Murchison Shire Annual Report

For the year ending 30 June 2022

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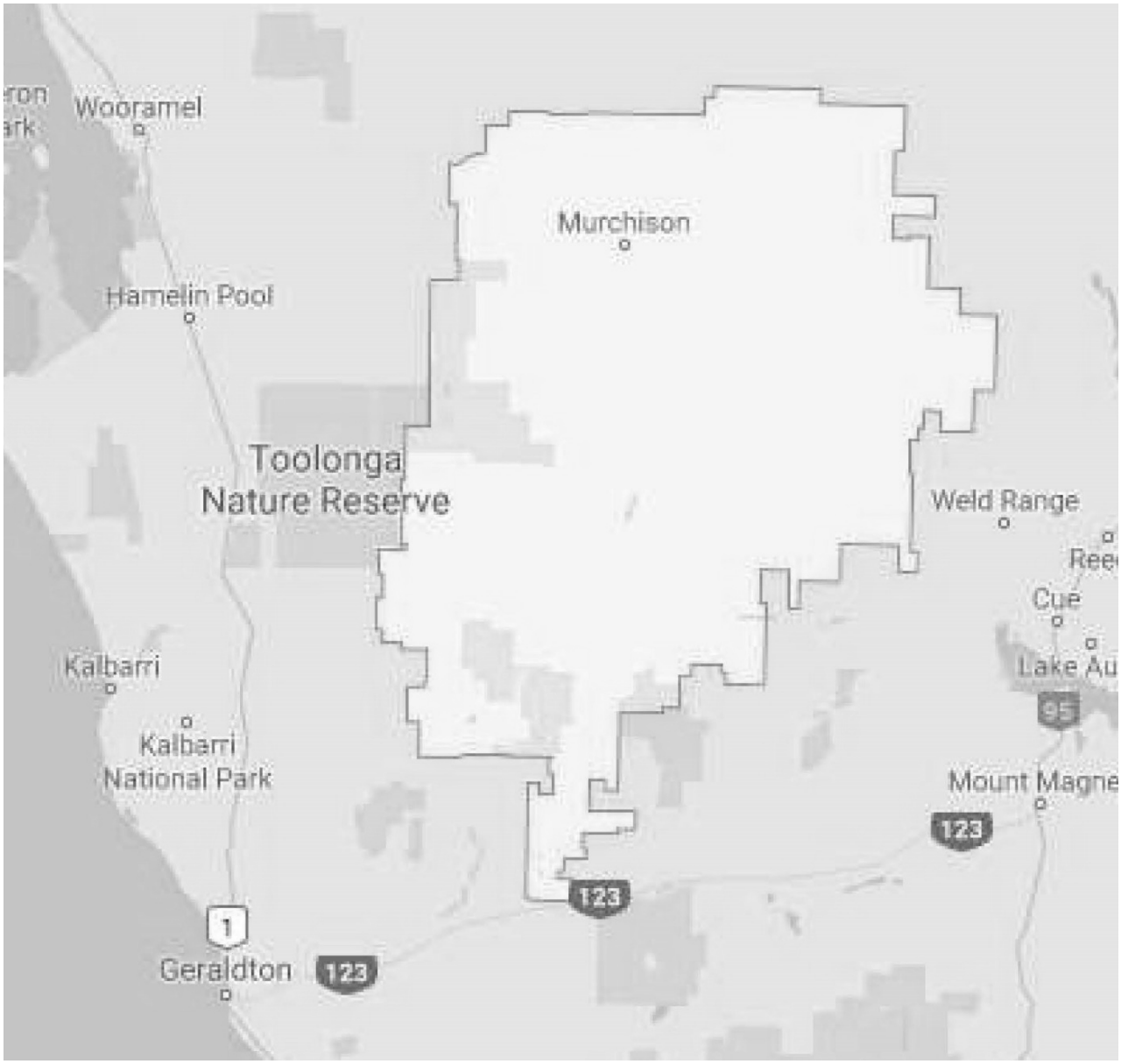


Overview

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

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

Shire Information

Shire Office and Chambers	3007 Carnarvon Mullewa Road, Murchison WA 6630		
Postal Address	PO Box 61, MULLEWA WA 6630		
Telephone	(08) 9963 7999		
Facsimile	(08) 9963 7966		
E-mail	admin@murchison.wa.gov.au		
Web Page	www.murchison.wa.gov.au		
Office Hours	8.00am to 5.00pm Monday to Friday		
Road Condition Reports	www.murchison.wa.gov.au/road conditions		
Population	153	Land Area	49,500 sq km
Electors	75	Length of sealed roads	142km
Employees	19	Length of unsealed roads	1,806 km
Local Government Classifications	WA - Band 4	Australian - Rural Remote Extra Small (RTX)	

Overview

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

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

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

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

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

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

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

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

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

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

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

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

Branding

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

"Ancient land under brilliant skies"

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

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

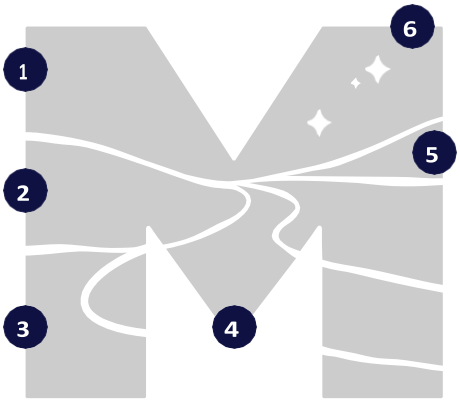
Explanation and rationale for Council's new logo is as follows:

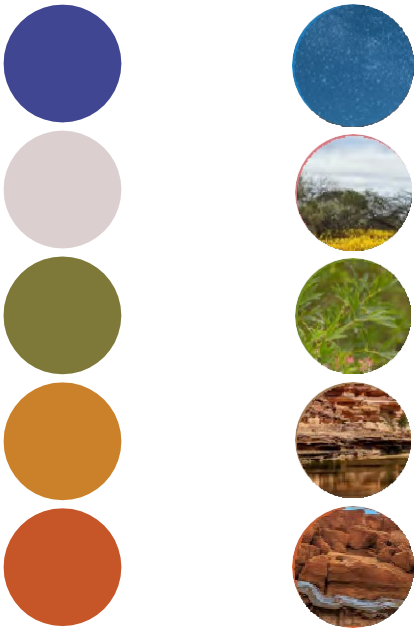
murchisonshire

Ancient land under brilliant skies

ILLUSTRATIONS

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





TYPOGRAPHY

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

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

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

COLOURS

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

WELCOME TO

EWES

President's Report

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

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

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

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

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

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

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

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

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

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

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

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

Rossco Foulkes-Taylor
President

Governance

Elected Members

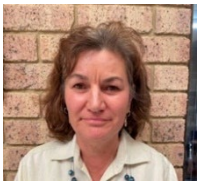
Council has a small active team of elected members who work within and outside of Council for the betterment of the community.

Cr Rossco Foulkes-Taylor - Yuin Station
President
Term Expires Oct 2023
Member Audit Committee, Murchison Community Fund Management Committee, Local Emergency Management Committee, Plant Working Group, Settlement Drinking Water Working Group, Settlement Power Supply Working Group, SKA Stakeholder Meeting Representative, Murchison Regional Road Group and WALGA Zone Delegate

Cr Andrew Whitmarsh - Byro Station
Deputy President
Term Expires Oct 2023
Member Audit Committee, Wild Dog Control Working Group, Murchison Settlement Redevelopment Working Group, SKA Stakeholder Meeting Representative and WALGA Zone Delegate

Cr Quentin Fowler - Mt Narryer Station
Member
Term Expires Oct 2023
Member Audit Committee, Settlement Drinking Water Working Group.

Cr Emma Foulkes-Taylor - Yuin Station
Member
Term Expires Oct 2025
Member Murchison Settlement Redevelopment Working Group, SKA Stakeholder Meeting Representative and Murchison GEO Region Working Group, WALGA Zone Delegate, Monologue Editor and Council Document Editor. Cr Emma Foulkes-Taylor has also been separately appointed as a Local Government Representative on the Mid-West Development Commission.



Cr Michelle Fowler - Mt Narryer Station
Member
Term Expires Oct 2025
Member Murchison Settlement Redevelopment Working Group, Information Bay Working Group

Cr Greydon Mead - Bullardoo Station
Member
Term Expires Oct 2025
Member Plant Working Group, Settlement Power Supply Working Group and Wild Dog Working Group

Cr Paul Squires - Twin Peaks Station
Member
Term Expired Oct 2023
Member Plant Working Group, Settlement Drinking Water Working Group and Murchison Regional Road Group

Councillor Meeting Attendance

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

Councillor		Term	Ordinary Meeting	Electors Meeting	Total
Cr Rossco Foulkes-Taylor	President	Full Year	11-11	1-1	**12-12**
Cr Andrew Whitmarsh	Deputy President	Full Year	10-11	1-1	**11-12**
Cr Quentin Fowler	Member	Full Year	10-11	1-1	**11-12**
Cr Michelle Fowler	Member	17.10.21 – 30.06.22	8-8		**8-8**
Cr Emma Foulkes Taylor	Member	Full Year	11-11	1-1	**12-12**
Cr Greydon Mead	Member	01.07.21 – 16.10.21 28.11.21 – 30.06.22	10-10	1-1	**11-11**
Cr Paul Squires	Member	01.07.21 – 16.10 21	3-3	1-1	**4-4**

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

General

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

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

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

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

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

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

Reform 4.3 Introduction of Preferential Voting was supported for single position vacancies with support for Proportional Representation for multi position vacancies. Support for random order ballot papers was also recommended.

