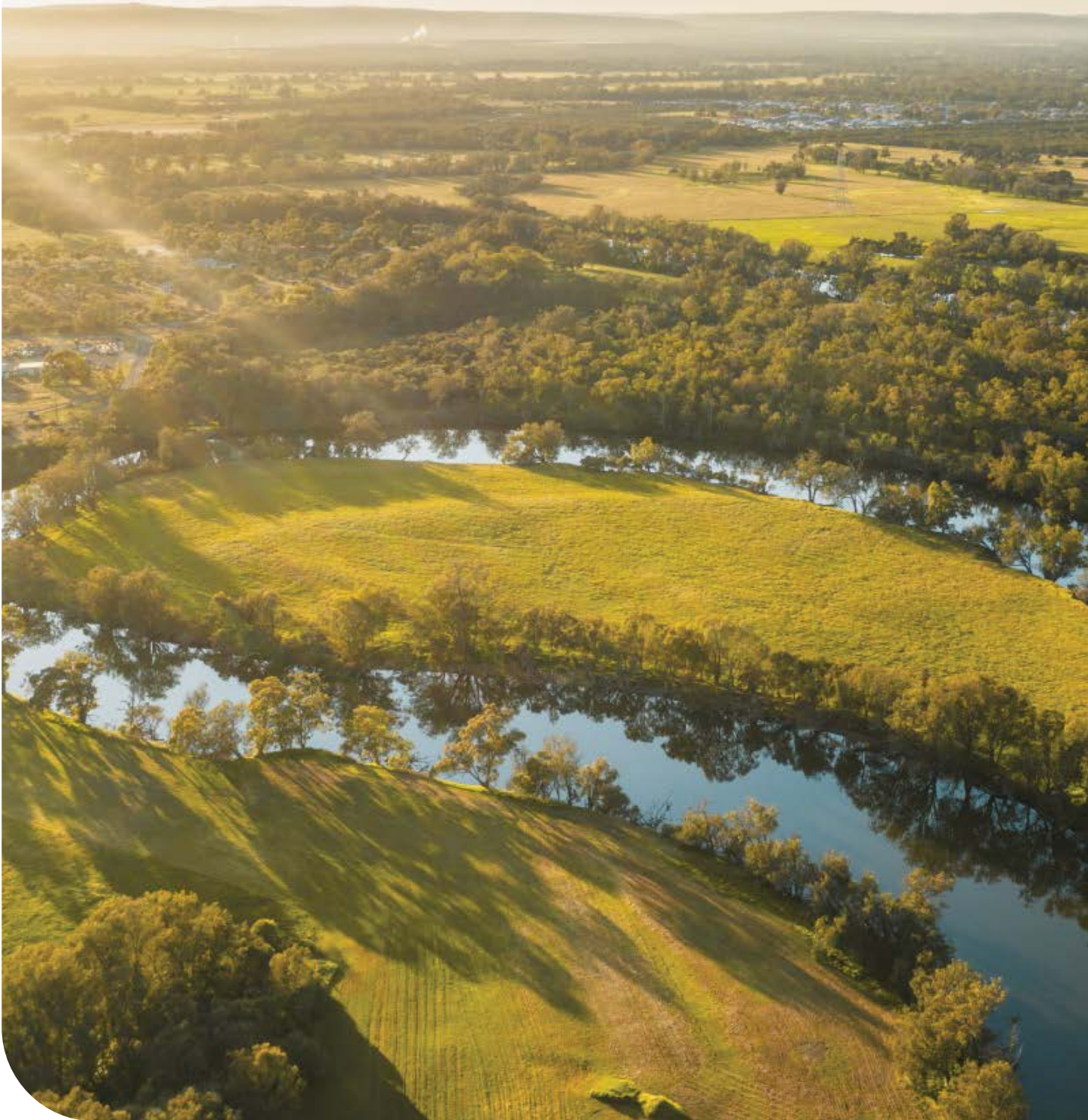


Annual Report

2022/2023








The Shire of Murray acknowledges the traditional lands of the Bindjareb and Wilman Noongar people. We pay our respect to their Elders, past, present and emerging.





Annual Report

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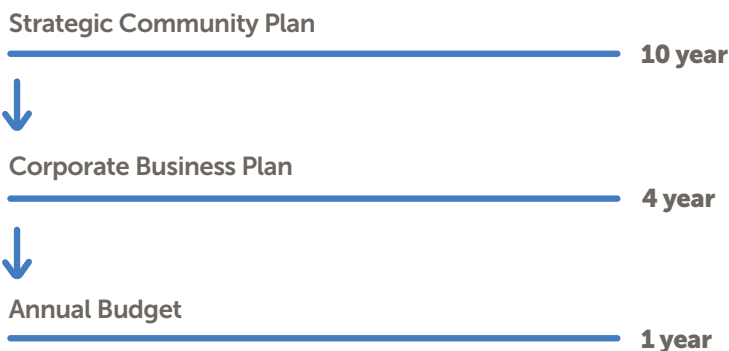
Under the Local Government Act 1995, the Shire of Murray is required to produce an Annual Report by 31 December each year, or within two months of the Auditor General's report on the Shire's financial statement.

About this

Annual Report

Everything the Shire of Murray does is guided by the Strategic Community Plan 2021-2031. This plan is a ten-year blueprint for the Shire and sets strategic direction by specifying a vision and community aspirations.

This Annual Report documents the Shire of Murray's performance against these focus areas during the 2022/23 financial year (FY2022/23).



Informing strategies

- Long Term Financial Plan
- Workforce Plan
- Asset Management Plans
- Information Communications and Technology Plan
- Community Facilities and Services Plan
- Issue specific strategies.

This Annual Report is available in digital format on murray.wa.gov.au. Hardcopies are available at the Shire of Murray Administration Office and Murray Library. Alternative formats available on request.

Focus areas



Places for people



Thriving economy



Environment, character and heritage



Connected and accessible



Capable and accountable

Shire President report



It is a pleasure to present the 2022/23 Annual Report on behalf of Council.

With the Strategic Community Plan as our guide, we have focussed our efforts towards four community priorities. These being places for people, a thriving economy, connected and accessible, and environment, character and heritage.

This Report outlines in detail how we have progressed against this plan and details key projects. However, I'd like to make mention of a few here also.

In delivering places for people, we officially opened the brand-new South Yunderup Pavilion, secured funding to build new facilities at Lovegrove Sports Pavilion, and began construction of the Ravenswood Community Centre. Combined, these three projects will deliver outstanding facilities for people to gather, get active and connect.

In addition, we established the Murray Health Futures Committee. With representatives from the Shire, South Metropolitan Health Service, WA Primary Health Alliance and Peel Development Commission, we will be working to identify a long-term solution for to health care service provision in Murray.

To help our economy thrive, we proudly made significant headway with a number of key projects. The Food Innovation Precinct Western Australia was officially opened, we began construction at the Exchange Hotel, delivered the hugely successful Fuel to Go & Play Pinjarra Festival, and continued our efforts to revitalise heritage sites through the Pinjarra Heritage Railway Precinct Master Plan and Dwellingup Rail Link projects.

Under the scope of environmental protection and enhancement, we progressed with two major informing strategies. These being the Sustainability Strategy and Coastal Hazard Risk Management and Adaptation Plan. Both of which will be open for public consultation during FY2023/24.

Importantly, we enhanced Murray's connectedness and accessibility by securing the necessary funding to bring the Pinjarra Heavy Haulage Deviation to fruition.

Albeit typical for an Annual Report to be a retrospective look at the year that has past, I would like to also touch on the exciting year ahead of us.

With our Council Plan due to be officially adopted by Council early FY2023/24, we are looking forward to formally set the Shire's priorities into the future.

As you will see later in this Report, throughout FY2022/23 we have been busy developing the Council Plan 2023 – 2033. This included the Shire's biggest-ever consultation effort, inclusive of community workshops, community surveys, seminars, an online community voicebank and the Shire's first youth summit.

Once adopted, the plan will set the Shire's strategic direction for the next ten years. This will replace our current Strategic Community Plan, with a refreshed Community Vision. It will represent community priorities and align the Shire's actions to them.

As a Council, we are very proud of the work done to date through the Strategic Community Plan and are motivated to leverage our progress as we embark on delivering refreshed community aspirations.

We look forward to officially launching the Council Plan in July 2023, and are particularly eager to begin working alongside the community to bring the Plan to fruition for years to come.

A handwritten signature in black ink, appearing to read 'David Bolt'. The signature is fluid and cursive, written over a light blue background.

David Bolt
Shire President

Chief Executive Officer report

The end of a financial year brings the opportunity to reflect. It presents us with a chance to take stock on progress made and, importantly, acknowledge those who have contributed to each achievement – big or small.

In his report, the Shire President highlights a number of important projects that have been progressed throughout the year. These large-scale, multimillion-dollar projects are detailed further in this Annual Report, alongside smaller but equally critical Shire activities such as road maintenance and routine environmental management.

As Chief Executive Officer, it is my role to oversee the Shire's diverse responsibilities and it has been a pleasure to work alongside a dedicated team of staff and Councillors during FY2022/23. I am very proud to present this Annual Report on their behalf.

Throughout FY2022/23, we have been presented with many opportunities to celebrate as years of hard work have come to fruition. For example, almost a decade after we articulated a strategic focus for tourism in Dwellingup, we welcomed 84,815 to the Dwellingup Trails and Visitor Centre. This figure is an incredible 30 per cent increase on visitation compared with FY2020/21 (up from 65,216).

In addition, we unlocked Western Australia's (WA) potential to transform its food and beverage manufacturing industry when we opened the Food Innovation Precinct Western Australia. The state-of-the-art facility is expected to bring a billion-dollar boost to our state within five years.



Both of these outcomes were years in the making and it has been a thrill to see our work in both areas recognised through various awards. This year, Dwellingup was announced WA's Top Tiny Tourism Town, and the FIPWA was announced a finalist in the Economic Development Australia awards. We are looking forward seeing how we fair the national awards next financial year.

We have also delivered essential ratepayer services – such as waste management, transport and town planning – while progressing major projects and strategic future investments. More on these is detailed further in this Report.

It takes strong relationships and collaboration with state and federal governments, other local governments, industry, business, and most of all the community, to move the Shire forward. I'd therefore like to thank everyone who has worked alongside us during FY2022/23 by funding, developing and delivering the Shire's vision.

I'd also like to thank Murray's 'everyday heroes' by acknowledging the many non-profits, community groups and volunteers that foster connection, wellness and security to the place we call home. In particular I'd like to thank our Chief Bushfire Control Officer, Robert (Bluey) Wilson, Deputy Peter Thurkle and their teams as they put their own safety at risk for the benefit of others.

Once again, it is a true pleasure to present this Annual Report on behalf of the Shire's hard working directors and staff. I thank them for an outstanding year of progress.

A handwritten signature in black ink, appearing to read 'Dean Unsworth'. The signature is fluid and cursive, written over a white background.

Dean Unsworth
Chief Executive Officer

About the **Murray region**

By 2031, the Murray region will be a place where business thrives, the environment is protected, and all people enjoy an outstanding quality of life.

With almost 1821 square kilometres of natural beauty, the Murray region is home to some of the State's finest historic and heritage buildings and has a growing reputation for adventure and wellbeing. The area offers a relaxed lifestyle with a popular mix of canal living, rural homesteads and country homes close to the freeway and several urban centres.

The Murray region is growing. Its population of 18,068 is expected to more than double in the next 20 years. Servicing that growing population requires innovative and smart planning, strategic thinking and economic diversification.

The Shire wants to create a district distinctive by its creativity, liveliness, activity and vibrancy, attracting new investment, seizing opportunities to develop and expand the business sector, and to encourage innovation and collaboration while providing an enticing array of lifestyle attractions.





1821 km²
Land area



83 km
Distance to Perth



537 km
Sealed roads

257 km
Unsealed roads



100+ km
Footpaths



45 km
Canals and waterways



18,068
Population¹

8.2%
Population growth since 2016¹



8,191
Dwellings and homes¹



\$3.22 billion
Gross Regional Product²



1,136
Number of businesses¹



7,449
Number of jobs²

3.6%
Unemployment rate, as
at March 2023¹



60
Public recreational
spaces

7
Sporting reserves



30
Playgrounds

¹ Australian Bureau of Statistics

² NEIR 2021

About the

Shire of Murray

The Shire of Murray is the local government authority proudly serving the people of Murray. It is the Shire's role to deliver essential ratepayer services, while also maintaining facilities and investing in the future.

