



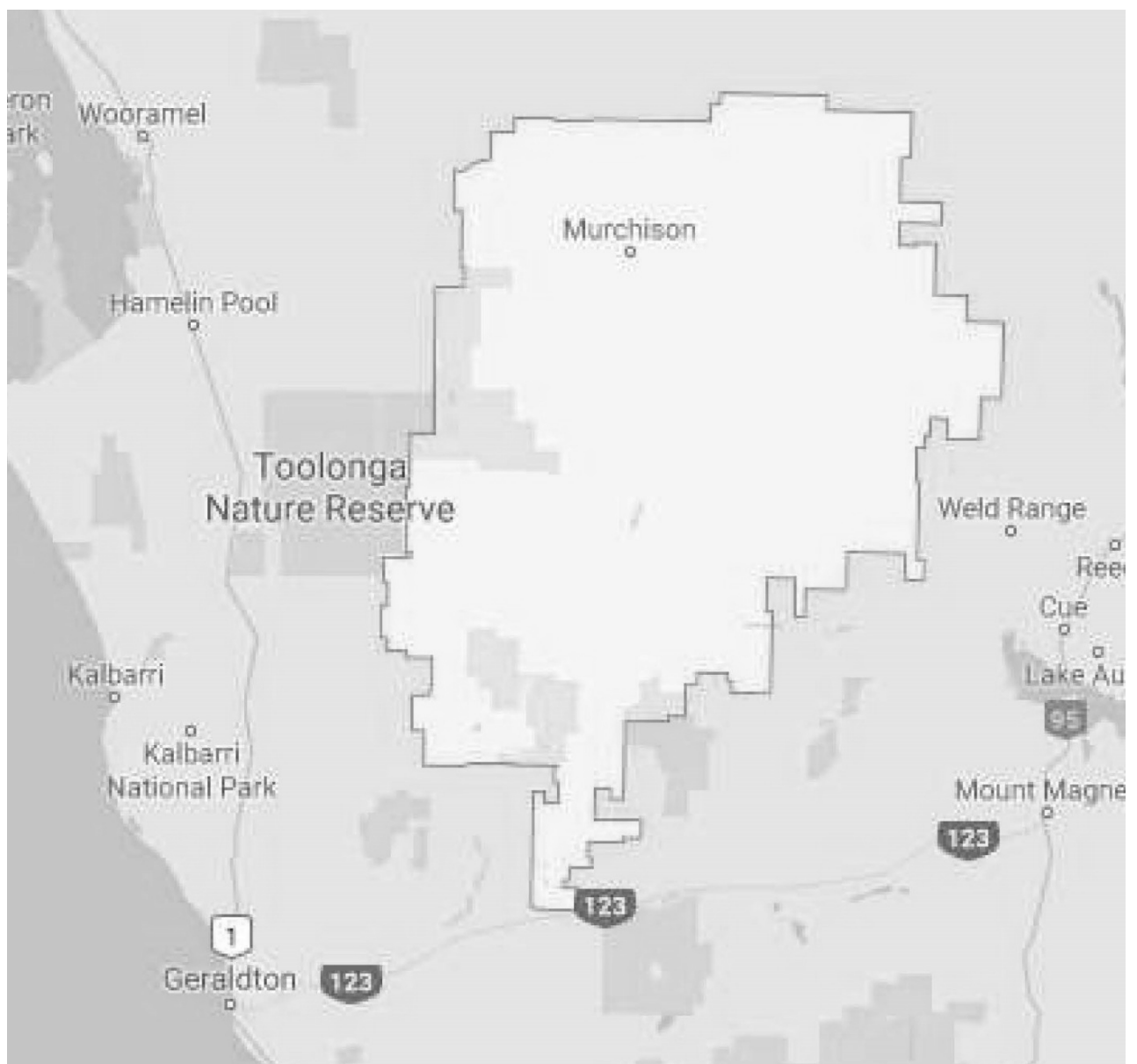
# Murchison Shire Annual Report

For the year ending 30 June 2023



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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 2022-23 Annual Report was finalised and adopted by Council at its Ordinary Meeting on 22 February 2024.



## 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 that 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 is the location of the Australian component of the Square Kilometre Array, which will be developed in



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

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

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

from the Wooleen pastoral lease and vested in the Shire. A house, which contained the office, was built, as was a workshop and airstrip. These were followed by sporting facilities and, in 1986, a new office. Later, a museum and staff houses were constructed. The Murchison Settlement was proclaimed on 15<sup>th</sup> July 1988.

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





## Branding

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

*"Ancient land under brilliant skies"*

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

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

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

### 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.

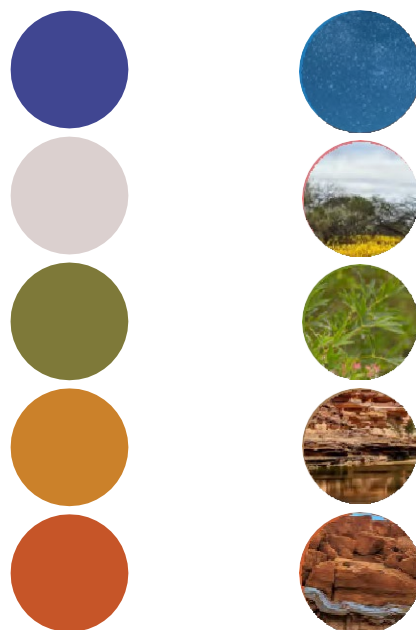
### COLOURS

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.



**murchisonshire**

*Ancient land under brilliant skies*





## President's Report



Hello All,

During this 2022/2023 financial year a significant milestone was reached with the completion of the bitumen seal from the Settlement to our Shire's southern Boundary. My sincere thanks go to all that have been a part of this major project, which first began with the sealing of the Jiggernoo Airstrip and overtaking lane in the early 2000s.

After much scrutinising, and then re-scrutinising by our legal friends, the Shire signed a road maintenance agreement with Main Roads that covered the projected extra road use ahead, as part of the SKAO project. Exact timing will be dependent on the starting date of the construction phase.

The cultural heritage survey along the proposed route of the fibre cable that has been promised for Pia and the Settlement was completed. We don't as yet have any firm dates for when the next steps of installation may occur but at least some activity seems to be occurring.

Early in November 2022, I was privileged to be invited to the 20-year birthday celebration of the Pia Wadjarri School. The staff and kids put on a first-class day, and Cr Emma F-T and I really enjoyed seeing their pride and excitement in what had been achieved.

The Shire Council and staff (and I'm sure quite a few in the community) were sad to say goodbye to Rachel and her kids who have headed off to a new home in the wheatbelt. I always found Racheal to be a reliable, practical, and friendly member of the community, whether it was in her work as part of the Shire's administration or as a long-term Settlement resident. I would like to wish Racheal, Matilda, and Jai all the best for their new adventure down at Tammin.

It was great to see a reasonable amount of late summer/early autumn rain around the district. The northeast of the district and adjoining areas in the Meekatharra Shire had particularly heavy falls which resulted in the highest levels in the Murchison River for around a decade. Some roads in this area (particularly the Beringarra-Mt Gould Road) suffered some bad erosion. Council has gone through the normal process of assessment following a widespread, road damaging rain and it looks like some flood damage relief will be forthcoming to assist with getting these roads back up to scratch.

The Ancient Land Under Brilliant Skies Festival was held in late April and judging by the feedback from many who attended, it was a much-enjoyed event. I am very appreciative of the significant volunteer efforts that went into organising the festival.

The two contractors who were carrying out the last of the flood damage repairs, from an event two years ago, have now finished their work. The bureaucracy that makes

these processes so drawn out is pretty frustrating for Shires right around WA and often leads to locals not quite sure what flood event they are connected with, but we can't seem to avoid that I'm sorry.

Work is well underway with upgrading the Settlement's water supply infrastructure and Council looks forward to the day when we can be free of the "this water is not potable" guidelines our health directives currently insist on.

SKAO is meant to be ramping up construction work at the Boolardy site over the next few months and, in anticipation of this, Main Roads has released some of the road maintenance/preparation funds it is holding so the Shire can get work on the access road underway.

Thank you very much to the whole Shire crew, I certainly appreciate your efforts in contributing to the Shire's operations and day to day activities while living in the Settlement. Thanks also to my fellow Councillors for your support throughout the year.

*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 2027*

*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 2027*

*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 2027*

*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 Greydon Mead - Bullardoo Station*

*Member*

*Term Expires Oct 2025*

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



*Cr Michelle Fowler - Mt Narryer Station*

*Member*

*Term Expires Oct 2025*

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



## Councillor Meeting Attendance

There were 11 Ordinary Meetings, and 1 Electors Meeting of Council held between 1 July 2022 and 30 June 2023. A breakdown of Councillors' presence at meetings is detailed in the following table

Councillor		Term	Ordinary Meeting	Electors Meeting	Total
Cr Rosco Foulkes-Taylor	President	Full Year	11-11	1-1	12-12
Cr Andrew Whitmarsh	Deputy President	Full Year	10-11	0-1	10-12
Cr Quentin Fowler	Member	Full Year	10-11	0-1	10-12
Cr Emma Foulkes Taylor	Member	Full Year	11-11	1-1	12-12
Cr Greydon Mead	Member	Full Year	9-11	0-1	9-12
Cr Michelle Fowler	Member	Full Year	11-11	1-1	12-12

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, Murchison GeoRegion Working Group and WALGA Zone Meeting (Cue Parliament).

## Governance & Civic

Council formally deliberates on a large array of governance matters during any year in its role in governing the Shire and meeting its statutory obligations. Councillors also attend various civic functions. A few highlights are shown as follows.

Following consolidation of its 2005 Policy Manual in 2022-23 Council reviewed and updated Policies 4.3 Purchasing, 6.1 Roads and introduced new policies 5.7 Community Memorial and 4.8 Aboriginal Regional Price Preference.

In relation to WALGA's Review of Governance Arrangements, Council was of the view that the current representative model provides an appropriate number and geographic spread of representatives throughout the State and thereby ensures that a good divergence of views are represented. Among other things, other models suggested have the potential to centralise power, diminish regional representation and overload work on individuals. Feedback provided to WALGA also indicated that the current processes are working well.

Council continues to formally advance the case for increased strategic importance of the Carnarvon-Mullewa Road. During the year it noted the Murchison Roads Sealing Planning & Design Project Update Report, which outlined the business case for sealing the City of Greater Geraldton section.

Council again 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 again was a huge success. Council also agreed to provide a donation of \$500 to support the activities of the Meekatharra School of the Air (MSOTA) Parents and Citizens Association.

In light of possible legislative changes to Fire Management within WA, Council considered how this may potentially affect the operation of Murchison Bush Fire Brigade. In the first instance Council met with representatives of the Department of Fire and Emergency Services (DFES) to determine possible operational and transitional issues with any possible transfer of

management of Bush Fire Brigade responsibilities. Council then advised the DFES Commissioner that if there was future legislative change that this should be on the proviso that current operational arrangements on the ground by volunteers do not appreciably alter and that local volunteers are adequately resourced and supported.

Council representatives also attended a number of civic functions during the year including the Wadjarri SKA ILUA Signing Celebration in Murchison and the PIA Wadjarri School 20-year birthday celebration. There was also a significant councillor presence at a Roads for Rehydration seminar held in Mt Magnet in March 2023 where, among other things, the Shire President presented the rationale behind Murchison's approach.