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

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

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

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

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

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

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

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

During the year Council considered a proposal from 10M Mining to use the Carnarvon-Mullewa and Twin-Peaks-Wooleen Roads for an initial trial to cart 16,000 tonnes of iron ore to Geraldton. Following a raft of preconditions being requested to be undertaken as a precursor to Council making a decision, Council noted the combined efforts of both parties to reach an agreement and endorsed, in principle, a Maintenance Works Deed for the Carnarvon-Mullewa and Twin-Peaks-Wooleen Road.

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

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

Chief Executive Officer's Report

Staff

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

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

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

Governance	
Chief Executive Officer	Mr Bill Boehm
Corporate Services	
Community Manager DCEO	Mr Steven Cosgrove
Corporate Services Officer	Ms Racheal King
Administration Officer	Ms Vicki Dumbris
Finance Manager (casual)	Keith White
Finance Officer (casual)	Ms Bernie Peirl
Roadhouse	
Roadhouse Manager	Mr Nick Drew
Roadhouse Services Officer	Ms Eryl Phillips
Casual Customer Services Officers and Cleaning Staff used during the year	Mr Jack Galecio
	Ms Sarah Fitzpatrick
	Ms Danielle Storey
	Mrs Dianne White
	Ms Deliah Carnamah
	Ms Leela Taylor

Works	
Works Manager	Mr William Herold
Technical Projects Officer	Ms Kaye Doyle until 20.07.21
Depot Officer	Ms Melissa Faye until 14.04.22
Depot Officer	Mrs Lisa Keen from 14.03.22
Mechanic	Mr Stuart Broad
Leading Hand Construction	Mr Mark Jones
Plant Operator	Mr Glen Pinnegar
Plant Operator	Mr Ivor Dumbris
Plant Operator	Mr Brent Cowmeadow
Plant Operator	Mr Michel Hodder from 28.01.22
Plant Operator	Mr Peter Troy until 21.11.21
Plant Operator	Mr Neil Combe
Plant Operator	Mr Michael Keen from10.03.22
Gardener	Mr Ryan Prow

Other Contract Staff

Environmental Health Officer / Building Surveyor

Mr Phillip Swain – Phil Swain Consulting

Ranger

Mr Peter Smith – Canine Control

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

Settlement Redevelopment

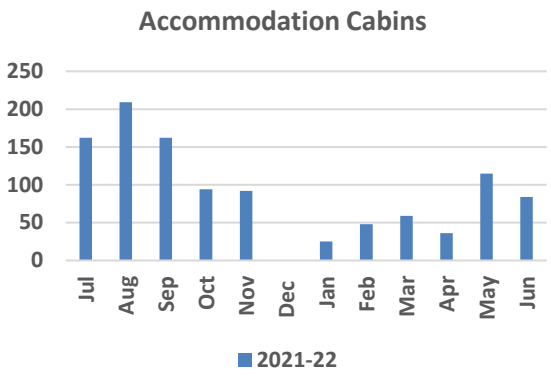
Following on from previous years, a program to review the extent of projects required in and around the Murchison Settlement for future years, UDLA were engaged to undertake a Masterplan for the Settlement. Elements included: a Transportable Classroom, Community Sports Centre Upgrade, Community Swimming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

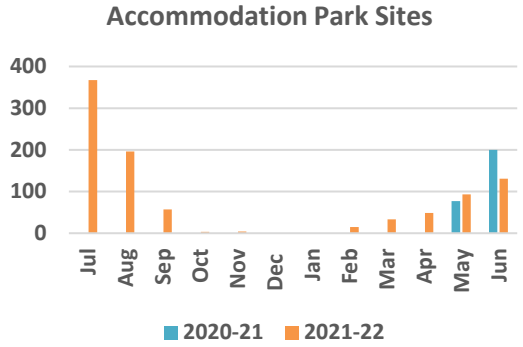
During the year a draft report was prepared, and community feedback noted before Council formally adopted the Murchison Settlement Masterplan Report including feedback received.

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

Murchison Oasis Roadhouse

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





Road Maintenance

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

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

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

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

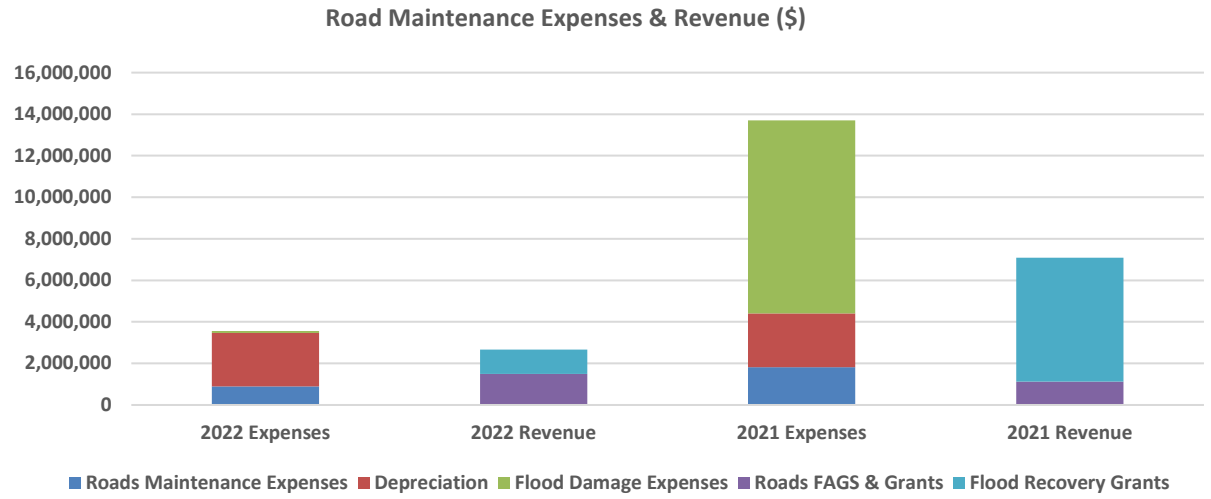
During 2021/22, received maintenance grading either once or twice according to circumstances with an overall length of 3,205km of works being achieved.

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

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

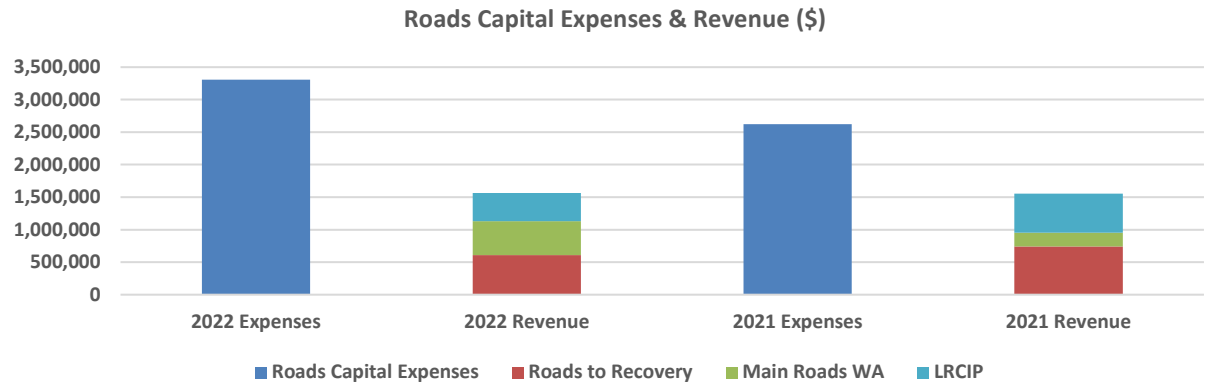
2019/20 Flood 6 (AGRN 863 April 2019 Event) and Flood 7 (AGRN 899 February 2020 Event)

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



Road Construction

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



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11/12/2021

Cockney Bill

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

Murchison Shire - Portion of a 3 Year Rolling Road Construction Program Section on Carnarvon -Mullewa Road

Year	2022	2022 2023	2022 2023	2022 2023	2022	2022	2021	2022	2021	2021 2024	2021
SLK Start	241.74	245.04	248.34	251.22	254.10	257.40	261.91	266.00	266.52	269.70 270.35	271.50
SLK End	245.04	248.34	251.22	254.10	257.40	261.91	266.00	266.52	269.70	270.35 271.70	278.83
Length km	3.30	3.30	2.88	2.88	3.30	4.51	4.09	0.52	3.18	0.65 1.15	7.33
Funding	Council Main Roads WA	Council LRCIP Phase 3	Council Main Roads WA	Council Main Roads WA	Council LRCIP Phase 2	Council LRCIP Phase 2	Council LRCIP Phase 1		Council LRCIP Phase 1		Council Main Roads WA LRCIP Phase 1
Type	Seal	Gravel to Seal	Hills Section	Gravel to Seal	Seal		Seal				

