



SHIRE OF TAMMIN
OUR AIM IS PROGRESS



ANNUAL REPORT

2020-2021

Vision

A place for people, a place for community

Shire Info



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TAMMIN WA 6409



(08) 9637 0300



shire@tammin.wa.gov.au



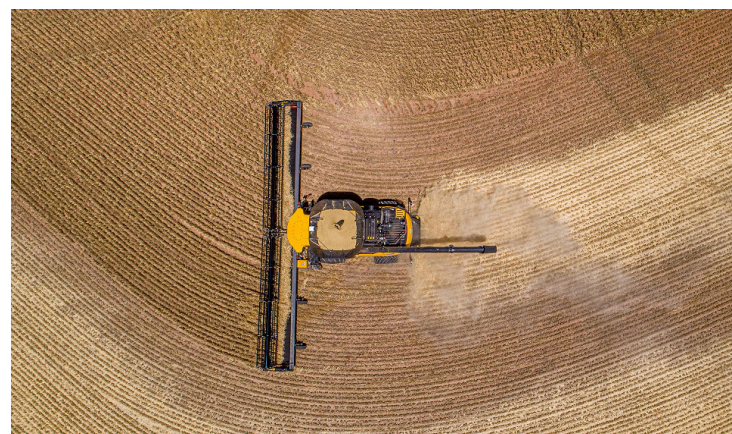
www.tammin.wa.gov.au



SHIRE OF TAMMIN
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Above: The Tammin Town Hall built circa 1911. The Hall is a significant focal point and public venue for residents of the Shire of Tammin.



Left: Aerial view of the CBH grain receipt facility located within the Tammin townsite, circa 2019. Right: Aerial view of grain harvesting underway in the Shire of Tammin.

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A MESSAGE FROM THE SHIRE PRESIDENT

I am delighted to present the 2020/21 Annual Report for the Shire of Tammin.

It's been a year of change, the 2021 Council elections resulted in welcoming two new Councillors, Courtney Thomson and Barry Leslie as well as Nick Caffell back to the team.

I would like to acknowledge and thank outgoing Councillors, Tania Daniels and Michael Greenwood for their commitment and dedication to the community during their tenures on Council. Both were active on key committees representing and advocating for Tammin.

Special mention to Michael who leaves us after 17 years of service, four as President and recipient of a WALGA long and loyal service award in 2019.

We sadly said goodbye to some much loved community members, celebrating their lives with family and friends.

We farewelled CEO Neville Hale a little early due to ill health, to a well-deserved retirement. Neville and the management team ensured strong governance and financial foundations that we will now build upon. Neville received the Local Government Distinguished Officers Award for his outstanding contribution made to Local Government sector. We appreciated interim CEO Gary Martin agreeing to return to hold the fort again until our newly appointed CEO Joanne Soderlund and family could arrive. We're now excited about what the future holds.

Over the 2020/21 financial year, Council spent \$1.477million on capital projects ranging from essential road works to projects that continue to improve and enhance community amenity and make Tammin an even better place to live. Council invested \$116,000 to ensure we maintain plant and equipment of a high standard allowing us to operate effectively and efficiently. Projects were completed on time and on budget. Further development has occurred for the "Southern Link" to provide safe access into our town, with a funding boost of \$1 million dollars secured.

The COVID-19 pandemic continued to impact our lives and community and required ongoing change and adaption, supported by staff and volunteers.

Council held its first ever online meeting due to restrictions.

Thankfully, many community events and sporting activities were reinstated we'd missed the previous year.



Glenice Batchelor
Shire President

A MESSAGE FROM THE SHIRE PRESIDENT

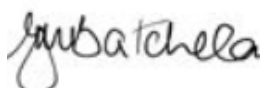
Highlights included the Fuse Festival in April with another wonderful day full of great activities for everyone – especially fun for younger members of the community and plenty of market stalls to browse.

The Annual Comedy Gold show entertained for a night of much needed laughter and local Seniors enjoyed many activities through the year including their annual Musical Luncheon, Wellbeing Days and other activities driven by the Age Friendly plan. We proudly held several Citizenship ceremonies and the Anzac day ceremony returned.

A big congratulations to community members who were recognised at the 2021 Achievement Awards Night. Lorraine (Lainy) Packham was our Citizen of the year, with Corey Dixon the Youth Citizen of the Year. Recognition awards were presented to Jayne York, Michael Crane and the Tammin Cricket Club.

Thank you to fellow Councilors and our Deputy Tanya Nicholls. We operate as a team and I am grateful for their support and input into decision-making. We want to encourage all members of the community to participate in civic life by attending Council meetings and other opportunities provided, to help us improve our community.

It has been another successful and busy year as we strive to provide excellent service, complete budgeted projects and meet community expectations. This couldn't happen without our hardworking and enthusiastic staff – both the 'inside administration' and 'outside crew', supported by our volunteer organisations and community members. Thank you everyone who helps make Tammin such a special place to work and live. Our aim is progress!



Glenice Batchelor



L-R: Shire of Tammin retiring CEO Mr. Neville Hale, Cr C. Thomson, Cr T. Nicholls, Cr G. Batchelor, Cr M. Greenwood (outgoing Shire President), Cr T. Daniels, Cr N. Caffell.

CHIEF EXECUTIVE OFFICER REPORT

The Shire has successfully delivered a number of important projects that continue to progress the community's goals and aspirations as articulated in the Strategic Community Plan. In FY20/21 these projects included:

Yorkrakine Hall:

A new roof was installed at the Yorkrakine hall and cracks in the walls repaired.

Cooinda:

Refurbishment of the kitchen which includes work to the walls and ceiling was undertaken.

Tammin Hall:

New curtains were installed on the stage with a new paved area near the lesser hall. A new table and bench were also installed.

Kadjininy Kep:

New less obtrusive fencing surrounding the park to improve the amenity of the area has been installed as well as new fence around some areas of the Memorial Park.

Roads:

100% of the budgeted road works for the financial year were delivered. This is an impressive effort by the works department. Works that were delivered include:

8.5km of resheeting work on Turon Rd, Wyola South Rd, Nelson Rd and Youering Rd.

1.5km of shoulder widening on O'Loughlin Rd

7.5km of shoulder widening, cement stabilisation and reseal on Bungulla North Rd, Tammin South Rd and Yorkrakine Rd. These works upgraded roads from a width of 4m to a width of 7.2m to meet the standards of sealed roads.

Footpaths:

Shields sheet – upgrade of old asphalt path with new concrete path 2 m wide, installation of pram ramp and concrete path access to Tamma Village. Installation of new brick paved footpath from Shields Street to the public toilet and access to the Shire office. Upgrade of the footpath around KEP was also undertaken to ensure easy access around the park. New asphalt was installed in front of the Lesser Hall and the tennis court for ease of access and aesthetic enhancement.

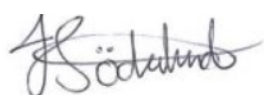
While new projects are often the focus, it is important to also recognise the day to day efforts that make our community so liveable. The roads are well maintained, our parks and sporting facilities prepped and ready for action and community events provide enjoyment and social cohesion. Our bright and supportive front line staff provide great customer service to the community and are always there to help however they can. All of these activities are supported by an equally dedicated management team who provide sound financial management and good governance support. Together, they form a professional and strong team and as the incoming CEO, I am delighted to have the opportunity to join this organisation.



Joanne Soderlund
Chief Executive Officer

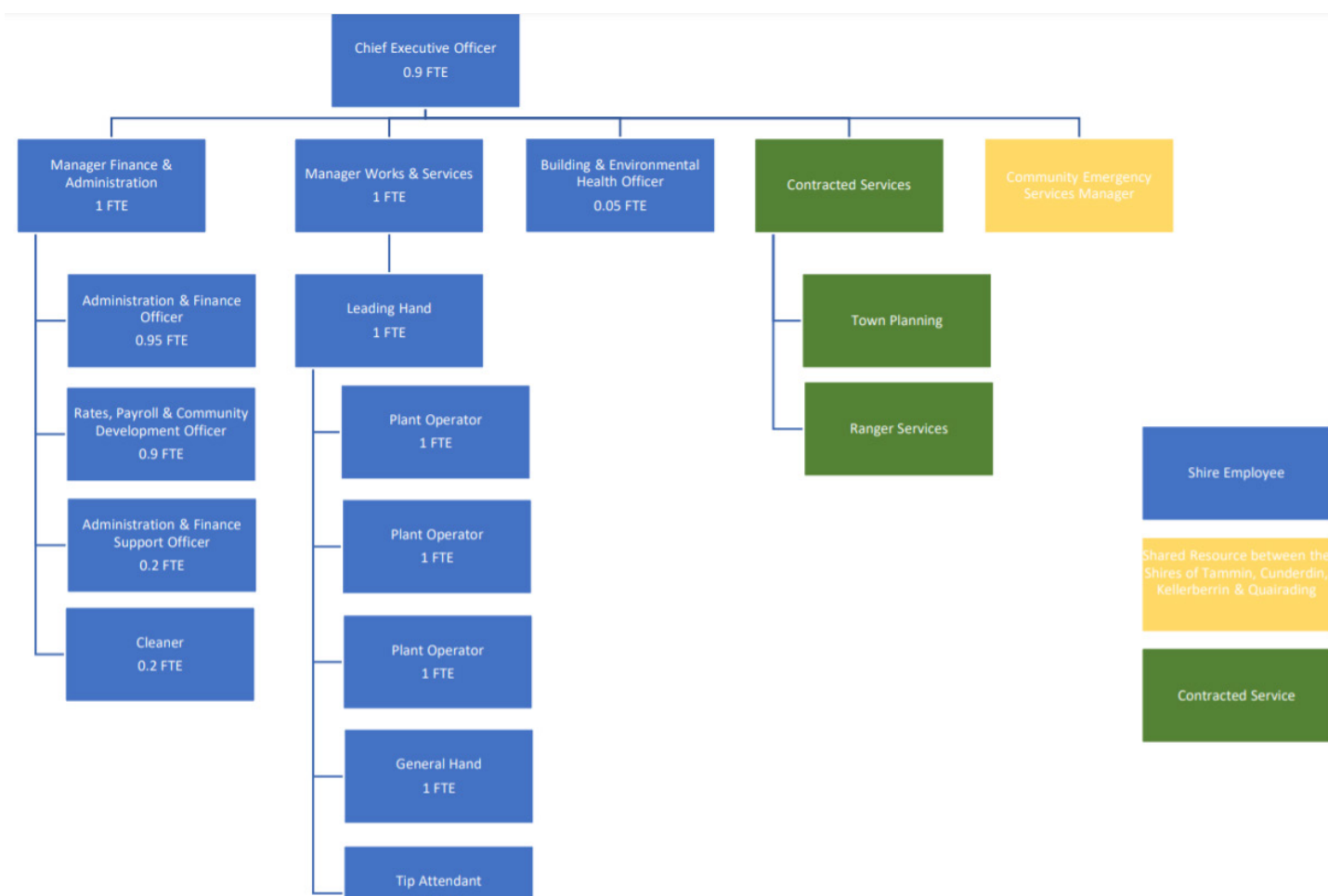
CHIEF EXECUTIVE OFFICER REPORT *(CONTINUED)*

I look forward to working with Council, management, staff, stakeholders and most importantly with the community so that together as one team we build on the strong foundations and assets to obtain the best outcomes for the Shire of Tammin Community.



Joanne Soderlund

ORGANISATION STRUCTURE



A LITTLE ABOUT TAMMIN

The Shire of Tammin is located 184 kilometers east of Perth on the Great Eastern Highway. The Shire covers an area of 1,087 kilometres and is bound by the neighbouring Shire's of Kellerberrin, Quairading, Cunderdin and Wyalkatchem.

The Shire is home to a population of approximately 400 residents, working primarily within the agricultural industry for the production of grain and livestock. Each year, the Shire hosts a number of community events for its residents which include Comedy Gold, Fuse Festival, Seniors Luncheon, Silent Disco and Tammin Achievement Awards. The Shire also contributes annually to a number of community runs events including movie nights, the Australia Day community breakfast, Anzac Day service, along with a number of other events. In response to the Covid-19 global pandemic, it has been necessary for the Shire to postpone a number of these events during the FY19/20 financial year.

Residents of the Shire enjoy a Mediterranean-type climate with weather ranging from 0 degrees celsius in winter to 40 degrees celsius during summer. The average yearly rainfall is 370mm falling mainly in the winter months.

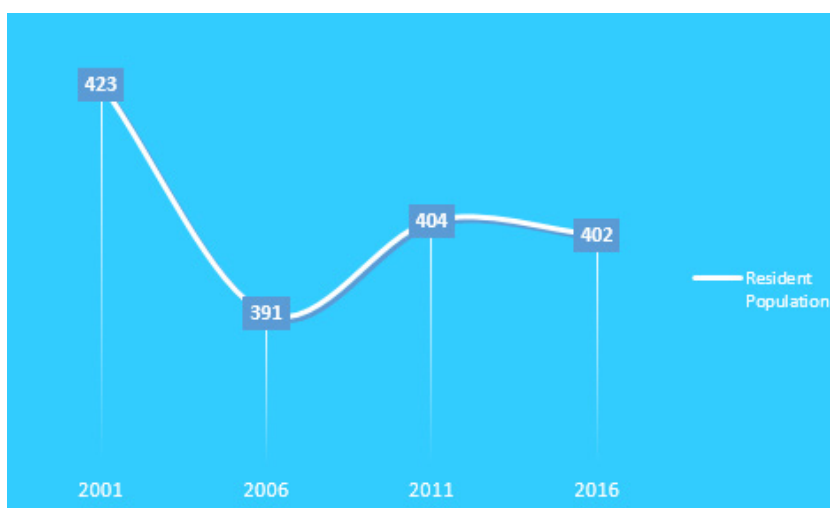
Tammin was first settled in 1893 by Mr John Packham with more settlers arriving in the 1900's. The town of Tammin was gazetted in 1899 and in 1948 became a Road Board in its own right having previously been part of the Meckering Road Board and later Cunderdin-Meckering-Tammin Road Boards. With changes to the Local Government Act 1960, it became the Shire of Tammin in 1961.