## Chief Executive Officer's Report

### Staff

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

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

#### Governance

Chief Executive Officer Mr Bill Boehm

#### Corporate Services

Community Manager DCEO Mr Steven Cosgrove until 06.06.23  
Corporate Services Officer Ms Racheal King until 09.11.22  
Finance Officer Ms Robyne Hosking from 30.01.23  
Administration Officer Ms Vicki Dumbris  
Financial Accountant Mr Travis Bate (RSM) Contractor

#### Roadhouse

Roadhouse Manager Mr Nick Drew  
Roadhouse Services Officer Ms Eryl Phillips  
Various Casual Customer Services Officers and Cleaning Staff used during the year including:  
Ms Wendy McKeown  
Ms Leela Taylor  
Ms Deliah Carnamah  
Mr Jack Galecio  
Ms Winnie Lin

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 and contractors for their service.

#### Works

Works Manager	Mr William Herold
Senior Works Finance Admin	Mrs Lisa Keen
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 Michael Hodder
Plant Operator	Mr Neil Combe
Plant Operator	Mr Michael Keen
Gardener	Mr Ryan Prow until 13.09.22
Gardener	Mr Des O'Brien from 05.09.22

#### Other Contract Staff

Environmental Health / Building Officer	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 Council road network. Council's small construction crew (5) and maintenance crew (2) are supplemented by various contractors.



## Settlement Redevelopment

A program to review the extent of projects required in and around the Murchison Settlement for future years saw UDLA engaged in 2020/21 to undertake a Masterplan for the Settlement when Council formally adopted the Murchison Settlement Masterplan in 2021/22.



An extension to UDLA's work led to the development of concepts to develop in and around the Roadhouse.



This project was further developed and advanced through the Murchison Vast Sky Business Case, which was formally adopted during the year.



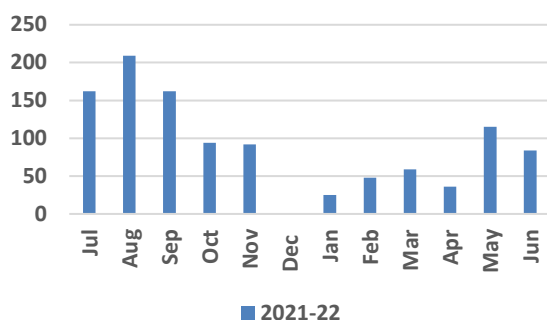


## Murchison Oasis Roadhouse

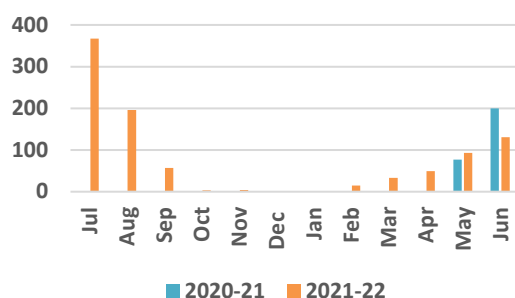


2022-23 saw the second full year operation since assuming control of the Murchison Oasis Roadhouse and Caravan Park. Roadhouse Manager Nick Drew and Roadhouse Services Officer Eyril Philips have continued to consolidate the operation as a community business under the shire's operations, ably assisted by a raft of casuals. Public feedback continues to be positive.

### Accommodation Cabins



### Accommodation Park Sites



## Road Maintenance

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

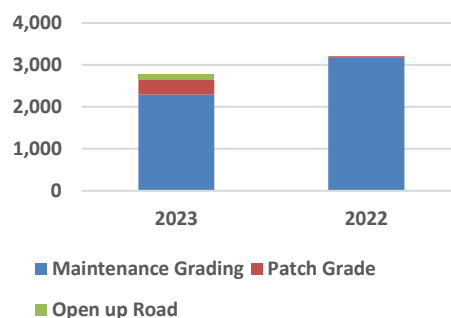
Category	Description	Length (km)
Cat A	Regional Distributor	279.87
Cat A	Local Distributor	828.42
Cat A	Local Feeder	215.18
Cat A	Local Access	331.83
Cat E	Local Station Access Only	292.87

Each category has its own level of strategic importance which, among 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 the year roads received maintenance grading either once or twice according to circumstances at the time.

### Road Maintenance Type (km)



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.

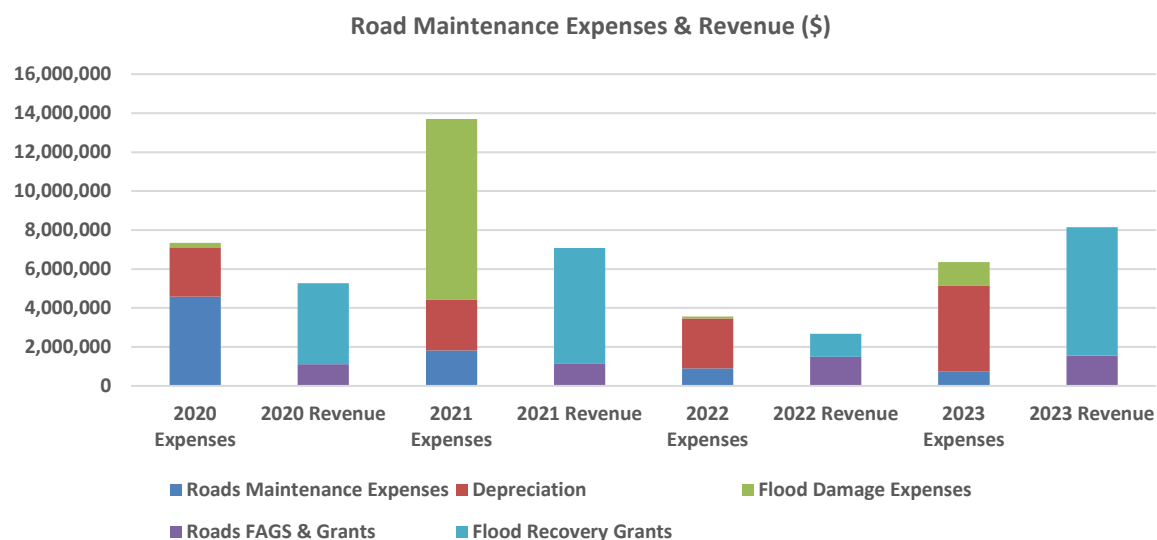
As shown in the following table, delays associated in the event being declared, obtaining an agreed scope of works and approved costing from the Department of Fire and Emergency Services (DFES) invariably means that there are significant delays in undertaking flood restoration works.

More often than not repair work for each event is spread over a number of years. In addition, extra works outside of this program are usually added at Council's cost to take advantage of contractors being on site.

A minimum local government funding contribution which varies for each event applies.

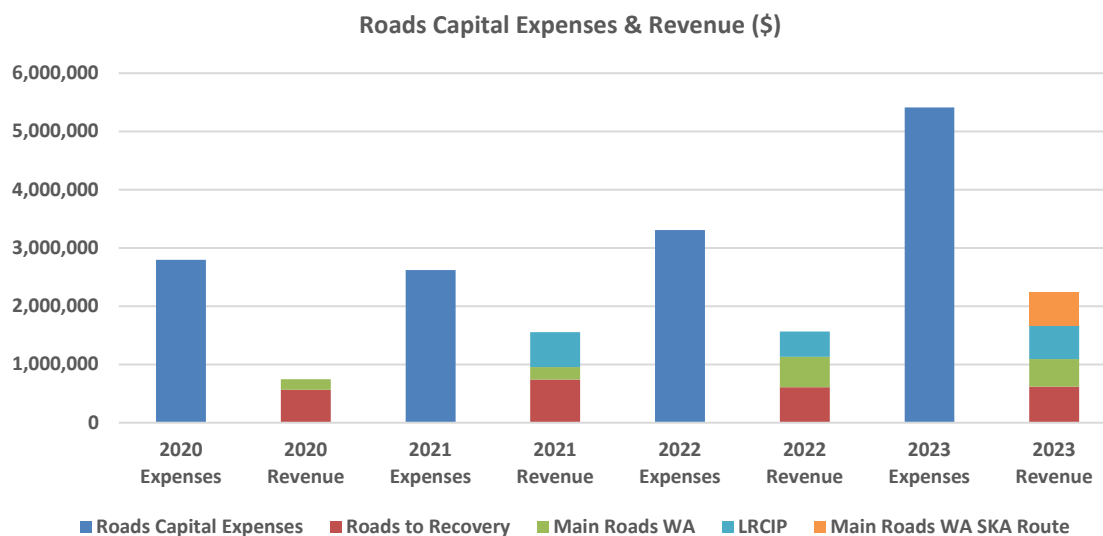
Flood Event			Cost Estimate	Years of Repair Work
AGRN863	Flood 6	11-14 April 2019	\$10,646,961	2020, 2021
AGRN899	Flood 7	4-9 Feb 2020 Tropical Cyclone Damien	\$398,024	2020, 2021
AGRN951	Flood 8	28 Jan-8 Feb 2021 Tropical Low	\$9,404,762	2021, 2022, 2023
AGRN974	Flood 9	29 - 31 May 2021 Rain Event	\$1,387,523	2022, 2023
AGRN1021	Flood 10	26 Mar – 3 April 2022	to be finalised	2022, 2023
AGRN1062	Flood 11	Mar-April 2023	to be finalised	2023

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 the level of external funding provided. This includes Roads to Recovery and Main Roads WA funding, the latter of which has increase as Council has been able to increase the number of approved projects. In addition, since 2021/22 as part of a stimulus response to the COVID 19 Pandemic, the Commonwealth has provided additional roads funding under their Local Roads Community Infrastructure Program. In 2022-23 Council commenced road construction works on behalf of Main Roads WA on the SKA Route (Carnarvon-Mullewa, Twin Peaks-Wooleen, section of the Meeberrie-Mt Wittenoom, Boolardy-Wooleen and sections of the Beringarra-Pindar and Boolardy-Kalli Roads).





As shown below, to maximise funding and grant opportunities, works to upgrade the Carnarvon-Mullewa Road to a 7.2 sealed standard continued from previous years.

In 2022-23 the last section was completed, finalising the cumulation of 20 years' work to construct and seal 133.42km from 7.2km north of the Murchison Settlement to the Shire's southern boundary with the City of Greater Geraldton.

As shown by the symbolic "breaking" of a ribbon, the Shire is very proud of this achievement, completed in December 2022 with 35.42km having been constructed and sealed since 2021.



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

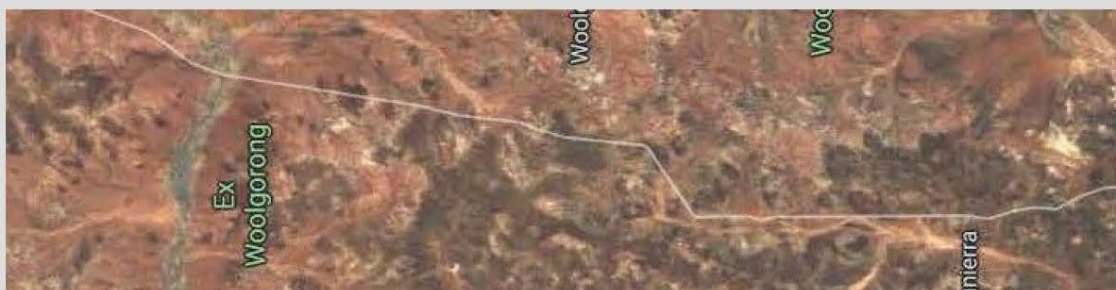
Year	2022	2022	2022	2022	2022	2022	2021	2022	2021	2021	2024	2021
		2023	2023	2023								
SLK Start	241.74	245.04	248.34	251.22	254.10	257.40	261.91	266.00	266.52	269.70	270.35	271.50
SLK End	245.04	248.34	251.22	254.10	257.40	261.91	266.00	266.52	269.70	270.35	271.70	278.83
Length km	3.30	3.30	2.88	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	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 \$5,412,000 capital roadworks undertaken during year which included the following works.