Notes

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

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

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

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

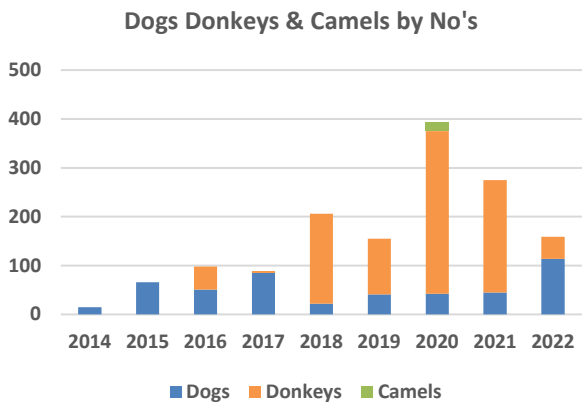
Road	Location	Works
Carnarvon-Mullewa	0.00 at Bilung Creek	Floodway Reconstruction
Carnarvon-Mullewa	Sections North of Curbur Station	Reseal Works
Carnarvon-Mullewa	241.74 – 245.04	Reconstruct Resheet Prep for Seal & Two Coat Seal
Carnarvon-Mullewa	253.70 - 261.92	Reconstruct Resheet Prep for Seal &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

Vermin Control Bounty Scheme

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

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

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



Settlement Power

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

Potable Water

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

Staff Housing

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

Plant and Equipment

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

Community Library

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

General Community Participation

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

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

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

Bill Boehm
Chief Executive Officer

Strategic Community Plan

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

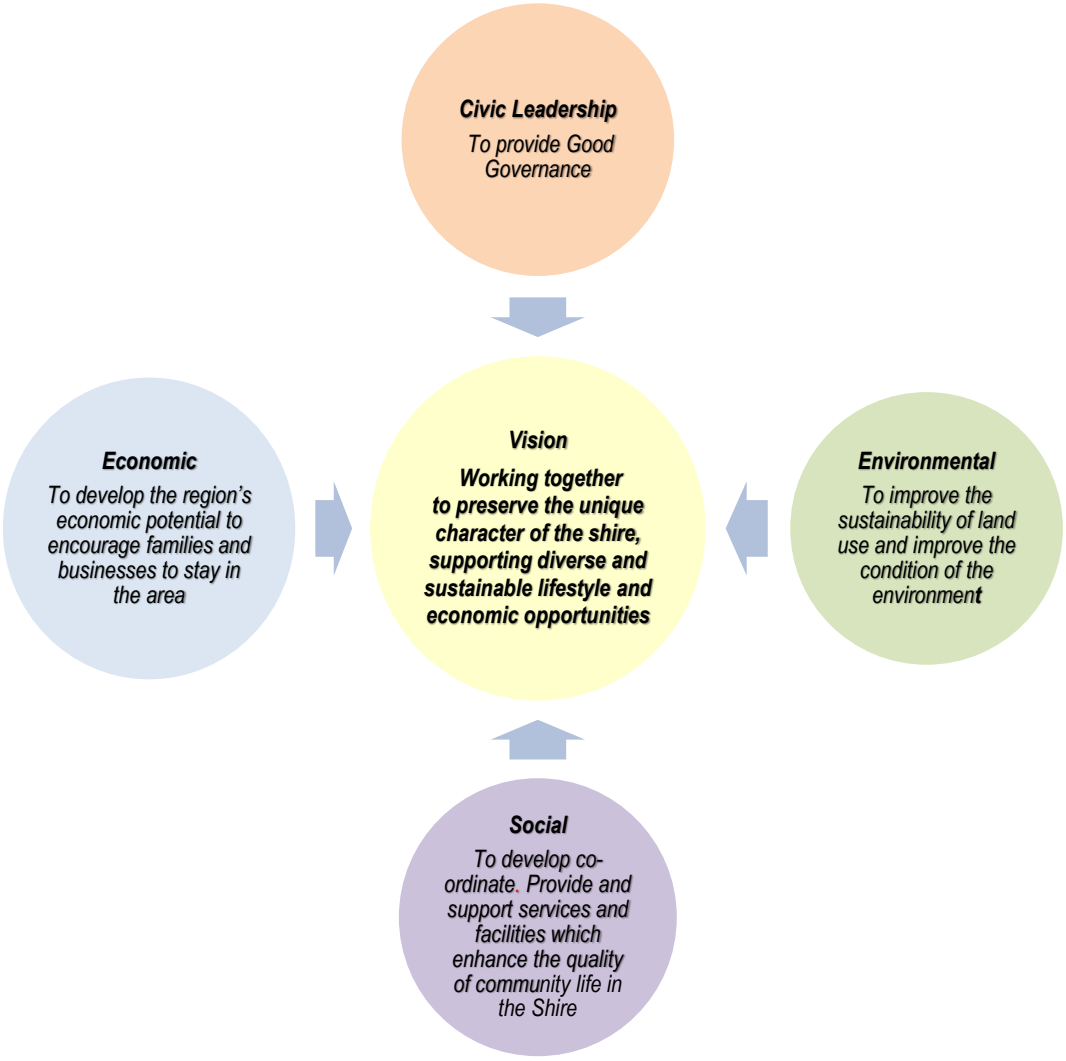
- Ensure that a Corporate Business Plan is made for its district and
- include in its Annual Report an overview of the Plan for the Future, including major initiatives planned to commence or continue in the next year.

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

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

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

t



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

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

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

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

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

Environmental well-being

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

Outcome 2.1 Waste Management				*Reduction in waste going to landfill*
2.1.1	Develop and implement programs to reduce and control littering Develop and implement programs to encourage community ownership of the road side litter issue	2.1.1.1	Develop and implement programs to encourage community ownership of the road side litter issue	Ongoing as opportunities arise
		2.1.1.2	Better community engagement, signage encouraging 'respect for country' and encouraging people to take litter with them or leave it at rubbish facilities within the settlement.	Ongoing as opportunities arise
		2.1.1.3	Provision of more bins at the roadhouse and caravan park to deal with this	Ongoing Review on an as required basis
Outcome 2.2 Energy efficiency				*Policy developed. Application incorporated into operational practices*
2.2.1	Develop a policy to assess energy efficiency of appliances and other assets as part of the acquisition process	2.2.1.1	Develop a policy for assessing energy efficiency as part of the acquisition process for appliances and other assets	Reviewed and updated on an ongoing basis
		2.2.1.2	Replacement of existing appliances and other assets with more energy efficient models as part of the infrastructure maintenance and upgrade program	Ongoing brief with budgeted purchases

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

Social well-being

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

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

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

Civic Leadership well-being

To provide good governance to the Murchison Shire

Outcome 4.1 Workforce planning				*As below*
4.1.1	Development of a Workforce Plan to ensure human resources can be optimised to achieve the Shire's strategic objectives	4.1.1.1	Seek funding for development of a Community Development Officer position to implement actions to achieve Council's strategic objectives	Position incorporated into Shire Staff
Outcome 4.2 Regional collaboration				*As below*
4.2.1	Work collaboratively with neighbouring shires, state and federal government and private enterprise to ensure the efficient and effective use of the Shire's scarce resources	4.2.1.1	Identify opportunities where collaboration can achieve greater outcomes for the local community than the Shire could achieve acting in isolation	Ongoing. Includes councillor representation on the WALGA Murchison Country Zone and CEO representation on the Murchison Economic Group
Outcome 4.3 Financial planning and management				*As below*
4.3.1	To responsibly manage Council's financial resources to ensure optimum value for money and sustainable asset management	4.3.1.1	Identify opportunities where collaboration can achieve greater outcomes for the local community than the Shire could achieve acting in isolation	Ongoing
		4.3.1.2	Adopt an asset management and replacement strategy that minimises the net cost of replacing assets	Major review programmed for 2022/23.
		4.3.1.3	Assess all potential funding sources, particularly grants to enable the maximisation of community benefit from matching cash contributions by Council	Ongoing

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

Statutory Reporting Requirements

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

Public Interest Disclosures

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

National Competition Policy

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

Register of Certain Complaints of Minor Breaches

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

~ the number of complaints; and

~ how the recorded complaints were dealt with; and

~ any other details that the regulations may require.

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

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

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

Information About Certain Employees

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

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

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

Freedom of Information

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

~ Enable the public to participate more effectively in governing the state; and

~ Make the persons and bodies that are responsible for the State and Local Government more accountable to the public.

~ Make available details about the kind of information they hold and enable persons to ensure that personal information held by government agencies about them is "accurate, complete, up to date and not misleading

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

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

Record Keeping

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

~ The efficiency and effectiveness of the Shire's record keeping system is evaluated not less than once every 5 years.

~ The Shire conducts a record keeping training program.

~ Information sessions are conducted for staff as required.

~ The Shire's Induction Program for new employees includes an introduction to the local government's record keeping system and program, and information on their record keeping responsibilities.