Shire services



Sport and recreation



Economic
development and
tourism



Transport



Heritage, culture
and events



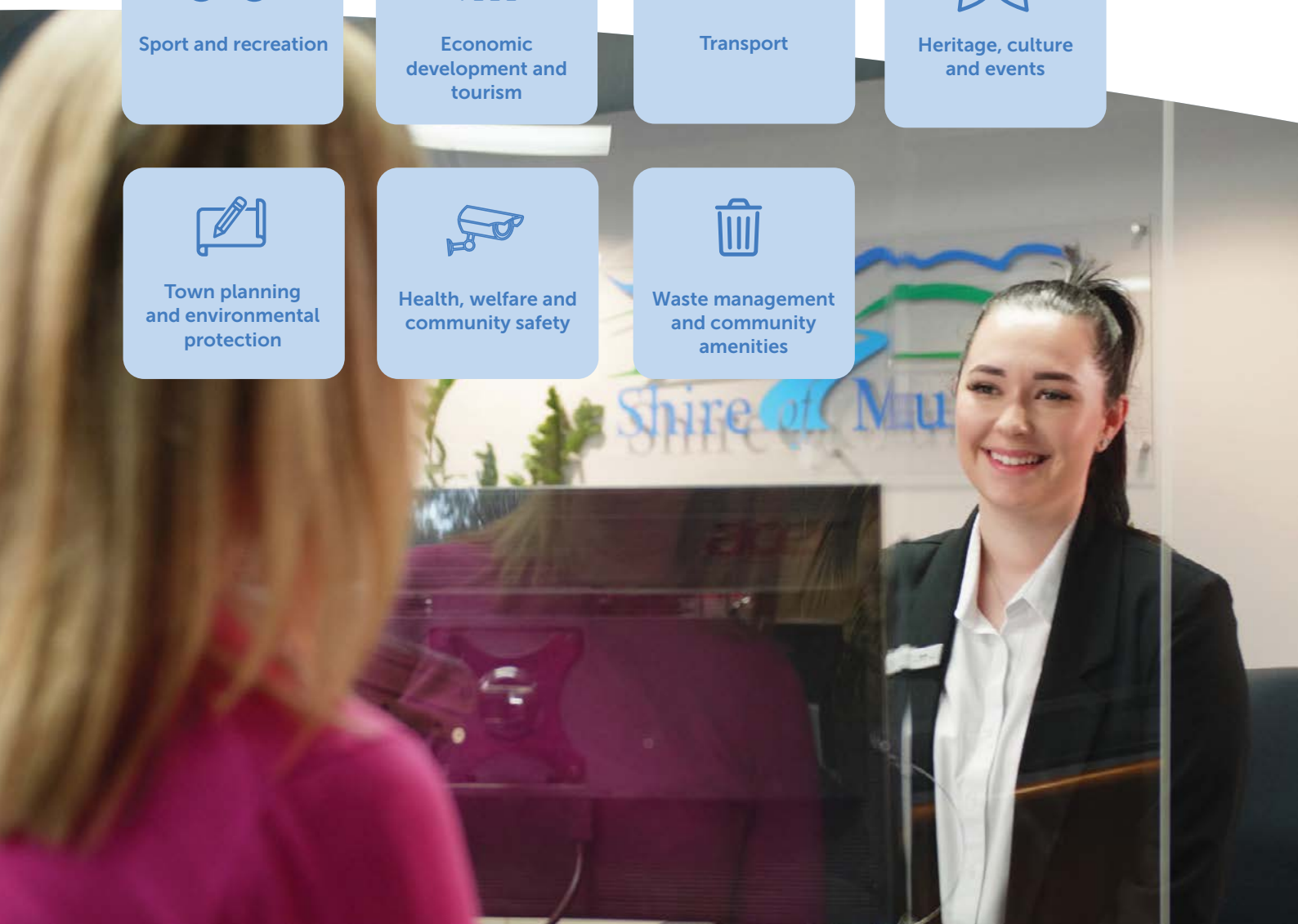
Town planning
and environmental
protection



Health, welfare and
community safety



Waste management
and community
amenities





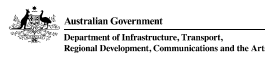
Awards and accreditations

The Shire is proud to be recognised for achievements in various fields and acknowledges the benefits these projects bring to the Murray community. During FY2022/23, the Shire was recognised, or announced as being acknowledged in a diverse suite of awards



Finalist

Economic Development Australia 2023
Excellence in Economic Development Through Partnerships and Collaboration



Honourable mention

National Awards for Local Government 2023
Productivity Through Infrastructure



Winner

7NEWS Top Tiny Tourism Town 2023
Dwellingup



Gold

Waterwise Council 2022

Council



Cr David Bolt
Shire President

Age: 55-64
Gender: Male
Linguistic background: English
Australian-born



Cr Douglas McLarty
Deputy President

Age: 35-44
Gender: Male
Linguistic background: English
Australian-born



Cr Geoff Black
Councillor

Age: Over 64
Gender: Male
Linguistic background: English
Australian-born



Cr Stewart Carter
Councillor

Age: 45-54
Gender: Male
Linguistic background: English
English-born



Cr Stuart Kirkham
Councillor

Age: 45-54
Gender: Male
Linguistic background: English
Australian-born



Cr Steve Lee
Councillor

Age: Over 64
Gender: Male
Linguistic background: English
English-born



Cr David Pike
Councillor

Age: 55-64
Gender: Male
Linguistic background: English
Australian-born



Cr Ange Rogers
Councillor

Age: 35-44
Gender: Female
Linguistic background: English
Australian-born



Cr Casey Rose
Councillor

Age: 35-44
Gender: Female
Linguistic background: English
Australian-born
Resigned August 2022



Elected Member attendance

Elected Member	Ordinary Council Meeting	Special Council Meeting	Audit Committee	Annual Electors	Local Emergency Management Committee	Bushfire Advisory Committee
Cr. David Bolt	11/11	4/4	2/2	1/1	0/0	0/0
Cr. Doug McLarty	11/11	4/4	1/2	1/1	0/0	0/0
Cr. Geoff Black	11/11	3/4	2/2	0/1	0/0	0/0
Cr. Stewart Carter	11/11	4/4	2/2	1/1	0/0	0/0
Cr. Stuart Kirkham	11/11	4/4	1/2	1/1	3/4	0/0
Cr. Steve Lee	11/11	4/4	1/2	1/1	0/0	0/0
Cr. David Pike	11/11	4/4	2/2	1/1	0/0	0/0
Cr. Ange Rogers	11/11	4/4	2/2	1/1	0/0	0/0
Cr. Casey Rose	0/1	1/1	0/0	0/0	0/0	0/0

Elected Member fees, expenses and allowances

Shire President - Councillor David Bolt	
President's allowance	37,140
Meeting attendance fees	16,448
Annual allowance for ICT expenses	3,500
Travel and accommodation expenses	50
	57,138

Deputy Shire President - Councillor Douglas McLarty	
Deputy President's allowance	9,285
Meeting attendance fees	16,448
Annual allowance for ICT expenses	3,500
Travel and accommodation expenses	50
	29,283

Councillor - Geoff Black	
Meeting attendance fees	16,448
Annual allowance for ICT expenses	3,500
Travel and accommodation expenses	50
	19,998

Councillor - David Pike	
Meeting attendance fees	16,448
Annual allowance for ICT expenses	3,500
Travel and accommodation expenses	50
	19,998

Councillor - Stewart Carter	
Meeting attendance fees	16,448
Annual allowance for ICT expenses	3,500
Travel and accommodation expenses	50
	19,998

Councillor - Stuart Kirkham	
Meeting attendance fees	16,448
Annual allowance for ICT expenses	3,500
Travel and accommodation expenses	50
	19,998

Councillor - Steve Lee	
Meeting attendance fees	16,448
Annual allowance for ICT expenses	3,500
Travel and accommodation expenses	50
	19,998

Councillor - Ange Rogers	
Meeting attendance fees	16,448
Annual allowance for ICT expenses	3,500
Travel and accommodation expenses	50
	19,998

Councillor - Casey Rose	
Meeting attendance fees	2,167
Annual allowance for ICT expenses	461
Travel and accommodation expenses	50
	2,677

Total Elected Member Remuneration	
President's allowance	37,140
Deputy President's allowance	9,285
Meeting attendance fees	133,750
Annual allowance for ICT expenses	28,461
Travel and accommodation expenses	450
	209,086

Register of complaints

The Shire did not record any complaints in the register of complaints kept in accordance with Section 5.121 of the *Local Government Act 1995* during FY2022/23.

Remuneration paid in relation to complaints

The Shire paid \$0 in remuneration and allowances under schedule 5.1 clause 9 of the *Local Government Act 1995*.

Money paid by a person against whom a complaint is made

There was \$0 ordered to be paid to the local government under section 5.110(6)(b)(iv) of the *Local Government Act 1995* in relation to a complaint that was made under section 5.107(1), 5.109(1) or 5.114(1) of the *Local Government Act 1995*.

Administration

The Chief Executive Officer (CEO) is responsible for the day to day management of the organisation and staff. The CEO provides strategic direction to the Shire's five directorates.



Office of the Chief Executive Officer

Provides overall direction and strategic leadership to the organisation. Responsible for strategic planning, Councillor services, advocacy, strategic partnerships, investment attraction, the Food Innovation Precinct Western Australia, and communications and marketing.

Dean Unsworth

Chief Executive Officer



Corporate Services

Oversees corporate matters and services internal departments. Responsibilities include information technology, records management, finance and rates, human resources, governance, workplace health and safety, ranger and emergency services, asset management and the Murray Aquatic and Leisure Centre.

Tracie Unsworth

Director



Infrastructure Services

Manages and maintains the Shire's infrastructure. Responsibilities include design and survey, Operations Centre, parks and gardens, cemeteries, civil works and waste and fleet.

Alan Smith

Director



Place, Community and Economic Development

Works with business, community and the tourism sector to realise Murray's potential as a great place to do business, invest, visit and live. Responsibilities include economic development, place activation, tourism and visitor servicing, events, library services, community development, sport and recreation and customer service.

Leanne McGuirk

Director



Planning and Sustainability

Provides oversight of Murray's future growth and development. Responsibilities include planning services, strategic development, building services, environmental health and environmental services.

Rod Peake

Director

Disclosure of annual salaries

There were seven employees entitled to an annual salary of \$130,000 or more.

Salary Band	Number of Employees
130,000-139,000	1
150,000- 159,000	3
170,000-179,000	1
200,000-209,000	1
310,000-319,000	1

In line with the Salaries and Allowances Tribunal Determination 2022 the CEO's remuneration package of \$318,180 included superannuation, vehicle usage, training and all other employee related on-costs and overheads.

Workforce

186

Employees

106

Full-time employees

41

Part-time employees

39

Casual staff

39%

Male staff

61%

Female staff

14-73

Age range

45.5 yrs

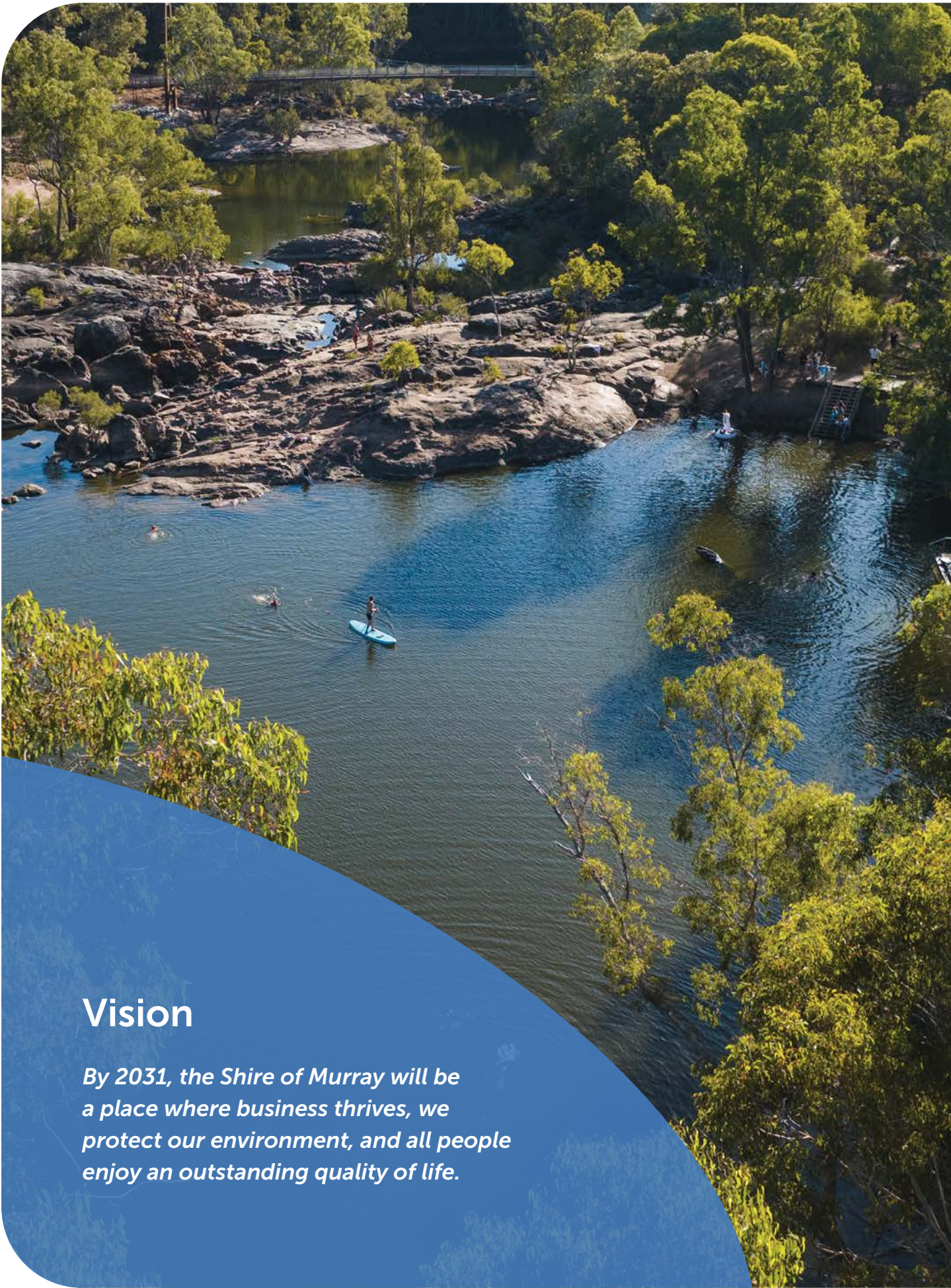
Average age

6.23 yrs

Average tenure

0%

Identify as non-binary, gender diverse, other or prefer not to say



Vision

By 2031, the Shire of Murray will be a place where business thrives, we protect our environment, and all people enjoy an outstanding quality of life.



Performance

The Strategic Community Plan is the blueprint that guides the Shire of Murray. The Plan sets the strategic direction to 2031 and beyond, by specifying the vision and five focus areas.



Places for people



Thriving economy



Environment, character and heritage



Connected and accessible



Capable and accountable





Places for people

In 2031 the Shire will have created great places for people through strong partnerships with the community; innovative urban design; and improved the well-being and quality of life for residents.

Key achievements

Ravenswood Community Centre

Dwellingup Precinct Structure Plan

Local Planning Strategy and Local Planning Scheme

Pinjarra District Structure Plan and Precinct Structure Plan

Murray Health Futures

Lovegrove Sports Pavilion

South Yunderup Pavilion

Ravenswood Community Centre

In November 2022, the Shire of Murray and stakeholders held an official turning of the sod event for the new Ravenswood Community Centre.

This new Community Centre will enhance the quality of life for Ravenswood residents by providing a welcoming and interactive meeting place that will encourage the community to be active, involved in their communities and to connect.