Road	Location	Works	Funding
Beringarra-Cue	0.00 – 85.50	Complete conversion of seal to gravel	Reserves
Beringarra-Cue	0.00 – 85.50	Upgrade Floodways various sections	Reserves
Beringarra-Pindar	288.05 – 309.50	Reshape resheet various floodway sections	Revenue, Grants
Beringarra-Pindar	Wreath Flowers	Create duel one-way carriageways	Revenue, Grants
Carnarvon-Mullewa	208.68 – 241.74	Reconstruct widen various narrow sections	Revenue, Grants
Carnarvon-Mullewa	245.04 – 254.10	Reconstruct resheet Prep for Seal & Two Coat Seal	Revenue, Grants
Various	Various	Grids Replacement	Revenue





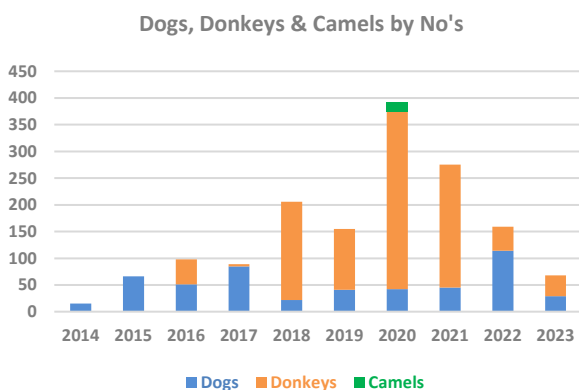


## Vermin Control - Dog & Cat Management

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 in addition to other State Government actions.

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

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



During the year, following general review as to the effectiveness of this and other wild dog control work undertaken, it was recognised that whilst some additional financial support for local doggers could be seen as cost shifting, it was considered important to assist them in undertaking this essential work which involves significant effort, local experience and knowledge to eradicate what is a very difficult to find and destructive problem species.

An ex-gratia incentive payment of \$30 per day to local doggers operating within the Murchison Shire, capped at 160 days per annum rather than a variation in the per head bounty fee, was considered the most appropriate form of assistance.

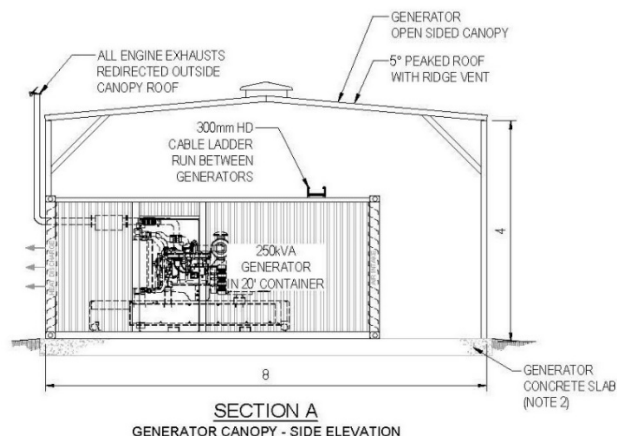
During the year Council also agreed to the request from the Murchison Region Vermin Council (MRVC) and provide a letter of support for the Murchison Region Vermin Council to create an easement for the Vermin Cell fencing recently completed by the MRVC.

Meanwhile during the year, Council accepted the offer from Canine Control to extend the current Ranger Services Agreement to 30 June 2028.

## Settlement Power

Work continued towards upgrading our Settlement power. During the summer period the existing generator capacity continued to be placed under significant stress. Whilst Council continues to work towards greening our power supply, a new generator was programmed for 2019-20, and subsequently installed in 2021-22.

Designs and specifications for a major upgrade to our power supply have been completed. Works are scheduled for 2023/24 depending on outcomes from funding submissions.



## Improved Water Supply

Work towards improving the quality of the water supply for Settlement residents and visitors continued, with a tender being called for and contract awarded to Murchison Gas and Plumbing for plumbing works. Works include a new ring main, pump equipment and connection to new bores, and ultimately to existing buildings. Works commenced and are expected to be completed in 2023-24.

Meanwhile application for funding has been made for the provision of a chlorinator to ultimately provide potable water.



## Staff Works

Refurbishment work 6 Kurara Way, which commenced in 2021-22 was completed. A Niche wall was also constructed at the cemetery.

## Plant and Equipment

Replacement purchases of a Grader, Howard Porter Skel Trailer, Dolly and Trailer, and Landcruiser Utility plus a new small Tipper Trailer for gardening work.

## 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, 3 newsletters were produced and distributed.

The Murchison Polocrosse Tournament was again successfully held. This, and the Shire's Christmas Tree celebrations in December, continue to be the main stable Shire / community events historically held.

In April 2023 with funding assistance from Lottery West, Tourism WA, local businesses and others, the Shire successfully held the Ancient Land Under Brilliant Skies Festival, celebrating the land and skies of the Murchison region.



Over the two days, visitors and locals learnt how to cook in a camp oven, took a scenic helicopter flight, wandered the local market stalls of artisan-made goods, participated in a bushtucker talk and admired Aboriginal art. There was plenty of star-studded science during the event too, with expert talks on the world's largest radio telescope, the SKA, which is being built on Inyarrimanha Ilgari Bundara, the CSIRO Murchison Radio-astronomy Observatory.

Circus acts, face painters, costume making and more made the outback come alive. Everyone relaxed, sat back amongst the gum trees of the oasis of the Murchison and

enjoyed good food supplied by local caterers and culinary enthusiasts.

As the evening rolled in, everyone enjoyed fantastic performances and participated in a stellar stargazing event, including three laser-pointer tours of Southern Hemisphere constellations.

The Murchison River was up for a few weeks and, whilst welcome by all pastoralists, did cause some disruption for east-west traffic making it difficult for those to attend the Ancient Land Under Brilliant Skies Festival leading to the cancellation of CSIRO's tours of the Inyarrimanha Ilgari Bundara, Murchison Radio-astronomy Observatory.

The Working Group and many others are to be congratulated for putting on a very successful festival event which was extremely well received.



*Bill Boehm - Chief Executive Officer*





## Strategic Community Plan

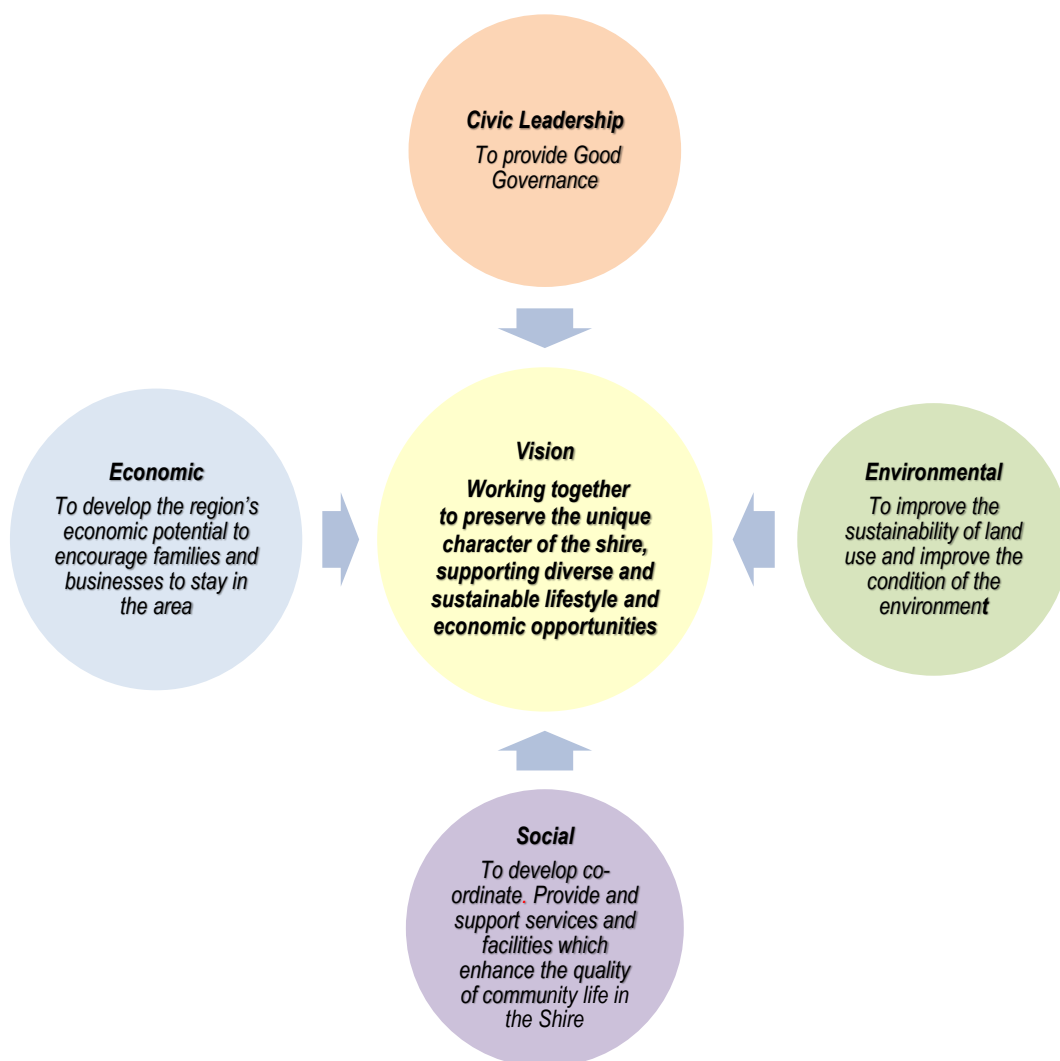
The Local Government Act and associated Regulations require a Local Government to ensure that a Strategic Community Plan is made for its district to:

- ~ 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. In 2023 the Corporate Business Plan was updated ahead of the 2023-24 Budget

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


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



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
 <p><b>Economic well-being</b></p> <p><b>To develop the region's economic potential to encourage families and businesses to stay in the area</b></p>	<p><b>Outcome 1.1 Maintenance and upgrade of road network</b></p>		
	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	<p><i>Aim for improved road safety and increased seal widening on the Carnarvon-Mullewa Road</i></p> <p>Additional Road funding from the Commonwealth's Local Roads Community Infrastructure Program to supplement Roads to Recovery Funding) which is part of a 5-year program. Main Roads WA funding has effectively doubled from previous years due to submissions presented. In 2022-23 three projects have been funded.</p>
	1.1.1.1	Lobbying State and Federal Governments to adequately fund roads	Member of Main Roads Mid-West Regional Roads Group and Murchison Subgroup. CEO is a member of Main Roads WA Technical Working Group
	1.1.1.2	Maintaining an effective working relationship with Main Roads WA	Refer Capital Works section of the Annual Report
	1.1.1.3	Continue road improvement program	Beringarra-Cue 0.00 – 85.50 convert seal to gravel and upgrade floodways at various sections. Beringarra-Pindar 288.05 – 309.50 Reshape, resheet various floodway sections. Beringarra-Pindar Wreath Flowers section create dual carriageways. Carnarvon-Mullewa 208.68 – 241.74 Reconstruct widen various narrow. Carnarvon-Mullewa 245.04 – 254.74 Reconstruct and provided a Two Coat Seal 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
<p><b>Outcome 1.2 Tourism Development</b></p>			<p><i>Increase visitor numbers and longer duration of stay</i></p>
	1.2.1	To promote and support a sustainable tourism industry in the Shire of Murchison	Part of Murchison Vast Sky Business Case which requires substantial funding for it to proceed
	1.2.1.1	Construction / development of an Interpretive Centre in the Murchison Settlement	Tenders called for a new Caravan Park Ablution Block in December 2021, but no responses were received. Further follow up work has led to this project commencing in 2023/24
	1.2.1.2	Expansion of Murchison Settlement Caravan Park's accommodation facilities and construction of a camp kitchen	