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

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

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

Disability Access and Inclusion Plan

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

The Murchison Shire Council Disability Access & Inclusion Plan was originally adopted in July 2008, then reviewed in the later part of 2015 and the review adopted by Council in February 2016 and later in July 2021 after community consultation.

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

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

	Outcomes	Achievements against Strategies
1	People with disability have the same opportunities as other people to access the services of and any events organised by a public authority.	Shire services are monitored to ensure equitable access and inclusion, especially in regard to events being organised or funded. The DAIP is considered a living document and is inclusive to all shire plans and strategies.
2	People with disability have the same opportunities as other people to access the buildings and other facilities of public authority	Consideration is given to providing wheelchair access for all new development works. All recreational areas are accessible.
3	People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.	All Shire information is available in alternative format upon request. Staff are aware. Website meets contemporary good practice.
4	People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.	Staff and Council are aware of disability issues and provide a high standard of customer service to all who attend the Shire.
5	People with disability have the same opportunities as other people to make complaints to public authority.	Grievance mechanisms are in place but have not yet been utilised by any people with disability.
6	People with disability have the same opportunities as other people to participate in any public consultation by a public authority.	Through our website, people with disability are encouraged to participate in any public consultation.
7	People with disability have the same opportunity as other people to obtain and maintain employment with public authority.	People with disability are encouraged to apply for any employment with the Shire.

Financial Overview

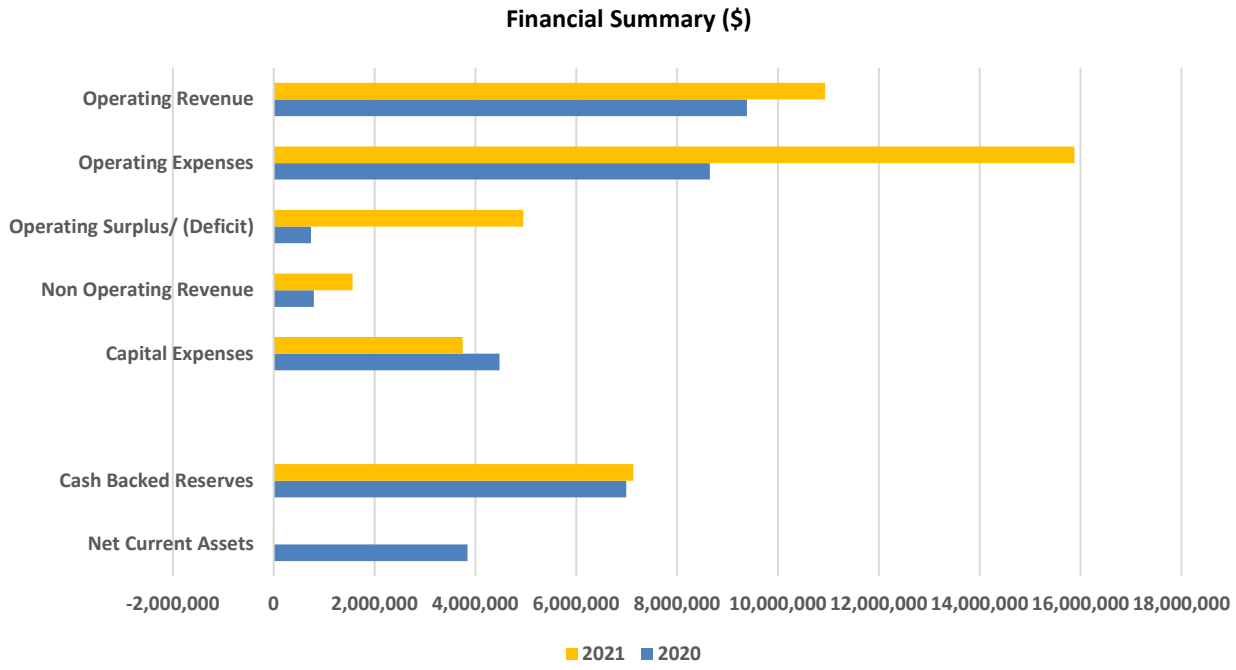
Financial Summary

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

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

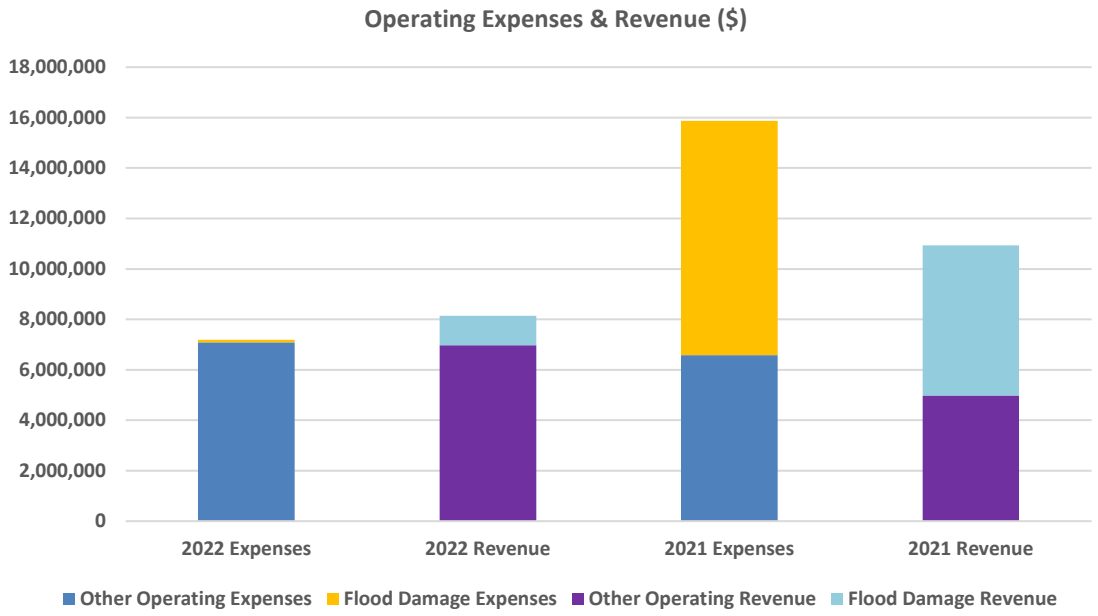
2021/22 Flood 6 (AGRN 863 April 2019 Event) Flood 7 (AGRN 899 February 2020 Event) and commencing Flood 8 (AGRN 951 Tropical Low Feb 2021 Event) and Flood 9 (AGRN 974 Flood Event 29-31 March 2021)

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



Operating Revenue & Expenses

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

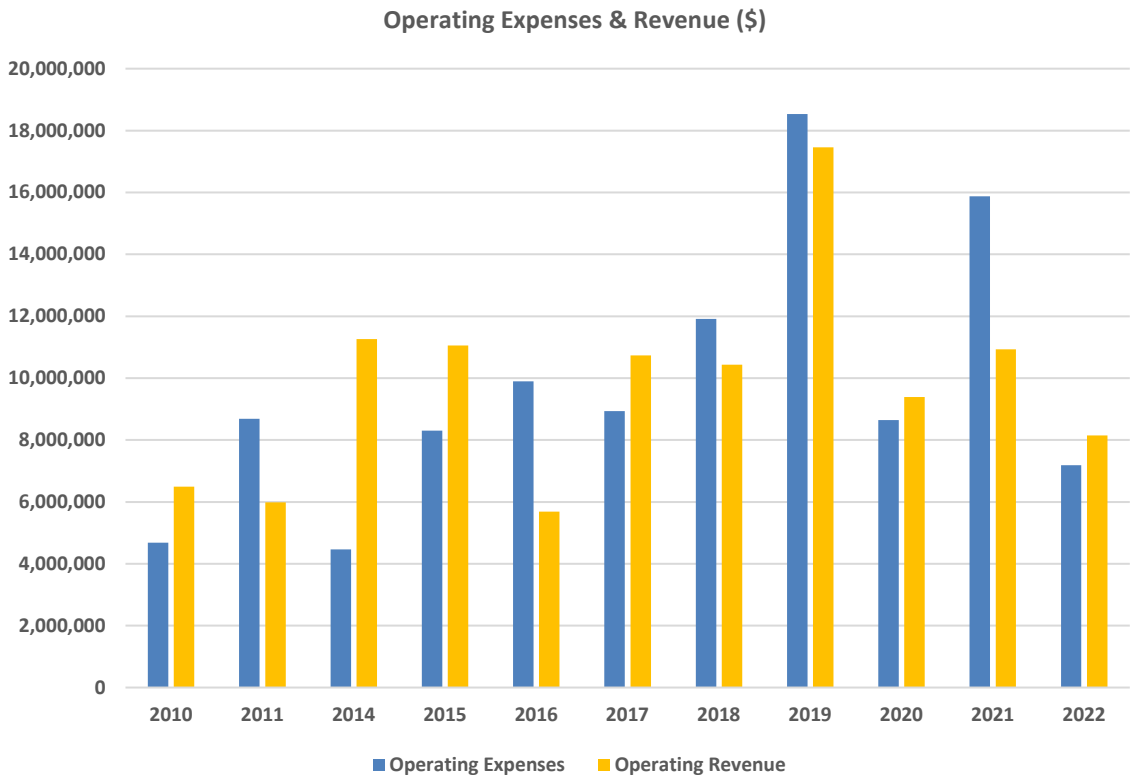


Summary categorisation of operating revenue and expenses is shown as follows:

Revenue $	2022	2021
Rates	538,967	449,391
Operating Grants & Subsidies	6,843,572	10,053,330
Fees & Charges	478,569	315,350
Interest Earnings	10,134	55,981
Other Revenue	272,938	56,390
	8,144,180	**10,930,442**

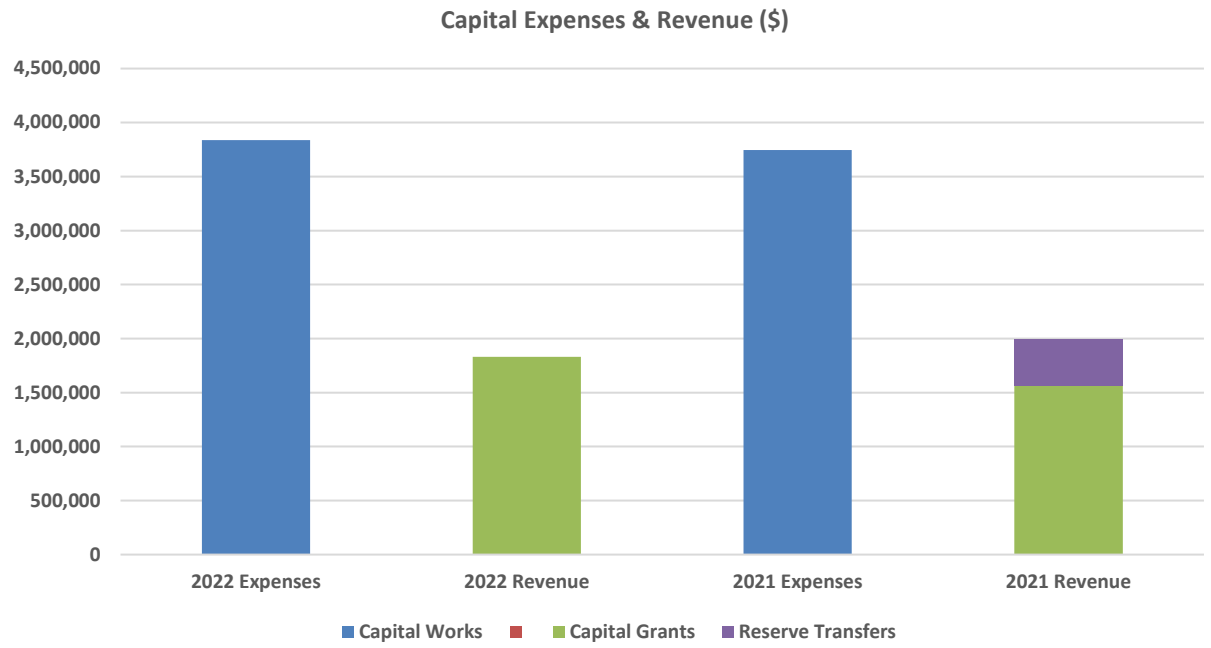
Expenses $	2022	2021
Governance	678,186	564,439
General Purpose Revenue	35,928	54,704
Law Order & Public Safety	110,124	108,119
Health	44,085	43,314
Education & Welfare	2,064	1,000
Housing	101,448	0
Community Amenities	134,943	150,654
Recreation & Culture	273,053	270,893
Transport	5,878,176	13,708,686
Economic Services	1,670,372	967,554
Other Property & Services	194,291	8,534
	9,122,670	**15,877,897**
Non-Cash Amounts included in the above	*5,673,805*	*3,407,360*

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



Capital Expenses & Revenue

A summary of capital revenue and expenses is show below.



Financial Position

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

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

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

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

The figure is also subject to question depending on the timing of an entity's asset valuation and the degree of sophistication of the Asset Management Plan which, in our case, was adopted in 2013. Much has changed since.

Some of the definitions of ratios required to be calculated do not appear to be in accordance with contemporary practice, with the one size fits all criteria difficult to apply with any uniformity in such a widely varying State.

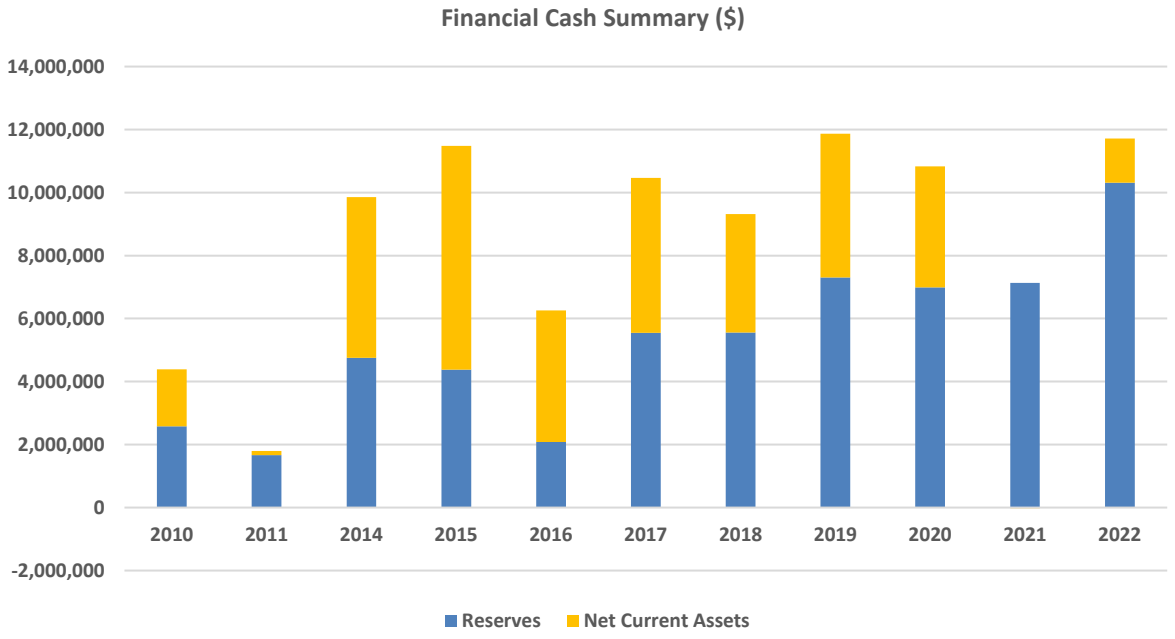
In 2019 WALGA commissioned an independent review of the current legislated financial indicators and have adopted a modified set with significantly different components.

It was also noted that

"Financial Ratios measure financial performance and do not measure a local government's efficiency or effectiveness in delivering its programs and services".

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

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



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

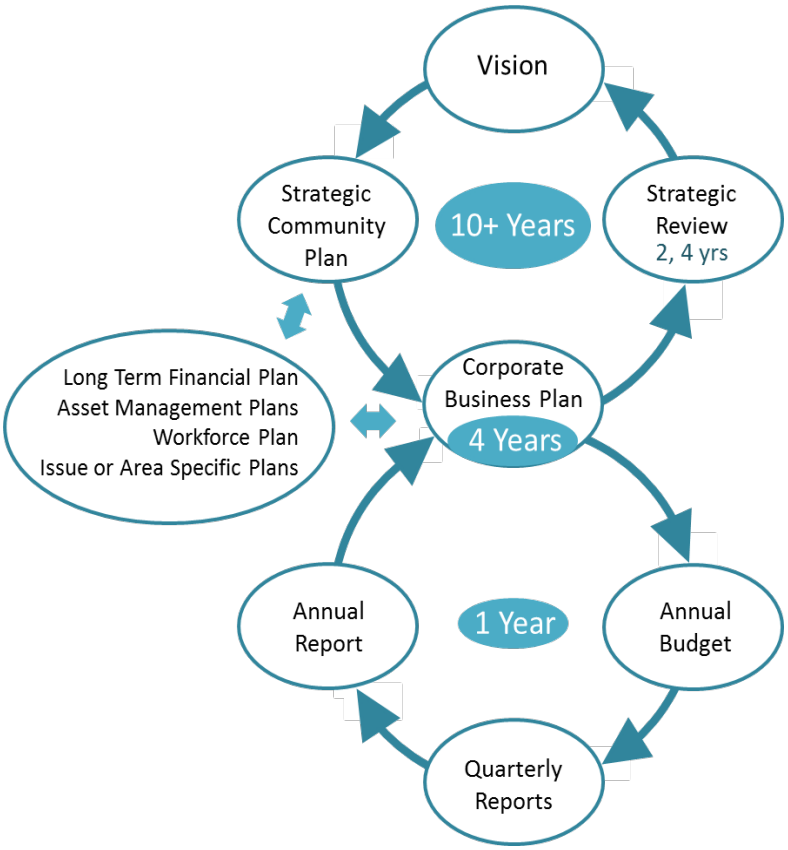
This same question is asked at a Council level where it is recognised that having sound data and analysis is critical to good medium to long term decision making.