Sustainable building initiatives have been incorporated into the Centre, which will include a main function space, kitchen, meeting room, offices, storage space and changerooms with amenities. It will also have an alfresco area, an outdoor space, and a playground.

The Ravenswood Community Centre is due to open in October 2023.





Dwellingup Precinct Structure Plan

The Dwellingup Precinct Structure Plan sets out the town's direction of growth and how it will be managed to sustain the town into the future. It details development investigation areas and residential consolidation precincts to articulate how the town can expand in a logical manner.

With Dwellingup located in State Forest, environmental safety has been a strong focus for the Structure Plan. As such, it provides the Shire with a strategic approach to bushfire risk in the area and includes vegetation management zones. Revised construction standards for new builds will also improve the resistance of the existing township to bushfire risk.



The Dwellingup Precinct Structure Plan will be submitted to the Western Australian Planning Commission during FY2023/24.





Local Planning Strategy and Local Planning Scheme

During FY2022/23, the Shire prepared a draft Local Planning Strategy and Local Planning Scheme.

The Local Planning Strategy will become a key strategic planning document, setting the direction for Murray's long-term development. It captures the strategic vision for the Shire's Local Government Area and how it will grow over the next 15 years.

The document considers planning related issues such as population growth, employment, environment and required community infrastructure. The Local Planning Scheme articulates how the Local Planning Strategy will be implemented and includes details about zoning, reserves and land use permissibility.

Pinjarra District Structure Plan and Precinct Structure Plan

Through the development of the Pinjarra District Structure Plan and Precinct Structure Plan, the Shire has placed significant focus on the town's identity and how it will be retained as Pinjarra grows.

The Pinjarra District Structure Plan considers the entire Pinjarra townsite and articulates how it can grow in a well-coordinated manner. The Precinct Structure Plan focusses on central Pinjarra and provides detailed guidance on development and subdivision.

These documents will be advertised to the community and considered by Council in FY2023/24.

Murray Health Futures

Statistics show, people living in Murray have more long-term health conditions – such as arthritis, heart disease and lung conditions – when compared to Greater Perth.

In response, the Shire of Murray established a multi-agency steering committee to undertake a health and social needs analysis and identify a long-term solution to health care service provision in Murray.

The Murray Health Futures Steering Committee includes representatives from the Shire, South Metropolitan Health Service, WA Primary Health Alliance and Peel Development Commission. In the coming financial year, the committee will undertake community consultation and assess official health data before developing a business case for government consideration.



Lovegrove Sports Pavilion

Lovegrove Sports Pavilion will create more sporting opportunities in the area with a new clubhouse, expanded oval and carpark to support both cricket and hockey. Funding will allow new facilities, with works including the removal of the original tennis courts and building.

The area will be suitable for cricket and hockey plus create a precinct with the Pinjarra Bowls Club just next door.



South Yunderup Pavilion

In July 2022, the Shire of Murray officially opened the brand new South Yunderup Pavilion. The new pavilion is modern and functional and features a gender-neutral change-room, kiosk, storage, toilets and undercover area for prime spectator viewing.

This oval has a designated dog exercise area, where dogs can be exercised off the leash. The oval is adjacent to the Yunderup Sport and Recreation Club, which offers food and beverage options and a range of other leisure activities.









Thriving economy

In 2031 Murray will have a diverse and prosperous economy that supports innovation, training opportunities and provides a variety of business, tourism and employment opportunities.

Key achievements

Food Innovation Precinct Western Australia

Exchange Hotel

Fuel to Go and Play Pinjarra Festival

Act Belong Commit Dwellingup 100

Pinjarra Heritage Railway Precinct Master Plan
and Dwellingup Rail Link

Tourism



Food Innovation Precinct Western Australia

In February 2023, the Shire of Murray's Food Innovation Precinct Western Australia (FIPWA) was officially opened. The state-of-the-art precinct is WA's first centre of agri-food innovation excellence.

As an ecosystem for innovation in the agriculture and food spaces, FIPWA contains a food technology facility, an Innovation Centre and a Research and Development Centre. It is projected to bring a billion-dollar boost to WA's economy by enabling up to \$330 million in the food and beverage sector, and another \$737 million into the wider economy over the next five years.

In its first year, FIPWA received an honorary mention in the category of Productivity through Infrastructure at the National Awards for Local Government. It was also announced as a finalist at Economic Development Australia's national award for Excellence in Economic Development Through Partnerships and Collaboration.

The Shire looks forward to hearing the results of the national awards in FY2023/24.

Exchange Hotel

The Shire of Murray is working to redevelop and reactivate the Shire-owned Exchange Hotel. This project will recreate a regional icon and destination hospitality venue to be enjoyed by local people and visitors to Pinjarra.

In November 2022, Council endorsed hoteliers Karl and Janine Bullers to become the operators of the renovated building when it reopens. The couple have a reputation for transforming heritage buildings into successful eateries and pubs. They already co-own and manage the Old Courthouse, and they also own The National Hotel in Fremantle after purchasing the site following a devastating fire in 2009.



Work began at the Exchange Hotel in April 2023 and will be completed during FY2023/24.





Fuel to Go and Play Pinjarra Festival

An estimated 30,000 people enjoyed the 2023 Fuel to Go and Play Pinjarra Festival.

Held on 3 and 4 June 2023, visitors experienced live music, roving performers, 100+ market stalls, free kids' activities, displays, workshops, amusements, vintage car and machinery displays, delicious food and drink options and a host of creative and arts-based displays.

It was a bustling weekend of entertainment.



Act Belong Commit Dwellingup 100

The Act Belong Commit Dwellingup 100 was WA's largest one-day mountain bike race. Attracting a mix of newcomers and novices as well as some of Australia's best riders, it was a great day out for families wanting to witness the thrills (and occasional spills) of a top-class mountain bike event.

Running alongside the Dwellingup 100 was the Mighty Jarrah Trail Run. The event offered four distance options for riders and three for runners, including a 6km doggie dash.

More than a thousand riders and runners took on the challenge.



Pinjarra Heritage Railway Precinct Master Plan and Dwellingup Rail Link

The Shire is working to revitalise and strengthen existing landmark sites and heritage assets within Pinjarra to stimulate visitation, create jobs and attract significant new investment. Two key projects in achieving this are the Pinjarra Heritage Railway Precinct Master Plan and Dwellingup Rail Link.

The Pinjarra Heritage Railway Precinct Master Plan is a co-designed plan that encompasses a heritage railway museum, visitor centre and café, event spaces, destination play space and short stay accommodation.

The Heritage Rail Link seeks to reconnect the former Pinjarra to Dwellingup Heritage Rail Link. This will help Pinjarra reach its potential as a must-see regional Western Australian destination by releasing unique tourism products and experiences.

*These two integrated projects
are in the final stages of
planning with concepts,
costings and business case to
be finalised in FY2023/24.*





Tourism

With a sustained focus on building Murray’s tourism economy, the Shire recorded a significant increase in visitors to the Dwellingup Trails and Visitor Centre.

Dwellingup Trails and Visitor Centre visits



To achieve this, the Shire has partnered with industry, invested in tourism and maintained its destination brand – Wild@Heart. A significant milestone achieved during FY2022/23 was the completion of the Dwaarlindjirraap Bridge in Lane Poole Reserve. This is the most recent completed infrastructure in the \$8.4 million Dwellingup Adventure Trails project.

In addition, the Shire worked closely with Tourism Western Australia and Destination Perth, to showcase the Murray region to the State and across Australia.



In FY2022/23, Dwellingup was named Western Australia’s Top Tiny Tourism Town at the GWN7 Top Tourism Town Awards. The Shire looks forward to attending at the national awards in September 2023.





Environment, character and heritage

In 2031 Murray will be effective stewards of our environment, history, heritage, natural landscape and rural character.

Key achievements

Environmental Sustainability Strategy

Coastal Hazard Risk Management and Adaptation Plan

Riverbank restoration

Mosquito management

Parks and gardens

Dwellingup Mining Avoidance Area



Environmental Sustainability Strategy

The Environmental Sustainability Strategy will become the Shire's organisation-wide commitment to supporting a sustainable future. The draft strategy was developed in early 2023, with consultation to be undertaken in FY2023/24. Once complete, the strategy will outline how the Shire will seek outcomes in six critical areas. These being energy and climate, water, waste, conservation, sustainable community and internal governance

Draft Coastal Hazard Risk Management and Adaptation Plan

The Shire of Murray considers the management of the estuarine and riverine areas and foreshore reserves throughout the region, and the mitigation of the coastal hazard risk posed to the community, as integral to Murray's ongoing and future success.

Erosion and inundation are an increasing risk for the Shire of Murray, and to best protect the community the Shire advertised a draft Coastal Hazard Risk Management Adaptation Plan (CHRMAP) with the final report due to be considered by Council after public consultation in the first quarter of 2024.

Riverbank restoration

Riverbank restoration was delivered with State NRM, Landcare SJ and Peel Harvey Catchment Council to protect key areas around the lower Murray River Foreshore. During FY2022/23 200 metres of rock walling and soft engineering solutions were installed around Willow Gardens and on Cooleenup Island. This was undertaken in conjunction with the Bindjareb Rangers.

Further works are programmed for FY2023/24.





Mosquito management

While Murray is fortunate to border a large area of the Peel Harvey Estuary, its salt marshes provide an ideal breeding ground for mosquitoes. This creates significant risk for residents, especially those living in residential areas in close proximity to the estuary.

Larviciding is the main method of mosquito reduction in the Peel Region. This technique targets the mosquito larvae before they emerge as adults and is the most effective control method to reduce adult populations. Larvicides are applied by helicopter.

During FY2022/23 there were 22 treatments, undertaken over 28 days. Total cumulative area treated was 5358 hectares, with an average treatment of 243 hectares. The largest treatment was 414 hectares.





Parks and gardens

The Shire cares for about 60 recreational spaces, seven sporting reserves and 40 playgrounds by weeding, mowing, pruning and performing general maintenance. As well as undertaking this daily upkeep, the Shire undertook a number of projects at these areas. This included new lawn and landscaping at Pinjarra Foreshore, installation of a new playground and community facilities at Sandy Cove, and a new niche wall at Pinjarra Cemetery.

In addition, the Shire participated in the Planting Trees for The Queens Jubilee Program by hosting a planting event at Pinjarra War Memorial.



60

Public recreational spaces



7

Sporting reserves



30

Playgrounds



Dwellingup Mining Avoidance Area

In June 2023, the Shire welcomed Alcoa's announcement that it will establish a mining avoidance area around Dwellingup.

Dwellingup is a remarkable part of the world and the decision is a positive step in protecting the area's special environmental, lifestyle, ecotourism, heritage and recreation values.

The Shire will continue to advocate for excluding mining activities in critical conservation zones like Lane Poole Reserve, and seek to protect these areas from future mining tenement applications.





CAT

**SHIRE of
MURRAY**





Connected and accessible

In 2031 Murray will have enhanced transport linkages and opportunities to share information using a variety of travel and technology options.

Key achievements

Pinjarra Heavy Haulage Deviation

Wharf Cove boating facilities

Road renewal and upgrades



Pinjarra Heavy Haulage Deviation

The Shire continued to liaise with Main Roads Western Australia to work towards the delivery of the Pinjarra Heavy Haulage Deviation. The project will involve constructing an alternative route for heavy vehicles to travel around Pinjarra town centre.

This will reduce congestion, improve safety and enable the development of an activated town centre.



Connected and accessible



Wharf Cove Boating facilities

Being carried out in two stages, a total of eight new self-floating finger jetties provide improved access to waterways in this area near Sandy Cove Park.

The previous jetties were replaced due to wear and age, with the self-floating jetties more adaptable to tides and weather events.

Upgrades to the footpath along the jetty will further renew the promenade, make it more accessible and activate the area.

The first stage of this project was completed in FY2021/22. The second stage is planned for FY2023/24.



Road renewal and upgrades

As well as the usual maintenance and renewal of roads, footpaths, bridges and drainage, the Shire progressed a number works along public roads and footpaths. Activities took place on Burnside Road, Lakes Road, Corio Road and Del Park Road.

In addition, the Shire progressed with two key projects that fall within the State Government's Black Spot Program. The Shire is working to upgrade a 4 km stretch of Readheads Road and 800 m of Murray River Drive.

Work includes road widening and reconstruction to improve conditions at these road safety blackspots and will continue in FY2023/24.





Capable and accountable

In 2031 the Shire of Murray will have further developed strong leadership through good governance, effective communication and ensuring value for money.

Key achievements

Council Plan

Long Term Financial Plan

Disability Access and Inclusion Plan



Capable and accountable

Council Plan

Throughout FY2022/23, the Shire of Murray undertook significant consultation to guide the development of the Council Plan 2023 – 2033.

Consultation included community workshops, community surveys, seminars, an online community voicebank and the Shire's first-ever youth summit. 1476 surveys were completed, and 66,852 words of community ideas, suggestions and recommendations were collated.

Due to be launched in July 2023, the plan will set the Shire's priorities for the next ten years. It will represent community priorities and align the Shire's actions to them. The Shire looks forward to working alongside the community to bring the Plan to fruition.

Long Term Financial Plan

The Shire has been working to update its Long Term Financial Plan. This important planning document will align with the Council Plan 2023 – 2033 and allow the Shire to deliver a range of services and projects that meet community aspirations.



Disability Access and Inclusion Plan

The Shire of Murray launched its new Disability Access and Inclusion Plan (DAIP), which will guide the organisation's efforts to ensure the community is increasingly accessible to and inclusive of people with disability, their families and carers.

The DAIP was developed in partnership with the Murray Aged, Access and Inclusion Group, Shire stakeholders and the broader community. It aims to make considerable progress through seven outcome areas. These include events, buildings, information, services, complaints, consultation and employment.

Actions are already underway, with the installation of speech transfer systems at the Shire of Murray Administration Office and Civic Centre Box Office. The DAIP, including audio and easy English versions, are available on murray.wa.gov.au. Braille versions are also available.



Record keeping

The Records department ensured accurate and efficient capturing of 'records' into the Shire's electronic document management systems, and compliance with the *State Records Act 2000* and the Shire's Record Keeping Plan. The Record Keeping Plan was approved by State Records on 22 March 2019 and is scheduled to be reviewed and submitted by 22 March 2024.