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



### Environmental well-being

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

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

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

Strategy	Action No	Actions	Desired Trends & Comments
<b>Outcome 2.3 Environmental initiatives</b>			<i>As below</i>
2.3.1 To protect and rehabilitate the Shires natural environment and support the pastoral industry	2.3.1.1	Continued support for community groups	Ongoing. Settlement Freight subsidy Contact. Annual Christmas Tree celebrations, ANZAC Day and Murchison Polocrosse support. Funding support for, Biggest Morning Tea Cancer Fund Raising Event and Meekatharra School of the Air Parents and Citizens, Association (MSOTA)
	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. Attended and presented at Mt Magnet Roads for Rehydration Forum
	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. Additional financial support for local Doggers commenced in 2022-23




### Social well-being

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

<b>Outcome 3.1 Infrastructure upgrade and improvement</b>			<i>As below</i>
3.1.1 Maintain and improve infrastructure within the Shire to support social and economic activities (buildings and other infrastructure)	3.1.1.1	Explore and pursue funding opportunities to support the Shire's capital works and maintenance programs	Council contribution to the Mid-West Development Commission's Business Case Work for the Murchison Settlement by way of the Murchison SKA Interpretive Experience Planning Project and Murchison Roads Planning and Design Planning Project
	3.1.1.2	Follow up plans and ideas of disbanded cemetery committee	Ongoing
	3.1.1.3	Complete development of the cemetery	Cemetery Niche wall completed in 2022-23
<b>Outcome 3.2 Emergency services</b>			<i>As below</i>
3.2.1 Supply resources for, and co-ordinate delivery of, emergency services within the Shire	3.2.2.1	Bush fire brigade training	Ongoing
	3.2.2.2	St John Ambulance First Aid training to be held at Murchison Settlement	Ongoing



Strategy	Action No	Actions	Desired Trends & Comments
<b>Outcome 3.3 Provision of health service information</b>			<i>As below</i>
3.3.1 Shire to act as a reference point for the provision of health and well-being information for local residents	3.3.1.1	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
 <b>Civic Leadership well-being</b> <b>To provide good governance to the Murchison Shire</b>			
<b>Outcome 4.1 Workforce planning</b>			<i>As below</i>
4.1.1 Development of a Workforce Plan to ensure human resources can be optimised to achieve the Shire's strategic objectives	4.1.1.1	Seek funding for development of a Community Development Officer position to implement actions to achieve Council's strategic objectives	Position incorporated into Shire Staff. New replacement being sourced in 2023-24
<b>Outcome 4.2 Regional collaboration</b>			<i>As below</i>
4.2.1 Work collaboratively with neighbouring shires, state and federal government and private enterprise to ensure the efficient and effective use of the Shire's scarce resources	4.2.1.1	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 and partnering with the Mid West Development Commission on the Murchison Vast Sky Experience Business Case Project.
<b>Outcome 4.3 Financial planning and management</b>			<i>As below</i>
4.3.1 To responsibly manage Council's financial resources to ensure optimum value for money and sustainable asset management	4.3.1.1	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 undertaken in 2022-23 with new plan adopted in August 2023.
	4.3.1.3	Assess all potential funding sources, particularly grants to enable the maximisation of community benefit	Ongoing

Strategy	Action No	Actions	Desired Trends & Comments
		from matching cash contributions by Council	
<b>Outcome 4.4 Strategic planning</b>			<i>Full review of Community Strategic Plan completed</i>
4.4.1 Ongoing reviews of the Community Strategic Plan	4.4.1.1	A full review of the Strategic Community Plan will be scheduled for four years from when it is adopted	
<b>Outcome 4.5 Asset management</b>			<i>As below</i>
4.5.1 Meet the required level of service in the most cost-effective manner for present and future Residents.	4.5.1.1	Maintain an Asset Management Plan	Major review undertaken in 2022-23 with new plan adopted in August 2023.





## 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 2022-23.

### National Competition Policy

Council operations in 2022-23 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 2023.

### 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	
	2023	2022
\$140,000 to \$149,999	1	1

The CEO's remuneration comprised \$188,514 (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;
- ~ 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 2022-23 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 and 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 2022-23 are as follows:

#### **Outcomes**

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

#### **Achievements against Strategies**

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

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

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

All recreational areas are accessible.

All Shire information is available in alternative format upon request.

Staff are aware.

Website meets contemporary good practice.

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

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

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

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

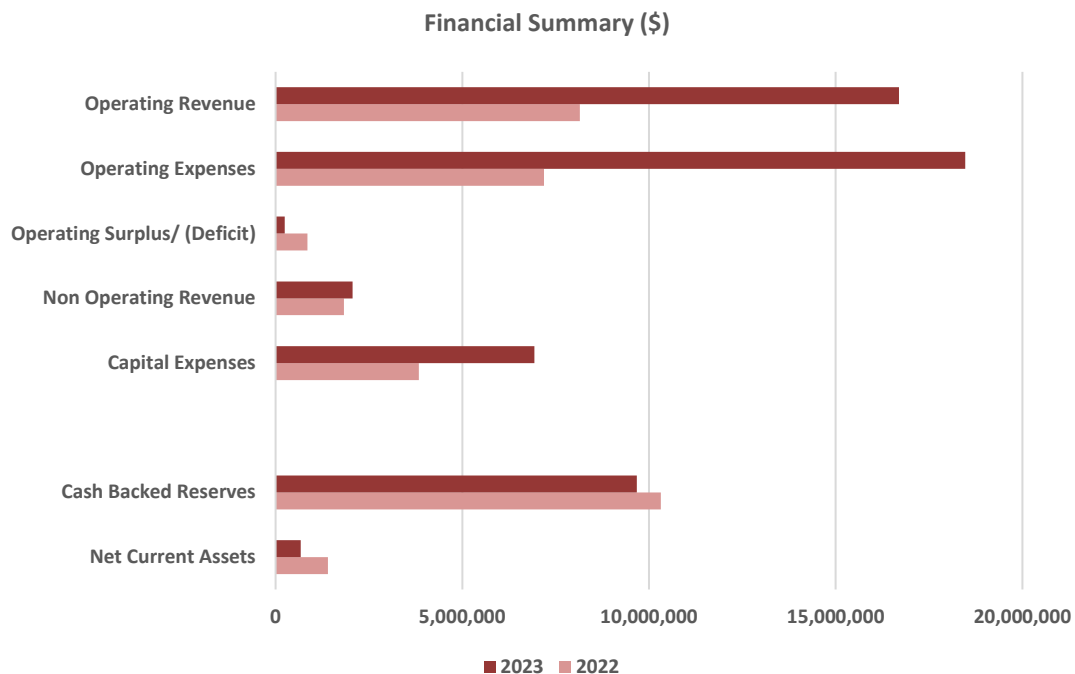


## Financial Overview

### Financial Summary

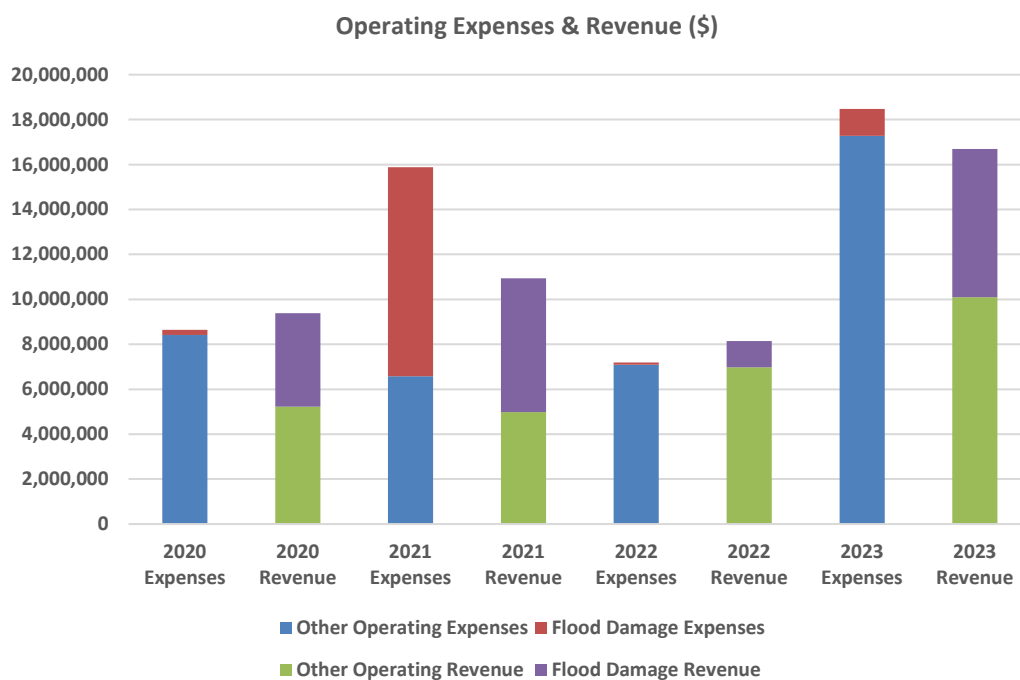
A summary of Council's financial performance is shown as follows:

Depending on the circumstances during the year the financial performance may vary widely. The main influencing factor, that dramatically increased both operating income and operating expenses, involved repairs to Council's Road network following continuation of flood restoration works associated with various events as previously described.