The name 'Tammin' means grandmother or grandfather according to the 'Descriptive Vocabulary of Aboriginies of WA' by G F Moore. Other theories are that Tammin was named after the Tamma, a small animal that once inhabited the area or the Tamma bush which grows throughout the district.

For further information regarding the history of the Shire, please contact the Shire Administration Office.

POPULATION

Australian Bureau of Statistic (ABS) data for the Shire of Tammin indicates a decline in population of approximately 5% (or 21 persons) between the 2001 and 2016 Census dates. The median age of persons residing with the Shire of Tammin is 38 years.



ELECTED REPRESENTATIVES

The Tammin Shire Council currently has six (6) Councillors representing the district.

The Shire's Councillors are the voice of the Tammin community. Councillors listen to the issues and ideas of residents and community groups and make strategic and policy decisions within the legislative framework in which they operate. The Shire President leads Council meetings and represents Council on formal occasions supported by the Deputy President.



**CR. MICHAEL
GREENWOOD**

President, Term Expiry 2021

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**CR. GLENICE
BATCHELOR**

Deputy, Term Expiry 2023

Mobile: 0428 371 221
Email: crbatchelor@tammin.wa.gov.au



CR. NICK CAFFELL

Councillor, Term Expiry 2021

Mobile: 0429 452 035
Email: crcaffell@tammin.wa.gov.au



CR. TANIA DANIELS

Councillor, Term Expiry 2021

Mobile: 0428 741 900
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CR. TANYA NICHOLLS

Councillor, Term Expiry 2023

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Email: crnicholls@tammin.wa.gov.au



**CR. CHARMINE
THOMSON**

Councillor, Term Expiry 2023

Mobile: 0408 057 550
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MEETING ATTENDANCE

Council policy provides that Council member attendance at all Council and Committee meetings be reported in the Annual Report. For the year ended 30 June 2021 Council member attendance at all eleven (11) Council meetings and four (4) Special and Other Council Committee meetings is documented below:

| COUNCILLOR | COUNCIL MEETINGS | SPECIAL COUNCIL MEETINGS & GENERAL MEETING OF ELECTORS | OTHER COUNCIL COMMITTEES |
|-----------------|------------------|--|--------------------------|
| Cr. M Greenwood | 11 | 4 | - |
| Cr. G Batchelor | 11 | 4 | - |
| Cr. N Caffell | 11 | 3 | - |
| Cr. T Nicholls | 11 | 4 | - |
| Cr. C.Thomson | 11 | 4 | - |
| Cr. T Daniels | 11 | 4 | - |

REMUNERATION

Councillor remuneration and travel reimbursements for meeting attendance during FY2020/21 is outlined in the table below:

| COUNCILLOR | COUNCIL MEETINGS | OTHER MEETINGS | PRESIDENTS FEE | DEPUTY PRESIDENTS FEE | TRAVEL & ACCOM |
|-----------------|------------------|----------------|----------------|-----------------------|----------------|
| Cr. M Greenwood | \$3,491.00 | \$0 | \$2,800.00 | - | \$639.00 |
| Cr. G Batchelor | \$1,737.00 | \$0 | | \$700.00 | \$233.00 |
| Cr. N Caffell | \$1,400.00 | \$0 | - | - | \$341.00 |
| Cr. T Nicholls | \$1,691.00 | \$0 | - | - | \$410.00 |
| Cr. C.Thomson | \$1,645.00 | \$0 | - | - | \$696.00 |
| Cr. T Daniels | \$1,791.00 | \$0 | - | - | \$378.00 |
| Total | \$11,755.00 | \$0 | \$2,800.00 | \$700.00 | \$2,697.00 |

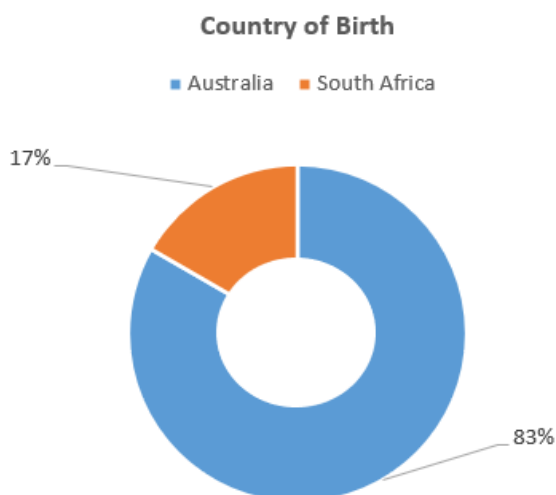
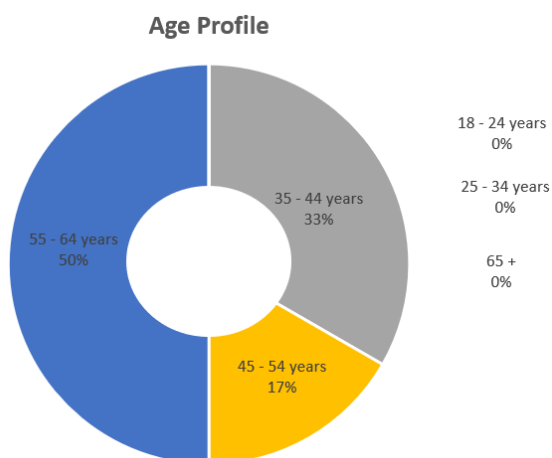
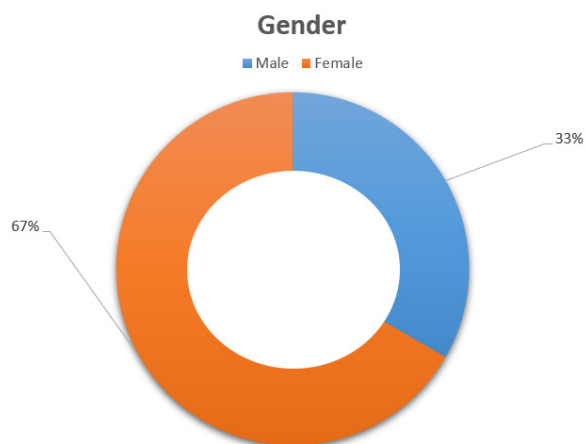


Above: The Shire of Tammin in conjunction with a number of supporting bodies presented numerous events during the course of the financial year including the 'Minority Event' a 'Musical Luncheon for Seniors' and the 'Comedy Gold' stand up show. These events were all well supported by the local Tammin community and visitors alike.

ELECTED REPRESENTATIVES

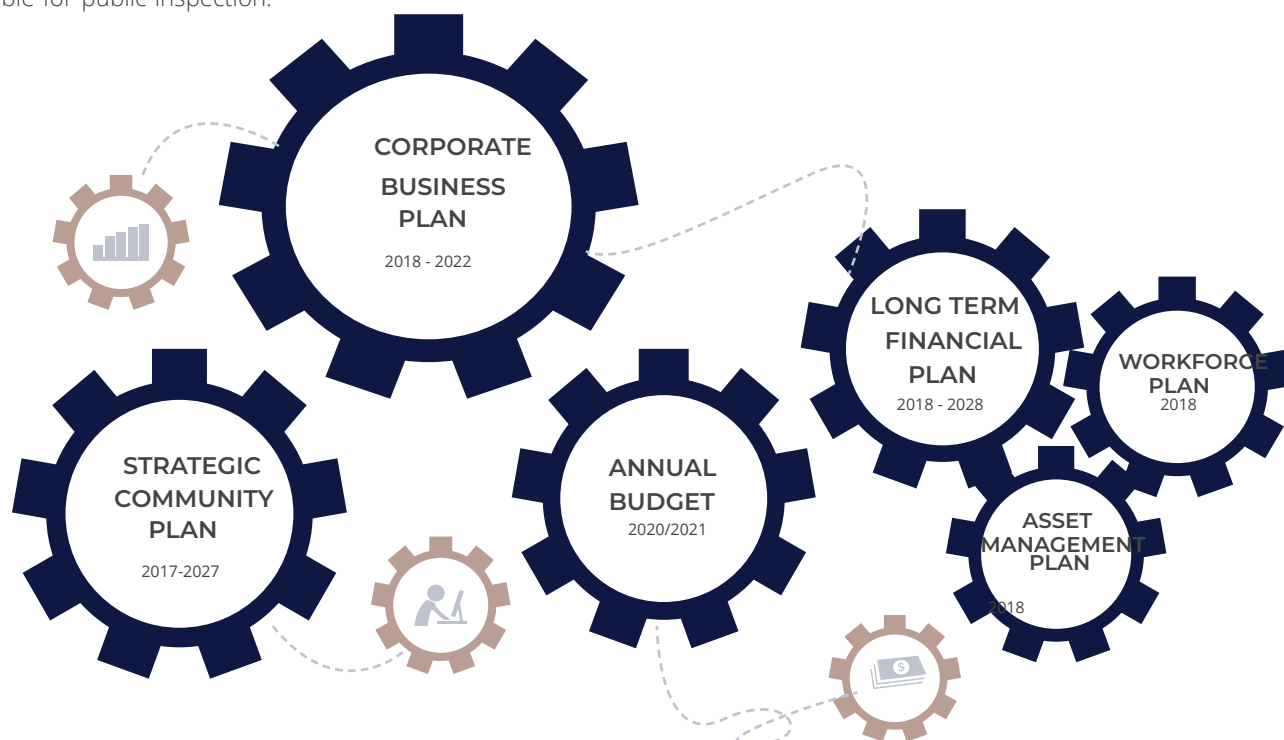
DEMOGRAPHIC PROFILE

A summary of the demographic profile of the Shire's elected members is provided below:



INTEGRATED PLANNING & REPORTING

In 2010, the Western Australian State Government introduced legislation requiring local governments to prepare an Integrated Planning and Reporting Framework. The Shire of Tammin has the following integrated planning documents available for public inspection.



STRATEGIC COMMUNITY PLAN

The Shire of Tammin's Strategic Community Plan 2017-2027 outlines the strategic priorities of Council to address the community's long term vision for the Shire.

The Shire's vision for the Shire is **'A Place for People, a Place for Community'**. Tammin as a community is vibrant and active, inclusive and welcoming, a community where people are treated equally and feel safe. The Shire's aim is to sustain and build local area capacity through employment and strengthen community development.

The aspirations of the community in pursuit of the Shire's vision above, as identified through consultation with the community during the formation of the Strategic Community Plan have been categorised into six (6) strategic result areas detailed on the page to follow. Each of these result areas have multiple objectives the community desires to see achieved. It is the Shire's accompanying Corporate Business Plan 2020/21-2024/25 that details the actions the Shire of Tammin will undertake to achieve the objectives defined under each of the strategic result areas of the Strategic Community Plan.

During the FY2019/20, the Shire commenced community consultation for its comprehensive review of these plans. A revised Strategic Community Plan and Corporate Business Plan will be put forward for adoption in FY2020/21.





The six (6) strategic result areas outlined in the Shire of Tammin's Strategic Community Plan 2017-2027 that are the focus of the Shire of Tammin's pursuit to be '**A Place for People, a Place for Community**'.

1**Social / Community**

Grow and sustain the population through planned provision of services. Maintain the sense of community which is inclusive and welcoming for all.

2**Environment**

Provide leadership and promote local regional sustainability principles and practices. Enhance local natural areas and open spaces.

3**Housing & Facilities**

Our local area will be maintained through the provision of housing and employment choices for all ages, whilst protecting our viable farmland.

4**Economic Development**

Strengthen local business and employment capacity. Support and encourage sustainable business growth.

5**Infrastructure & Transport**

Our local town, amenities and facilities will be maintained and enhanced, ensuring that our town is one that community loves to be in and is proud of.

6**Civic Leadership**

Our Councillors and community leaders have vision, are accessible, act with transparency and integrity, and act in good faith on behalf of their constituents.