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

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

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

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



Financial Report

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

- Statement by Chief Executive Officer,
- Statement of Comprehensive Income by Nature or Type
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Rate Setting Statement
- Notes to and Forming Part of the Annual Report
- Independent Auditors Report

SHIRE OF MURCHISON

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

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The Shire of Murchison conducts the operations of a local government with the following community vision:

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

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

PM 11/05/2023

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

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

Signed on the 11th day of May 2023

Chief Executive Officer

William James Boehm

PM 11/05/2023

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

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

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

PM 11/05/2023

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

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

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

PM 11/05/2023

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

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

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

PM 11/05/2023

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

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

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

PM 11/05/2023

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

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

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

PM 11/05/2023

SHIRE OF MURCHISON
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FOR THE YEAR ENDED 30 JUNE 2022

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1. BASIS OF PREPARATION

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

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

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

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

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

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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	Timing of revenue recognition
Rates	General rates.	Over time.	Payment dates adopted by Council during the year.	None.	When rates notice is issued.
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services.	Over time.	Fixed terms transfer of funds based on agreed milestones and reporting.	Contract obligation if project not complete.	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared.
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government.	Over time.	Fixed terms transfer of funds based on agreed milestones and reporting.	Contract obligation if project not complete.	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared.
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment.	No obligations.	Not applicable.	Not applicable.	When assets are controlled.
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time.	Full payment prior to issue.	None.	On payment and issue of the licence, registration or approval.
Other inspections	Regulatory Food, Health and Safety.	Single point in time.	Full payment prior to inspection.	None.	Revenue recognised after inspection event occurs.
Property hire and entry	Use of halls and facilities.	Single point in time.	In full in advance.	Refund if event cancelled within 7 days.	On entry or at conclusion of hire.
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works.	Single point in time.	Payment in full in advance.	None.	Output method based on provision of service or completion of works.
Sale of stock	Roadhouse fuel & kiosk sales.	Single point in time.	In full in advance, on 15 day credit.	Refund for faulty goods.	Output method based on goods.
Commissions	Commissions on licencing and ticket sales.	Over time.	Payment in full on sale.	None.	When assets are controlled.
Reimbursements	Insurance claims.	Single point in time.	Payment in arrears for claimable event.	None.	When claim is agreed.

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

Revenue Recognition

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

For the year ended 30 June 2022

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue Recognition (Continued)

For the year ended 30 June 2021

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

	Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings				
Interest on reserve funds		4,563	39,500	30,006
Rates instalment and penalty interest (refer Note 28(f))		5,481	8,000	13,201
Other interest earnings		90	13,000	12,774
		10,134	60,500	55,981

(b) Expenses

	Note	2022 Actual	2022 Budget	2021 Actual
Auditors remuneration				
- Audit of the Annual Financial Report		43,989	73,200	35,700
- Other services		6,500	-	-
		50,489	73,200	35,700
Finance costs				
Borrowings	30(a)	25,441	11,740	567
Other		2,349	-	-
		27,790	11,740	567
Other expenditure				
Impairment losses on rates receivables		-	50,000	22,417
Sundry expenses		121,519	158,900	169,916
		121,519	208,900	192,333

3. CASH AND CASH EQUIVALENTS

	Note	2022	2021
		$	$
Cash at bank and on hand		9,109,699	4,737,612
Term deposits		-	3,419,298
Total cash and cash equivalents	16(a)	9,109,699	8,156,910
Held as			
- Unrestricted cash and cash equivalents		2,216,200	1,027,927
- Restricted cash and cash equivalents	16(a)	6,893,499	7,128,983
		9,109,699	8,156,910

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

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

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

4. OTHER FINANCIAL ASSETS

		2022	2021
		$	$
(a) Current assets			
Financial assets at amortised cost		3,422,952	-
		3,422,952	-
Other financial assets at amortised cost			
Term deposits		3,422,952	-
		3,422,952	-
Held as			
- Restricted other financial assets at amortised cost	16(a)	3,422,952	-
		3,422,952	-
(a) Non-current assets			
Financial assets at fair value through profit and loss		19,451	18,452
		19,451	18,452
Financial assets at fair value through profit and loss			
Units in Local Government House Trust		19,451	18,452
		19,451	18,452

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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

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

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:
- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

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

5. TRADE AND OTHER RECEIVABLES

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

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

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

Classification and subsequent measurement

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

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

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

6. INVENTORIES

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

The following movements in inventories occurred during the year:

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

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

7. OTHER ASSETS

	2022	2021
	$	$
Other assets - current		
Contract assets	182,020	-
	182,020	-

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Contract assets

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

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

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

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Buildings and improvements	3	Cost approach using depreciated replacement cost	Independent valuer	June 2022	Improvements to land using residual values and remaining useful life assessments inputs.

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

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

(ii) Cost					
Furniture and equipment		Cost	Cost		Purchase cost
Plant and equipment		Cost	Cost		Purchase cost

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Note	Infrastructure - roads	Infrastructure - bridges	Total Infrastructure
		$	$	$
Balance at 1 July 2020		68,286,794	3,891,526	72,178,320
Additions		2,621,373	-	2,621,373
Depreciation	10(a)	(2,511,768)	(51,205)	(2,562,973)
Balance at 30 June 2021		68,396,399	3,840,321	72,236,720
Comprises:				
Gross balance at 30 June 2021		93,799,385	4,096,342	97,895,727
Accumulated depreciation at 30 June 2021		(25,402,986)	(256,021)	(25,659,007)
Balance at 30 June 2021		68,396,399	3,840,321	72,236,720
Additions		3,309,267	-	3,309,267
Revaluation increments / (decrements) transferred to revaluation surplus		19,774,835	(59,215)	19,715,620
Revaluation (loss) / reversals transferred to profit or loss		-	(1,925,144)	(1,925,144)
Depreciation	10(a)	(2,740,689)	(51,203)	(2,791,892)
Balance at 30 June 2022		88,739,812	1,804,759	90,544,571
Comprises:				
Gross balance at 30 June 2022		129,306,253	4,658,230	133,964,483
Accumulated depreciation at 30 June 2022		(40,566,441)	(2,853,471)	(43,419,912)
Balance at 30 June 2022		88,739,812	1,804,759	90,544,571

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

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

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

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

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

10. FIXED ASSETS

(a) Depreciation

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

Depreciation rates

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

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

(b) Temporarily Idle or retired from use assets

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

(c) Fully Depreciated Assets in Use

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

10. FIXED ASSETS (Continued)

(d) Disposals of assets

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

The following assets were disposed of during the year.

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

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

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

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

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value
Assets for which the fair value as at the date of acquisition is under $5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5).* These assets are expensed immediately.

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

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

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

Revaluation (continued)
For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

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

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

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

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

Depreciation on revaluation
When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:
(i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
(ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

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

11. TRADE AND OTHER PAYABLES

	2022	2021
	$	$
Current		
Sundry creditors	306,064	313,910
Prepaid rates	3,548	-
Accrued payroll liabilities	41,429	36,092
ATO liabilities	59,938	56,915
Bonds and deposits held	423,879	423,182
Accrued expenses	45,204	789,102
	880,062	1,619,201

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

12. OTHER LIABILITIES

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

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

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

13. BORROWINGS

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

Secured liabilities and assets pledged as security
Bank loans are secured by a floating charge over the assets of the Shire of Murchison.

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

SIGNIFICANT ACCOUNTING POLICIES

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierachy (see Note 26(i)) due to the unobservable inputs, including own credit risk.

Risk
Information regarding exposure to risk can be found at Note 21.
Details of individual borrowings required by regulations are provided at Note 30(a).

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2022	2021
Current provisions	$	$
Employee benefit provisions		
Annual Leave	162,037	116,351
Long Service Leave	25,738	18,132
	187,775	134,483
Non-current provisions		
Long Service Leave	92,425	57,361
	92,425	57,361
	280,200	191,844

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

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

	Note	2022	2021
Amounts are expected to be settled on the following basis:		$	$
Less than 12 months after the reporting date		187,775	49,217
More than 12 months from reporting date		92,425	142,627
		280,200	191,844
Expected reimbursements of employee related provisions from other WA local governments included within other receivables	5	(4,016)	-

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

15. REVALUATION SURPLUS

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

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

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

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

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

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

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements			
Bank overdraft limit		1,000,000	1,000,000
Bank overdraft at balance date		-	-
Credit card limit		5,000	5,000
Credit card balance at balance date		(1,566)	(1,303)
Total amount of credit unused		1,003,434	1,003,697
Loan facilities			
Loan facilities - current		193,898	1,176
Loan facilities - non-current		1,736,657	15,002
Total facilities in use at balance date		1,930,555	16,178
Unused loan facilities at balance date		NIL	NIL

17. CONTINGENT LIABILITIES

The Shire of Murchison was in compliance with the *Contaminated Sites Act 2003* section 11 listed sites to be possible sources of contamination
- Murchison settlement tip; and
- Murchison works depot