### Operating Revenue & Expenses

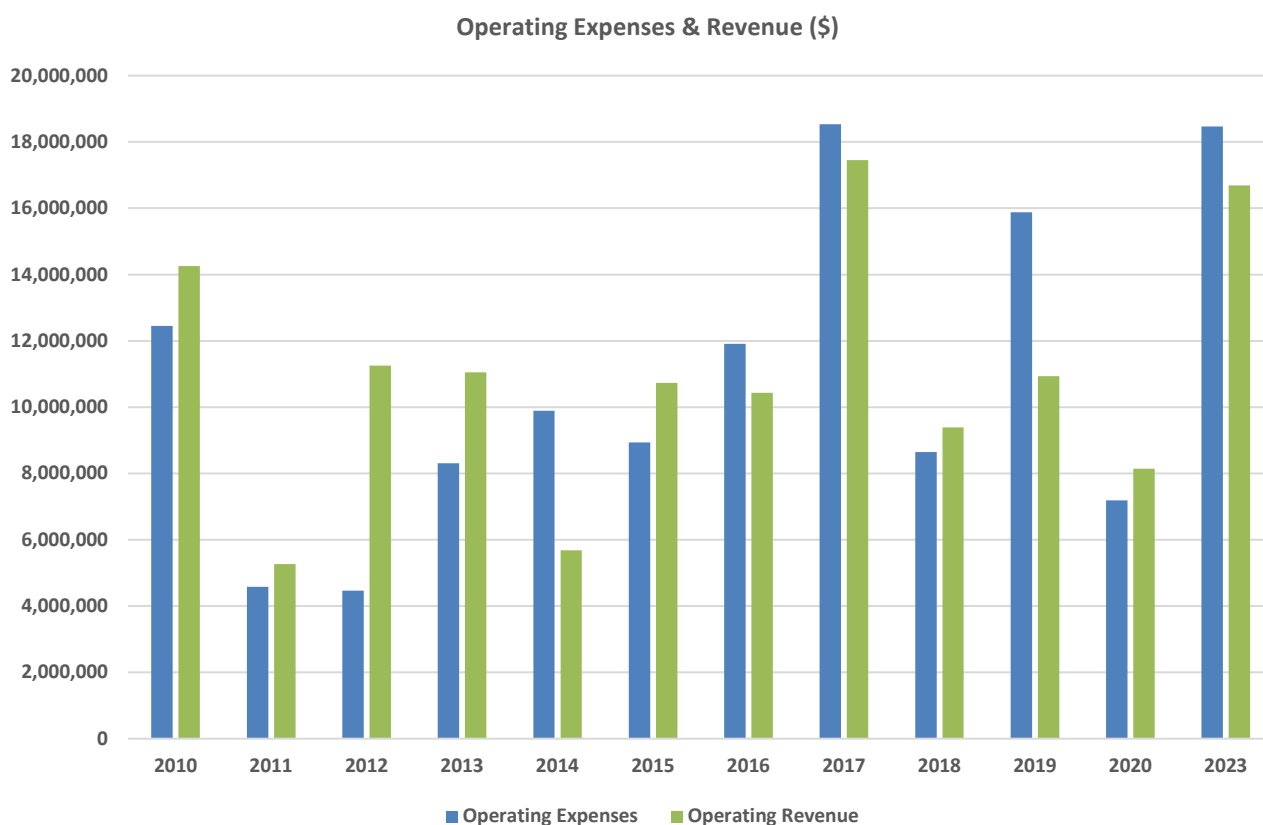
A summary of operating revenue and expenses over several years is shown below.



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

Revenue \$	2022	2023	Expenses \$	2022	2023
Rates	538,967	671,803	Governance	625,224	805,178
Operating Grants & Subsidies	6,843,572	15,047,853	General Purpose Revenue	41,844	38,050
Fees & Charges	478,569	545,285	Law Order & Public Safety	97,808	97,382
Interest Earnings	10,134	88,779	Health	43,871	65,700
Other Revenue	272,938	341,137	Education & Welfare	2,064	3,763
	<b>8,144,180</b>	<b>16,694,857</b>	Housing	92,121	247,955
			Community Amenities	125,746	163,031
			Recreation & Culture	271,893	383,646
			Transport	4,118,947	14,368,792
			Economic Services	1,701,567	2,143,828
			Other Property & Services	64,773	152,217
				<b>7,185,858</b>	<b>18,469,542</b>
Non-Cash Amounts included in the above				3,653,752	5,441,519

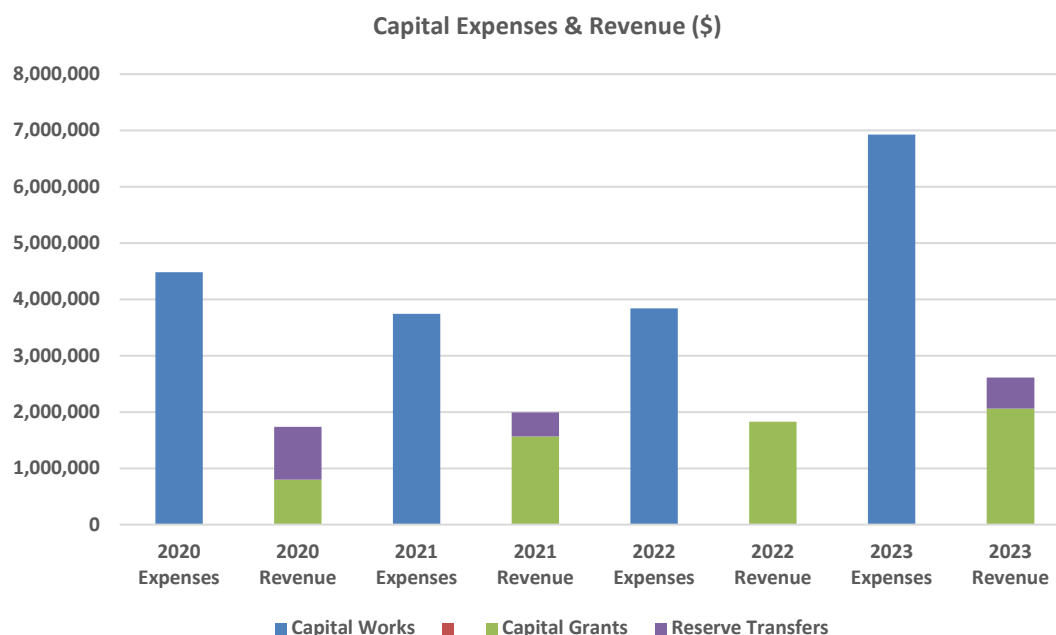
A summary of operating revenue and expenses (including depreciation which is non-cash) over several years is shown below.





## 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 this time with a more relevant and updated version, which will form part of the 2023-24 Annual Report being adopted in August 2023.

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.

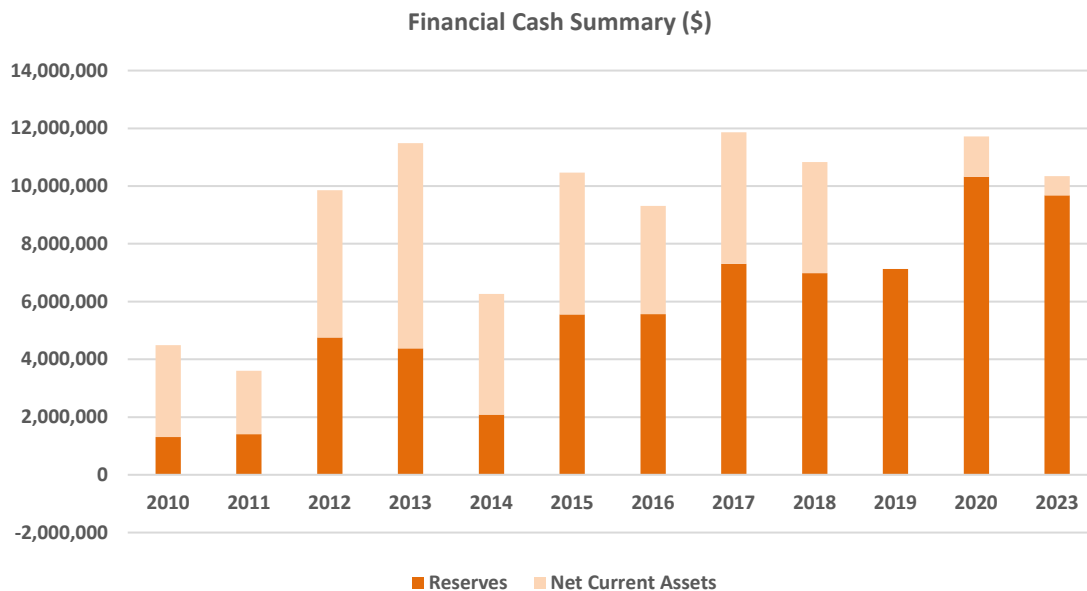
In 2019 WALGA commissioned an independent review of the current legislated financial indicators and have adopted a modified set with significantly different components.

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 may be asked by the community about a local government's revenue, expenses and service delivery.

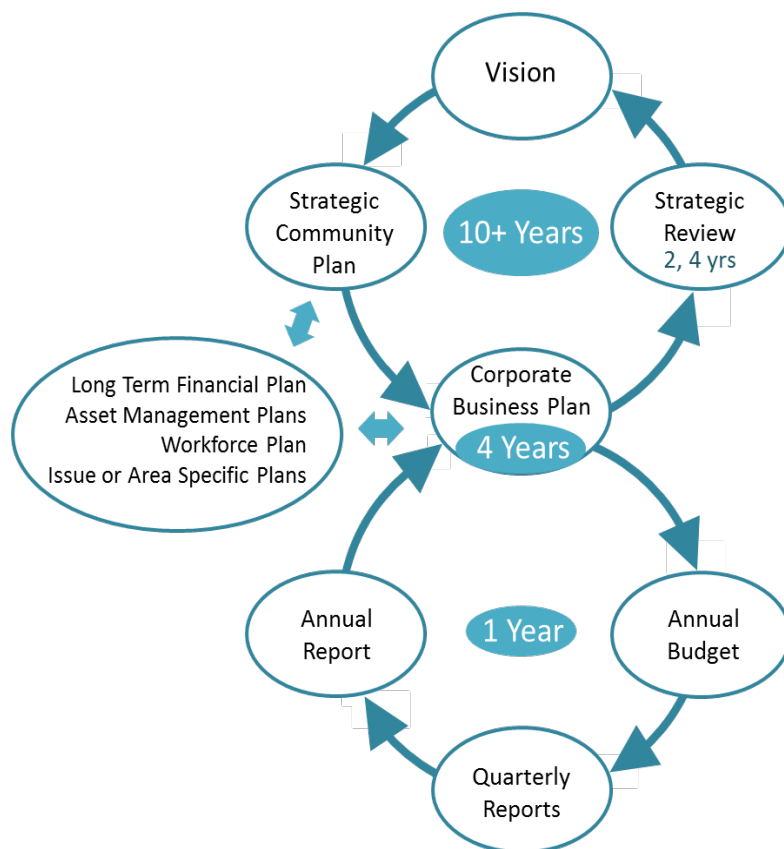
This same question is asked at a Council level where it is recognised that having sound data and analysis is critical to good medium to long term decision making.

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.

This saw an updated Corporate Business Plan adopted in June 2023 with a fit for purpose Asset Management Plan, which will be updated annually, adopted in August 2023.