The Shire of Murray's record keeping management systems comprise record system HP Content Manager (previously known as TRIM) and the corporate business system (Open Office).

Disposal or deletion of records

Under the *State Records Act 2000*, all records created, received and maintained by the Shire of Murray must be disposed of in accordance with the General Disposal Authority for Local Government Records.

The Disposal Authority defines the minimum periods of time that different classes of records must be kept (retention periods) and provides guidelines for destruction of records after they have met the retention requirements of the schedule. Disposal of records occurs annually in accordance with the *State Records Act 2000*.

Training

Attendance at a record keeping induction session is compulsory for all staff that will create, collect and use records during their employment at the Shire of Murray.

Audits

Regular audits were carried out to monitor the location of files and the length of time the files were removed from the Records office. All documents entered into the Shire of Murray's records system are audited by qualified record management officers to ensure the accuracy.

Reports

Reports were generated out on a daily, weekly and monthly basis to ensure correspondence was handled efficiently and promptly.

Freedom of Information

In accordance with the *Freedom of Information Act 1992* a total of four Freedom of Information applications were processed during the year.

The Shire's Freedom of Information Statement is available on www.murray.wa.gov.au.



Disability Access and Inclusion Plan

Progress report

Outcome one

People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.

EDIE virtual reality session

Dementia Australia returned to finalise carer education support. This session was aimed at family of people living with dementia to enhance knowledge of dementia. Virtual reality technology allowed participants to see the world through the eyes of a person living with dementia.

Participants gained knowledge in the perspective and needs of a person living with dementia, effective communication methods and environmental changes to support a person to live well.

Carers WA pit stop bus – Priscilla

Carers WA completed a series of pop-ups with their community engagement van, Priscilla. They disseminated information and resources for unpaid carers to find out more about Carers WA services.

There was a great response from the community with a regular stream of unpaid carers seeking support and information. A Carers Social Support Group has also been formed in Pinjarra to allow members to meet other carers in their local community.

Peel Aged Care Games

The Seniors Recreational Council of WA Inc. – Peel Branch held the Peel Aged Care Games at the Murray Aquatic and Leisure Centre (MALC) on 11 October 2022. With the support of the Shire of Murray and Alcoa volunteers, nine teams competed in a range of activities specifically modified for seniors in care.

Outcome two

People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority.

Disability access appraisals

External consultants undertook accessibility audits of four existing facilities in the Shire of Murray. An action plan has been devised to address the identified issues in order of prioritisation.

Improvements to buildings and public open spaces

1. Resulting from a request from a local long-standing member of the football club, a handrail was installed at the rear entry access way to the Football Club building to assist with ease of entry up the steps.
2. Accessibility has been improved with works to the landing area and pathway linkages to the residential end of the pedestrian bridge that connects a residential area to the newly redeveloped town square and foreshore area.
3. With funding support from Alcoa and Lotterywest, a new accessible play space has been installed at Cantwell Park in Pinjarra. There are accessible tables close to the play space that will seat a wheelchair / pram and can be accessed from the paths.
4. Developed in consultation with the local community, the North Dandalup revitalisation project saw improvements and upgrades to the reserve and community space with accessible pathways included in the overall design interconnecting the new play equipment, barbeque, outdoor exercise equipment and accessible toilet facilities.

Outcome three

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.

Disability Access and Inclusion Plan (DAIP) 2023 – 2028

The Disability Access and Inclusion Plan (DAIP) 2023 – 2028 was endorsed by Council and audio versions have been made available on the Shire website. Easy English and Braille versions are available at the Shire Administration Office and Murray Library.

In addition, a Hearing Loop Australia Contacta Counter Sound Transfer Package has been installed at the Shire Administration Office reception and Civic Centre Box Office for ticketing at theatre shows.

Outcome four

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.

Disability awareness training

Disability Awareness training has been included in the Shire of Murray's Organisational Professional Development Program. The first training session was well received by Shire officers. Since the training, the Shire's Communications and Marketing Team have ensured the use of accessible images with alternative text captions to describe the images on social media posts.

Inclusivity training for clubs and community groups was facilitated by Inclusion Solutions - Building Better Clubs with representatives from 16 clubs and community groups participating. Feedback was very positive and some of the clubs have embraced fresh ideas to create a new way of thinking and have implemented changes to include more inclusive practices.

Outcome five

People with disability have the same opportunities as other people to make complaints to a public authority.

As per the Shire of Murray Customer Service Charter, customer complaint and compliment forms are made available online or from all customer service areas including the Shire Administration Office, Murray Library and Murray Aquatic and Leisure Centre. Customer service staff continue to be responsive to the individual needs of residents assisting them to complete complaint forms on an as needs basis.





Outcome six

People with disability have the same opportunities as other people to participate in any public consultation by a public authority.

The Shire of Murray continues to consult with the Murray Aged, Access and Inclusion Group (MAAIG) on a variety of issues, events, projects and developments. Consultation with the wider community and members of MAAIG resulted in:

- Development of an Implementation Plan with associated actions for the newly endorsed Disability Access and Inclusion Plan 2023 – 2028
- Dedicated ACROD parking locations for Pinjarra Festival 2023
- Sensory tent at Pinjarra Festival 2023
- Accessible toilets at the Christmas Celebration 2022 and Pinjarra Festival 2023
- Inclusive activities and event planning for Seniors Week 2022
- Support of regular 'Artists with a Disability' program run at Edenvale Heritage Precinct.

Outcome seven

People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

The Shire of Murray Human Resources Team has commenced liaison with disability and employment service providers to build local linkages that may enhance sustainable outcomes for people with disability.

Disabled parking bays and toilets are available for employees at all sites including the Shire Administration Office, Murray Library, Murray Aquatic and Leisure Centre and Operations Centre. Upon declaration of living with a disability, an action plan is undertaken to accommodate the needs of the employee and reasonable adjustments provided. Flexible working arrangements are implemented with extra provisions provided to assist with working from home i.e. laptops with anti-glare screens for vision impairment.



Capital grants, subsidies and contributions

Under the *Local Government Act 1995*, the Shire of Murray is required to provide all capital grants, subsidies and contributions for replacing and renewing assets, that were received by the local government during the financial year and the two financial years before the financial year.

FY2022/23

\$3,120,227

FY2021/22

\$2,109,509

FY2020/21

\$5,450,304

Major grants

Alcoa of Australia

\$454,368

- Del Park Road
- Community Partnership Program
- Dwellingup Multi-Purpose Facility Feasibility Study
- Community Grants

Department of Local Government

\$192,500

- Lovegrove Pavilion
- Dwellingup Trail Town

Department of Biodiversity, Conservation and Attraction

\$320,619.55

- Dwellingup Gap Project

Department of Primary Industries and Regional Development

\$1,101,066.42

- Ravenswood Community Centre
- Murray Health and Social Needs Analysis
- North Dandalup Community Hall
- Enterprise Support Program
- Pinjarra Dwellingup Rail Link

Department of Education

\$221,661.84

- Sir Ross McLarty Oval maintenance
- Shire of Murray traineeships
- Pinjarra Senior High School parking

Department of Transport

\$452,636.95

- Batavia Quays boating facility
- North Pinjarra shared path

Department of Industry

\$206,738.64

- Exchange Hotel
- Queen's Jubilee Tree Planting Grant
- Expert in Residence Program

Development WA

\$55,022

- Gull Road



Dwellingup Heritage Garden

\$9,411.07

- Dwellingup Heritage Rose Garden

Department of Infrastructure, Transport, Regional Development, Communications and the Arts

\$1,960,890.18

- Roads to Recovery
- Lovegrove Sports Pavilion
- Food Innovation Precinct Western Australia

Lotterywest

\$199,000

- Cantwell Park Playground
- Pinjarra Festival
- Christmas on the Murray



Main Roads WA

\$2,371,682.71

- Roads infrastructure

Gaming and Wagering Commission

\$11,600

- Every Club Development Program

Spinifex Brewery Limited

\$50,000

- Fit-out at Food and Innovation Precinct Western Australia



Government of Western Australia

\$2,879,670

- Federal Assistance Grants

Western Australian Cricket Association

\$27,000

- Lovegrove Sports Pavilion

Keysbrook Leucoxene Pty Ltd

\$35,441.82

- Hopeland Road Annual Road Maintenance
- Annual School Tree Planting
- Pinjarra Festival

Department of Fire and Emergency Services

\$477,343.93

- Murray State Emergency Services
- Bushfire Brigade
- Community Emergency Services Coordinator
- Aware Review

Peel Development Commission

\$167,096

- Food Innovation Precinct Western Australia

Department of Planning, Lands and Heritage

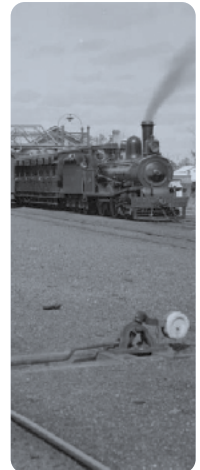
\$32,500

- Pinjarra Heritage Month
- Murray Coastal Hazard Risk Management and Adaptation Plan

Tourism Western Australia

\$52,000

- Pinjarra Festival
- Dwellingup Rail Project
- Short Stay Accommodation Study



WA Primary Health Alliance

\$98,018

- Shire of Murray Health Initiatives
- WAPHA Projects

Department of Training and Workforce Development

\$17,762.53

- Shire of Murray Traineeships

Western Australian Health Promotion Foundation

\$18,000

- Pinjarra Festival



The

EXCHANGE HOTEL

Major land transactions

To redevelop and lease the land located at Portion of Lots 85, 86, 87 and 88 on Deposited Plan 223049, 12-18 George Street, Pinjarra, more commonly known as the 'Exchange Hotel'.

Current year transactions	2023 Actual \$	2023 Budget \$	2022 Actual \$
Capital grants, subsidies and contribution	193,364	1,594,472	0
Interest revenue	43,593	0	0

Expenditure			
Employee costs and materials and contracts	(57,396)	0	0
Finance costs	(60,002)	(6,341)	0
Repayment of borrowings	(25,790)	(31,135)	0
Purchase of property, plant and equipment	(479,671)	(5,974,055)	0
	(385,902)	(4,417,059)	0

The 'Exchange Hotel' project is expected to be completed in FY2023/24. Cash inflows are expected to be \$2,141,893 and cash outflows are expected to be \$7,582,582 for FY2023/24

Assets and liabilities	2023	2022
Assets		
Cash and cash equivalents	1,700,000	0
Property, plant and equipment	479,671	0
	2,179,671	0
Liabilities		
Borrowings	(1,674,210)	0
	(1,674,210)	0
Net assets	505,461	0



Financial Report

2022/2023



SHIRE OF MURRAY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

An outstanding place for community, lifestyle and opportunity

Principal place of business:
1915 Pinjarra Road
PINJARRA WA 6208

**SHIRE OF MURRAY
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 Murray 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 24th day of November 2023



Chief Executive Officer

DEAN UNSWORTH

Name of Chief Executive Officer

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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),25	18,994,332	19,058,504	17,797,724
Grants, subsidies and contributions	2(a)	4,860,076	2,436,894	6,650,218
Fees and charges	2(a)	9,049,418	8,725,640	8,992,670
Interest revenue	2(a)	1,179,175	301,655	263,941
Other revenue	2(a)	1,116,278	819,359	961,017
		35,199,279	31,342,052	34,665,570
Expenses				
Employee costs	2(b)	(13,683,065)	(14,104,316)	(12,834,895)
Materials and contracts		(10,980,464)	(13,649,610)	(13,071,016)
Utility charges		(983,225)	(978,985)	(970,552)
Depreciation		(7,014,721)	(6,875,768)	(6,383,907)
Finance costs	2(b)	(165,372)	(107,909)	(136,433)
Insurance		(489,641)	(547,889)	(478,686)
Other expenditure	2(b)	(632,442)	(943,046)	(794,023)
		(33,948,930)	(37,207,523)	(34,669,512)
		1,250,349	(5,865,471)	(3,942)
Capital grants, subsidies and contributions	2(a)	10,755,887	14,300,391	23,653,680
Profit on asset disposals		84,016	44,734	57,064
Loss on asset disposals		(359,808)	(147,995)	(750,748)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	4,607	0	4,996
		10,484,702	14,197,130	22,964,992
Net result for the period	24(b)	11,735,051	8,331,659	22,961,050
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	10,222,830	0	8,108,690
Total other comprehensive income for the period	17	10,222,830	0	8,108,690
Total comprehensive income for the period		21,957,881	8,331,659	31,069,740

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

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

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	36,321,177	29,769,122
Trade and other receivables	5	3,634,499	4,049,047
Other financial assets	4(a)	23,999	23,876
Inventories	6	18,562	40,622
Other assets	7	821,104	924,474
TOTAL CURRENT ASSETS		40,819,341	34,807,141
NON-CURRENT ASSETS			
Trade and other receivables	5	811,681	704,965
Other financial assets	4(b)	150,233	169,625
Property, plant and equipment	8	93,188,212	90,970,479
Infrastructure	9	266,966,894	251,809,677
Right-of-use assets	11(a)	717,420	383,262
Intangible assets	12	442,074	380,764
TOTAL NON-CURRENT ASSETS		362,276,514	344,418,772
TOTAL ASSETS		403,095,855	379,225,913
CURRENT LIABILITIES			
Trade and other payables	13	5,322,230	6,413,261
Other liabilities	14	3,904,790	2,542,903
Lease liabilities	11(b)	163,802	78,703
Borrowings	15	451,526	387,856
Employee related provisions	16	2,665,723	2,716,490
TOTAL CURRENT LIABILITIES		12,508,071	12,139,213
NON-CURRENT LIABILITIES			
Other liabilities	14	3,017,579	3,017,579
Lease liabilities	11(b)	455,521	236,379
Borrowings	15	3,999,470	2,776,786
Employee related provisions	16	399,810	298,433
TOTAL NON-CURRENT LIABILITIES		7,872,380	6,329,177
TOTAL LIABILITIES		20,380,451	18,468,390
NET ASSETS		382,715,404	360,757,523
EQUITY			
Retained surplus		155,667,621	144,905,922
Reserve accounts	28	16,240,559	15,267,207
Revaluation surplus	17	210,807,224	200,584,394
TOTAL EQUITY		382,715,404	360,757,523