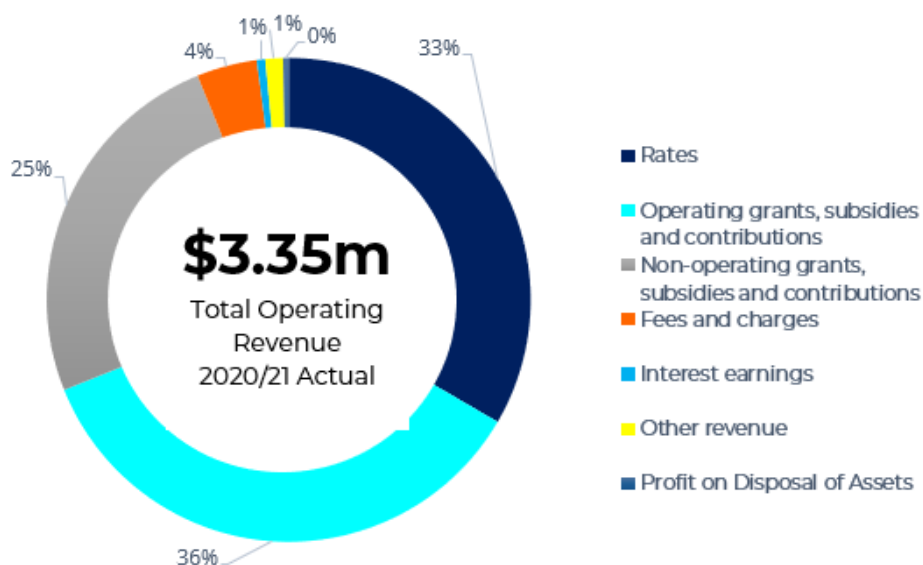
2020-2021

FINANCIAL SUMMARY

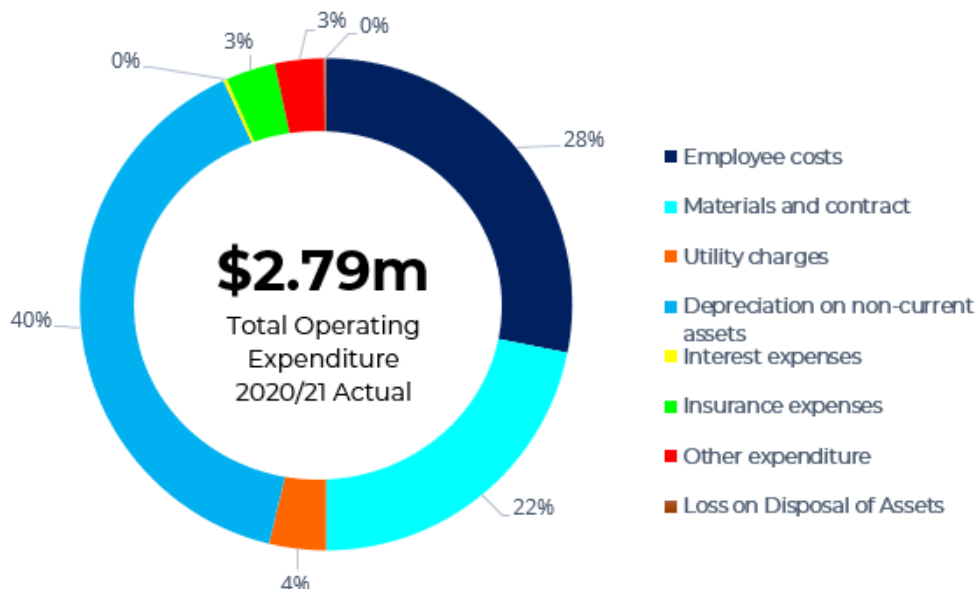
To deliver the objectives of the Strategic Community Plan the Shire requires many resources. These resources require funding, and the Shire derives this funding from different sources including rates, government grants and fees and charges.

The Annual Report presents the Shire's audited Annual Financial Statements for the year ending 30 June 2021 in the later pages of this report. A graphical representation of the Shire of Tammin's financial results for FY 2020-2021 is provided below.

Statement of Comprehensive Income - Revenue by Nature or Type



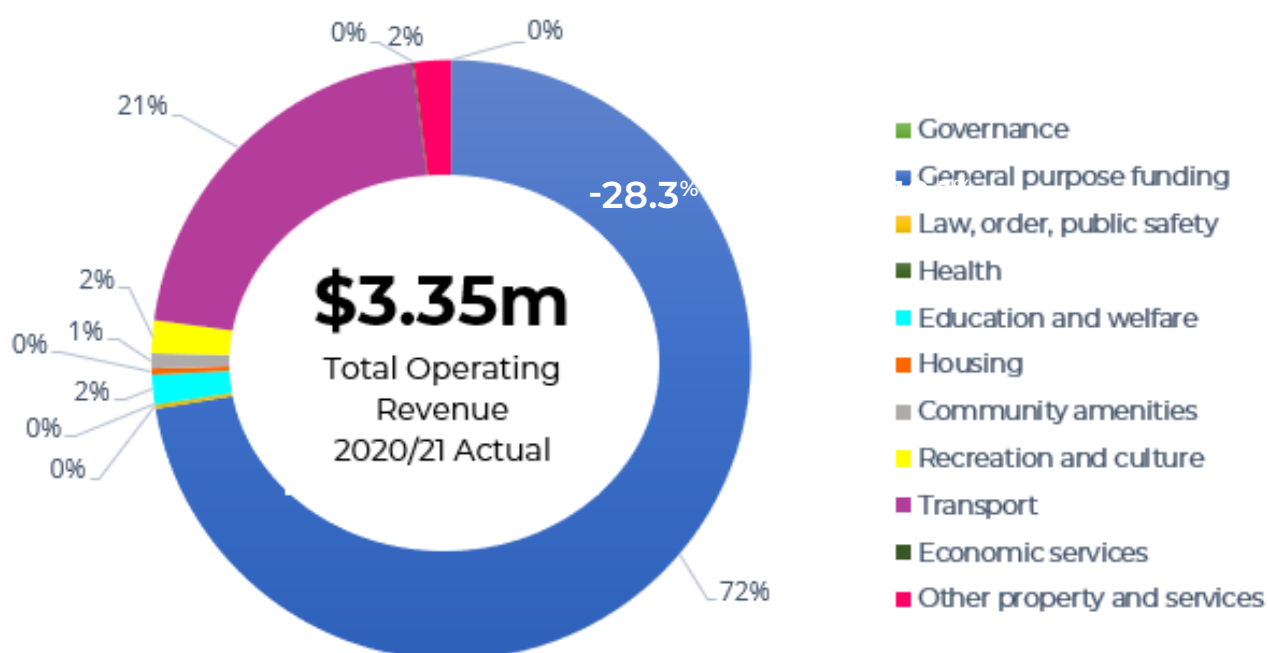
Statement of Comprehensive Income - Expenditure by Nature or Type



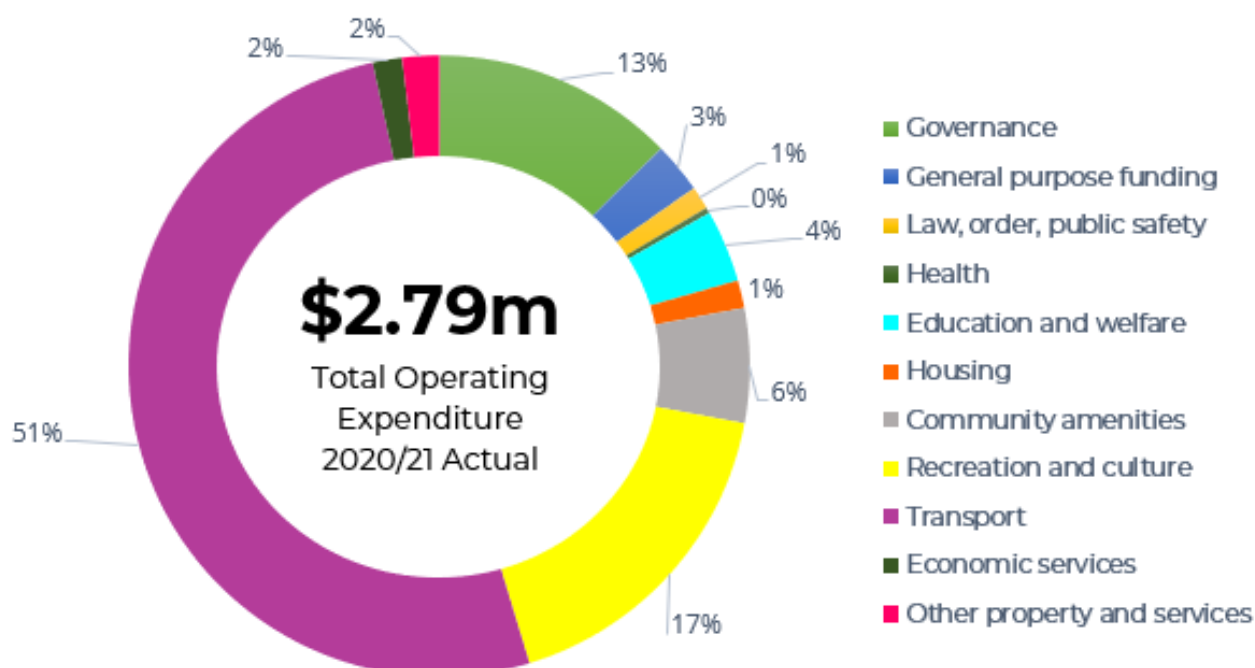
2020-2021

FINANCIAL SUMMARY *(CONTINUED)*

Statement of Comprehensive Income - Revenue by Program



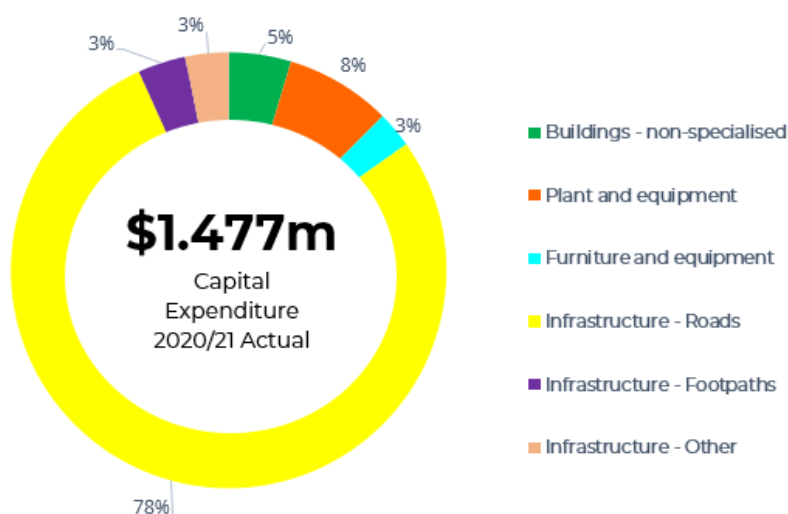
Statement of Comprehensive Income- Expenditure by Program



2020-2021

FINANCIAL SUMMARY *(CONTINUED)*

During the FY2020/2021 financial year, the Shire of Tammin outlayed funds of \$1.477m in capital projects across the Shire. A summary of this investment by asset class is provided below:



Key capital projects undertaken by the Shire of Tammin in FY2020-2021 included:

| Capital Project | Expenditure (\$) |
|--|------------------|
| Tammin Hall (Flooring & Mens Toilets) | \$17,018 |
| Cooinda Aged Care Building (Kitcehn & Building Reclad) | \$19,928 |
| Yorkrakine Hall Roof & Wall Renewal | \$31,450 |
| Footpaths (including Shields Street to Tammin Hall) | \$52,476 |
| Roads (excluding road maintenance) | \$1,153,037 |



Above: The 'Fuse Festival' is a free community event held annually in the Shire of Tammin. The event includes entertainment for people of all ages and is supported by Lotterywest.

LEGISLATIVE COMPLIANCE

National Competition Policy

The Shire of Tammin has met its obligations with regard to the National Competition Policy. The Shire has no local laws or policies that contain anti-competitive provisions. No complaints were received by the Shire of Tammin in FY2020-2021 in relation to anti-competitive practices.

Disability Access and Inclusion Plan

The *Disability Services Act 1993* requires local governments to develop and implement a Disability Access and Inclusion Plans (DAIPs). The Shire of Tammin adopted a DAIP in 2015, with the plan to undergo a full review in 2020. Council is required to report on present activities as they relate to the six desired DAIP outcomes.

1. The Shire of Tammin is continually adapting existing services to give people with disabilities the same opportunities as other people to access the services of, and any events organised by the Shire.
2. The Shire of Tammin also continues to improve its buildings and footpath infrastructure to assist those with disabilities.
3. Wherever possible, people with disabilities can receive information from the Shire of Tammin in a format that will enable them to access the information as readily as other people are able to access it. This includes a comprehensive website and the ability to change documents to a large font size.
4. Staff at the Shire of Tammin are encouraged to be aware of the needs of people with disabilities to ensure they receive the same level and quality of service as other people receive. We are also working with contractors to ensure they are aware of their responsibilities.
5. People with disabilities have the same opportunities as other people to make complaints to the Shire of Tammin. This can be done via written letters, email, sms or verbally.
6. Council provides many ways for people to participate in public consultation and the Shire of Tammin is more than happy to discuss any grievances community members may have regarding the services available to the disabled.

The Shire has undertaken a Disability Access Audit for the various community facilities and amenities. The Shire has also undertaken a works program to improve the access ramps at various townsite intersections to better cater for the disabled and aged.

LEGISLATIVE COMPLIANCE *(CONTINUED)*

Public Interest

The *Public Interest Disclosure Act 2003* (The Act) aims to facilitate and encourage the disclosure of public interest information and to provide protection for those who have made disclosures and for those about whom disclosures are made.

The Shire of Tammin does not tolerate corrupt or other improper conduct, including mismanagement of public resources and the exercise of the public functions of the Shire and its officers, employees and contractors.

The Shire of Tammin is committed to the aims and objectives of the Act and recognises the value and importance of contributions of staff to enhance administrative and management practices and supports disclosures being made by staff as to corrupt or other improper conduct.

During the FY2020-2021 reporting period, there were no disclosure made under the Act and no disclosures were referred to the Ombudsman.

Annual Salaries

The Local Government Act 1995 requires Council to provide the number of employees who are entitled to an annual salary of \$100,000 or more, and to break those employees into salary bands of \$10,000.

For the current reporting period, two employees of the Shire of Tammin received a salary in excess of \$100,000. These salaries were within the bands of \$100,000 - \$110,000 and \$140,000 - \$150,000.

Record Keeping Plan

The Shire of Tammin is committed to best practice record keeping and compliance in accordance with the *State Records Act 2000*. The Shire of Tammin's Record Keeping Plan, following a comprehensive review in December 2019, has been approved by the State Record Office and the Shire conducts regular record keeping training for staff.

Register of Minor Complaints

Section 5.121 of the *Local Government Act 1995* (the Act) requires a local government to maintain a register of complaints that result in action under Section 5.110 (6) (b) or (c) of the Act. The Shire of Tammin received no complaints made under Section 5.121 of the Act during the current reporting period.