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

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

18. CAPITAL COMMITMENTS

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

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration	Note	2022 Actual	2022 Budget	2021 Actual
		$	$	$
Cr. Rossco Foulkes-Taylor				
President's annual allowance		12,032	13,000	12,032
Meeting attendance fees		13,824	10,000	9,870
Other expenses		-	1,667	385
Annual allowance for ICT expenses		1,165	1,084	874
Travel and accommodation expenses		4,920	5,500	2,110
		31,941	31,251	25,271
Cr. Andrew Whitmarsh				
Deputy President's annual allowance		5,015	5,500	5,015
Meeting attendance fees		9,504	10,000	9,870
Other expenses		-	1,667	385
Annual allowance for ICT expenses		1,165	1,083	1,165
Travel and accommodation expenses		2,222	5,500	1,616
		17,906	23,750	18,051
Cr. Emma Foulkes-Taylor				
Meeting attendance fees		9,504	10,000	9,870
Other expenses		-	1,667	385
Annual allowance for ICT expenses		1,165	1,083	1,165
Travel and accommodation expenses		5,939	4,750	4,033
		16,608	17,500	15,453
Cr. Quentin Fowler				
Meeting attendance fees		9,504	10,000	9,870
Other expenses		-	1,667	385
Annual allowance for ICT expenses		1,165	1,083	1,165
Travel and accommodation expenses		762	4,750	2,131
		11,431	17,500	13,551
Cr. Greydon Mead				
Meeting attendance fees		7,920	10,000	9,870
Other expenses		-	1,666	385
Annual allowance for ICT expenses		1,165	1,083	1,165
Travel and accommodation expenses		2,085	4,750	2,085
		11,170	17,499	13,505
Cr. Paul Squires				
Meeting attendance fees		2,376	10,000	9,870
Other expenses		-	1,666	385
Annual allowance for ICT expenses		291	1,084	874
Travel and accommodation expenses		374	4,750	499
		3,041	17,500	11,628
Cr. Michelle Fowler				
Meeting attendance fees		7,128	-	-
Annual allowance for ICT expenses		874	-	-
Travel and accommodation expenses		291	-	-
		8,293	-	-
		100,390	125,000	97,459

Fees, expenses and allowances to be paid or reimbursed to elected council members.		2022 Actual	2022 Budget	2021 Actual
		$	$	$
President's annual allowance		12,032	13,000	12,032
Deputy President's annual allowance		5,015	5,500	5,015
Meeting attendance fees		59,760	60,000	59,220
Other expenses		-	10,000	2,310
Annual allowance for ICT expenses		6,990	6,500	6,408
Travel and accommodation expenses		16,593	30,000	12,474
	19(b)	100,390	125,000	97,459

19. RELATED PARTY TRANSACTIONS

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:		2022 Actual $	2021 Actual $
Short-term employee benefits		409,473	368,245
Post-employment benefits		45,065	48,956
Employee - other long-term benefits		11,339	2,590
Council member costs	19(a)	100,390	97,459
		566,267	517,250

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

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

Other long-term benefits
These amounts represent annual leave and long service leave entitlements accruing during the year.

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

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

(c) Transactions with related parties

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

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

In addition to KMP compensation above the following transactions occurred with related parties:	2022 Actual $	2021 Actual $
Purchase of goods and services	759,373	4,631,635
Amounts payable to related parties:		
Trade and other payables	52,223	9,914
- Elected members	80	24,714

(d) Related Parties

The Shire's main related parties are as follows:

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

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

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

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

20. JOINT ARRANGEMENTS

Share of joint operations

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

Statement of Financial Position	2022 Actual $	2021 Actual $
Buildings	96,273	59,787
Less: Accumulated depreciation	(22,049)	(13,896)
Total assets	74,224	45,891
Total equity	74,224	45,891

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

21. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

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

Sensitivity

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

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

* Holding all other variables constant

Borrowings

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

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

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

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

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

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

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

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

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

Contract Assets

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

21. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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

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

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

23. TRUST FUNDS

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

24. MAJOR LAND TRANSACTIONS

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

25. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

26. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

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

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

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

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

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

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

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

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

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

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

k) Initial application of accounting standards
During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years
The following new accounting standards will have application to local government in future years:
- *AASB 2020-1 Amendments to Australian Accounting* Standards - Classification of *Liabilities as Current or Non-current*
- *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*
- *AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

It is not expected these standards will have an impact on the financial report.

27. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
Governance To provide the decision-making framework to facilitate allocation of limited resources.	Administration and operation of facilities and services to members of Council. Other costs that relate to the task of assisting elected members and electors on matters which do not concern specific Council services.
General purpose funding To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.	Supervision of various by-laws, fire prevention and animal control.
Health To provide an operational framework for environmental and community health.	Monitor health control standards within the community, provide support and assistance with airstrips to enable all residents access to the Royal Flying Doctor for regular and emergency health services.
Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.	Support of education facilities within the Shire and of any external resources necessary to assist with education programmes for all residents.
Housing To provide and maintain staff housing.	Provision and maintenance of staff housing.
Community amenities To provide services required by the community.	Maintain a refuse site for the settlement.
Recreation and culture To establish and effectively manage infrastructure and resources which will help the social well being of the community.	Provide a library and museum and operation there of. Maintain recreation centre, sports field, parks, gardens and other recreational facilities.
Transport To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, drainage works and traffic signs. Maintenance of the settlement airstrip.
Economic services To help promote the Shire and its economic wellbeing.	Building control, provision of power and water supplies. Supply and maintenance of television re-broadcasting installation. Provision of radio communication. Maintenance of caravan park. Vermin control and area promotion.
Other property and services To monitor and control Shires overheads operating account.	Private works operations, plant repairs and operation costs.

27. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	$	$	$
Income excluding grants, subsidies and contributions			
Governance	25,954	7,000	13,375
General purpose funding	550,774	593,000	505,371
Law, order, public safety	-	500	50
Community amenities	85	-	270
Recreation and culture	6,139	2,150	7,561
Transport	863	-	62
Economic services	684,816	691,880	341,889
Other property and services	32,976	-	9,181
	1,301,607	1,294,530	877,759
Grants, subsidies and contributions			
Governance	4,444	5,000	-
General purpose funding	5,165,980	1,970,000	3,757,609
Law, order, public safety	12,793	21,500	27,638
Education and welfare	2,500	-	-
Community amenities	-	300	-
Recreation and culture	22,240	5,460	-
Transport	3,229,214	2,999,284	7,728,509
Economic services	90,449	300	-
Other property and services	145,815	100,000	103,165
	8,673,435	5,101,844	11,616,921
Total Income	9,975,042	6,396,374	12,494,680
Expenses			
Governance	(678,186)	(715,413)	(564,439)
General purpose funding	(35,928)	(89,319)	(54,704)
Law, order, public safety	(110,124)	(95,057)	(108,119)
Health	(44,085)	(56,962)	(43,314)
Education and welfare	(2,064)	(1,200)	(1,000)
Housing	(101,448)	(84,329)	-
Community amenities	(134,943)	(149,805)	(150,654)
Recreation and culture	(273,053)	(312,067)	(270,893)
Transport	(5,878,176)	(5,033,343)	(13,708,686)
Economic services	(1,670,372)	(1,377,082)	(967,554)
Other property and services	(194,291)	(17,363)	(8,534)
Total expenses	(9,122,670)	(7,931,940)	(15,877,897)
Net result for the period	852,372	(1,535,566)	(3,383,217)

27. FUNCTION AND ACTIVITY (Continued)

(c) Fees and Charges	2022 Actual $	2022 Budget $	2021 Actual $
General purpose funding	1,345	-	-
Governance	13,295	7,000	9,506
Law, order, public safety	-	500	50
Community amenities	85	-	270
Recreation and culture	370	2,150	3,361
Economic services	463,474	691,880	302,163
	478,569	701,530	315,350

(d) Total Assets	2022 $	2021 $
Governance	1,818,024	1,585,295
General purpose funding	5,665,736	1,698,526
Law, order, public safety	100,518	87,216
Health	39,750	8,193
Housing	1,999,970	2,012,623
Community amenities	109,685	67,026
Recreation and culture	1,580,034	1,006,186
Transport	102,077,609	80,465,341
Economic services	2,787,556	1,940,300
Other property and services	136,630	3,079,155
Unallocated	-	646
	116,315,512	91,950,507

28. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in $	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
				$	$	$	$	$	$	$	$	$	$
UV Pastoral	Unimproved valuation	0.03874	23	1,404,208	54,399	-	-	54,399	54,399	-	-	54,399	56,229
UV Mining	Unimproved valuation	0.26543	12	1,480,809	393,051	(2,960)	-	390,091	393,051	-	-	393,051	384,190
UV Prospecting and exploration	Unimproved valuation	0.09618	32	845,051	81,277	-	-	81,277	81,277	(9,927)	-	71,350	4,352
Sub-Total			67	3,730,068	528,727	(2,960)	-	525,767	528,727	(9,927)	-	518,800	444,771
Minimum payment		**Minimum $**											
UV Pastoral	Unimproved valuation	600	6	17,307	3,600	-	-	3,600	3,600	-	-	3,600	1,920
UV Mining	Unimproved valuation	600	0	-	-	-	-	0	-	-	-	-	0
UV Prospecting and exploration	Unimproved valuation	600	16	45,780	9,600	-	-	9,600	9,600	-	-	9,600	2,700
Sub-Total			22	63,087	13,200	-	-	13,200	13,200	-	-	13,200	4,620
Exempt properties													
Unimproved valuations													
UV Pastoral	Unimproved valuation		31	111,232	-	-	-	-	-	-	-	-	-
Sub-Total			31	111,232	-	-	-	-	-	-	-	-	-
			120	3,904,387	541,927	(2,960)	-	538,967	541,927	(9,927)	-	532,000	449,391
Discounts on general rates (Refer note 28(e))								-				-	-
Concessions on general rates (Refer note 28(e))								-				-	-
Total amount raised from general rates								538,967				532,000	449,391

* Rateable value is based on the value of properties at the time the rate is raised.