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

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

	NOTE	RETAINED SURPLUS	RESERVE ACCOUNTS	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2021		122,462,809	14,749,270	192,475,704	329,687,783
Comprehensive income for the period					
Net result for the period		22,961,050	0	0	22,961,050
Other comprehensive income for the period	17	0	0	8,108,690	8,108,690
Total comprehensive income for the period		22,961,050	0	8,108,690	31,069,740
Transfers from reserve accounts	28	4,864,304	(4,864,304)	0	0
Transfers to reserve accounts	28	(5,382,241)	5,382,241	0	0
Balance as at 30 June 2022		144,905,922	15,267,207	200,584,394	360,757,523
Comprehensive income for the period					
Net result for the period		11,735,051	0	0	11,735,051
Other comprehensive income for the period	17	0	0	10,222,830	10,222,830
Total comprehensive income for the period		11,735,051	0	10,222,830	21,957,881
Transfers from reserve accounts	28	4,297,871	(4,297,871)	0	0
Transfers to reserve accounts	28	(5,271,223)	5,271,223	0	0
Balance as at 30 June 2023		155,667,621	16,240,559	210,807,224	382,715,404

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

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

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		18,802,359	18,072,300
Grants, subsidies and contributions		4,902,739	2,335,698
Fees and charges		9,049,078	8,995,433
Interest revenue		1,179,175	263,941
Goods and services tax received		1,163,186	382,446
Other revenue		1,116,278	961,017
		<u>36,212,815</u>	<u>31,010,835</u>
Payments			
Employee costs		(13,576,442)	(12,617,286)
Materials and contracts		(12,117,953)	(10,856,331)
Utility charges		(983,225)	(970,552)
Finance costs		(165,372)	(136,433)
Insurance paid		(489,641)	(478,686)
Goods and services tax paid		(653,448)	(739,922)
Other expenditure		(632,782)	(608,846)
		<u>(28,618,863)</u>	<u>(26,408,056)</u>
Net cash provided by (used in) operating activities	18(b)	7,593,952	4,602,779
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment		(4,015,609)	(18,397,338)
Payments for construction of infrastructure		(6,502,954)	(5,759,340)
Payments for intangible assets	12	(114,521)	0
Capital grants, subsidies and contributions		8,079,462	20,903,090
Proceeds from financial assets at amortised cost - self supporting loans		23,876	44,698
Proceeds from sale of property, plant & equipment		348,515	257,684
		<u>(2,181,231)</u>	<u>(2,951,206)</u>
Net cash provided by (used in) investing activities		(2,181,231)	(2,951,206)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(413,646)	(483,493)
Payments for principal portion of lease liabilities	27(d)	(147,020)	(84,673)
Proceeds from new borrowings	27(a)	1,700,000	0
		<u>1,139,334</u>	<u>(568,166)</u>
Net cash provided by (used in) financing activities		1,139,334	(568,166)
Net increase (decrease) in cash held		6,552,055	1,083,407
Cash at beginning of year		29,769,122	28,685,715
Cash and cash equivalents at the end of the year	18(a)	<u>36,321,177</u>	<u>29,769,122</u>

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

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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	18,793,011	18,865,445	17,600,702
Rates excluding general rates	25	201,321	193,059	197,022
Grants, subsidies and contributions		4,860,076	2,436,894	6,650,218
Fees and charges		9,049,418	8,725,640	8,992,670
Interest revenue		1,179,175	301,655	263,941
Other revenue		1,116,278	819,359	961,017
Profit on asset disposals		84,016	44,734	57,064
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	4,607	0	4,996
		<u>35,287,902</u>	<u>31,386,786</u>	<u>34,727,630</u>
Expenditure from operating activities				
Employee costs		(13,683,065)	(14,104,316)	(12,834,895)
Materials and contracts		(10,980,464)	(13,649,610)	(13,071,016)
Utility charges		(983,225)	(978,985)	(970,552)
Depreciation		(7,014,721)	(6,875,768)	(6,383,907)
Finance costs		(165,372)	(107,909)	(136,433)
Insurance		(489,641)	(547,889)	(478,686)
Other expenditure		(632,442)	(943,046)	(794,023)
Loss on asset disposals		(359,808)	(147,995)	(750,748)
		<u>(34,308,738)</u>	<u>(37,355,518)</u>	<u>(35,420,260)</u>
Non-cash amounts excluded from operating activities	26(a)	7,280,567	7,044,029	7,159,137
Amount attributable to operating activities		<u>8,259,731</u>	<u>1,075,297</u>	<u>6,466,507</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		10,755,887	14,300,391	23,653,680
Proceeds from disposal of assets		348,515	432,377	257,684
Proceeds from financial assets at amortised cost - self supporting loans	27(a)	23,876	23,876	44,698
		<u>11,128,278</u>	<u>14,756,644</u>	<u>23,956,062</u>
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(4,566,243)	(14,359,850)	(18,791,596)
Purchase and construction of infrastructure	9(a)	(10,054,591)	(9,463,027)	(8,655,795)
Payments for intangible assets	12	(114,521)	(197,206)	0
		<u>(14,735,355)</u>	<u>(24,020,083)</u>	<u>(27,447,391)</u>
Amount attributable to investing activities		<u>(3,607,077)</u>	<u>(9,263,439)</u>	<u>(3,491,329)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	27(a)	1,700,000	1,700,000	0
Transfers from reserve accounts	28	4,297,871	5,355,919	4,864,304
		<u>5,997,871</u>	<u>7,055,919</u>	<u>4,864,304</u>
Outflows from financing activities				
Repayment of borrowings	27(a)	(413,646)	(387,856)	(483,493)
Payments for principal portion of lease liabilities	27(d)	(147,020)	(78,704)	(84,673)
Transfers to reserve accounts	28	(5,271,223)	(4,827,174)	(5,382,241)
		<u>(5,831,889)</u>	<u>(5,293,734)</u>	<u>(5,950,407)</u>
Amount attributable to financing activities		<u>165,982</u>	<u>1,762,185</u>	<u>(1,086,103)</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(b)	8,440,406	7,991,884	6,551,331
Amount attributable to operating activities		8,259,731	1,075,297	6,466,507
Amount attributable to investing activities		(3,607,077)	(9,263,439)	(3,491,329)
Amount attributable to financing activities		165,982	1,762,185	(1,086,103)
Surplus or deficit after imposition of general rates	26(b)	<u>13,259,042</u>	<u>1,565,927</u>	<u>8,440,406</u>

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

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

1. BASIS OF PREPARATION

The financial report 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 where no inconsistencies exist.

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 29 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.
- estimation uncertainties made in relation to lease accounting
- estimated useful life of intangible assets

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
- 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

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

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 MURRAY
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 dependent on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	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
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - Shire facilities	Sporting, aquatic and community facilities	Single point in time/ Overtime	Payment in advance or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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	0	0	18,994,332	0	18,994,332
Grants, subsidies and contributions	0	0	0	4,860,076	4,860,076
Fees and charges	4,612,562	0	4,436,856	0	9,049,418
Interest revenue	0	0	0	1,179,175	1,179,175
Other revenue	0	0	0	1,116,278	1,116,278
Capital grants, subsidies and contributions	0	9,864,436	0	891,451	10,755,887
Total	4,612,562	9,864,436	23,431,188	8,046,980	45,955,166

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	17,797,724	0	17,797,724
Grants, subsidies and contributions	6,650,218	0	0	0	6,650,218
Fees and charges	4,798,454	0	4,194,216	0	8,992,670
Interest revenue	0	0	201,677	62,264	263,941
Other revenue	0	0	0	961,017	961,017
Capital grants, subsidies and contributions	0	23,653,680	0	0	23,653,680
Total	11,448,672	23,653,680	22,193,617	1,023,281	58,319,250

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	Note	2023 Actual \$	2022 Actual \$
Assets and services acquired below fair value			
Contributed assets		4,102,271	3,290,713
		4,102,271	3,290,713
Interest revenue			
Interest on reserve account funds		479,035	30,531
Trade and other receivables overdue interest		234,128	201,677
Other interest revenue		466,012	31,733
		1,179,175	263,941
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$241,434.			
Fees and charges relating to rates receivable			
Charges on instalment plan		75,355	62,932
The 2023 original budget estimate in relation to: Charges on instalment plan was \$75,207.			
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report		27,700	24,500
- Other services – grant acquittals		0	8,440
- Other auditor services - grant acquittals		1,950	0
		29,650	32,940
Employee Costs			
Employee benefit costs		13,324,311	12,500,906
Other employee costs		358,754	333,989
		13,683,065	12,834,895
Finance costs			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss		165,372	136,433
		165,372	136,433
Other expenditure			
Impairment losses on trade receivables		(340)	2,763
Sundry expenses		632,782	791,260
		632,442	794,023

**SHIRE OF MURRAY
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	36,321,177	29,769,122
Total cash and cash equivalents	36,321,177	29,769,122
Held as		
- Unrestricted cash and cash equivalents	14,475,828	14,501,915
- Restricted cash and cash equivalents	21,845,349	15,267,207
	36,321,177	29,769,122

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

	2023	2022
	\$	\$
Financial assets at amortised cost	23,999	23,876
	23,999	23,876

Other financial assets at amortised cost

Self supporting loans receivable	26(b) 23,999	23,876
	23,999	23,876

Held as

- Unrestricted other financial assets at amortised cost	23,999	23,876
	23,999	23,876

(b) Non-current assets

Financial assets at amortised cost	48,371	72,370
Financial assets at fair value through profit or loss	101,862	97,255
	150,233	169,625

Financial assets at amortised cost

Self supporting loans receivable	48,371	72,370
	48,371	72,370

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance	97,255	92,259
Movement attributable to fair value increment	4,607	4,996
Units in Local Government House Trust - closing balance	101,862	97,255

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 27(a) as self supporting loans. 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 23 (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.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 22.

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

5. TRADE AND OTHER RECEIVABLES

	Note	2023 \$	2022 \$
Current			
Rates and statutory receivables		2,515,709	2,269,144
Trade receivables		937,768	1,134,269
GST receivable		139,423	649,161
Receivables for employee related provisions	16	44,786	0
Allowance for credit losses of trade receivables	22(b)	(3,187)	(3,527)
		3,634,499	4,049,047
Non-current			
Rates and statutory receivables		766,248	704,965
Receivables for employee related provisions	16	45,433	0
		811,681	704,965

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 \$	
Allowance for credit losses of trade receivables	5	(3,187)	(3,527)	(764)
Total trade and other receivables from contracts with customers		(3,187)	(3,527)	(764)

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.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 22.

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

6. INVENTORIES

Current	Note	2023	2022
		\$	\$
Fuel and materials		18,562	40,622
		18,562	40,622
The following movements in inventories occurred during the year:			
Balance at beginning of year		40,622	207,695
Inventories expensed during the year		(445,915)	(597,545)
Additions to inventory		423,855	430,472
Balance at end of year		18,562	40,622

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.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the council's intentions to release for sale.

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

7. OTHER ASSETS

Other assets - current

Prepayments
Accrued income
Contract assets
Accrued Interest

2023	2022
\$	\$
147,085	135,203
552,106	64,380
0	721,615
121,913	3,276
821,104	924,474

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

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).

Non-current assets held for sale (Continued)

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 23(i).

SHIRE OF MURRAY
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.

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings not subject to operating lease	Total land and buildings	Furniture and equipment	Plant and equipment	Work in progress - Plant & Equipment	Work in progress - Buildings	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	16,523,000	390,000	46,754,290	63,667,290	63,667,290	428,944	5,817,771	0	4,160,013	74,074,018
Additions*	170,625	2,749	2,044,312	2,217,686	2,217,686	123,005	1,062,554	17,172	15,371,179	18,791,596
Disposals	0	0	(151,962)	(151,962)	(151,962)	0	(221,694)	0	0	(373,656)
Depreciation	0	(8,078)	(778,670)	(786,748)	(786,748)	(89,512)	(645,219)	0	0	(1,521,479)
Balance at 30 June 2022	16,693,625	384,671	47,867,970	64,946,266	64,946,266	462,437	6,013,412	17,172	19,531,192	90,970,479
Comprises:										
Gross balance amount at 30 June 2022	16,693,625	392,749	58,727,347	75,813,721	75,813,721	707,727	8,255,913	17,172	19,531,192	104,325,725
Accumulated depreciation at 30 June 2022	0	(8,078)	(10,859,377)	(10,867,455)	(10,867,455)	(245,290)	(2,242,501)	0	0	(13,355,246)
Balance at 30 June 2022	16,693,625	384,671	47,867,970	64,946,266	64,946,266	462,437	6,013,412	17,172	19,531,192	90,970,479
Additions*	0	0	831,149	831,149	831,149	22,120	1,421,299	0	2,291,675	4,566,243
Disposals	0	(132,712)	(182,351)	(315,063)	(315,063)	0	(309,244)	0	0	(624,307)
Depreciation	0	(11,947)	(797,061)	(809,008)	(809,008)	(99,076)	(816,119)	0	0	(1,724,203)
Transfers	0	0	19,365,008	19,365,008	19,365,008	0	17,172	(17,172)	(19,365,008)	0
Balance at 30 June 2023	16,693,625	240,012	67,084,715	84,018,352	84,018,352	385,481	6,326,520	0	2,457,859	93,188,212
Comprises:										
Gross balance amount at 30 June 2023	16,693,625	260,037	78,457,403	95,411,065	95,411,065	729,847	9,083,926	0	2,457,859	107,682,697
Accumulated depreciation at 30 June 2023	0	(20,025)	(11,372,688)	(11,392,713)	(11,392,713)	(344,366)	(2,757,406)	0	0	(14,494,485)
Balance at 30 June 2023	16,693,625	240,012	67,084,715	84,018,352	84,018,352	385,481	6,326,520	0	2,457,859	93,188,212

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

During the year ended 30 June 2022	0	0	0	0	0	0	394,258	0	0	394,258
During the year ended 30 June 2023	0	0	0	0	0	0	550,634	0	0	550,634