LEGISLATIVE COMPLIANCE *(CONTINUED)*

Freedom of Information

Part 5 of the *Freedom of Information Act 1992* (The Act) requires an agency such as a Local Government to prepare and publish an Information Statement. The Shire of Tammin has produced an Information Statement for the current reporting period which can be inspected by contacting the Shire Office.

The Information Statement contains information on the type of documents available to the public and how to access those documents.

The Shire of Tammin maintains records relating to the function and administration of the Shire, each property within the Shire and includes such documents as the Minutes of Meetings, Rates Book, Town Planning Scheme, Local Laws, Codes of Conduct, Register of Financial Interests, Register of Delegated Authority, Financial Statements and Electoral Rolls. These documents can be inspected free of charge at the Shire of Tammin, 1 Donnan Street Tammin, during office hours.

All Council meetings of the Shire are open to the public and meeting dates and venues are advertised on a regular basis. Members of the public are invited to ask questions during Public Question Time shortly after the commencement of each meeting.

The Act gives individuals and organisations a general right of access to information held by the Shire of Tammin. It also provides the right of appeal in relation to decisions made by the Shire to refuse access to information applied for under the Act.

The Shire of Tammin advises that no Freedom of Information requests were received by the Shire during the current reporting period.

ANNUAL FINANCIAL STATEMENTS FINANCIAL YEAR ENDED 30 JUNE 2021

SHIRE OF TAMMIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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COMMUNITY VISION

A place for people, a place for community.

Principal place of business:
1 Donnan Street
TAMMIN WA 6409



**SHIRE OF TAMMIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Tammin for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Tammin at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 2nd day of December 2021



Chief Executive Officer

Joanne Soderlund

Chief Executive Officer



SHIRE OF TAMMIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

| | NOTE | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|-------|----------------------|----------------------|----------------------|
| Revenue | | | | |
| Rates | 24(a) | 1,122,118 | 1,121,536 | 1,121,590 |
| Operating grants, subsidies and contributions | 2(a) | 1,192,824 | 592,590 | 1,120,243 |
| Fees and charges | 2(a) | 135,268 | 136,104 | 122,702 |
| Interest earnings | 2(a) | 18,926 | 22,391 | 35,889 |
| Other revenue | 2(a) | 39,426 | 50,964 | 89,680 |
| | | 2,508,562 | 1,923,585 | 2,490,104 |
| Expenses | | | | |
| Employee costs | | (787,898) | (876,160) | (812,758) |
| Materials and contracts | | (611,200) | (759,102) | (614,783) |
| Utility charges | | (104,529) | (123,007) | (99,964) |
| Depreciation on non-current assets | 10(b) | (1,102,983) | (1,053,329) | (1,071,386) |
| Interest expenses | 2(b) | (6,836) | (6,866) | (9,313) |
| Insurance expenses | | (91,367) | (87,899) | (83,421) |
| Other expenditure | 2 (b) | (89,959) | (100,152) | (81,074) |
| | | (2,794,772) | (3,006,515) | (2,772,699) |
| | | (286,210) | (1,082,930) | (282,595) |
| Non-operating grants, subsidies and contributions | 2(a) | 837,154 | 870,967 | 590,310 |
| Profit on asset disposals | 10(a) | 12,684 | 8,000 | 7,727 |
| (Loss) on asset disposals | 10(a) | (3,603) | 0 | (59,823) |
| | | 846,235 | 878,967 | 538,214 |
| Net result for the period | | 560,025 | (203,963) | 255,619 |
| Other comprehensive income | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes in asset revaluation surplus | 11 | 5,969 | 0 | 20,361 |
| Total other comprehensive income for the period | | 5,969 | 0 | 20,361 |
| Total comprehensive income for the period | | 565,994 | (203,963) | 275,980 |

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



SHIRE OF TAMMIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

| | NOTE | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|-------|----------------------|----------------------|----------------------|
| Revenue | | | | |
| General purpose funding | | 2,207,365 | 1,643,581 | 2,194,128 |
| Law, order, public safety | | 7,166 | 3,883 | 2,916 |
| Health | | 674 | 1,044 | 693 |
| Education and welfare | | 53,247 | 64,910 | 58,130 |
| Housing | | 11,194 | 9,405 | 11,430 |
| Community amenities | | 27,207 | 33,820 | 28,089 |
| Recreation and culture | | 59,512 | 32,460 | 20,932 |
| Transport | | 84,592 | 77,738 | 79,739 |
| Economic services | | 3,212 | 6,855 | 3,356 |
| Other property and services | | 54,393 | 49,889 | 90,691 |
| | | 2,508,562 | 1,923,585 | 2,490,104 |
| Expenses | | | | |
| Governance | | (354,417) | (345,783) | (325,717) |
| General purpose funding | | (73,893) | (87,419) | (80,191) |
| Law, order, public safety | | (33,321) | (36,157) | (31,524) |
| Health | | (8,426) | (9,149) | (8,788) |
| Education and welfare | | (105,247) | (100,277) | (93,695) |
| Housing | | (37,314) | (40,872) | (44,103) |
| Community amenities | | (166,782) | (192,683) | (161,474) |
| Recreation and culture | | (482,663) | (585,835) | (510,440) |
| Transport | | (1,433,190) | (1,488,214) | (1,350,160) |
| Economic services | | (42,786) | (68,640) | (70,227) |
| Other property and services | | (49,897) | (44,620) | (87,067) |
| | | (2,787,936) | (2,999,649) | (2,763,386) |
| Finance Costs | | | | |
| Housing | | (2,978) | (2,980) | (4,212) |
| Recreation and culture | | (2,894) | (2,919) | (3,118) |
| Transport | | (964) | (967) | (1,983) |
| | 2(b) | (6,836) | (6,866) | (9,313) |
| | | (286,210) | (1,082,930) | (282,595) |
| Non-operating grants, subsidies and contributions | 2(a) | 837,154 | 870,967 | 590,310 |
| Profit on disposal of assets | 10(a) | 12,684 | 8,000 | 7,727 |
| (Loss) on disposal of assets | 10(a) | (3,603) | 0 | (59,823) |
| | | 846,235 | 878,967 | 538,214 |
| Net result for the period | | 560,025 | (203,963) | 255,619 |
| Other comprehensive income | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes in asset revaluation surplus | 11 | 5,969 | 0 | 20,361 |
| Total other comprehensive income for the period | | 5,969 | 0 | 20,361 |
| Total comprehensive income for the period | | 565,994 | (203,963) | 275,980 |

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



SHIRE OF TAMMIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

| | NOTE | 2021 \$ | 2020 \$ |
|--|-------|-------------------|-------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 1,252,671 | 1,135,610 |
| Trade and other receivables | 6 | 104,018 | 91,313 |
| Other financial assets | 5(a) | 1,351,974 | 1,342,463 |
| Other assets | 7 | 1,047 | 907 |
| TOTAL CURRENT ASSETS | | 2,709,710 | 2,570,293 |
| NON-CURRENT ASSETS | | | |
| Trade and other receivables | 6 | 22,325 | 17,668 |
| Other financial assets | 5(b) | 72,483 | 80,419 |
| Property, plant and equipment | 8 | 7,079,372 | 7,150,959 |
| Infrastructure | 9 | 25,410,151 | 25,016,486 |
| TOTAL NON-CURRENT ASSETS | | 32,584,331 | 32,265,532 |
| TOTAL ASSETS | | 35,294,041 | 34,835,825 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 165,226 | 161,007 |
| Other liabilities | 13 | 59,719 | 94,259 |
| Borrowings | 14(a) | 56,605 | 69,970 |
| Employee related provisions | 15 | 59,932 | 75,350 |
| TOTAL CURRENT LIABILITIES | | 341,482 | 400,586 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 14(a) | 135,574 | 191,653 |
| Employee related provisions | 15 | 16,965 | 9,560 |
| TOTAL NON-CURRENT LIABILITIES | | 152,539 | 201,213 |
| TOTAL LIABILITIES | | 494,021 | 601,799 |
| NET ASSETS | | 34,800,020 | 34,234,026 |
| EQUITY | | | |
| Retained surplus | | 3,902,170 | 3,455,592 |
| Reserves - cash/financial asset backed | 4 | 1,442,188 | 1,328,741 |
| Revaluation surplus | 11 | 29,455,662 | 29,449,693 |
| TOTAL EQUITY | | 34,800,020 | 34,234,026 |

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



SHIRE OF TAMMIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

| | | RESERVES CASH/FINANCIAL | | |
|----------------------------|------|----------------------------|-----------------|------------------------|
| | NOTE | RETAINED SURPLUS | ASSET BACKED | REVALUATION SURPLUS |
| | | \$ | \$ | \$ |
| Balance as at 1 July 2019 | | 3,144,212 | 1,384,502 | 29,429,332 |
| Comprehensive income | | | | |
| Net result for the period | | 255,619 | 0 | 0 |
| Other comprehensive income | 11 | 0 | 0 | 20,361 |
| Total comprehensive income | | 255,619 | 0 | 20,361 |
| Transfers from reserves | 4 | 261,729 | (261,729) | 0 |
| Transfers to reserves | 4 | (205,968) | 205,968 | 0 |
| Balance as at 30 June 2020 | | 3,455,592 | 1,328,741 | 29,449,693 |
| Comprehensive income | | | | |
| Net result for the period | | 560,025 | 0 | 0 |
| Other comprehensive income | 11 | 0 | 0 | 5,969 |
| Total comprehensive income | | 560,025 | 0 | 5,969 |
| Transfers to reserves | 4 | (113,447) | 113,447 | 0 |
| Balance as at 30 June 2021 | | 3,902,170 | 1,442,188 | 29,455,662 |

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



SHIRE OF TAMMIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

| | NOTE | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|-------|----------------------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| Rates | | 1,104,561 | 1,121,536 | 1,108,551 |
| Operating grants, subsidies and contributions | | 1,150,122 | 643,280 | 1,265,152 |
| Fees and charges | | 135,268 | 136,104 | 122,702 |
| Interest received | | 18,926 | 22,391 | 35,889 |
| Goods and services tax received | | 229,848 | 250,000 | 14,238 |
| Other revenue | | 39,426 | 50,964 | 89,679 |
| | | <u>2,678,151</u> | <u>2,224,275</u> | <u>2,636,211</u> |
| Payments | | | | |
| Employee costs | | (795,911) | (876,160) | (819,427) |
| Materials and contracts | | (607,121) | (809,102) | (659,724) |
| Utility charges | | (104,529) | (123,007) | (99,964) |
| Interest expenses | | (6,836) | (6,866) | (9,313) |
| Insurance paid | | (91,367) | (87,899) | (83,421) |
| Goods and services tax paid | | (221,491) | (250,000) | 0 |
| Other expenditure | | (89,959) | (100,152) | (81,075) |
| | | <u>(1,917,214)</u> | <u>(2,253,186)</u> | <u>(1,752,924)</u> |
| Net cash provided by (used in) operating activities | 16 | <u>760,937</u> | <u>(28,911)</u> | <u>883,287</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for financial assets at amortised cost | | (9,328) | 0 | (1,398,740) |
| Payments for purchase of property, plant & equipment | 8(a) | (224,292) | (515,453) | (626,056) |
| Payments for construction of infrastructure | 9(a) | (1,252,940) | (1,163,324) | (942,457) |
| Non-operating grants, subsidies and contributions | 2(a) | 837,154 | 920,277 | 590,310 |
| Proceeds from financial assets at amortised cost - self supporting loans | | 13,722 | 13,722 | 6,793 |
| Proceeds from sale of property, plant & equipment | 10(a) | 61,252 | 26,000 | 212,486 |
| Net cash (used) in investment activities | | <u>(574,432)</u> | <u>(718,778)</u> | <u>(2,157,664)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Repayment of borrowings | 14(b) | (69,444) | (69,443) | (79,036) |
| Proceeds from new borrowings | 14(b) | 0 | 0 | 70,000 |
| Net cash (used in) investment activities | | <u>(69,444)</u> | <u>(69,443)</u> | <u>(9,036)</u> |
| Net increase (decrease) in cash held | | <u>117,061</u> | <u>(817,132)</u> | <u>(1,283,413)</u> |
| Cash at beginning of year | | <u>1,135,610</u> | <u>2,467,014</u> | <u>2,419,023</u> |
| Cash and cash equivalents at the end of the year | 16 | <u>1,252,671</u> | <u>1,649,882</u> | <u>1,135,610</u> |