## Financial Report

Council's Financial Report for the year ending 30 June 2023 report comprises of:

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

**SHIRE OF MURCHISON**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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

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

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



**SHIRE OF MURCHISON  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**STATEMENT BY CEO**

The accompanying financial report of the Shire of Murchison has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the                      1st        day of        December                      2023



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Chief Executive Officer

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William James Boehm

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**SHIRE OF MURCHISON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	2(a),22	671,803	623,919	538,967
Grants, subsidies and contributions	2(a)	15,047,853	14,847,858	6,843,572
Fees and charges	2(a)	545,285	625,445	478,569
Interest revenue	2(a)	88,779	45,000	10,134
Other revenue	2(a)	341,137	272,230	272,938
		16,694,857	16,414,452	8,144,180
<b>Expenses</b>				
Employee costs	2(b)	(1,525,756)	(1,311,381)	(1,411,298)
Materials and contracts		(11,116,646)	(16,154,497)	(1,791,490)
Depreciation		(5,441,519)	(3,520,116)	(3,653,752)
Finance costs	2(b)	(53,047)	(47,061)	(27,790)
Insurance		(185,182)	(184,439)	(180,109)
Other expenditure	2(b)	(147,392)	(160,850)	(121,519)
		(18,469,542)	(21,378,344)	(7,185,958)
		(1,774,685)	(4,963,892)	958,222
Capital grants, subsidies and contributions	2(a)	2,059,431	1,938,566	1,829,863
Loss on asset disposals		-	-	(11,568)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	922	-	999
Impairment of Buildings and Improvements	8(a)	(37,060)	-	-
Loss on revaluation of Infrastructure - bridges	9(a)	-	-	(1,925,144)
		2,023,293	1,938,566	(105,850)
<b>Net result for the period</b>		<b>248,608</b>	<b>(3,025,326)</b>	<b>852,372</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	-	-	22,180,187
<b>Total other comprehensive income for the period</b>	15	<b>-</b>	<b>-</b>	<b>22,180,187</b>
<b>Total comprehensive income for the period</b>		<b>248,608</b>	<b>(3,025,326)</b>	<b>23,032,559</b>

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



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**SHIRE OF MURCHISON**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	NOTE	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	10,542,527	9,109,699
Trade and other receivables	5	385,542	127,164
Other financial assets	4(a)	-	3,422,952
Inventories	6	230,472	139,174
Other assets	7	1,752,976	182,020
<b>TOTAL CURRENT ASSETS</b>		<b>12,911,517</b>	<b>12,981,009</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	4(b)	20,373	19,451
Property, plant and equipment	8	13,172,850	12,770,481
Infrastructure	9	91,592,586	90,544,571
<b>TOTAL NON-CURRENT ASSETS</b>		<b>104,785,809</b>	<b>103,334,503</b>
<b>TOTAL ASSETS</b>		<b>117,697,326</b>	<b>116,315,512</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,521,473	880,062
Other liabilities	12	1,044,818	377,174
Borrowings	13	194,552	193,898
Employee related provisions	14	246,429	187,775
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,007,272</b>	<b>1,638,909</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	1,533,838	1,736,657
Employee related provisions	14	60,087	92,425
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,593,925</b>	<b>1,829,082</b>
<b>TOTAL LIABILITIES</b>		<b>4,601,197</b>	<b>3,467,991</b>
<b>NET ASSETS</b>		<b>113,096,129</b>	<b>112,847,521</b>
<b>EQUITY</b>			
Retained surplus		24,005,077	23,116,002
Reserve accounts	25	9,675,984	10,316,451
Revaluation surplus	15	79,415,068	79,415,068
<b>TOTAL EQUITY</b>		<b>113,096,129</b>	<b>112,847,521</b>

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



Armada Audit

**SHIRE OF MURCHISON**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2021</b>		<b>25,451,098</b>	<b>7,128,983</b>	<b>57,234,881</b>	<b>89,814,962</b>
Comprehensive income for the period					
Net result for the period		852,372	-	-	852,372
Other comprehensive income for the period	15	-	-	22,180,187	22,180,187
Total comprehensive income for the period		852,372	-	22,180,187	23,032,559
Transfers to reserve accounts	25	(3,187,468)	3,187,468	-	-
<b>Balance as at 30 June 2022</b>		<b>23,116,002</b>	<b>10,316,451</b>	<b>79,415,068</b>	<b>112,847,521</b>
Comprehensive income for the period					
Net result for the period		248,608	-	-	248,608
Other comprehensive income for the period	15	-	-	-	-
Total comprehensive income for the period		248,608	-	-	248,608
Transfers from reserve accounts	25	5,781,902	(5,781,902)	-	-
Transfers to reserve accounts	25	(5,141,435)	5,141,435	-	-
<b>Balance as at 30 June 2023</b>		<b>24,005,077</b>	<b>9,675,984</b>	<b>79,415,068</b>	<b>113,096,129</b>

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



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**SHIRE OF MURCHISON  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2022 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		768,663	1,026,508
Grants, subsidies and contributions		14,934,444	6,905,551
Fees and charges		537,087	472,645
Interest revenue		88,779	10,134
Goods and services tax received		-	70,899
Other revenue		341,137	272,938
		16,670,110	8,758,675
<b>Payments</b>			
Employee costs		(1,502,778)	(1,314,582)
Materials and contracts		(12,212,746)	(2,537,822)
Finance costs		(53,047)	(27,790)
Insurance paid		(185,182)	(180,109)
Goods and services tax paid		(155,036)	-
Other expenditure		(147,392)	(121,519)
		(14,256,181)	(4,181,822)
<b>Net cash provided by operating activities</b>	16(b)	2,413,929	4,576,853
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for financial assets at amortised cost		-	(3,422,952)
Payments for purchase of property, plant & equipment	8(a)	(1,516,963)	(528,372)
Payments for construction of infrastructure	9(a)	(5,412,000)	(3,309,267)
Capital grants, subsidies and contributions		2,727,075	1,716,695
Proceeds for financial assets at amortised cost		3,422,952	-
Proceeds from sale of property, plant & equipment		-	5,455
<b>Net cash provided by (used in) investing activities</b>		(778,936)	(5,538,441)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	24(a)	(202,165)	(85,623)
Proceeds from new borrowings	24(a)	-	2,000,000
<b>Net cash provided by (used in) financing activities</b>		(202,165)	1,914,377
<b>Net increase in cash held</b>		1,432,828	952,789
Cash at beginning of year		9,109,699	8,156,910
<b>Cash and cash equivalents at the end of the year</b>	16(a)	10,542,527	9,109,699

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



**SHIRE OF MURCHISON**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
Rates	22	671,803	623,919	538,967
Grants, subsidies and contributions		15,047,853	14,847,858	6,843,572
Fees and charges		545,285	625,445	478,569
Interest revenue		88,779	45,000	10,134
Other revenue		341,137	272,230	272,938
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	922	-	999
		16,695,779	16,414,452	8,145,179
<b>Expenditure from operating activities</b>				
Employee costs		(1,525,756)	(1,311,381)	(1,411,298)
Materials and contracts		(11,116,646)	(16,154,497)	(1,791,490)
Depreciation		(5,441,519)	(3,520,116)	(3,653,752)
Finance costs		(53,047)	(47,061)	(27,790)
Insurance		(185,182)	(184,439)	(180,109)
Other expenditure		(147,392)	(160,850)	(121,519)
Loss on asset disposals		-	-	(11,568)
Loss on revaluation of non-current assets		(37,060)	-	(1,925,144)
		(18,506,602)	(21,378,344)	(9,122,670)
Non-cash amounts excluded from operating activities	23(a)	5,507,989	3,520,116	5,673,805
<b>Amount attributable to operating activities</b>		3,697,166	(1,443,776)	4,696,314
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		2,059,431	1,938,566	1,829,863
Proceeds from disposal of assets		-	59,000	5,455
		2,059,431	1,997,566	1,835,318
<b>Outflows from investing activities</b>				
Purchase of property, plant and equipment	8(a)	(1,516,963)	(1,959,000)	(528,372)
Purchase and construction of infrastructure	9(a)	(5,412,000)	(5,062,079)	(3,309,267)
		(6,928,963)	(7,021,079)	(3,837,639)
<b>Amount attributable to investing activities</b>		(4,869,532)	(5,023,513)	(2,002,321)
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from borrowings	24(a)	-	950,000	2,000,000
Transfers from reserve accounts	25	5,781,902	5,804,223	-
		5,781,902	6,754,223	2,000,000
<b>Outflows from financing activities</b>				
Repayment of borrowings	24(a)	(202,165)	(200,599)	(85,623)
Transfers to reserve accounts	25	(5,141,435)	(553,800)	(3,187,468)
		(5,343,600)	(754,399)	(3,273,091)
<b>Amount attributable to financing activities</b>		438,302	5,999,824	(1,273,091)
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	23(b)	1,403,306	481,440	(17,596)
Amount attributable to operating activities		3,697,166	(1,443,776)	4,696,314
Amount attributable to investing activities		(4,869,532)	(5,023,513)	(2,002,321)
Amount attributable to financing activities		438,302	5,999,824	(1,273,091)
<b>Surplus or deficit after imposition of general rates</b>	23(b)	<b>669,242</b>	<b>13,975</b>	<b>1,403,306</b>

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



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**SHIRE OF MURCHISON**  
**FOR THE YEAR ENDED 30 JUNE 2023**  
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SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

1. BASIS OF PREPARATION

The financial report of the Shire of Murchison which is a Class 4 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

**Local Government Act 1995 requirements**  
Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied, except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

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 26 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.

**Initial application of accounting standards**  
During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

These amendments have no material impact on the current annual financial report.

**New accounting standards for application in future years**  
The following new accounting standards will have application to local government in future years:

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates

This standard will result in a terminology change for significant accounting policies

- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified. Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**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.
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 of goods or services is provided in the table below:

**For the year ended 30 June 2023**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	671,803	-	671,803
Grants, subsidies and contributions	15,047,853	-	-	-	15,047,853
Fees and charges	545,285	-	-	-	545,285
Interest revenue	-	-	3,980	84,799	88,779
Other revenue	341,137	-	-	-	341,137
Capital grants, subsidies and contributions	-	2,059,431	-	-	2,059,431
<b>Total</b>	<b>15,934,275</b>	<b>2,059,431</b>	<b>675,783</b>	<b>84,799</b>	<b>18,754,288</b>



**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**  
**For the year ended 30 June 2022**

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

Note	2023 Actual	2022 Actual
	\$	\$
<b>Assets and services acquired below fair value</b>		
Contributed assets	-	-
Recognised volunteer services	-	-
	-	-
<b>Interest revenue</b>		
Interest on reserve account funds	82,596	4,563
Rates instalment and penalty interest	3,980	5,481
Other interest revenue	2,203	90
	88,779	10,134
The 2023 original budget estimate in relation to: rates and penalty interest was \$5,500.		
<b>Fees and charges relating to rates receivable</b>		
Charges on instalment plan	132	-
The 2023 original budget estimate in relation to: Charges on instalment plan was \$330.		
<b>(b) Expenses</b>		
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	44,700	43,989
- Other services – grant acquittals	-	6,500
	44,700	50,489
<b>Employee Costs</b>		
Employee benefit costs	1,445,954	1,343,635
Other employee costs	79,802	67,663
	1,525,756	1,411,298
<b>Finance costs</b>		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	53,047	27,790
	53,047	27,790
<b>Other expenditure</b>		
Impairment (writeback) on rates and statutory receivables	(8,198)	(5,924)
Sundry expenses	155,590	127,443
	147,392	121,519

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**3. CASH AND CASH EQUIVALENTS**

	Note	2023 \$	2022 \$
Cash at bank and on hand		10,542,527	9,109,699
<b>Total cash and cash equivalents</b>	16(a)	10,542,527	9,109,699
Held as			
- Unrestricted cash and cash equivalents		1,574,701	1,839,026
- Restricted cash and cash equivalents	16(a)	8,967,826	7,270,673
		10,542,527	9,109,699

**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.

**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 reserve accounts, 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.

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Other financial assets at amortised cost**

Term deposits

Held as

- Restricted other financial assets at amortised cost

**(b) Non-current assets**

Financial assets at fair value through profit or loss

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

Units in Local Government House Trust - opening balance

Movement attributable to fair value increment

Financial assets at fair value through profit and loss - Units in Local Government House Trust

Units in Local Government House Trust - closing balance

	2023 \$	2022 \$
	-	3,422,952
	-	3,422,952
	-	3,422,952
	-	3,422,952
	-	3,422,952
	-	3,422,952
	20,373	19,451
	20,373	19,451
	19,451	18,452
	922	999
	20,373	19,451

Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 21 (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 or loss**

The Shire has elected to classify the following financial assets at fair value through profit or 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 elected to recognise as fair value gains and losses through profit or loss.