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities* .

28. RATING INFORMATION (Continued)

(c) Specified Area Rate

The Shire did not raise any specified area rates for the year ended 30th June 2022.

(d) Service Charges

(e) Discounts, Incentives, Concessions, & Write-offs

The Shire did not grant any discounts or incentives, concessions or write-offs for the year ended 30th June 2022.

(f) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Jnpaid Rates Interest Rate
		$	%	%
Option One				
Single full payment	15/10/2021	-	0.00%	7.00%
Option Two				
First instalment				
Second instalment				
Option Three				
First instalment	15/10/2021	-	0.00%	7.00%
Second instalment	17/12/2021	11.0	0.00%	7.00%
Third instalment	18/02/2022	11.0	0.00%	7.00%
Fourth instalment	18/04/2022	11.0	0.00%	7.00%

	2022 Actual	2022 Budget	2021 Actual
	$	$	$
Interest on unpaid rates	5,481	8,000	13,201
Charges on instalment plan	-	500	-
	5,481	8,500	13,201

29. RATE SETTING STATEMENT INFORMATION

	Note	2021/22 (30 June 2022 Carried Forward)	2021/22 Budget (30 June 2022 Carried Forward)	2021/22 (1 July 2021 Brought Forward)	2020/21 (30 June 2021 Carried Forward
		$	$	$	$
(a) Non-cash amounts excluded from operating activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32.*					
Adjustments to operating activities					
Less: Movement in liabilities associated with restricted cash		53,292	-	49,217	49,217
Less: Movement in receivables for employee related provisions		(4,016)			
Less: Fair value adjustments to financial assets at fair value through profit and loss		(999)	-	(647)	(647)
Add: Loss on disposal of assets	10(d)	11,568	11,828	-	-
Add: Loss on revaluation of fixed assets	9(a)	1,925,144	-	-	-
Add: Prior year work in progress expensed		-	-	6,535	6,535
Add: Depreciation	10(a)	3,653,752	3,680,437	3,360,980	3,360,980
Non-cash movements in non-current assets and liabilities:					
Employee benefit provisions		35,064	-	(8,725)	(8,725)
Non-cash amounts excluded from operating activities		5,673,805	3,692,265	3,407,360	3,407,360
(b) Surplus/(deficit) after imposition of general rates					
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.					
Adjustments to net current assets					
Less: Reserve accounts	31	(10,316,451)	(6,776,595)	(7,128,983)	(7,128,983)
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings	13	193,898	2,613,009	1,176	1,176
- Employee benefit provisions		183,759	134,483	134,483	134,483
Total adjustments to net current assets		(9,938,794)	(4,029,103)	(6,993,324)	(6,993,324)
Net current assets used in the Rate Setting Statement					
Total current assets		12,981,009	8,231,266	9,038,910	9,038,910
Less: Total current liabilities		(1,638,909)	(4,161,203)	(2,063,182)	(2,063,182)
Less: Total adjustments to net current assets		(9,938,794)	(4,029,103)	(6,993,324)	(6,993,324)
Net current assets used in the Rate Setting Statement		1,403,306	40,960	(17,596)	(17,596)

30. BORROWING

(a) Borrowings

					Actual											Budget					
Purpose	Note	Loan Number	Institution*	Interest Rate	Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Actual Interest Expense During 2020-21	Actual Interest Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Actual Interest Expense During 2021-22	Actual Interest Repayments During 2022-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Budget Interest Expense During 2021-22	Budget Interest Repayments During 2022-22	Principal at 30 June 2022
					$	$	$			$	$	$			$	$	$	$			$
Plant		1	WATC	3.30%	17,315	-	(1,137)	567	(567)	16,178	-	(583)	679	(529)	15,745	16,177	-	(1,176)	529	(529)	15,001
Roadworks in 2020-21		2	WATC	1.00%	-	-	-	-	-	-	2,000,000	(91,531)	24,762	(18,421)	1,914,810	-	2,000,000	(93,061)	7,501	(7,501)	1,906,939
MicroGrid power		3	WATC	1.00%	-	-	-	-	-	-	-	-	-	-	-	-	750,000	(45,145)	3,710	(3,710)	704,855
Total Borrowings	13				17,315	-	(1,137)	567	(567)	16,178	2,000,000	(92,114)	25,441	(18,950)	1,930,555	16,177	2,750,000	(139,382)	11,740	(11,740)	2,626,795

* WA Treasury Corporation

(b) New Borrowings - 2021/22

					Amount Borrowed		Amount (Used)			
Particulars/Purpose	Institution*	Loan Type	Term Years	Interest Rate	2022 Actual	2022 Budget	2022 Actual	2022 Budget	Total Interest & Charges	Actual Balance Unspent
				%	$	$	$	$	$	$
Roadworks in 2020-21	WATC	Semi Annual Compounding	10	1.00%	2,000,000	2,000,000	(2,000,000)	(2,000,000)	199,033	-
MicroGrid power	WATC				-	750,000	-	(750,000)	-	-
					2,000,000	2,750,000	(2,000,000)	(2,750,000)	199,033	-

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2021	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2022
			$	$	$	$
Roadworks in 2020-21	WATC	28/10/2021	-	2,000,000	(2,000,000)	-

31. RESERVE ACCOUNTS

		2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
		$	$	$	$	$	$	$	$	$	$	$	$
	Restricted council												
(a)	Leave reserve	139,088	59	-	139,147	139,088	25,700	-	164,788	138,380	708	0	139,088
(b)	Plant replacement reserve	1,372,757	1	-	1,372,758	1,372,757	300,000	(478,000)	1,194,757	1,433,553	51,204	(112,000)	1,372,757
(c)	Building reserve	499,422	213	-	499,635	499,422	2,700	(11,000)	491,122	512,797	2,625	(16,000)	499,422
(d)	Beringarra-Cue road reserve	3,454,306	3,618	-	3,457,924	3,454,306	24,000	(767,188)	2,711,118	3,430,426	23,880	-	3,454,306
(e)	CSIRO Berringarra-Pindar road reserve	175,949	75	-	176,024	175,949	900	-	176,849	175,053	896	-	175,949
(f)	Flood damage repairs reserve	105,969	-	-	105,969	105,969	500	-	106,469	255,503	466	(150,000)	105,969
(g)	Settlement buildings and facilities reserve	522,634	223	-	522,857	522,634	1,300,000	(350,000)	1,472,634	669,208	3,426	(150,000)	522,634
(h)	Asset rehabilitation reserve	858,858	54	-	858,912	858,858	-	(400,000)	458,858	375,000	483,858	-	858,858
(i)	Grants Commission reserve	-	3,183,225	-	3,183,225	-	-	-	-	-	-	-	-
		7,128,983	3,187,468	-	10,316,451	7,128,983	1,653,800	(2,006,188)	6,776,595	6,989,920	567,063	(428,000)	7,128,983

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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

	Name of Reserve	Anticipated date of use	Purpose of the reserve
(a)	Leave reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b)	Plant replacement reserve	Ongoing	To be used for the purchase of plant.
(c)	Building reserve	Ongoing	To be used for the construction / renovation of administration centre and Works Depot.
(d)	Beringarra-Cue road reserve	Ongoing	To be used to maintain the road in a post Jack Hills mine closure environment by converting the road from bitumen to gravel and performing other associated works as required.
(e)	CSIRO Berringarra-Pindar road reserve	Ongoing	To be used to fund additional maintenance work required due to CSIRO traffic.
(f)	Flood damage repairs reserve	Ongoing	To be used towards the 'trigger point' for Western Australia Natural Disaster Relief funded flood damage works.
(g)	Settlement buildings and facilities reserve	Ongoing	To be used to fund improvements to and maintenance of settlement buildings and facilities as well as new facilities.
(h)	Asset rehabilitation reserve	Ongoing	To be used to fund works associated with rehabilitating Council's Infrastructure Assets
(i)	Grants Commission reserve	Ongoing	To ensure that any Grants Commission funds received are only applied to income and expenses in the financial year in which they apply.

Auditor General

INDEPENDENT AUDITOR'S REPORT
2022
Shire of Murchison

To the Councillors of the Shire of Murchison

Opinion

I have audited the financial report of the Shire of Murchison (Shire) which comprises:

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- is presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparing and the Council for overseeing, the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer of the Shire is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

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

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality control relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Murchison for the year ended 30 June 2022 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 May 2023

murchisonshire

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