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



SHIRE OF TAMMIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

| NOTE | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|----------------------|----------------------|----------------------|
| OPERATING ACTIVITIES | | | |
| Net current assets at start of financial year - surplus | 25(b) 972,564 | 947,974 | 892,711 |
| | 972,564 | 947,974 | 892,711 |
| Revenue from operating activities (excluding rates) | | | |
| General purpose funding | 1,093,035 | 529,807 | 1,080,226 |
| Law, order, public safety | 7,166 | 3,883 | 2,916 |
| Health | 674 | 1,044 | 693 |
| Education and welfare | 53,247 | 64,910 | 58,130 |
| Housing | 11,194 | 9,405 | 11,430 |
| Community amenities | 27,207 | 33,820 | 28,089 |
| Recreation and culture | 59,512 | 32,460 | 20,932 |
| Transport | 84,592 | 77,738 | 79,739 |
| Economic services | 3,212 | 6,855 | 3,356 |
| Other property and services | 67,077 | 57,889 | 98,420 |
| | 1,406,916 | 817,811 | 1,383,931 |
| Expenditure from operating activities | | | |
| Governance | (354,417) | (345,783) | (325,717) |
| General purpose funding | (73,893) | (87,419) | (80,191) |
| Law, order, public safety | (33,321) | (36,157) | (31,524) |
| Health | (8,426) | (9,149) | (8,788) |
| Education and welfare | (105,247) | (100,277) | (93,695) |
| Housing | (40,292) | (43,852) | (98,080) |
| Community amenities | (166,782) | (192,683) | (161,474) |
| Recreation and culture | (485,557) | (588,754) | (513,562) |
| Transport | (1,434,154) | (1,489,181) | (1,352,143) |
| Economic services | (42,786) | (68,640) | (70,227) |
| Other property and services | (53,500) | (44,620) | (97,125) |
| | (2,798,375) | (3,006,515) | (2,832,526) |
| Non-cash amounts excluded from operating activities | 25(a) 1,081,232 | 1,045,329 | 1,070,401 |
| Amount attributable to operating activities | 662,337 | (195,401) | 514,517 |
| INVESTING ACTIVITIES | | | |
| Non-operating grants, subsidies and contributions | 2(a) 837,154 | 870,967 | 590,310 |
| Proceeds from disposal of assets | 10(a) 61,252 | 26,000 | 212,486 |
| Proceeds from financial assets at amortised cost - self supporting loans | 13,722 | 13,722 | 6,793 |
| Advances for financial assets at amortised cost - self supporting loans | 0 | 0 | (70,000) |
| Purchase of property, plant and equipment | 8(a) (224,292) | (515,453) | (626,056) |
| Purchase and construction of infrastructure | 9(a) (1,252,940) | (1,163,324) | (942,457) |
| Amount attributable to investing activities | (565,104) | (768,088) | (828,924) |
| FINANCING ACTIVITIES | | | |
| Repayment of borrowings | 14(b) (69,444) | (69,443) | (79,036) |
| Proceeds from borrowings | 14(c) 0 | 0 | 70,000 |
| Payments for principal portion of lease liabilities | 0 | (13,722) | 0 |
| Transfers to reserves (restricted assets) | 4 (113,447) | (137,120) | (205,968) |
| Transfers from reserves (restricted assets) | 4 0 | 70,000 | 261,729 |
| Amount attributable to financing activities | (182,891) | (150,285) | 46,725 |
| Surplus/(deficit) before imposition of general rates | (85,658) | (1,113,774) | (267,682) |
| Total amount raised from general rates | 24(a) 1,114,330 | 1,113,774 | 1,113,902 |
| Surplus/(deficit) after imposition of general rates | 25(b) 1,028,672 | 0 | 846,220 |

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



SHIRE OF TAMMIN
INDEX OF NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

1. BASIS OF PREPARATION

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

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

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is 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.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The impact of adoption of these standards is described at Note 28.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

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

CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect 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:

- Employee expenses
- Other financial assets
- Property, plant and equipment
- Infrastructure
- Borrowing liabilities
- Provisions

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2 REVENUE AND EXPENSES

(a) Grant revenue

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|----------------------|----------------------|----------------------|
| Operating grants, subsidies and contributions | | | |
| General purpose funding | 1,065,676 | 495,247 | 1,034,189 |
| Law, order, public safety | 5,159 | 0 | 0 |
| Recreation and culture | 42,720 | 20,000 | 11,890 |
| Transport | 75,213 | 71,788 | 74,164 |
| Economic services | 105 | 5,555 | 0 |
| Other property and services | 3,951 | 0 | 0 |
| | 1,192,824 | 592,590 | 1,120,243 |
| Non-operating grants, subsidies and contributions | | | |
| General purpose funding | 223,459 | 223,588 | 0 |
| Recreation and culture | 0 | 140,000 | 87,500 |
| Transport | 613,695 | 507,379 | 502,810 |
| | 837,154 | 870,967 | 590,310 |
| Total grants, subsidies and contributions | 2,029,978 | 1,463,557 | 1,710,553 |
| Fees and charges | | | |
| Law, order, public safety | 2,007 | 2,200 | 1,452 |
| Health | 674 | 1,044 | 693 |
| Education and welfare | 53,248 | 64,705 | 57,830 |
| Housing | 10,898 | 8,185 | 11,163 |
| Community amenities | 27,106 | 31,320 | 28,089 |
| Recreation and culture | 7,056 | 10,900 | 8,261 |
| Transport | 3,300 | 1,450 | 200 |
| Economic services | 3,107 | 1,300 | 3,356 |
| Other property and services | 27,872 | 15,000 | 11,659 |
| | 135,268 | 136,104 | 122,702 |

There were no changes to the amounts of fees or charges detailed in the original budget.

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|----------------------|----------------------|----------------------|
| Fees and charges | 133,501 | 133,560 | 119,114 |
| Other revenue | 11,660 | 13,579 | 11,806 |
| Non-operating grants, subsidies and contributions | 837,154 | 870,967 | 590,310 |
| | <u>982,315</u> | <u>1,018,106</u> | <u>721,230</u> |

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

| | | | |
|---|----------------|------------------|----------------|
| Revenue from contracts with customers included as a contract liability at the start of the period | 94,259 | 0 | 59,719 |
| Revenue from contracts with customers recognised during the year | 50,902 | 147,139 | 0 |
| Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year | 837,154 | 870,967 | 530,591 |
| | <u>982,315</u> | <u>1,018,106</u> | <u>590,310</u> |

Information about receivables, contract assets and contract liabilities 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:

| | | | |
|---|----------|---|----------|
| Trade and other receivables from contracts with customers | 6,350 | 0 | 4,956 |
| Contract liabilities from contracts with customers | (59,719) | 0 | (94,259) |

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'.
Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.
Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.
Consideration from contracts with customers is included in the transaction price.
Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

General rates

Statutory permits and licences

Fines

Other revenue

Reimbursements and recoveries

Sale of inventory

Other

Interest earnings

Financial assets at amortised cost - self supporting loans

Interest on reserve funds

Rates instalment and penalty interest (refer Note 24(f))

Other interest earnings

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|----------------------|----------------------|----------------------|
| General rates | 1,114,330 | 1,113,774 | 1,113,902 |
| Statutory permits and licences | 1,767 | 2,194 | 3,388 |
| Fines | 0 | 350 | 200 |
| | 1,116,097 | 1,116,318 | 1,117,490 |
| Other revenue | | | |
| Reimbursements and recoveries | 27,766 | 37,385 | 77,874 |
| Sale of inventory | 142 | 2,500 | 0 |
| Other | 11,518 | 11,079 | 11,806 |
| | 39,426 | 50,964 | 89,680 |
| Interest earnings | | | |
| Financial assets at amortised cost - self supporting loans | 771 | 0 | 0 |
| Interest on reserve funds | 9,328 | 13,000 | 23,968 |
| Rates instalment and penalty interest (refer Note 24(f)) | 7,658 | 4,720 | 8,388 |
| Other interest earnings | 1,169 | 4,671 | 3,533 |
| | 18,926 | 22,391 | 35,889 |

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset 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).

Interest earnings (continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2 REVENUE AND EXPENSES (Continued)

(b) Expenses

| | Note | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|-------|----------------------|----------------------|----------------------|
| Auditors remuneration | | | | |
| - Audit of the Annual Financial Report | | 42,000 | 35,700 | 30,000 |
| - Other Services - OAG - R2R Acquittal | | 2,000 | 0 | 0 |
| - Other Services - Consultant Auditors - Statutory Review | | 8,000 | 0 | 0 |
| | | <u>52,000</u> | <u>35,700</u> | <u>30,000</u> |
| Interest expenses (finance costs) | | | | |
| Borrowings | 14(b) | 6,836 | 6,866 | 8,737 |
| Interest expense (other) | | 0 | 0 | 576 |
| | | <u>6,836</u> | <u>6,866</u> | <u>9,313</u> |
| Other expenditure | | | | |
| Impairment loss on trade and other receivables from contracts with customers | | 34 | 2,305 | 160 |
| Sundry expenses | | 89,925 | 97,847 | 80,914 |
| | | <u>89,959</u> | <u>100,152</u> | <u>81,074</u> |

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

| Revenue Category | Nature of goods and services | When obligations typically satisfied | Payment terms | Returns/Refunds/ Warranties | Determination of transaction price | Allocating transaction price | Measuring obligations for returns | Timing of revenue recognition |
|---|---|--------------------------------------|--|---|---|---|---|--|
| Rates | General Rates | Over time | Payment dates adopted by Council during the year | None | Adopted by council annually | When taxable event occurs | Not applicable | When rates notice is issued |
| Specified area rates | Rates charge for specific defined purpose | Over time | Payment dates adopted by Council during the year | Refund in event monies are unspent | Adopted by council annually | When taxable event occurs | Not applicable | When rates notice is issued |
| Service charges | Charge for specific service | Over time | Payment dates adopted by Council during the year | Refund in event monies are unspent | Adopted by council annually | When taxable event occurs | Not applicable | When rates notice is issued |
| Grant contracts with customers | Community events, minor facilities, research, design, planning evaluation and services | Over time | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Set by mutual agreement with the customer | Based on the progress of works to match performance obligations | Returns limited to repayment of transaction price of terms breached | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants, subsidies or contributions for the construction of non-financial assets | Construction or acquisition of recognisable non-financial assets to be controlled by the local government | Over time | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Set by mutual agreement with the customer | Based on the progress of works to match performance obligations | Returns limited to repayment of transaction price of terms breached | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants with no contract commitments | General appropriations and contributions with no reciprocal commitment | No obligations | Not applicable | Not applicable | Cash received | On receipt of funds | Not applicable | When assets are controlled |
| Licences/ Registrations/ Approvals | Building, planning, development and animal management, having the same nature as a licence regardless of naming | Single point in time | Full payment prior to issue | None | Set by State legislation or limited by legislation to the cost of provision | Based on timing of issue of the associated rights | No refunds | On payment and issue of the licence, registration or approval |
| Pool inspections | Compliance safety check | Single point in time | Equal proportion based on an equal annually fee | None | Set by State legislation | Apportioned equally across the inspection cycle | No refunds | After inspection complete based on a 4 year cycle |
| Other inspections | Regulatory Food, Health and Safety | Single point in time | Full payment prior to inspection | None | Set by State legislation or limited by legislation to the cost of provision | Applied fully on timing of inspection | Not applicable | Revenue recognised after inspection event occurs |
| Waste management collections | Kerbside collection service | Over time | Payment on an annual basis in advance | None | Adopted by council annually | Apportioned equally across the collection period | Not applicable | Output method based on regular weekly and fortnightly period as proportionate to collection service |
| 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 | Adopted by council annually | Based on timing of entry to facility | Not applicable | On entry to facility |
| Airport landing charges | Permission to use facilities and runway | Single point in time | Monthly in arrears | None | Adopted by council annually | Applied fully on timing of landing/take-off | Not applicable | On landing/departure event |
| Property hire and entry | Use of halls and facilities | Single point in time | In full in advance | Refund if event cancelled within 7 days | Adopted by council annually | Based on timing of entry to facility | Returns limited to repayment of transaction price | On entry or at conclusion of hire |
| Memberships | Gym and pool membership | Over time | Payment in full in advance | Refund for unused portion on application | Adopted by council annually | Apportioned equally across the access period | Returns limited to repayment of transaction price | Output method Over 12 months matched to access right |
| Fees and charges for other goods and services | Cemetery services, library fees, reinstatements and private works | Single point in time | Payment in full in advance | None | Adopted by council annually | Applied fully based on timing of provision | Not applicable | Output method based on provision of service or completion of works |
| Sale of stock | Aviation fuel, kiosk and visitor centre stock | Single point in time | In full in advance, on 15 day credit | Refund for faulty goods | Adopted by council annually, set by mutual agreement | Applied fully based on timing of provision | Returns limited to repayment of transaction price | Output method based on goods |
| Commissions | Commissions on licencing and ticket sales | Over time | Payment in full on sale | None | Set by mutual agreement with the customer | On receipt of funds | Not applicable | When assets are controlled |
| Reimbursements | Insurance claims | Single point in time | Payment in arrears for claimable event | None | Set by mutual agreement with the customer | When claim is agreed | Not applicable | When claim is agreed |

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. CASH AND CASH EQUIVALENTS

| | NOTE | 2021 \$ | 2020 \$ |
|--|------|------------------|------------------|
| Cash at bank and on hand | | 1,252,671 | 1,135,610 |
| Total cash and cash equivalents | | 1,252,671 | 1,135,610 |
| Restrictions | | | |
| The following classes of 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 | | 194,522 | 116,025 |
| - Financial assets at amortised cost - term deposits | 5 | 1,338,069 | 1,328,741 |
| | | 1,532,591 | 1,444,766 |

The restricted assets are a result of the following specific purposes to which the assets may be used:

| | | | |
|--|----|------------------|------------------|
| Reserves - cash/financial asset backed | 4 | 1,442,188 | 1,328,741 |
| Contract liabilities from contracts with customers | 13 | 59,719 | 94,259 |
| Bond and deposits held | 12 | 30,684 | 21,766 |
| Total restricted assets | | 1,532,591 | 1,444,766 |