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**5. TRADE AND OTHER RECEIVABLES**

	Note	2023 \$	2022 \$
<b>Current</b>			
Rates and statutory receivables		60,272	78,537
Trade receivables		87,289	1,517
Other receivables		31,653	-
GST receivable		214,623	59,587
Receivables for employee related provisions	14	-	4,016
Allowance for credit losses of rates and statutory receivables		(8,295)	(16,493)
		385,542	127,164

**Disclosure of opening and closing balances related to contracts with customers**

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

	Note	30 June 2023 Actual \$	30 June 2022 Actual \$	1 July 2021 Actual \$
Trade and other receivables from contracts with customers		87,289	1,517	67,512
Contract assets	7	1,752,976	182,020	-
Allowance for credit losses of trade receivables	5	-	-	-
Allowance for impairment of contract assets	7	-	-	-
Total trade and other receivables from contracts with customers		1,840,265	183,537	67,512

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates and statutory receivables**

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

**Trade receivables**

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

**Other receivables**

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

**Measurement**

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

**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.



**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**6. INVENTORIES**

	Note	2023	2022
<b>Current</b>		\$	\$
Fuel and materials		230,472	139,174
		230,472	139,174
The following movements in inventories occurred during the year:			
<b>Balance at beginning of year</b>		139,174	143,889
Inventories expensed during the year		(946,190)	(970,678)
Additions to inventory		1,037,488	965,963
<b>Balance at end of year</b>		230,472	139,174

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**7. OTHER ASSETS**

**Other assets - current**

Contract assets

2023	2022
\$	\$
1,752,976	182,020
1,752,976	182,020

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract assets**

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

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

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**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.

	<b>Buildings and improvements</b>	<b>Total land and buildings not subject to operating lease</b>	<b>Total land and buildings</b>	<b>Furniture and equipment</b>	<b>Plant and equipment</b>	<b>Total property, plant and equipment</b>
	<b>\$</b>	<b>\$</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2021</b>	7,530,913	7,530,913	7,530,913	38,272	3,087,240	10,656,425
Additions	251,616	251,616	251,616	8,849	267,907	528,372
Disposals	-	-	-	-	(17,023)	(17,023)
Revaluation increments transferred to revaluation surplus	2,464,567	2,464,567	2,464,567	-	-	2,464,567
Depreciation	(396,261)	(396,261)	(396,261)	(6,245)	(459,354)	(861,860)
<b>Balance at 30 June 2022</b>	<b>9,850,835</b>	<b>9,850,835</b>	<b>9,850,835</b>	<b>40,876</b>	<b>2,878,770</b>	<b>12,770,481</b>
<b>Comprises:</b>						
Gross balance amount at 30 June 2022	13,393,789	13,393,789	13,393,789	52,969	4,445,160	17,891,918
Accumulated depreciation at 30 June 2022	(3,542,954)	(3,542,954)	(3,542,954)	(12,093)	(1,566,390)	(5,121,437)
<b>Balance at 30 June 2022</b>	<b>9,850,835</b>	<b>9,850,835</b>	<b>9,850,835</b>	<b>40,876</b>	<b>2,878,770</b>	<b>12,770,481</b>
Additions	587,082	587,082	587,082	30,025	899,856	1,516,963
Impairment (losses)	(37,060)	(37,060)	(37,060)	-	-	(37,060)
Depreciation	(629,276)	(629,276)	(629,276)	(9,840)	(438,418)	(1,077,534)
<b>Balance at 30 June 2023</b>	<b>9,771,581</b>	<b>9,771,581</b>	<b>9,771,581</b>	<b>61,061</b>	<b>3,340,208</b>	<b>13,172,850</b>
<b>Comprises:</b>						
Gross balance amount at 30 June 2023	13,943,811	13,943,811	13,943,811	82,994	5,345,016	19,371,821
Accumulated depreciation at 30 June 2023	(4,172,230)	(4,172,230)	(4,172,230)	(21,933)	(2,004,808)	(6,198,971)
<b>Balance at 30 June 2023</b>	<b>9,771,581</b>	<b>9,771,581</b>	<b>9,771,581</b>	<b>61,061</b>	<b>3,340,208</b>	<b>13,172,850</b>



**SHIRE OF MURCHISON  
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**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Buildings and improvements	3	Cost approach using depreciated replacement cost	Independent registered 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.					
<b>(ii) Cost</b>					
<b>Furniture and equipment</b>		Cost	Cost		Purchase cost
<b>Plant and equipment</b>		Cost	Cost		Purchase cost

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**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.

	Infrastructure - roads	Infrastructure - bridges	Total Infrastructure
	\$	\$	\$
<b>Balance at 1 July 2021</b>	68,396,399	3,840,321	72,236,720
Additions	3,309,267	-	3,309,267
Revaluation increments / (decrements) transferred to revaluation surplus	19,774,835	(59,215)	19,715,620
Revaluation (loss) transferred to profit or loss	-	(1,925,144)	(1,925,144)
Depreciation	(2,740,689)	(51,203)	(2,791,892)
<b>Balance at 30 June 2022</b>	88,739,812	1,804,759	90,544,571
<b>Comprises:</b>			
Gross balance at 30 June 2022	129,306,253	4,658,230	133,964,483
Accumulated depreciation at 30 June 2022	(40,566,441)	(2,853,471)	(43,419,912)
<b>Balance at 30 June 2022</b>	88,739,812	1,804,759	90,544,571
Additions	5,412,000	-	5,412,000
Depreciation	(4,305,757)	(58,228)	(4,363,985)
<b>Balance at 30 June 2023</b>	89,846,055	1,746,531	91,592,586
<b>Comprises:</b>			
Gross balance at 30 June 2023	134,718,253	4,658,230	139,376,483
Accumulated depreciation at 30 June 2023	(44,872,198)	(2,911,699)	(47,783,897)
<b>Balance at 30 June 2023</b>	89,846,055	1,746,531	91,592,586

**SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

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

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

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

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

**(a) Depreciation**

**Depreciation rates**

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

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



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

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value (as indicated), less 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.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, 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 Shire's revaluation policy, 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 consistent with *Financial Management Regulation 17A(4)*.

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 consistent with *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 asset classes 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.

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.
- (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.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

Impairment

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 or losses on disposal

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.

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**11. TRADE AND OTHER PAYABLES**

**Current**

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

<b>2023</b>	<b>2022</b>
<b>\$</b>	<b>\$</b>
234,549	306,064
82,143	3,548
47,726	41,429
50,303	59,938
511,211	423,879
595,541	45,204
<b>1,521,473</b>	<b>880,062</b>

**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 any 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 income for the prepaid rates that have not been refunded.

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**12. OTHER LIABILITIES**

**Current**

Capital grant/contributions liabilities

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

Opening balance

Additions

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

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

Less than 1 year

	2023	2022
	\$	\$
	1,044,818	377,174
	1,044,818	377,174
	377,174	308,322
	1,044,818	377,174
	(377,174)	(308,322)
	1,044,818	377,174
	1,044,818	377,174
	1,044,818	377,174

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 by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 21(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**13. BORROWINGS**

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Long term borrowings		194,552	1,533,838	1,728,390	193,898	1,736,657	1,930,555
<b>Total secured borrowings</b>	24(a)	194,552	1,533,838	1,728,390	193,898	1,736,657	1,930,555

**Secured liabilities and assets pledged as security**

Debentures, bank overdrafts and 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 2023 and 2022 years.

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 21(i)) due to the unobservable inputs, including own credit risk.

Details of individual borrowings required by regulations are provided at Note 24(a).



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

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual leave

Long service leave

**Employee related other provisions**

Employment on-costs

**Total current employee related provisions**

**Non-current provisions**

**Employee benefit provisions**

Long service leave

**Employee related other provisions**

Employment on-costs

**Total non-current employee related provisions**

**Total employee related provisions**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
	134,720	140,902
	79,566	22,905
	214,286	163,807
	32,143	23,968
	32,143	23,968
	246,429	187,775
	52,964	79,545
	52,964	79,545
	7,123	12,880
	7,123	12,880
	60,087	92,425
	306,516	280,200

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.

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

SHIRE OF MURCHISON  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2023

15. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$	\$
Buildings and improvements	7,861,593	-	7,861,593	5,397,026	2,464,567	7,861,593
Infrastructure - roads	71,553,475	-	71,553,475	51,778,640	19,774,835	71,553,475
Infrastructure - bridges	-	-	-	59,215	(59,215)	-
	79,415,068	-	79,415,068	57,234,881	22,180,187	79,415,068

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**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:

	<b>Note</b>	<b>2023 Actual \$</b>	<b>2022 Actual \$</b>
Cash and cash equivalents	3	10,542,527	9,109,699
<b>Restrictions</b>			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	8,967,826	7,270,673
- Financial assets at amortised cost	4	-	3,422,952
		8,967,826	10,693,625
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	25	9,675,984	10,316,451
Contract assets	7	(1,752,976)	-
Capital grant liabilities	12	1,044,818	377,174
<b>Total restricted financial assets</b>		8,967,826	10,693,625

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

Net result	248,608	852,372
Non-cash items:		
Adjustments to fair value of financial assets at fair value through profit or loss	(922)	(999)
Depreciation/amortisation	5,441,519	3,653,752
(Profit)/loss on sale of asset	-	11,568
Impairment of Buildings and Improvements	37,060	-
Loss on revaluation of fixed assets	-	1,925,144
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(258,378)	610,947
(Increase)/decrease in other assets	(1,570,956)	(182,020)
(Increase)/decrease in inventories	(91,298)	4,715
Increase/(decrease) in trade and other payables	641,411	(739,139)
Increase/(decrease) in employee related provisions	26,316	88,356
Increase/(decrease) in other liabilities	667,644	68,852
Capital grants, subsidies and contributions	(2,727,075)	(1,716,695)
Net cash provided by/(used in) operating activities	2,413,929	4,576,853

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank overdraft limit	100,000	100,000
Bank overdraft at balance date	-	-
Credit card limit	5,000	5,000
Credit card balance at balance date	(1,891)	(1,566)
<b>Total amount of credit unused</b>	103,109	103,434

**Loan facilities**

Loan facilities - current	194,552	193,898
Loan facilities - non-current	1,533,838	1,736,657
<b>Total facilities in use at balance date</b>	1,728,390	1,930,555

<b>Unused loan facilities at balance date</b>	NIL	NIL
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**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**17. CONTINGENT LIABILITIES**

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

- Murchison settlement tip; and
- Murchison works depot

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

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

**18. CAPITAL COMMITMENTS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- capital expenditure projects	3,909,892	201,780
- plant & equipment purchases	281,166	59,666
	4,191,058	261,446
Payable:		
- not later than one year	4,191,058	261,446

The capital expenditure projects outstanding at the end of the current reporting period represent construction of roads, water supply and power supply and plant purchases. The prior year commitments were for building renovations, cool rooms and a vehicle purchase.



**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**19. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
President's annual allowance	14,032	14,032	12,032
Deputy President's annual allowance	3,508	3,508	5,015
Meeting attendance fees	63,323	63,323	59,760
Annual allowance for ICT expenses	12,000	12,000	6,990
Travel and accommodation expenses	19,839	20,000	16,593
19(b)	112,702	112,863	100,390

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

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

Note	2023 Actual	2022 Actual
	\$	\$
Short-term employee benefits	435,108	409,473
Post-employment benefits	52,699	45,065
Employee - other long-term benefits	14,145	11,339
Council member costs	112,702	100,390
19(a)	614,654	566,267

*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.