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market Approach	Independent Valuers	June 2021	Price per hectare
Buildings - non-specialised	2	Market Approach	Independent Valuers	June 2021	Price per square metre
Buildings - specialised	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent Valuers	June 2021	Improvements to land using construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs

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

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

(ii) Cost

Furniture and equipment	Cost	Purchase Cost
Plant and equipment	Cost	Purchase Cost
Work in progress - Buildings	Cost	Purchase Cost
Work in progress - Plant & Equipment	Cost	Purchase Cost

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

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	Other infrastructure - footpaths	Other infrastructure - drainage	Other infrastructure - bridges	Other infrastructure - other	Work in Progress infrastructure - other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	159,922,779	8,450,410	29,689,099	24,867,304	17,356,969	82,965	240,369,526
Additions	4,476,535	616,877	1,314,997	762,153	1,485,233	0	8,655,795
(Disposals)	0	0	0	(577,712)	0	0	(577,712)
Revaluation increments / (decrements) transferred to revaluation surplus	0	2,571,937	0	5,536,753	0	0	8,108,690
Depreciation	(2,470,315)	(242,143)	(423,896)	(803,498)	(806,770)	0	(4,746,622)
Transfers	0	0	0	0	82,965	(82,965)	0
Balance at 30 June 2022	161,928,999	11,397,081	30,580,200	29,785,000	18,118,397	0	251,809,677
Comprises:							
Gross balance at 30 June 2022	202,152,349	15,828,167	43,704,579	61,597,500	27,064,765	0	350,347,360
Accumulated depreciation at 30 June 2022	(40,223,350)	(4,431,086)	(13,124,379)	(31,812,500)	(8,946,368)	0	(98,537,683)
Balance at 30 June 2022	161,928,999	11,397,081	30,580,200	29,785,000	18,118,397	0	251,809,677
Additions*	5,350,005	994,964	1,308,367	443,919	1,957,336	0	10,054,591
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	9,811,621	0	411,209	0	10,222,830
Depreciation	(2,557,539)	(309,939)	(440,679)	(946,581)	(865,466)	0	(5,120,204)
Balance at 30 June 2023	164,721,465	12,082,106	41,259,509	29,282,338	19,621,476	0	266,966,894
Comprises:							
Gross balance at 30 June 2023	207,502,354	16,823,131	64,309,944	62,041,419	30,288,039	0	380,964,887
Accumulated depreciation at 30 June 2023	(42,780,889)	(4,741,025)	(23,050,435)	(32,759,081)	(10,666,563)	0	(113,997,993)
Balance at 30 June 2023	164,721,465	12,082,106	41,259,509	29,282,338	19,621,476	0	266,966,894

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

During the year ended 30 June 2023	1,903,308	213,574	1,266,780	0	167,975	0	3,551,637
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**SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2020	Construction costs and current condition (Level 3) and remaining useful life assessments (Level 3)
Other infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition (Level 3) and remaining useful life assessments (Level 3)
Other infrastructure - drainage	3	Cost approach using depreciated replacement cost	Management Valuation	June 2023	Construction costs and current condition (Level 3) and remaining useful life assessments (Level 3)
Other infrastructure - bridges	3	Cost approach using depreciated replacement cost	Independent Valuer	June 2022	Construction costs and current condition (Level 3) and remaining useful life assessments (Level 3)
Other infrastructure - other	3	Cost approach using depreciated replacement cost	Management Valuation	June 2023	Construction costs and current condition (Level 3) and remaining useful life assessments (Level 3)

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

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:

Asset Class	Useful life
Buildings	
Long Life Buildings	84 to 120 years
Medium Life Buildings	56 to 80 years
Short Life Buildings	42 to 60 years
Roof	42 to 60 years
Mechanical	14 to 20 years
Fitout	17 to 25 years
Furniture and Equipment	4 to 40 years
Plant and Equipment	3 to 50 years
Computer Software	3 to 10 years
Sealed Roads	
Formation	not depreciated
Pavement (distributors)	42 to 60 years
Pavement (access)	64 to 80 years
Seal (Bituminous)	17 to 25 years
Seal (Asphalt)	21 to 30 years
Gravel roads	
Formation	not depreciated
Pavement	24 to 30 years
Gravel Sheet	12 years
Formed Roads (unsealed)	
Formation	not depreciated
Footpaths	
Concrete	48 to 60 years
Brick Paved	40 to 50 years
Limestone	15 to 20 years
Sealed	20 to 25 years
Gravel/Timber	15 to 25 years
Stormwater Drainage	
Pits	80 to 100 years
Pipes	50 to 100 years
Bridges	60 to 100 years
Other Infrastructure	10 to 100 years

(b) Fully Depreciated Assets in Use

The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.

	2023	2022
	\$	\$
Buildings - non-specialised	11,947	8,078
Buildings - specialised	797,061	778,670
Furniture and equipment	99,076	89,512
Plant and equipment	816,119	645,219
Infrastructure - roads	2,557,539	2,470,315
Other infrastructure - footpaths	309,939	242,143
Other infrastructure - drainage	440,679	423,896
Other infrastructure - bridges	946,581	803,498
Other infrastructure - other	865,466	806,770
	6,844,407	6,268,101

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

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 may be 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. 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(b).

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

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - furniture and equipment	Right-of-use assets - land and buildings	Right-of-use assets - plant and equipment	Right-of-use assets Total
		\$	\$	\$	\$
Balance at 1 July 2021		272,070	133,230	2,072	407,372
Additions		28,228	0	0	28,228
Gains/(losses) from sale and leaseback transactions		0	0	7,888	7,888
Depreciation		(43,235)	(7,031)	(9,960)	(60,226)
Balance at 30 June 2022		257,063	126,199	0	383,262
Gross balance amount at 30 June 2022		300,298	133,230	9,960	443,488
Accumulated depreciation at 30 June 2022		(43,235)	(7,031)	(9,960)	(60,226)
Balance at 30 June 2022		257,063	126,199	0	383,262
Additions		451,261	0	0	451,261
Depreciation		(108,796)	(8,307)	0	(117,103)
Balance at 30 June 2023		599,528	117,892	0	717,420
Gross balance amount at 30 June 2023		751,559	133,230	9,960	894,749
Accumulated depreciation at 30 June 2023		(152,031)	(15,338)	(9,960)	(177,329)
Balance at 30 June 2023		599,528	117,892	0	717,420

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

		2023 Actual	2022 Actual
		\$	\$
Depreciation on right-of-use assets		(117,103)	(60,226)
Finance charge on lease liabilities	27(d)	(16,525)	(6,091)
Low-value asset lease payments recognised as expense		(93,283)	(169,314)
Total amount recognised in the statement of comprehensive income		(226,911)	(235,631)
Total cash outflow from leases		(134,367)	(90,764)
(b) Lease Liabilities			
Current		163,802	78,703
Non-current	27(d)	455,521	236,379
		619,323	315,082

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 27(d).

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

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

12. INTANGIBLE ASSETS

	2023 Actual	2022 Actual
	\$	\$
Intangible assets		
Non-current		
Computer Software	642,323	539,628
Less: Accumulated amortisation	(200,249)	(158,864)
	442,074	380,764
 Movements in balances of computer software during the financial year are shown as follows:		
Balance at 1 July	380,764	436,344
Recognition of computer software	114,521	0
Disposal of computer software	(11,826)	0
Disposal of accumulated amortisation	11,826	0
Amortisation	(53,211)	(55,580)
Balance at 30 June	442,074	380,764
 TOTAL INTANGIBLE ASSETS	442,074	380,764

SIGNIFICANT ACCOUNTING POLICIES

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the the Shire are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;

Computer software (continued)

- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Information on useful life, amortisation rates and amortisation methods can be found in Note 10.

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

13. TRADE AND OTHER PAYABLES

Current

	2023	2022
	\$	\$
Sundry creditors	2,153,452	2,632,195
Prepaid rates	1,021,553	905,678
Accrued payroll liabilities	118,453	63,031
ATO liabilities	33,215	32,624
Bonds and deposits held	1,956,751	2,732,560
Income received in advance	4,458	6,581
Accrued expenditure	5,704	15,382
Accrued Interest	28,644	25,210
	5,322,230	6,413,261

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

14. OTHER LIABILITIES

	2023	2022
	\$	\$
Current		
Contract liabilities	301,413	365,372
Capital grant/contributions liabilities	3,603,377	2,177,531
	<u>3,904,790</u>	<u>2,542,903</u>
Non-current		
Contract liabilities	3,017,579	3,017,579
	<u>3,017,579</u>	<u>3,017,579</u>
Reconciliation of changes in contract liabilities		
Opening balance	3,382,951	7,006,979
Additions	36,041	0
Revenue from contracts with customers included as a contract liability at the start of the period	(100,000)	(3,624,028)
	<u>3,318,992</u>	<u>3,382,951</u>
<p>The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$3,318,992 (2022: \$3,382,951)</p> <p>The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 4 years.</p>		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	2,177,531	1,637,408
Additions	3,161,308	1,905,095
Revenue from capital grant/contributions held as a liability at the start of the period	(1,735,462)	(1,364,972)
	<u>3,603,377</u>	<u>2,177,531</u>
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	3,603,377	2,177,531
	<u>3,603,377</u>	<u>2,177,531</u>

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 23(i)) due to the unobservable inputs, including own credit risk.

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

15. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		451,526	3,999,470	4,450,996	387,856	2,776,786	3,164,642
Total secured borrowings	27(a)	451,526	3,999,470	4,450,996	387,856	2,776,786	3,164,642

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 Murray.

The Shire of Murray 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 23(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 27(a).

Information regarding exposure to risk can be found at Note 22.

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

16. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	1,090,569	1,149,128
Long service leave	1,575,154	1,567,362
	2,665,723	2,716,490
Total current employee related provisions	2,665,723	2,716,490
Non-current provisions		
Employee benefit provisions		
Long service leave	399,810	298,433
	399,810	298,433
Total non-current employee related provisions	399,810	298,433
Total employee related provisions	3,065,533	3,014,923

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

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

	Note	2023	2022
		\$	\$
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date		1,263,133	1,237,004
More than 12 months from reporting date		1,802,400	1,777,919
		3,065,533	3,014,923

Expected reimbursements of employee related provisions from other WA local governments included within other receivables

5	90,219	0
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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 MURRAY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

17. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	32,108,275	0	32,108,275	32,108,275	0	32,108,275
Revaluation surplus - Buildings - non-specialised	144,336	0	144,336	144,336	0	144,336
Revaluation surplus - Buildings - specialised	3,707,548	0	3,707,548	3,707,548	0	3,707,548
Revaluation surplus - Infrastructure - roads	103,683,801	0	103,683,801	103,683,801	0	103,683,801
Revaluation surplus - Other infrastructure - footpaths	8,032,131	0	8,032,131	5,460,194	2,571,937	8,032,131
Revaluation surplus - Other infrastructure - drainage	24,303,256	9,811,622	34,114,878	24,303,256	0	24,303,256
Revaluation surplus - Other infrastructure - bridges	20,774,930	0	20,774,930	15,238,177	5,536,753	20,774,930
Revaluation surplus - Other infrastructure - other	7,830,117	411,208	8,241,325	7,830,117	0	7,830,117
	200,584,394	10,222,830	210,807,224	192,475,704	8,108,690	200,584,394

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

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2023 Actual \$	2022 Actual \$
Cash and cash equivalents	3	36,321,177	29,769,122
Restrictions			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	21,845,349	17,810,110
		21,845,349	17,810,110
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	16,240,559	15,267,207
Contract liabilities	14	301,413	365,372
Capital grant liabilities	14	3,603,377	2,177,531
Unspent loans	27(c)	1,700,000	0
Total restricted financial assets		21,845,349	17,810,110

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

Net result		11,735,051	22,961,050
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(4,607)	(4,996)
Depreciation/amortisation		7,014,721	6,383,907
(Profit)/loss on sale of asset		275,792	693,684
Assets received for substantially less than fair value		(4,102,271)	(3,290,713)
Fair Value of Gifted Assets			
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		307,832	(833,186)
(Increase)/decrease in other assets		103,370	323,724
(Increase)/decrease in inventories		22,060	167,073
Increase/(decrease) in trade and other payables		(1,091,031)	2,031,647
Increase/(decrease) in employee related provisions		50,610	157,584
Increase/(decrease) in other liabilities		1,361,887	(3,083,905)
Capital grants, subsidies and contributions		(8,079,462)	(20,903,090)
Net cash provided by/(used in) operating activities		7,593,952	4,602,779

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit		0	0
Bank overdraft at balance date		0	0
Credit card limit		100,000	100,000
Credit card balance at balance date		(27,037)	(20,844)
Total amount of credit unused		72,963	79,156

Loan facilities

Loan facilities - current		451,526	387,856
Loan facilities - non-current		3,999,470	2,776,786
Total facilities in use at balance date		4,450,996	3,164,642

Unused loan facilities at balance date		0	0
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**SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

19. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire has listed sites to be possible sources of contamination.

Details of those sites are:

Location: Lot 11 (100) Baker Street, Pinjarra

Land use: Operations Centre

Nature of potential contamination:

Total petroleum hydrocarbons, Monocyclic aromatic, hydrocarbons, Polycyclic aromatic hydrocarbons, Metals, Phenols, Chlorinated hydrocarbons, Oil and grease.

Location: Lot 11 (834) Corio Road, Ravenswood

Land use: Current Waste Transfer Station/Former Landfill Site

Nature of potential contamination:

Polychlorinated biphenyls, Alkanes, Sulphides, Metals, Organic acids, Nutrients, Total petroleum hydrocarbons, Polycyclic aromatic hydrocarbons, Ammonia, Landfill gas, Total Dissolved Solids (TDS), and Monocyclic aromatic hydrocarbons.

Location: Lot 501 Moores Road, Pinjarra

Land use: Former Landfill Site

Nature of potential contamination:

Polychlorinated biphenyls, Alkanes, Sulphides, Metals, Organic acids, Nutrients, Total petroleum hydrocarbons, Polycyclic aromatic hydrocarbons, Ammonia, Landfill gas, Total Dissolved Solids (TDS), and Monocyclic aromatic hydrocarbons.