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

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4 RESERVES - CASH/FINANCIAL ASSET BACKED

| | 2021 Actual Opening Balance | 2021 Actual Transfer to | 2021 Actual Transfer (from) | 2021 Actual Closing Balance | 2021 Budget Opening Balance | 2021 Budget Transfer to | 2021 Budget Transfer (from) | 2021 Budget Closing Balance | 2020 Actual Opening Balance | 2020 Actual Transfer to | 2020 Actual Transfer (from) | 2020 Actual Closing Balance |
|---|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| (a) Reserve - Staff Entitlements | 40,791 | 44,280 | 0 | 85,071 | 40,791 | 44,394 | 0 | 85,185 | 27,238 | 13,553 | 0 | 40,791 |
| (b) Reserves - Plant Replacement | 264,402 | 61,882 | 0 | 326,384 | 264,402 | 62,616 | 0 | 327,018 | 407,066 | 35,336 | (178,000) | 264,402 |
| (c) Reserves - Information & Technology | 12,226 | 87 | 0 | 12,313 | 12,226 | 20,121 | 0 | 32,347 | 12,014 | 213 | 0 | 12,226 |
| (d) Reserves - Tamma Village Upgrade & Improvements | 20,641 | 145 | 0 | 20,786 | 20,641 | 204 | 0 | 20,845 | 20,283 | 359 | 0 | 20,641 |
| (e) Reserves - Sports, Recreation Facilities Upgrades Reserve | 872,990 | 6,128 | 0 | 879,118 | 872,990 | 8,639 | (70,000) | 811,629 | 892,940 | 16,850 | (36,600) | 872,990 |
| (f) Reserves - Bowling Green Replacement Reserve | 2,064 | 14 | 0 | 2,078 | 2,064 | 2 | 0 | 2,066 | 24,961 | 24,232 | (47,129) | 2,064 |
| (g) Reserves - Property & Building Reserve | 115,627 | 811 | 0 | 116,438 | 115,627 | 1,144 | 0 | 116,771 | 0 | 115,627 | 0 | 115,627 |
| | 1,328,741 | 113,447 | 0 | 1,442,188 | 1,328,741 | 137,120 | (70,000) | 1,395,861 | 1,384,502 | 205,968 | (261,729) | 1,328,741 |

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

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

| Name of Reserve | Anticipated date of use | Purpose of the reserve |
|---|-------------------------|--|
| (a) Reserve - Staff Entitlements | Ongoing | * To fund annual and long service leave requirements. |
| (b) Reserves - Plant Replacement | Ongoing | * To purchase major plant and machinery. |
| (c) Reserves - Information & Technology | Ongoing | * To fund IT requirements. |
| (d) Reserves - Tamma Village Upgrade & Improvements | Ongoing | * For maintenance and upgrades of Tamma Village units. |
| (e) Reserves - Sports, Recreation Facilities Upgrades Reserve | Ongoing | * For improvements of Tammin's sport, recreation & community facilities. |
| (f) Reserves - Bowling Green Replacement Reserve | Ongoing | * For replacement of the synthetic playing surface at the end of its useful life. |
| (g) Reserves - Property & Building Reserve | Ongoing | * For future development of Shire properties including urgent maintenance and construction of Council buildings. |

5. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Term deposits

Self supporting loans

(b) Non-current assets

Local Government House Trust

Financial assets at amortised cost - self supporting loans

Financial assets at amortised cost

Self supporting loans

Financial assets at fair value through other comprehensive income

Units in Local Government House Trust

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 14(b) as self supporting loans.

| | 2021 | 2020 |
|--|-----------|-----------|
| | \$ | \$ |
| | 1,351,974 | 1,342,463 |
| | 1,338,069 | 1,328,741 |
| | 13,905 | 13,722 |
| | 1,351,974 | 1,342,463 |
| | 36,903 | 30,934 |
| | 35,580 | 49,485 |
| | 72,483 | 80,419 |
| | 35,580 | 49,485 |
| | 36,903 | 30,934 |

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.

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income,
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 26.

6. TRADE AND OTHER RECEIVABLES

Current

| |
|------------------------------|
| Rates Outstanding |
| Sundry Debtors |
| GST receivable |
| Provision for Doubtful Debts |

Non-current

| |
|------------------------------------|
| Pensioner's rates and ESL deferred |
|------------------------------------|

| 2021 | 2020 |
|---------|--------|
| \$ | \$ |
| 74,814 | 61,914 |
| 13,393 | 5,231 |
| 15,971 | 24,328 |
| (160) | (160) |
| 104,018 | 91,313 |
| 22,325 | 17,668 |

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

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 26.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are held with the objective to collect the contractual cashflows and therefore 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.

7. OTHER ASSETS

Other assets - current
Fuel Tax Credits

| 2021 | 2020 |
|-------|------|
| \$ | \$ |
| 1,047 | 907 |

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Fuel tax credits represent the amount receivable from the ATO at the end of the reporting period on account of fuel usage of council vehicles for business purposes.

SHIRE OF TAMMIN
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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 | Total land and buildings | Furniture and equipment | Plant and equipment | Total property, plant and equipment |
|--|---------|-----------|--------------------------------|----------------------------|------------------------|--|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Carrying amount at 1 July 2019 | 378,800 | 5,859,197 | 6,237,997 | 31,261 | 749,906 | 7,019,164 |
| Additions | 0 | 231,487 | 231,487 | 7,525 | 387,044 | 626,056 |
| (Disposals) | (8,000) | (156,737) | (164,737) | 0 | (99,846) | (264,583) |
| Depreciation (expense) | 0 | (120,380) | (120,380) | (8,376) | (100,922) | (229,678) |
| Carrying amount at 30 June 2020 | 370,800 | 5,813,568 | 6,184,368 | 30,410 | 936,182 | 7,150,959 |
| Comprises: | | | | | | |
| Gross balance amount at 30 June 2020 | 370,800 | 6,165,606 | 6,536,406 | 49,405 | 1,335,942 | 7,921,753 |
| Accumulated depreciation at 30 June 2020 | 0 | (352,038) | (352,038) | (18,996) | (399,760) | (770,794) |
| Carrying amount at 30 June 2020 | 370,800 | 5,813,568 | 6,184,368 | 30,409 | 936,182 | 7,150,959 |
| Additions | 0 | 68,397 | 68,397 | 39,548 | 116,347 | 224,292 |
| (Disposals) | 0 | 0 | 0 | 0 | (52,171) | (52,171) |
| Depreciation (expense) | 0 | (123,686) | (123,686) | (9,881) | (110,141) | (243,708) |
| Carrying amount at 30 June 2021 | 370,800 | 5,758,279 | 6,129,079 | 60,076 | 890,217 | 7,079,372 |
| Comprises: | | | | | | |
| Gross balance amount at 30 June 2021 | 370,800 | 6,234,003 | 6,604,803 | 88,953 | 1,378,048 | 8,071,804 |
| Accumulated depreciation at 30 June 2021 | 0 | (475,724) | (475,724) | (28,877) | (487,831) | (992,432) |
| Carrying amount at 30 June 2021 | 370,800 | 5,758,279 | 6,129,079 | 60,076 | 890,217 | 7,079,372 |

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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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 - freehold land | 2 | Market approach using recent or estimated observable market data for similar properties | Independent Valuation | 2017 | Price per hectare/market borrowing rate |
| Land - freehold land | 3 | Cost approach using current replacement cost (Net Revaluation method) | Management Valuation | 2017 | Price per square metre adjusted for restricted use |
| Buildings - non-specialised | 2 | Market approach using recent or estimated observable market data for similar properties | Independent Valuation | 2017 | Improvements to buildings using construction costs (Level 2) and current condition, residual values and remaining useful life assessments (Level 3) inputs |
| Buildings - non-specialised | 3 | Cost approach using current replacement cost (Net Revaluation method) | Independent Valuation | 2017 | Improvements to buildings using construction costs (Level 2) and current condition, residual values and remaining useful life assessments (Level 3) inputs |

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

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 | Infrastructure other | Total Infrastructure |
|--|-------------------------|--|-------------------------|-------------------------|
| | \$ | \$ | \$ | \$ |
| Carrying amount at 1 July 2019 | 21,661,447 | 189,429 | 3,044,500 | 24,895,376 |
| Additions | 858,999 | 17,732 | 65,726 | 942,457 |
| Revaluation increments / (decrements) transferred to revaluation surplus | 0 | 20,361 | 0 | 20,361 |
| Depreciation (expense) | (668,871) | (16,960) | (155,877) | (841,708) |
| Carrying amount at 30 June 2020 | 21,851,575 | 210,562 | 2,954,349 | 25,016,486 |
| Comprises: | | | | |
| Gross balance at 30 June 2020 | 29,422,053 | 719,950 | 5,025,826 | 35,167,829 |
| Accumulated depreciation at 30 June 2020 | (7,570,478) | (509,388) | (2,071,477) | (10,151,343) |
| Carrying amount at 30 June 2020 | 21,851,575 | 210,562 | 2,954,349 | 25,016,486 |
| Additions | 1,153,036 | 52,476 | 47,428 | 1,252,940 |
| Depreciation (expense) | (686,051) | (16,976) | (156,248) | (859,275) |
| Carrying amount at 30 June 2021 | 22,318,560 | 246,062 | 2,845,529 | 25,410,151 |
| Comprises: | | | | |
| Gross balance at 30 June 2021 | 30,575,090 | 772,426 | 5,073,254 | 36,420,770 |
| Accumulated depreciation at 30 June 2021 | (8,256,530) | (526,364) | (2,227,725) | (11,010,619) |
| Carrying amount at 30 June 2021 | 22,318,560 | 246,062 | 2,845,529 | 25,410,151 |

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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 current replacement cost (Gross Revaluation method) | Independent Valuation | 2019 | Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs |
| Infrastructure - Footpaths | 3 | Cost approach using current replacement cost (Gross Revaluation method) | Independent Valuation | 2020 | Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs |
| Other infrastructure | 3 | Cost approach using current replacement cost (Gross Revaluation method) | Independent Valuation | 2019 | Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs |

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

The fair value of land, buildings and infrastructure 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.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Revaluation (Continued)

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

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

SHIRE OF TAMMIN
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10 FIXED ASSETS

(a) Disposals of Assets

| | 2021 Actual Net Book Value | 2021 Actual Sale Proceeds | 2021 Actual Profit | 2021 Actual Loss | 2021 Budget Net Book Value | 2021 Budget Sale Proceeds | 2021 Budget Profit | 2021 Budget Loss | 2020 Actual Net Book Value | 2020 Actual Sale Proceeds | 2020 Actual Profit | 2020 Actual Loss |
|----------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Land - freehold land | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,000 | 8,000 | 0 | 0 |
| Buildings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 156,737 | 106,970 | 0 | (49,766) |
| Plant and equipment | 52,171 | 61,252 | 12,684 | (3,603) | 18,000 | 26,000 | 8,000 | 0 | 99,846 | 97,516 | 7,727 | (10,057) |
| | 52,171 | 61,252 | 12,684 | (3,603) | 18,000 | 26,000 | 8,000 | 0 | 264,583 | 212,486 | 7,727 | (59,823) |

The following assets were disposed of during the year.

| | 2021 Actual Net Book Value | 2021 Actual Sale Proceeds | 2021 Actual Profit | 2021 Actual Loss |
|---|-------------------------------------|------------------------------------|--------------------------|------------------------|
| Plant and Equipment | | | | |
| Other property and services | | | | |
| Hyundai Santa Fe Elite 2.2 Diesel Autom | 23,925 | 38,609 | 12,684 | 0 |
| Isuzu MUX White Wagon TN1 | 28,246 | 24,643 | 0 | (3,603) |
| | 52,171 | 61,252 | 12,684 | (3,603) |

10. FIXED ASSETS

(b) Depreciation

| |
|----------------------------------|
| Buildings |
| Furniture and equipment |
| Plant and equipment |
| Infrastructure roads |
| Other infrastructure - footpaths |
| Infrastructure other |

| 2021 Actual | 2021 Budget | 2020 Actual |
|----------------|----------------|----------------|
| \$ | \$ | \$ |
| 123,686 | 120,647 | 120,380 |
| 9,881 | 8,371 | 8,376 |
| 110,141 | 82,627 | 100,922 |
| 686,051 | 668,505 | 668,871 |
| 16,976 | 16,950 | 16,960 |
| 156,248 | 156,229 | 155,877 |
| 1,102,983 | 1,053,329 | 1,071,386 |

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class

| |
|---|
| Buildings |
| Furniture and Equipment |
| Plant and Equipment |
| Footpaths |
| Other Infrastructure |
| Sealed roads and streets |
| - clearing and earthworks |
| - construction/road base |
| - kerbing |
| original surfacing and major re-surfacing |
| - bituminous seals |
| - asphalt surfaces |
| Gravel roads |
| - clearing and earthworks |
| - construction/road base |
| - gravel sheet |
| Formed roads (unsealed) |
| - clearing and earthworks |
| - construction/road base |

Depreciation on revaluation

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Useful life

| |
|-----------------|
| 20 - 90 years |
| 5 years |
| 4 - 50 years |
| 40 - 80 years |
| 10 - 90 years |
| not depreciated |
| 24 years |
| 60 years |
| 14 years |
| 14 years |
| not depreciated |
| 24 years |
| 12 years |
| not depreciated |
| 24 years |

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. REVALUATION SURPLUS

| | 2021 Opening Balance | 2021 Revaluation Increment | Total Movement on Revaluation | 2021 Closing Balance | 2020 Opening Balance | 2020 Change in accounting Polic | 2020 Revaluation (Decrement) | Total Movement on Revaluation | 2020 Closing Balance |
|---|----------------------------|----------------------------------|-------------------------------------|----------------------------|----------------------------|---------------------------------------|------------------------------------|-------------------------------------|----------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revaluation surplus - Land - vested in and under the control of Council | 0 | 0 | 0 | 0 | 12,000 | (12,000) | 0 | 0 | 0 |
| Revaluation surplus - Land and buildings | 5,980,673 | 0 | 0 | 5,980,673 | 5,980,673 | 0 | 0 | 0 | 5,980,673 |
| Revaluation surplus - Furniture and equipment | 151,711 | 0 | 0 | 151,711 | 151,711 | 0 | 0 | 0 | 151,711 |
| Revaluation surplus - Plant and equipment | 700,276 | 0 | 0 | 700,276 | 700,276 | 0 | 0 | 0 | 700,276 |
| Revaluation surplus - Infrastructure roads | 21,214,893 | 0 | 0 | 21,214,893 | 21,214,893 | 0 | 0 | 0 | 21,214,893 |
| Revaluation surplus - Infrastructure other | 1,371,206 | 0 | 0 | 1,371,206 | 1,350,845 | 0 | 20,361 | 20,361 | 1,371,206 |
| Local Government House Trust | 30,934 | 5,969 | 5,969 | 36,903 | 30,934 | 0 | 0 | 0 | 30,934 |
| | 29,449,693 | 5,969 | 5,969 | 29,455,662 | 29,441,332 | (12,000) | 20,361 | 20,361 | 29,449,693 |