*Council member costs*

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

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**19. RELATED PARTY TRANSACTIONS**

**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:

	<b>2023 Actual</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>
Purchase of goods and services	733,896	759,373
<b>Amounts payable to related parties:</b>		
Trade and other payables	-	52,223
- Elected members	-	80

**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 and are detailed in Notes 19(a) and 19(b)

*ii. Other Related Parties*

During the previous year, a company controlled by a related party of a council member, was awarded a contract under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement process.

The contract involved roadworks in the Shire, and amounted to \$589,626 in the current year (\$110,589 in the prior year).

During the previous year, a company controlled by a related party of a council member, was awarded a contract under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement process.

The contract involved roadworks in the Shire, and amounted to \$141,350 in the current year (\$712,388 in the prior year).

During the previous year, a company controlled by a related party of a council member, provided water sampling on terms and conditions equivalent to those that prevail in arm's length transactions under the Shire's procurement process.

The services amounted to \$2,200 in the current year (\$0 in the prior year).

During the previous year, a company controlled by a related party of a council member, provided roadworks under a contract awarded in the 2020 year under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement processes.

The contract involved roadworks in the Shire, and amounted to \$9,914 in the prior year.

Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

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

There were no such entities requiring disclosure during the current or previous year.

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**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.

	<b>2023 Actual</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Statement of Financial Position</b>		
Buildings	96,723	96,273
Less: Accumulated depreciation	(25,900)	(22,049)
<b>Total assets</b>	<b>70,823</b>	<b>74,224</b>
<b>Total equity</b>	<b>70,823</b>	<b>74,224</b>
<b>Statement of Comprehensive Income</b>		
Employee Costs	(19,405)	(16,505)
Materials and Contracts	(229,354)	(67,968)
Insurance	(14,823)	(14,294)
Depreciation	(3,850)	(6,940)
<b>Profit/(loss) for the period</b>	<b>(267,432)</b>	<b>(105,707)</b>
Other comprehensive income	-	(78,449)
<b>Total comprehensive income for the period</b>	<b>(267,432)</b>	<b>(184,156)</b>
<b>Statement of Cash Flows</b>		
Employee Costs	(19,405)	(16,505)
Materials and Contracts	(229,354)	(67,968)
Insurance	(14,823)	(14,294)
<b>Net cash (used in) operating activities</b>	<b>(263,582)</b>	<b>(98,767)</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

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

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

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**21. 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 report 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 revenue**

Interest revenue 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 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.



**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**22. RATING INFORMATION**

**(a) General Rates**

		Rate in \$	Number of Properties	2022/23 Actual Rateable Value*	2022/23 Actual Rate Revenue	2022/23 Actual Reassessed Rates	2022/23 Actual Total Revenue	2022/23 Budget Rate Revenue	2022/23 Budget Reassessed Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
RATE TYPE	Basis of valuation			\$	\$	\$	\$	\$	\$	\$	\$
UV Pastoral	Unimproved valuation	0.04863	22	1,232,902	59,956	-	59,956	59,952	-	59,952	54,399
UV Mining	Unimproved valuation	0.24552	25	1,624,080	398,744	2,096	400,840	398,748	-	398,748	390,091
UV Prospecting and exploration	Unimproved valuation	0.09339	52	1,486,433	138,818	45,789	184,607	138,819	-	138,819	81,277
<b>Total general rates</b>			99	4,343,415	597,518	47,885	645,403	597,519	-	597,519	525,767
<b>Minimum payment</b>		<b>Minimum Payment \$</b>									
UV Pastoral	Unimproved valuation	800	6	17,311	4,800	-	4,800	4,800	-	4,800	3,600
UV Mining	Unimproved valuation	800	-	-	-	-	-	-	-	-	-
UV Prospecting and exploration	Unimproved valuation	800	27	215,510	21,600	-	21,600	21,600	-	21,600	9,600
<b>Total minimum payments</b>			33	232,821	26,400	-	26,400	26,400	-	26,400	13,200
<b>Total general rates and minimum payments</b>			132	4,576,236	623,918	47,885	671,803	623,919	-	623,919	538,967
Discounts							-			-	-
Concessions							-			-	-
<b>Total Rates</b>							671,803			623,919	538,967
Rate instalment interest							-			5,500	-
Rate overdue interest							3,980			-	5,481

The rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

\*Rateable Value at time of raising of rate.

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**23. DETERMINATION OF SURPLUS OR DEFICIT**

		2022/23 Budget	2022/23	2021/22
	2022/23 (30 June 2023 Carried Forward)	(30 June 2023 Carried Forward)	(1 July 2022 Brought Forward)	(30 June 2022 Carried Forward)
Note	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Movement in receivables for employee related provisions	4,016	-	(4,016)	(4,016)
Less: Movement in liabilities associated with restricted cash	58,654	-	53,292	53,292
Less: Fair value adjustments to financial assets at fair value through profit or loss	(922)	-	(999)	(999)
Add: Loss on disposal of assets	-	-	11,568	11,568
Add: Loss on revaluation of fixed assets	9(a) -	-	1,925,144	1,925,144
Add: impairment losses on fixed assets	8(a) 37,060	-	-	-
Add: Depreciation	10(a) 5,441,519	3,520,116	3,653,752	3,653,752
Non-cash movements in non-current assets and liabilities:				
Employee benefit provisions	(32,338)	-	35,064	35,064
<b>Non-cash amounts excluded from operating activities</b>	<b>5,507,989</b>	<b>3,520,116</b>	<b>5,673,805</b>	<b>5,673,805</b>
<b>(b) Surplus or deficit after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	25 (9,675,984)	(5,955,025)	(10,316,451)	(10,316,451)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13 194,552	593	193,898	193,898
- Employee benefit provisions	246,429	134,483	183,759	183,759
<b>Total adjustments to net current assets</b>	<b>(9,235,003)</b>	<b>(5,819,949)</b>	<b>(9,938,794)</b>	<b>(9,938,794)</b>
<b>Net current assets used in the Statement of Financial Activity</b>				
Total current assets	12,911,517	7,258,342	12,981,009	12,981,009
Less: Total current liabilities	(3,007,272)	(1,424,418)	(1,638,909)	(1,638,909)
Less: Total adjustments to net current assets	(9,235,003)	(5,819,949)	(9,938,794)	(9,938,794)
<b>Surplus or deficit after imposition of general rates</b>	<b>669,242</b>	<b>13,975</b>	<b>1,403,306</b>	<b>1,403,306</b>

SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

24. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Actual												Budget				
Purpose	Note	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Actual Interest Expense During 2021-22	Actual Interest Repayments During 2021-22	Principal at 30 June 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Actual Interest Expense During 2022-23	Actual Interest Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
		\$	\$	\$			\$	\$	\$			\$	\$	\$	\$	\$
Plant		16,178	-	(583)	679	(529)	15,745	-	(14,650)	150	(1,245)	-	15,000	-	(15,000)	-
Roadworks in 2020-21		-	2,000,000	(91,531)	24,762	(18,421)	1,914,810	-	(185,598)	52,897	(53,719)	1,728,390	1,908,469	-	(185,599)	1,722,870
Loan 3 MicroGrid Power		-	-	-	-	-	-	-	-	-	-	-	-	950,000	-	950,000
<b>Total Borrowings</b>	13	16,178	2,000,000	(92,114)	25,441	(18,950)	1,930,555	-	(200,248)	53,047	(54,964)	1,728,390	1,923,469	950,000	(200,599)	2,672,870
Repayment of Borrowings for Statement of Cashflows and Statement of Financial Activity						(85,623)					(202,165)				(200,599)	

All loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
Plant		1	WATC*	3.330%	14-Sep-22	\$ 150	\$ (490)	\$ (679)
Roadworks in 2020-21		2	WATC*	1.842%	28-Oct-31	52,897	(34,305)	(24,762)
<b>Total Finance Cost Payments</b>						53,047	(34,795)	(25,441)

\* WA Treasury Corporation

(b) New Borrowings - 2022/23

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2023 Actual	2023 Budget	2023 Actual	2023 Budget		
Loan 3 MicroGrid Power	WATC*	Semi Annual	N/A	4.00%	\$ -	\$ 950,000	\$ -	(950,000)	\$ -	\$ -
					-	950,000	-	(950,000)	-	-

\* WA Treasury Corporation

(c) Unspent Borrowings

The Shire had no unspent borrowings at 30 June 2023.

**SHIRE OF MURCHISON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**25. RESERVE ACCOUNTS**

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Leave reserve	139,147	25,844	-	164,991	139,147	25,700	-	164,847	139,088	59	-	139,147
(b) Plant replacement reserve	1,372,758	296,000	(417,000)	1,251,758	1,372,758	500,000	(621,000)	1,251,758	1,372,757	1	-	1,372,758
(c) Building reserve	499,635	6,218	-	505,853	488,635	2,700	-	491,335	499,422	213	-	499,635
(d) Beringarra-Cue road reserve	3,457,924	48,477	(2,064,814)	1,441,587	3,457,923	24,000	(850,000)	2,631,923	3,454,306	3,618	-	3,457,924
(e) CSIRO Beringarra-Pindar road reserve	176,024	2,190	-	178,214	176,024	900	-	176,924	175,949	75	-	176,024
(f) Flood damage repairs reserve	105,969	-	(100,000)	5,969	105,969	500	(100,000)	6,469	105,969	-	-	105,969
(g) Settlement buildings and facilities reserve	522,857	58,918	-	581,775	1,822,857	-	(750,000)	1,072,857	522,634	223	-	522,857
(h) Asset rehabilitation reserve	858,912	-	-	858,912	458,912	-	(300,000)	158,912	858,858	54	-	858,912
(i) Grants Commission reserve	3,183,225	4,702,453	(3,200,088)	4,685,590	3,183,223	-	(3,183,223)	-	-	3,183,225	-	3,183,225
(j) Community Economic Development Reserve	-	1,335	-	1,335	-	-	-	-	-	-	-	-
	10,316,451	5,141,435	(5,781,902)	9,675,984	11,205,448	553,800	(5,804,223)	5,955,025	7,128,983	3,187,468	-	10,316,451

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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:

<b>Name of reserve account</b>	<b>Purpose of the reserve account</b>
<b>Restricted by council</b>	
(a) Leave reserve	To be used to fund annual and long service leave requirements.
(b) Plant replacement reserve	To be used for the purchase of plant.
(c) Building reserve	To be used for the construction/renovation of administration centre and Works Depot.
(d) Beringarra-Cue road reserve	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 Beringarra-Pindar road reserve	To be used to fund additional maintenance work required for CSIRO traffic.
(f) Flood damage repairs reserve	To be used towards the "trigger point" for Western Australia Natural Disaster Relief funded flood damage works.
(g) Settlement buildings and facilities reserve	To be used to fund improvements to and maintenance of settlement buildings and facilities as well as new facilities.
(h) Asset rehabilitation reserve	To be used to fund works associated with rehabilitating Council's Infrastructure Assets.
(i) Grants Commission reserve	To ensure that any Grants Commission funds received are only applied to income and expenses in the financial year in which they apply.
(j) Community Economic Development Reserve	To be used to fund actions and activities that support and increase progress in the development of the Shire community and Shire based organisations economically, socially and culturally.

**SHIRE OF MURCHISON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**26. TRUST FUNDS**

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





## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2023 Shire of Murchison

**To the Council 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 as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity 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
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2023 and its financial position as at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the 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 preparation 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 2023, but not the financial report and my auditor's report.

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

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

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

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

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

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

## **Auditor's responsibilities for the audit of the financial report**

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

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

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

## **My independence and quality management 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management 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 2023 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.

Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
5 December 2023





**murchison**shire

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