Until the Shire conducts an investigation to determine the presence and scope of the contamination, assess the risk and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation guidelines.

20. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	9,227,995	3,032,121
- plant & equipment purchases	713,671	416,320
	9,941,666	3,448,441
Payable:		
- not later than one year	9,941,666	3,448,441

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

21. 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	37,140	37,140	36,058
President's meeting attendance fees	16,448	16,448	15,969
President's annual allowance for ICT expenses	3,500	3,500	3,500
President's travel and accommodation expenses	50	50	50
	57,138	57,138	55,577
Deputy President's annual allowance	9,285	9,285	9,015
Deputy President's meeting attendance fees	16,448	16,448	15,969
Deputy President's annual allowance for ICT expenses	3,500	3,500	3,500
Deputy President's travel and accommodation expenses	50	50	50
	29,283	29,283	28,534
All other council member's meeting attendance fees	100,855	115,136	111,783
All other council member's annual allowance for ICT expenses	21,461	24,500	24,500
All other council member's travel and accommodation expenses	350	350	350
	122,666	139,986	136,633
21(b)	209,087	226,407	220,744

(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	1,089,358	1,072,295
Post-employment benefits	104,672	101,512
Employee - other long-term benefits	22,579	22,271
Council member costs	209,087	220,744
	1,425,696	1,416,822

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

21. 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.

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 21(a) and 21(b)

ii. Other Related Parties

Short-term employee benefits related to an associate person of the CEO who was employed by the Shire under normal employment terms and conditions.

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

22. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2023					
Cash and cash equivalents	3.44%	36,321,177	0	36,315,237	5,940
2022					
Cash and cash equivalents	0.75%	29,769,122	0	29,763,182	5,940

Sensitivity

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

	2023	2022
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity*	363,152	297,632

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 27(a).

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

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies.

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

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade and other receivables.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2022 or 1 July 2023 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2023					
Trade receivables					
Expected credit loss	744,171	6,540	3,621	62,043	816,375
Gross carrying amount	0.03%	0.03%	0.03%	4.77%	0.39%
Loss allowance	225	2	1	2,959	3,187
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	139,423	0	0	3,281,957	3,421,380
Loss allowance	0	0	0	0	0
30 June 2022					
Trade receivables					
Expected credit loss	0.15%	0.44%	5.08%	5.54%	
Gross carrying amount	973,708	46,523	1,713	32,176	1,054,120
Loss allowance	1,452	207	87	1,781	3,527
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	649,161	0	0	2,974,109	3,623,270
Loss allowance	0	0	0	0	0

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

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Trade receivables		Other receivables		Contract Assets	
	2023 Actual	2022 Actual	2023 Actual	2022 Actual	2023 Actual	2022 Actual
Opening loss allowance as at 1 July	\$ 3,527	\$ 764	\$ 0	\$ 0	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	(340)	2,763	0	0	0	0
Receivables written off during the year as uncollectible	809	840	0	0	0	0
Unused amount reversed	(809)	(840)	0	0	0	0
Closing loss allowance at 30 June	3,187	3,527	0	0	0	0

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

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

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

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2023</u>					
Trade and other payables	5,322,230	0	0	5,322,230	5,322,230
Borrowings	596,811	1,789,000	3,032,261	5,418,072	4,450,996
Lease liabilities	181,794	392,496	143,291	717,581	619,323
	<u>6,100,835</u>	<u>2,181,496</u>	<u>3,175,552</u>	<u>11,457,883</u>	<u>10,392,549</u>
<u>2022</u>					
Trade and other payables	6,380,638	0	0	6,380,638	6,380,638
Borrowings	469,602	1,494,515	1,707,125	3,671,242	3,164,642
Other Liabilities	2,542,903	3,017,579	0	5,560,482	5,560,482
Lease liabilities	78,704	136,643	99,735	315,082	315,082
	<u>9,471,847</u>	<u>4,648,737</u>	<u>1,806,860</u>	<u>15,927,444</u>	<u>15,420,844</u>

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

23. 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 MURRAY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

24. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
<p>Governance To provide a decision making process for the efficient allocation of available resources.</p>	Includes the activities of elected members of council and the administrative support available to the Council for the provision of governance of the Shire. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
<p>General purpose funding To collect revenue to allow for the provision of services.</p>	Rates revenue, late payment penalties, general purpose grants, untied road grants and interest received on investments.
<p>Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.</p>	Supervision and enforcement of various local laws relating to fire prevention, animal control, graffiti and litter control, off-road vehicles and other aspects of public safety, including emergency services.
<p>Health To provide an operational framework for environmental and community health.</p>	Provision of health services, including inspection of food outlets, pest control, noise control and other preventative services.
<p>Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.</p>	Provision of pre-school and senior citizen facilities and welfare and youth programs.
<p>Housing To maintain Shire owned residential properties.</p>	Housing owned by the Shire that cannot be allocated to other programs.
<p>Community amenities To provide services required by the community.</p>	Provision of rubbish collection services, operation of waste transfer stations, protection of the environment, administration of town planning schemes, provision and maintenance of public conveniences and bus shelters and operation of the Pinjarra cemetery.
<p>Recreation and culture To establish and manage infrastructure and resources which will help the social wellbeing of the community.</p>	Provision of facilities and support of organisations and the community with leisure, heritage and cultural activities. This support includes halls, sporting grounds, the Murray Aquatic and Leisure Centre, parks and gardens, art and community festivals and the Murray Public Library.
<p>Transport To provide safe, effective and efficient transport infrastructure to the community.</p>	Construction and maintenance of roads, bridges, pathways, the works operations centre, canals and waterways, parking facilities and road plant purchases.
<p>Economic services To help promote the Shire and its economic wellbeing.</p>	Activities associated with building services, economic development, tourism and area promotion, public utilities and the operation of the Dwellingup Trails and Visitor Centre.
<p>Other property and services To monitor and control the Shire's overhead operating accounts.</p>	Private works, administration and public works overheads and plant operations.

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

24. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses	2023 Actual	2022 Actual
	\$	\$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	5,164	52,795
General purpose funding	20,060,180	18,101,121
Law, order, public safety	152,179	210,292
Health	74,871	74,337
Education and welfare	8,558	7,377
Housing	32,352	29,421
Community amenities	3,947,930	3,850,529
Recreation and culture	1,297,885	1,157,988
Transport	448,267	104,919
Economic services	1,338,608	549,421
Other property and services	3,061,832	3,939,212
	30,427,826	28,077,412
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	0	2,712,598
General purpose funding	3,186,488	0
Law, order, public safety	986,661	910,129
Health	20,000	0
Education and welfare	102,545	40,384
Community amenities	34,964	102,163
Recreation and culture	2,700,919	2,712,997
Transport	6,769,767	5,652,308
Economic services	1,789,525	18,110,877
Other property and services	25,094	62,442
	15,615,963	30,303,898
Total Income	46,043,789	58,381,310
Expenses		
Governance	(2,030,512)	(2,012,005)
General purpose funding	(544,723)	(527,291)
Law, order, public safety	(1,922,732)	(1,589,815)
Health	(634,993)	(619,547)
Education and welfare	(216,564)	(211,078)
Housing	(211,811)	(64,563)
Community amenities	(5,933,965)	(5,489,288)
Recreation and culture	(9,509,046)	(8,668,085)
Transport	(7,739,287)	(7,751,319)
Economic services	(2,929,775)	(4,819,394)
Other property and services	(2,635,330)	(3,667,875)
Total expenses	(34,308,738)	(35,420,260)
Net result for the period	11,735,051	22,961,050
(c) Total Assets		
Governance	4,982,186	4,965,633
General purpose funding	2,823,319	2,509,476
Law, order, public safety	5,686,784	5,677,637
Health	92,761	55,626
Education and welfare	219,930	286,166
Housing	1,264,533	1,409,192
Community amenities	6,753,296	6,637,630
Recreation and culture	60,492,311	56,566,616
Transport	256,850,930	242,657,711
Economic services	33,839,620	37,948,734
Other property and services	5,758,982	5,641,004
Unallocated	24,331,203	14,870,488
	403,095,855	379,225,913

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

25. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2022/23 Actual Rateable Value*	2022/23 Actual Rate Revenue \$	2022/23 Actual Interim Rates \$	2022/23 Actual Total Revenue \$	2022/23 Budget Rate Revenue \$	2022/23 Budget Interim Rate \$	2022/23 Budget Total Revenue \$	2021/22 Actual Total Revenue \$
GRV General	Gross rental valuation	0.10229	6,380	103,302,249	10,566,787	185,666	10,752,453	10,566,787	358,325	10,925,112	10,047,141
GRV Commercial	Gross rental valuation	0.08183	147	17,576,928	1,438,320	45,263	1,483,583	1,438,320	0	1,438,320	1,396,863
UV General	Unimproved valuation	0.007042	976	590,072,990	4,155,294	100,875	4,256,169	4,155,294	44,589	4,199,883	3,981,382
Total general rates			7,503	710,952,167	16,160,401	331,804	16,492,205	16,160,401	402,914	16,563,315	15,425,386
Minimum payment											
GRV General	Gross rental valuation	1,212	1,625	12,506,502	1,969,500	0	1,969,500	1,969,500	0	1,969,500	1,895,440
GRV Commercial	Gross rental valuation	1,212	24	279,487	29,088	0	29,088	168,720	0	168,720	29,000
GRV General Lesser Minimum	Gross rental valuation	912	185	334,165	168,720	0	168,720	29,088	0	29,088	159,100
UV General	Unimproved valuation	1,212	244	29,439,700	295,728	0	295,728	295,728	0	295,728	250,560
Total minimum payments			2,078	42,559,854	2,463,036	0	2,463,036	2,463,036	0	2,463,036	2,334,100
Total general rates and minimum payments			9,581	753,512,021	18,623,437	331,804	18,955,241	18,623,437	402,914	19,026,351	17,759,486
Specified Area Rates											
Yunderup Canal Entrance Dredging	Gross rental valuation	0.007273	509	8,270,822	60,156	46	60,202	60,156	0	60,156	59,085
Yunderup Canal Maintenance	Gross rental valuation	0.006774	478	7,830,072	53,041	36	53,077	53,041	0	53,041	52,102
Murray Lakes Canal Maintenance	Gross rental valuation	0.006846	265	4,833,320	33,088	(73)	33,015	33,088	0	33,088	32,438
Willow Gardens Canal Maintenance	Gross rental valuation	0.006969	56	950,580	6,625	18	6,643	6,625	0	6,625	6,393
Austin Lakes Phase 2 Maintenance	Gross rental valuation	0.005649	578	7,107,480	40,149	1,773	41,922	40,149	0	40,149	40,835
Ex-gratia Rates											
DPLH - Dampier Bunbury Natural Gas Pipeline					6,462	0	6,462	4,650	0	4,650	6,169
Total amount raised from rates (excluding general rates)			1,886	28,992,274	199,521	1,800	201,321	197,709	0	197,709	197,022
Concessions							(162,230)			(165,556)	(158,784)
Total Rates							18,994,332			19,058,504	17,797,724
Rate instalment interest							54,813			73,231	52,839
Rate overdue interest							179,315			168,203	148,838

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

26. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23		
	2022/23 (30 June 2023) Carried Forward)	Budget (30 June 2023) Carried Forward)	2021/22 (30 June 2022) Carried Forward
	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(84,016)	(44,734)	(57,064)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(4,607)	0	(4,996)
Add: Loss on disposal of assets	359,808	147,995	750,748
Add: Depreciation	10(a) 7,014,721	6,875,768	6,383,907
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(61,283)	(80,000)	(89,301)
Assets held for sale	7 0		182,414
Employee benefit provisions	101,377	145,000	(6,571)
Receivables for employee related provisions	(45,433)	0	0
Non-cash amounts excluded from operating activities	7,280,567	7,044,029	7,159,137
Property, plant and equipment received for substantially less than fair value	8(a) 550,634	0	394,258
Infrastructure received for substantially less than fair value	9(a) 3,551,637	0	2,896,455
Non cash Capital grants, subsidies and contributions	(4,102,271)	0	(3,290,713)
(b) Surplus or deficit after imposition of general rates			
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.			
Adjustments to net current assets			
Less: Reserve accounts	28 (16,240,559)	(15,009,773)	(15,267,207)
Less: Financial assets at amortised cost - self supporting loans	4(a) (23,999)	(23,999)	(23,876)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	15 451,526	398,204	387,856
- Current portion of lease liabilities	11(b) 163,802	78,849	78,703
- Employee benefit provisions	597,002	597,002	597,002
Total adjustments to net current assets	(15,052,228)	(13,959,717)	(14,227,522)
Net current assets used in the Statement of Financial Activity			
Total current assets	40,819,341	24,186,268	34,807,141
Less: Total current liabilities	(12,508,071)	(8,660,624)	(12,139,213)
Less: Total adjustments to net current assets	(15,052,228)	(13,959,717)	(14,227,522)
Surplus or deficit after imposition of general rates	13,259,042	1,565,927	8,440,406

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

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Loans During 2022-23	Principal 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
Administration Centre Extension Construction		84,748	0	(84,748)	0	0	0	0	0	0	0	0
Lots 85-88 George Street		327,377	0	(78,178)	249,199	0	(80,573)	168,626	249,199	0	(80,573)	168,626
Lot 1213 South Western Highway		512,727	0	(107,867)	404,860	0	(111,247)	293,613	404,860	0	(111,247)	293,613
Murray Foreshore Upgrade		181,309	0	(18,970)	162,339	0	(19,254)	143,085	162,339	0	(19,254)	143,085
Exchange Hotel		262,939	0	(30,482)	232,457	0	(31,135)	201,322	232,457	0	(31,135)	201,322
Camp Road Properties		592,855	0	(27,914)	564,941	0	(28,936)	536,005	564,941	0	(28,936)	536,005
Pinjarra Underground Power		645,864	0	(33,952)	611,912	0	(35,075)	576,837	611,912	0	(35,075)	576,837
Dwellingup Trails Centre		899,372	0	(56,684)	842,688	0	(57,760)	784,928	842,688	0	(57,760)	784,928
Exchange Hotel Construction		0	0	0	0	1,700,000	(25,790)	1,674,210	0	1,700,000	0	1,700,000
Total		3,507,191	0	(438,795)	3,068,396	1,700,000	(389,770)	4,378,626	3,068,396	1,700,000	(363,980)	4,404,416
Self Supporting Loans												
Yunderup Sport & Recreation Club Inc		20,944	0	(20,944)	0	0	0	0	0	0	0	0
Pinjarra Bowling & Recreation Club Inc		120,000	0	(23,754)	96,246	0	(23,876)	72,370	96,246	0	(23,876)	72,370
Total Self Supporting Loans		140,944	0	(44,698)	96,246	0	(23,876)	72,370	96,246	0	(23,876)	72,370
Total Borrowings	15	3,648,135	0	(483,493)	3,164,642	1,700,000	(413,646)	4,450,996	3,164,642	1,700,000	(387,856)	4,476,786