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

12. TRADE AND OTHER PAYABLES

| |
|----------------------------|
| Sundry Creditors |
| Prepaid rates |
| Accrued salaries and wages |
| ATO liabilities |
| Bonds and deposits held |
| Accrued Interest on Loans |

| 2021 | 2020 |
|----------------|----------------|
| 69,260 | 79,080 |
| 32,123 | 30,422 |
| 16,232 | 8,604 |
| 16,829 | 21,007 |
| 30,684 | 21,766 |
| 98 | 128 |
| 165,226 | 161,007 |

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

Prepaid rates

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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13. OTHER LIABILITIES

Current
Contract liabilities

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time band:

Less than 1 year

| | 2021 | 2020 |
|----------------------|-----------|---|
| | \$ | \$ |
| | 59,719 | 94,259 |
| Contract liabilities | | Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity |
| | \$ 59,719 | \$ 0 |

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

14 INFORMATION ON BORROWINGS

(a) Borrowings

| | 2021 | 2020 |
|-------------|----------------|----------------|
| | \$ | \$ |
| Current | 56,605 | 69,970 |
| Non-current | 135,574 | 191,653 |
| | <u>192,179</u> | <u>261,623</u> |

(b) Repayments - Borrowings

| Particulars | Loan Number | Institution | Interest Rate | Actual Principal 1 July 2020 | 30 June 2021 Actual Principal repayments | 30 June 2021 Actual Interest repayments | 30 June 2021 Actual Principal outstanding | Budget Principal 1 July 2020 | 30 June 2021 Budget Principal repayments | 30 June 2021 Budget Interest repayments | 30 June 2021 Budget Principal outstanding | Actual Principal 1 July 2019 | 30 June 2020 Actual New Loans | 30 June 2020 Actual Principal repayments | 30 June 2020 Actual Interest repayments | 30 June 2020 Actual Principal outstanding |
|-------------------------------|-------------|-------------|---------------|------------------------------|--|---|---|------------------------------|--|---|---|------------------------------|-------------------------------|--|---|---|
| Housing | | | | | | | | | | | | | | | | |
| 12 Russell Street | 79 | WATC* | 4.72% | 18,209 | 11,909 | 643 | 6,300 | 18,075 | 11,908 | 644 | 6,167 | 32,196 | 0 | 13,987 | 1,322 | 18,209 |
| 3 & 5 Nottage Way | 89 | WATC* | 3.47% | 70,856 | 13,161 | 2,335 | 57,525 | 70,576 | 13,161 | 2,336 | 57,415 | 89,489 | 0 | 18,803 | 2,689 | 70,686 |
| Recreation and culture | | | | | | | | | | | | | | | | |
| Synthetic Bowling Green | 61 | WATC* | 2.69% | 82,209 | 12,790 | 2,123 | 69,419 | 82,126 | 12,790 | 2,124 | 69,336 | 100,681 | 0 | 18,472 | 2,543 | 82,209 |
| Transport | | | | | | | | | | | | | | | | |
| Depot | 76 | WATC* | 4.72% | 27,312 | 17,862 | 964 | 9,450 | 27,112 | 17,862 | 967 | 9,250 | 48,293 | 0 | 20,981 | 1,983 | 27,312 |
| | | | | <u>196,416</u> | <u>55,722</u> | <u>6,065</u> | <u>142,894</u> | <u>197,889</u> | <u>55,721</u> | <u>6,071</u> | <u>142,168</u> | <u>270,659</u> | <u>0</u> | <u>72,243</u> | <u>8,737</u> | <u>196,416</u> |
| Self Supporting Loans | | | | | | | | | | | | | | | | |
| Recreation and culture | | | | | | | | | | | | | | | | |
| Bowling Club SSL | 82 | WATC* | 1.33% | 63,207 | 13,722 | 771 | 49,485 | 63,207 | 13,722 | 795 | 49,485 | 0 | 70,000 | 6,793 | 0 | 63,207 |
| | | | | <u>63,207</u> | <u>13,722</u> | <u>771</u> | <u>49,485</u> | <u>63,207</u> | <u>13,722</u> | <u>795</u> | <u>49,485</u> | <u>0</u> | <u>70,000</u> | <u>6,793</u> | <u>0</u> | <u>63,207</u> |
| Total Borrowings | | | | <u>261,623</u> | <u>99,444</u> | <u>6,836</u> | <u>192,179</u> | <u>261,096</u> | <u>69,443</u> | <u>6,866</u> | <u>191,653</u> | <u>270,659</u> | <u>70,000</u> | <u>79,036</u> | <u>8,737</u> | <u>261,623</u> |

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 5, as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

14. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

The Shire had no new borrowings for the financial year ended 30 June 2021.

(d) Unspent Borrowings

The Shire had no unspent borrowings for the financial year ended 30 June 2021.

(e) Undrawn Borrowing Facilities

Credit Standby Arrangements

| | 2021 | 2020 |
|--------------------------------------|----------------|----------------|
| | \$ | \$ |
| Bank overdraft limit | 100,000 | 100,000 |
| Bank overdraft at balance date | 0 | 0 |
| Credit card limit | 20,000 | 20,000 |
| Credit card balance at balance date | (711) | (1,410) |
| Total amount of credit unused | 119,289 | 118,590 |

Loan facilities

| | | |
|--|----------------|----------------|
| Loan facilities - current | 56,605 | 69,970 |
| Loan facilities - non-current | 135,574 | 191,653 |
| Total facilities in use at balance date | 192,179 | 261,623 |

| | | |
|--|-----|-----|
| Unused loan facilities at balance date | NIL | NIL |
|--|-----|-----|

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 26.

15. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020
Current provisions
Non-current provisions

Additional provision
Amounts used
Balance at 30 June 2021

Comprises
Current
Non-current

| | Provision for Annual Leave | Provision for Long Service Leave | Total |
|--------------------------------|----------------------------------|--|----------|
| | \$ | \$ | \$ |
| Opening balance at 1 July 2020 | | | |
| Current provisions | 47,021 | 28,329 | 75,350 |
| Non-current provisions | 0 | 9,560 | 9,560 |
| | 47,021 | 37,889 | 84,910 |
| Additional provision | 50,322 | 257 | 50,579 |
| Amounts used | (51,310) | (7,282) | (58,592) |
| Balance at 30 June 2021 | 46,033 | 30,864 | 76,897 |
| Comprises | | | |
| Current | 46,033 | 13,899 | 59,932 |
| Non-current | 0 | 16,965 | 16,965 |
| | 46,033 | 30,864 | 76,897 |

Amounts are expected to be settled on the following basis:
Less than 12 months after the reporting date
More than 12 months from reporting date

| | 2021 | 2020 |
|--|--------|--------|
| | \$ | \$ |
| Less than 12 months after the reporting date | 45,142 | 75,350 |
| More than 12 months from reporting date | 31,755 | 9,560 |
| | 76,897 | 84,910 |

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as 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 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

Other long-term employee benefits (Continued)

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.

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

16. NOTES TO THE STATEMENT OF CASH FLOWS

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:

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|----------------------|----------------------|----------------------|
| Cash and cash equivalents | 1,252,671 | 1,649,882 | 1,135,610 |
| Reconciliation of Net Cash Provided By Operating Activities to Net Result | | | |
| Net result | 560,025 | (203,963) | 255,619 |
| Non-cash flows in Net result: | | | |
| Depreciation on non-current assets | 1,102,983 | 1,053,329 | 1,071,386 |
| (Profit)/loss on sale of asset | (9,081) | (8,000) | 52,096 |
| Changes in assets and liabilities: | | | |
| (Increase)/decrease in receivables | (17,362) | 0 | 0 |
| (Increase)/decrease in other assets | (140) | 0 | 51,844 |
| (Increase)/decrease in inventories | 0 | 0 | 3,558 |
| (Increase)/decrease in contract assets | 0 | 0 | (59,718) |
| (Increase)/decrease in contract liabilities | (34,540) | 690 | 94,259 |
| Increase/(decrease) in payables | 4,219 | 0 | 16,918 |
| Increase/(decrease) in employee provisions | (8,013) | 0 | (12,363) |
| Non-operating grants, subsidies and contributions | (837,154) | (870,967) | (590,310) |
| Net cash from operating activities | 760,937 | (28,911) | 883,289 |

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

| | 2021 | 2020 |
|-----------------------------|------------|------------|
| | \$ | \$ |
| Governance | 12,313 | 0 |
| General purpose funding | 1,312,845 | 1,275,525 |
| Law, order, public safety | 12,882 | 13,160 |
| Education and welfare | 1,225,515 | 1,257,152 |
| Housing | 751,541 | 766,531 |
| Community amenities | 499,078 | 499,364 |
| Recreation and culture | 6,161,599 | 6,205,214 |
| Transport | 24,632,524 | 24,147,369 |
| Economic services | 83,141 | 90,171 |
| Other property and services | 602,603 | 581,339 |
| | 35,294,041 | 34,835,825 |

18. CONTINGENT LIABILITIES

The Shire of Tammin has, in compliance with the Contaminated Sites Act 2003 s 11, listed the Tammin Refuse Disposal Site to be possible source of contamination.

The Shire is currently not aware of any potential contamination on the above site and therefore; has not identified any need to undertake investigation. Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and Environmental Regulation (DWER) the need and criteria for remediation, the Shire is unable to accurately quantify its clean-up liabilities for potentially contaminated site.

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

19. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:
- capital expenditure projects
Payable:
- not later than one year

| 2021 | 2020 |
|------|--------|
| \$ | \$ |
| | |
| 0 | 45,403 |
| 0 | 45,403 |

20. ELECTED MEMBERS REMUNERATION

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|----------------------|----------------------|----------------------|
| Elected member: Michael Greenwood | | | |
| President's annual allowance | 2,800 | 2,800 | 2,400 |
| Meeting attendance fees | 3,491 | 2,281 | 2,025 |
| Travel and accommodation expenses | 639 | 254 | 360 |
| | 6,930 | 5,335 | 4,785 |
| Elected member: Glenice Batchelor | | | |
| Deputy President's annual allowance | 700 | 700 | 750 |
| Meeting attendance fees | 1,737 | 1,180 | 1,180 |
| Travel and accommodation expenses | 233 | 254 | 50 |
| | 2,670 | 2,134 | 1,980 |
| Elected member: Nicholas Caffell | | | |
| Meeting attendance fees | 1,400 | 1,180 | 1,325 |
| Travel and accommodation expenses | 341 | 254 | 244 |
| | 1,741 | 1,434 | 1,569 |
| Elected member: Tanya Nicholls | | | |
| Meeting attendance fees | 1,691 | 1,180 | 790 |
| Travel and accommodation expenses | 410 | 254 | 149 |
| | 2,101 | 1,434 | 939 |
| Elected member: Charmaine Thomson | | | |
| Meeting attendance fees | 1,645 | 1,180 | 690 |
| Travel and accommodation expenses | 696 | 254 | 199 |
| | 2,341 | 1,434 | 889 |
| Elected member: Tania Daniels | | | |
| Meeting attendance fees | 1,791 | 1,180 | 1,280 |
| Travel and accommodation expenses | 378 | 254 | 306 |
| | 2,169 | 1,434 | 1,586 |
| Elected member: Donald Thomson | | | |
| Meeting attendance fees | 0 | 0 | 345 |
| Travel and accommodation expenses | 0 | 0 | 75 |
| | 0 | 0 | 420 |
| | 17,952 | 13,203 | 12,166 |
| Fees, expenses and allowances to be paid or reimbursed to elected council members. | | | |
| President's allowance | 2,800 | 2,800 | 2,400 |
| Deputy President's allowance | 700 | 700 | 750 |
| Meeting attendance fees | 11,755 | 8,181 | 7,635 |
| Travel and accommodation expenses | 2,697 | 1,523 | 1,381 |
| | 17,952 | 13,203 | 12,166 |

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

21. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

| | 2021 Actual | 2020 Actual |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Short-term employee benefits | 364,939 | 343,851 |
| Post-employment benefits | 21,083 | 34,214 |
| Other long-term benefits | 0 | 497 |
| | <u>386,022</u> | <u>378,562</u> |

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service benefits accruing during the year.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

21. RELATED PARTY TRANSACTIONS (Continued)

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 guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:

| | 2021 Actual | 2020 Actual |
|---|----------------|----------------|
| | \$ | \$ |
| Sale of goods and services | 30,000 | 33,055 |
| Purchase of goods and services | 19,734 | 3,597 |
| Short term employee benefits -other related parties | 0 | 1,065 |

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 elected member, are considered key management personnel.

ii. *Other Related Parties*

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

22. MAJOR LAND TRANSACTIONS

The Shire had no major land transactions in the current reporting period ended 30 June 2021.

23. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire had no major trading undertakings in the current reporting period ended 30 June 2021.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

24 RATING INFORMATION

(a) Rates

RATE TYPE

Differential general rate / general rate

Gross rental valuations

Gross Rental Value

Unimproved valuations

Unimproved Value

Sub-Total

Minimum payment

Gross rental valuations

Gross Rental Value

Unimproved valuations

Unimproved Value

Sub-Total

Discounts/concessions (Note 24(d))

Total amount raised from general rate

Ex-gratia rates

Totals

| Rate in \$ | Number of Properties | 2020/21 Actual Rateable Value \$ | 2020/21 Actual Rate Revenue \$ | 2020/21 Actual Interim Rates \$ | 2020/21 Actual Back Rates \$ | 2020/21 Actual Total Revenue \$ | 2020/21 Budget Rate Revenue \$ | 2020/21 Budget Interim Rate \$ | 2020/21 Budget Back Rate \$ | 2020/21 Budget Total Revenue \$ | 2019/20 Actual Total Revenue \$ |
|------------|----------------------|----------------------------------|--------------------------------|---------------------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|-----------------------------|---------------------------------|---------------------------------|
| 0.12395 | 90 | 817,388 | 101,315 | 0 | 0 | 101,315 | 101,315 | 0 | 0 | 101,315 | 101,315 |
| 0.01561 | 152 | 62,980,000 | 983,181 | 0 | 0 | 983,181 | 983,181 | 0 | 0 | 983,181 | 988,013 |
| | 242 | 63,797,388 | 1,084,496 | 0 | 0 | 1,084,496 | 1,084,496 | 0 | 0 | 1,084,496 | 1,087,328 |
| Minimum \$ | | | | | | | | | | | |
| 573 | 46 | 23,662 | 26,358 | 0 | 0 | 26,358 | 26,358 | 0 | 0 | 26,358 | 26,358 |
| 573 | 40 | 846,100 | 22,920 | 0 | 0 | 22,920 | 22,920 | 0 | 0 | 22,920 | 20,055 |
| | 86 | 869,762 | 49,278 | 0 | 0 | 49,278 | 49,278 | 0 | 0 | 49,278 | 46,413 |
| | 328 | 64,667,150 | 1,133,774 | 0 | 0 | 1,133,774 | 1,133,774 | 0 | 0 | 1,133,774 | 1,133,741 |
| | | | | | | (19,444) | | | | (20,000) | (19,639) |
| | | | | | | 1,114,330 | | | | 1,113,774 | 1,113,902 |
| | | | | | | 7,788 | | | | 7,762 | 7,688 |
| | | | | | | 1,122,118 | | | | 1,121,536 | 1,121,590 |

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

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

SHIRE OF TAMMIN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

24 RATING INFORMATION (Continued)

(b) Specified Area Rate
 The Shire did not raise specified area rates for the year ended 30 June 2021.

(c) Service Charges
 The Shire did not raise service charges for the year ended 30 June 2021.

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

Rates Discounts

| Rate or Fee | Discount | Discount | 2021 Actual | 2021 Budget | 2020 Actual | Circumstances in which Discount is Granted |
|------------------|----------|----------|----------------|----------------|----------------|--|
| Discount Granted | % | \$ | \$ | \$ | \$ | |
| General Rates | 2.00% | 19,444 | 19,444 | 20,000 | 19,839 | If all rates and charges appearing on the rates notice (including arrears) are paid in full within 35 days of issue of the rate assessment notice. |

(e) Waivers or Concessions
 The Shire did not grant any waivers or concessions during the year ended 30 June 2021.

24 RATING INFORMATION (Continued)

(f) Interest Charges & Instalments

| Instalment Options | Date Due | Instalment Plan Admin Charge \$ | Instalment Plan Interest Rate % | Unpaid Rates Interest Rate % |
|---------------------|------------------|------------------------------------|------------------------------------|---------------------------------|
| Option One | | | | |
| Single full payment | 27 August 2020 | 0.00 | 0.00% | 8.00% |
| Option Two | | | | |
| First instalment | 27 August 2020 | 4.00 | 5.50% | 8.00% |
| Second instalment | 11 November 2020 | 4.00 | 5.50% | 8.00% |
| Third instalment | 13 January 2021 | 4.00 | 5.50% | 8.00% |
| Fourth instalment | 16 March 2021 | 4.00 | 5.50% | 8.00% |

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|-------------------|-------------------|-------------------|
| Instalment plan admin charge revenue | 1,440 | 1,122 | 1,260 |
| Instalment plan interest earned | 1,220 | 1,150 | 1,042 |
| Unpaid rates and service charge interest earned | 6,438 | 3,570 | 7,346 |
| | 9,098 | 5,842 | 9,648 |

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

25 RATE SETTING STATEMENT INFORMATION

| Note | 2020/21 | | | |
|--|---|--|--|---|
| | 2020/21 (30 June 2021 Carried Forward) \$ | Budget (30 June 2021 Carried Forward) \$ | 2020/21 (1 July 2020 Brought Forward) \$ | 2019/20 (30 June 2020 Carried Forward) \$ |
| (a) Non-cash amounts excluded from operating activities | | | | |
| The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> . | | | | |
| Adjustments to operating activities | | | | |
| Less: Profit on asset disposals | 10(a) | (12,684) | (8,000) | (7,727) |
| Movement in pensioner deferred rates (non-current) | | (4,657) | 0 | 0 |
| Movement in employee benefit provisions | | (8,013) | 0 | (2,090) |
| Movement in other provisions (non-current) | | 0 | 0 | (991) |
| Revenue restatement | | 0 | 0 | (50,000) |
| Add: Loss on disposal of assets | 10(a) | 3,603 | 0 | 59,823 |
| Add: Depreciation on non-current assets | 10(b) | 1,102,983 | 1,053,329 | 1,071,386 |
| Non cash amounts excluded from operating activities | | 1,081,232 | 1,045,329 | 1,070,401 |
| (b) Surplus/(deficit) after imposition of general rates | | | | |
| The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates. | | | | |
| Adjustments to net current assets | | | | |
| Less: Reserves - cash/financial asset backed | 4 | (1,442,188) | (1,395,861) | (1,328,741) |
| Less: Financial assets at amortised cost - self supporting loans | 5(a) | (13,905) | (13,722) | (13,722) |
| - Bonds and deposits held | | 0 | 0 | (126,343) |
| Add: Current liabilities not expected to be cleared at end of year | | | | |
| - Current portion of borrowings | 14(a) | 56,605 | 0 | 69,970 |
| - Contract liabilities | | 0 | (50,000) | 0 |
| - Employee benefit provisions | | 59,932 | 0 | 75,350 |
| Total adjustments to net current assets | | (1,339,556) | (1,459,583) | (1,323,488) |
| Net current assets used in the Rate Setting Statement | | | | |
| Total current assets | | 2,709,710 | 1,727,424 | 2,570,293 |
| Less: Total current liabilities | | (341,482) | (267,841) | (400,586) |
| Less: Total adjustments to net current assets | | (1,339,556) | (1,459,583) | (1,323,488) |
| Net current assets used in the Rate Setting Statement | | 1,028,672 | 0 | 846,220 |

The adjusted 1 July 2020 brought forward value is due to:

1. The value represented in Bonds and deposits held has been removed from the calculation of Net Current Assets. The Shire considers that those deposits should remain a liability (creditor) until paid and not be removed from the calculation.
2. GST payable being offset with GST receivable at the end of both reporting periods, and reported as a Trade and other receivable - refer Note 6.

26. 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 rate | Long term borrowings at variable rates | Sensitivity analysis | Utilise fixed interest rate borrowings |
| Credit risk | Cash and cash equivalents, trade receivables, financial assets and | Aging analysis Credit analysis | Diversification of bank deposits, credit limits. Investment policy |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |

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

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

(a) Interest rate risk

Cash and cash equivalents

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

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits 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 |
|--|--------------------------------------|---------------------|------------------------|---------------------------|-------------------------|
| | % | \$ | \$ | \$ | \$ |
| 2021 | | | | | |
| Cash and cash equivalents | 0.01% | 1,252,671 | 0 | 200,000 | 1,052,671 |
| Financial assets at amortised cost - term deposits | 0.26% | 1,338,069 | 1,338,069 | 0 | 0 |
| 2020 | | | | | |
| Cash and cash equivalents | 0.38% | 1,135,610 | 0 | 1,135,610 | 0 |
| Financial assets at amortised cost | 1.00% | 1,328,741 | 1,328,741 | 0 | 0 |

Sensitivity

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

| | 2021 | 2020 |
|--|-------|--------|
| | \$ | \$ |
| Impact of a 1% movement in interest rates on profit and loss and equity* | 2,000 | 11,356 |

* 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 14(b).

26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

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

| | Current | More than 1 year past due | More than 2 years past due | More than 3 years past due | Total |
|-----------------------|---------|------------------------------|-------------------------------|-------------------------------|--------|
| 30 June 2021 | | | | | |
| Rates receivable | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 0.00% | |
| Gross carrying amount | 710 | 34,622 | 16,586 | 22,897 | 74,814 |
| Loss allowance | 0 | 0 | 0 | 0 | 0 |
| 30 June 2020 | | | | | |
| Rates receivable | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 0.00% | |
| Gross carrying amount | 751 | 35,285 | 11,759 | 14,119 | 61,914 |
| Loss allowance | 0 | 0 | 0 | 0 | 0 |

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for sundry debtors.

| | Current | More than 30 days past due | More than 60 days past due | More than 90 days past due | Total |
|-----------------------|---------|-------------------------------|-------------------------------|-------------------------------|--------|
| 30 June 2021 | | | | | |
| Sundry Debtors | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 7.12% | |
| Gross carrying amount | 2,342 | 723 | 0 | 10,328 | 13,393 |
| Loss allowance | 0 | 0 | 0 | (160) | (160) |
| 30 June 2020 | | | | | |
| Sundry Debtors | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 8.23% | |
| Gross carrying amount | 2,639 | 641 | 6 | 1,945 | 5,231 |
| Loss allowance | 0 | 0 | 0 | (160) | (160) |

26. 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 14(e).

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 |
|-------------|-------------------------|-------------------------------|-------------------------|------------------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| 2021 | | | | | |
| Payables | 165,226 | 0 | 0 | 165,226 | 165,226 |
| Borrowings | 60,618 | 136,099 | 0 | 203,582 | 192,179 |
| | 225,844 | 136,099 | 0 | 368,808 | 357,405 |
| 2020 | | | | | |
| Payables | 161,007 | 0 | 0 | 161,007 | 161,007 |
| Borrowings | 76,309 | 203,056 | 0 | 279,365 | 261,623 |
| | 237,316 | 203,056 | 0 | 440,372 | 422,630 |

27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

(a) AASB 1059 Service Concession Arrangements: Grantors

Service concession assets are those assets where a third party operator constructs assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide a public service, for a specified period of time. The Shire has considered the requirements of AASB1059 Service Concession Agreements: Grantor and confirms that the Shire has no arrangements that fall within the scope of this standard.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

29. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) 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.

i) Impairment of assets

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

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

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

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

30. ACTIVITIES/PROGRAMS

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

| PROGRAM NAME AND OBJECTIVES | ACTIVITIES |
|--|--|
| GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources. | Includes the activities of members of Council and the administrative support available to the Council for the provision of governance to the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services. |
| GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services. | Rates, general purpose government grants and interest revenue. |
| LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community. | Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services. |
| HEALTH To provide an operational framework for environmental and community health. | Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance. |
| EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth. | Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services. |
| HOUSING To provide housing to staff. | Staff housing, provision of general rental accommodation when buildings not required by staff. |
| COMMUNITY AMENITIES To provide services required by the community. | Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences. |
| RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which help the social well being of the community. | Maintenance of public halls, civic centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities. |
| TRANSPORT To provide safe, effective and efficient transport services to the community. | Construction and maintenance of roads, streets, footpaths, depots, cycleways and parking facilities. |
| ECONOMIC SERVICES To help promote the Shire and its economic wellbeing. | Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control. |
| OTHER PROPERTY AND SERVICES To monitor and control Council's overhead operating accounts. | Private works operation, plant repair and operation costs, housing and engineering operation costs. |

31. FINANCIAL RATIOS

| | 2021 Actual | 2020 Actual | 2019 Actual |
|-----------------------------------|----------------|----------------|----------------|
| Current ratio | 4.18 | 3.13 | 4.39 |
| Asset consumption ratio | 0.73 | 0.75 | 0.77 |
| Asset renewal funding ratio | 0.99 | 0.91 | 0.38 |
| Asset sustainability ratio | 1.27 | 1.27 | 0.64 |
| Debt service cover ratio | 10.92 | 8.50 | 15.88 |
| Operating surplus ratio | (0.21) | (0.25) | (0.21) |
| Own source revenue coverage ratio | 0.47 | 0.48 | 0.46 |

The above ratios are calculated as follows:

| | |
|-----------------------------------|--|
| Current ratio | $\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$ |
| Asset consumption ratio | $\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$ |
| Asset renewal funding ratio | $\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$ |
| Asset sustainability ratio | $\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$ |
| Debt service cover ratio | $\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$ |
| Operating surplus ratio | $\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$ |
| Own source revenue coverage ratio | $\frac{\text{own source operating revenue}}{\text{operating expense}}$ |

INDEPENDENT AUDITORS REPORT FINANCIAL YEAR ENDED 30 JUNE 2021



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Tammin

To the Councillors of the Shire of Tammin

Report on the audit of the annual financial report

Opinion

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

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Shire of Tammin:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 and its financial position 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, 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 section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for 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 and 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 responsibility 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.

Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a) The Operating Surplus Ratio as reported in Note 31 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
- (ii) The following material matter indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law was identified during the course of my audit:
 - a) For approximately 50% of purchase transactions sampled, the same officer raised and approved the purchase orders, receipted goods/services and then also approved the associated supplier invoices. Lack of segregation of duties increases the risk of unauthorised purchases occurring without detection, resulting in potential financial loss.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

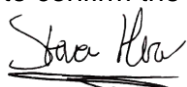
Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Tammin for the year ended 30 June 2021 included 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 described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Steven Hoar
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
7 December 2021



SHIRE OF TAMMIN
OUR AIM IS PROGRESS

ANNUAL REPORT

2020-2021

Vision

A place for people, a place for community.

Shire Info



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