currently resides at a local Station but may change
Other Staff			Future	2	1	
Permanent Contractor Accomodation			Future	n/a	3	
<b>Totals</b>			Existing	18.5	17	
<i>Note only 5 new units have been fomally included in the LTFP &amp; Value for Money Analysis</i>			Future	9	10	
				<b>27.5</b>	<b>27</b>	