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other 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
Administration Centre Extension Construction		161	WATC*	6.94%	9/04/2022	1,319	0	(4,753)
Lots 85-88 George Street		174e	WATC*	3.04%	14/05/2025	(7,104)	(8,694)	(11,564)
Lot 1213 South Western Highway		175a	WATC*	3.11%	29/10/2026	(10,886)	(14,244)	(18,386)
Murray Foreshore Upgrade		179	WATC*	1.49%	30/04/2030	(2,932)	(3,428)	(3,845)
Exchange Hotel		180	WATC*	2.13%	31/05/2029	(5,810)	(6,341)	(7,209)
Camp Road Properties		182	WATC*	3.61%	15/06/2037	(22,886)	(23,875)	(25,095)
Pinjarra Underground Power		178	WATC*	3.28%	23/05/2036	(21,661)	(23,982)	(25,345)
Dwellingup Trails Centre		184	WATC*	1.49%	30/04/2035	(18,385)	(21,386)	(22,863)
Exchange Hotel Construction		187	WATC*	4.47%	24/10/2029	(60,002)	0	0
Total						(148,347)	(101,950)	(119,060)
Self Supporting Loans Finance Cost Payments								
Yunderup Sport & Recreation Club Inc		181	WATC*	2.08%	4/08/2021	177	0	(232)
Pinjarra Bowling & Recreation Club Inc		183	WATC*	5.20%	15/01/2026	(677)	(1,021)	(1,310)
Total Self Supporting Loans Finance Cost Payments						(500)	(1,021)	(1,542)
Total Finance Cost Payments						(148,847)	(102,971)	(120,602)

* WA Treasury Corporation

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

27. BORROWING AND LEASE LIABILITIES (Continued)

(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 187 - The Exchange Redevelopment	WATC	Debenture	20	4.47%	1,700,000	1,700,000	0	(1,700,000)	474,360	1,700,000
					1,700,000	1,700,000	0	(1,700,000)	474,360	1,700,000

* WA Treasury Corporation

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2022 \$	Borrowed	Expended	Unspent
				During Year	During Year	Balance 30 June 2023
				\$	\$	\$
Loan 187 - The Exchange Redevelopment	WATC	24/10/2022	0	1,700,000	0	1,700,000
			0	1,700,000	0	1,700,000

* WA Treasury Corporation

(d) Lease Liabilities

Purpose	Note	Actual							Budget				
		Principal			Principal at 30 June 2022	Principal			Principal at 1 July 2022	Principal			
		Principal at 1 July 2021	New Leases During 2021-22	Repayments During 2021-22		New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023		New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023	
Ford Ranger MY12336		704	0	(704)	0	0	0	0	0	0	0	0	0
Ford Ranger H22635		0	7,887	(7,887)	0	0	0	0	0	0	0	0	0
Pinjarra Court House		108,078	0	(1,233)	106,845	0	(1,294)	105,551	106,844	0	(1,294)	105,550	105,550
Solar Panels MALC		77,388	0	(24,545)	52,843	0	(25,073)	27,770	52,844	0	(25,073)	27,771	27,771
Cardio Equipment		81,359	0	(22,924)	58,435	0	(23,180)	35,255	58,435	0	(23,180)	35,255	35,255
Solar Panels Operations Centre		16,153	0	(4,852)	11,301	0	(4,956)	6,345	11,301	0	(4,956)	6,345	6,345
Photocopiers		79,958	0	(18,431)	61,527	0	(18,664)	42,863	61,526	0	(18,664)	42,862	42,862
Solar Panels Administration Building		0	28,228	(4,097)	24,131	0	(5,537)	18,594	24,131	0	(5,537)	18,594	18,594
IT Servers		0	0	0	0	94,642	(13,859)	80,783	0	0	0	0	0
HPE Nimble Storage Array		0	0	0	0	198,850	(19,131)	179,719	0	0	0	0	0
ARUBA Switches		0	0	0	0	109,178	(5,220)	103,958	0	0	0	0	0
APC Smart Ups		0	0	0	0	19,413	(928)	18,485	0	0	0	0	0
Total Lease Liabilities	11(b)	363,640	36,115	(84,673)	315,082	422,083	(117,842)	619,323	315,081	0	(78,704)	236,377	236,377

Lease Payments Made Before

Commencement Date Recognised As Asset

	Principal Repayments During 2022-23
IT Servers	(5,457)
HPE Nimble Storage Array	(14,706)
ARUBA Switches	(7,802)
APC Smart Ups	(1,213)
	(29,178)

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

27. BORROWING AND LEASE LIABILITIES (Continued)

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending	Budget for year ending	Actual for year ending 30 June	Lease Term
						30 June 2023	30 June 2023	2022	
						\$	\$	\$	
Ford Ranger MY12336		4	Toyota Finance	2.13%	31/07/2021	0	0	(2)	14
Ford Ranger H22635		11a	Fleet Partners	2.13%	5/08/2021	0	0	(33)	8
Pinjarra Court House		12	National Trust	2.13%	31/07/2059	(2,251)	(2,276)	(2,302)	480
Solar Panels MALC		15	Capital Finance	2.13%	13/07/2024	(857)	(882)	(1,410)	60
Cardio Equipment		16	MAIA Financial	0.67%	2/10/2024	(489)	(552)	(808)	48
Solar Panels Operations Centre		1	MAIA Financial	2.13%	1/07/2024	(175)	(201)	(305)	60
Photocopiers		17	MAIA Financial	0.71%	2/07/2025	(630)	(687)	(921)	60
Solar Panels Administration Building		19	Vestone Capital	0.84%	1/07/2026	(319)	(340)	(310)	60
IT Servers		20	Vestone Capital	3.72%	1/04/2027	(3,255)	0	0	60
HPE Nimble Storage Array		21	Vestone Capital	4.18%	1/07/2027	(5,914)	0	0	60
ARUBA Switches		22	Vestone Capital	4.22%	1/10/2027	(2,237)	0	0	60
APC Smart Ups		23	Vestone Capital	4.22%	1/10/2027	(398)	0	0	60
Total Finance Cost Payments						(16,525)	(4,938)	(6,091)	

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

28. 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement												
(a) Peel Mosquito Management Reserve	0	5,743	0	5,743	0	4,500	0	4,500	0	0	0	0
(b) Unspent Grants, Contributions & Loans Reserve	3,017,579	0	0	3,017,579	3,017,579	0	0	3,017,579	3,017,579	0	0	3,017,579
(c) Yunderup Canal General Maintenance Reserve	363,162	53,077	(113,475)	302,764	360,625	53,041	(39,297)	374,369	313,614	52,102	(2,554)	363,162
(d) Willow Gardens General Canal Maintenance Reserve	84,327	6,643	(492)	90,478	84,345	6,625	(24,585)	66,385	78,232	6,393	(298)	84,327
(e) Murray Lakes General Canal Maintenance Reserve	271,030	33,015	(2,347)	301,698	271,115	33,088	(21,613)	282,590	370,197	32,438	(131,605)	271,030
(f) Entrance Channel Reserve	444,433	120,404	0	564,837	444,433	120,312	0	564,745	326,263	118,170	0	444,433
(g) Austin Lakes Phase 2 Maintenance Reserve	325,985	41,922	0	367,907	325,985	40,149	0	366,134	285,151	40,834	0	325,985
(h) Heritage Rail Precinct Reserve	39,794	0	0	39,794	39,794	0	0	39,794	39,794	0	0	39,794
(i) General Developers Reserve	957,879	0	0	957,879	957,879	0	(182,859)	775,020	896,697	140,365	(79,183)	957,879
(j) Austin Lakes Asset Replacement Reserve	670,676	0	0	670,676	670,549	21,500	0	692,049	668,810	1,866	0	670,676
(k) Cash in Lieu of Public Open Space - Pinjarra	0	82,262	0	82,262	0	0	0	0	0	0	0	0
	6,174,865	343,066	(116,314)	6,401,617	6,172,304	279,215	(268,354)	6,183,165	5,996,337	392,168	(213,640)	6,174,865
Restricted by council												
(l) Leave Reserve	597,002	0	0	597,002	597,002	0	0	597,002	597,002	0	0	597,002
(m) Workers Compensation Reserve	198,003	0	0	198,003	198,003	0	0	198,003	198,003	0	0	198,003
(n) Waste Management Reserve	3,166,853	3,622,280	(3,448,537)	3,340,596	3,269,869	3,282,540	(3,473,054)	3,079,355	2,736,769	3,522,519	(3,092,435)	3,166,853
(o) Asset Enhancement Reserve	2,543,252	100,000	(267,529)	2,375,723	2,545,964	100,000	(1,242,699)	1,403,265	2,842,899	870,910	(1,170,557)	2,543,252
(p) Building Renewal Reserve	226,395	41,417	0	267,812	226,395	41,417	0	267,812	239,411	41,417	(54,433)	226,395
(q) Plant & Vehicle Reserve	634,514	0	(66,300)	568,214	634,514	0	0	634,514	676,823	31,361	(73,670)	634,514
(r) Road, Drainage & Pathway Reserve	1,000,693	905,103	(300,000)	1,605,796	1,126,206	912,416	(272,621)	1,766,001	599,918	400,775	0	1,000,693
(s) Parks & Recreation Reserve	491,948	82,487	(49,191)	525,244	491,948	82,487	(49,191)	525,244	491,948	0	0	491,948
(t) Murray Leisure Centre Capital Reserve	227,594	49,099	0	276,693	227,594	49,099	0	276,693	215,876	73,758	(62,040)	227,594
(u) Herron Point Reserve	6,088	97,771	(50,000)	53,859	48,719	50,000	(50,000)	48,719	154,284	49,333	(197,529)	6,088
(v) Food Innovation Precinct WA Reserve	0	30,000	0	30,000	0	30,000	0	30,000	0	0	0	0
	9,092,342	4,928,157	(4,181,557)	9,838,942	9,366,214	4,547,959	(5,087,565)	8,826,608	8,752,933	4,990,073	(4,650,664)	9,092,342
	15,267,207	5,271,223	(4,297,871)	16,240,559	15,538,518	4,827,174	(5,355,919)	15,009,773	14,749,270	5,382,241	(4,864,304)	15,267,207

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:

28. RESERVE ACCOUNTS (Continued)

Name of reserve account Restricted by legislation/agreement	Purpose of the reserve account
(a) Peel Mosquito Management Reserve	To provide contingency funds for the Peel Mosquito Management Group as per the CLAG memorandum of understanding.
(b) Unspent Grants, Contributions & Loans Reserve	To receive unspent grants and contributions not expected to be spent in the current financial year.
(c) Yunderup Canal General Maintenance Reserve	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
(d) Willow Gardens General Canal Maintenance Reserve	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
(e) Murray Lakes General Canal Maintenance Reserve	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
(f) Entrance Channel Reserve	To receive specified area rates for the purpose of dredging the entrance channel to Yunderup Estate and Murray Waters.
(g) Austin Lakes Phase 2 Maintenance Reserve	To receive specified area rates for the purpose of maintaining the lake and public open space in Austin Lakes Phase 2.
(h) Heritage Rail Precinct Reserve	Provision for the upgrade and maintenance of the rail heritage building and surrounding precinct.
(i) General Developers Reserve	To receive developer's contributions to assist in the construction or upgrade of infrastructure associated with new land developments.
(j) Austin Lakes Asset Replacement Reserve	To receive developer's contributions to assist in the repair, maintenance and replacement of major infrastructure associated with the lake development at Austin Lakes Estate and to assist in maintaining lake water quality.
(k) Cash in Lieu of Public Open Space - Pinjarra	To receive developer's contributions for public open space projects in Pinjarra.
Restricted by council	
(l) Leave Reserve	To fund annual and long service leave/termination entitlements.
(m) Workers Compensation Reserve	To provide contingency funds for the annual workers compensation insurance premium under the performance based contributions scheme.
(n) Waste Management Reserve	To provide for current and future waste management services for the Shire of Murray.
(o) Asset Enhancement Reserve	Provision for the construction, acquisition, upgrade or maintenance of property, plant & equipment, excluding heavy plant and light vehicles.
(p) Building Renewal Reserve	Provision for the renewal of building assets.
(q) Plant & Vehicle Reserve	Provision for the replacement or purchase of heavy plant and light vehicles.
(r) Road, Drainage & Pathway Reserve	Provision for the construction, upgrade or renewal of infrastructure assets.
(s) Parks & Recreation Reserve	Provision for the construction, upgrade or renewal of infrastructure assets associated with parks, recreation, waterways and streetscapes.
(t) Murray Leisure Centre Capital Reserve	Provision for the renewal of capital items at the Murray Aquatic & Leisure Centre.
(u) Herron Point Reserve	To receive excess revenue proceeds from the Herron Point Camping Grounds to assist in the future upgrade and development of the area.
(v) Food Innovation Precinct WA Reserve	Provision for future operations and major repairs and maintenance on the Food Innovation Precinct WA buildings and associated infrastructure.

**SHIRE OF MURRAY
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FOR THE YEAR ENDED 30 JUNE 2023**

29. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Unclaimed Monies	35,256	4,721	(15,126)	24,851
Building License Bonds	14,000	0	0	14,000
Dwellingup Community Village	0	2,786,419	(2,005,702)	780,717
	49,256	2,791,140	(2,020,828)	819,568



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Murray

To the Council of the Shire of Murray

Opinion

I have audited the financial report of the Shire of Murray (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.

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 Murray 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
27 November 2023



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