



2021-22 Annual Report



A place for people, a place for community.

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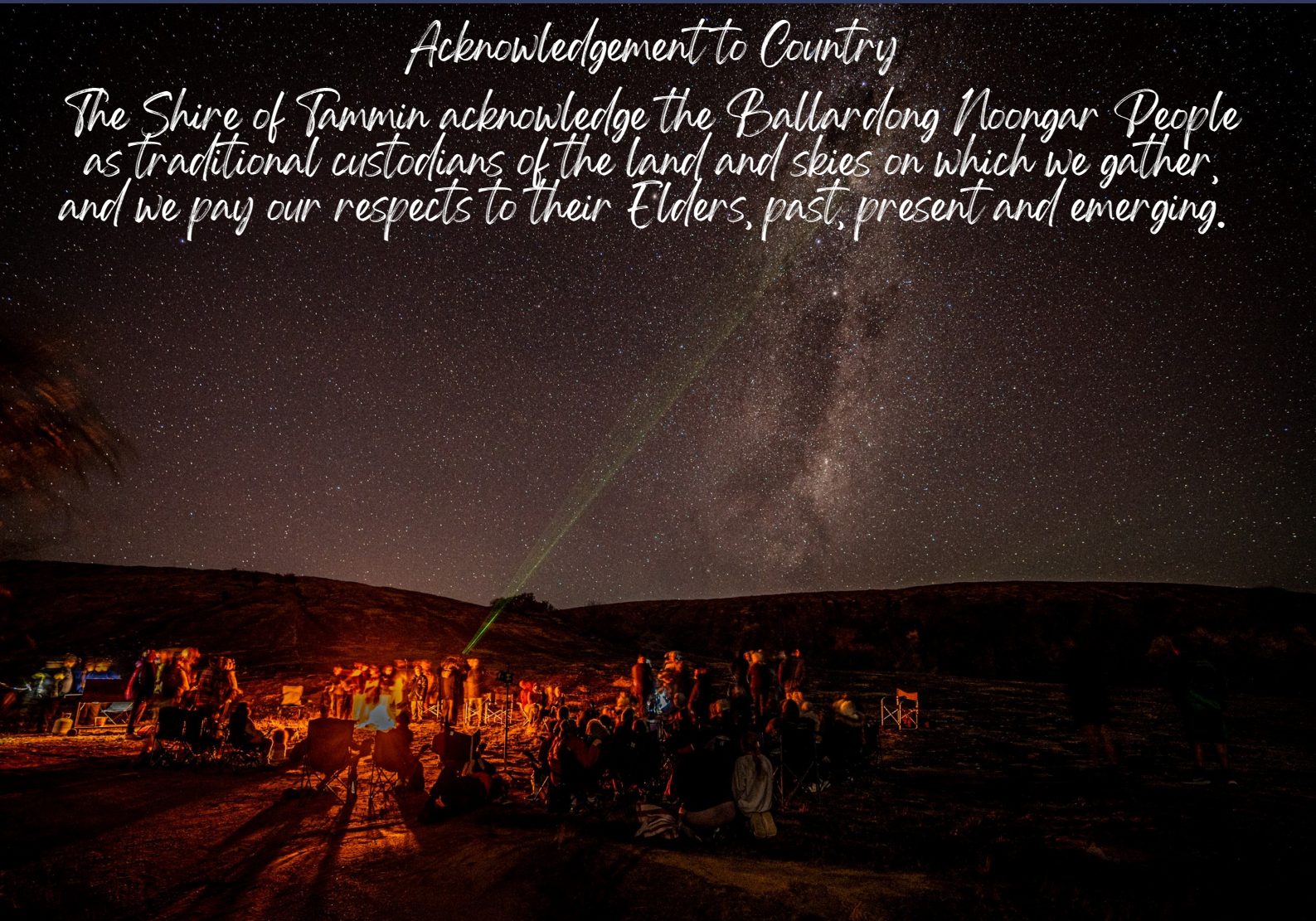
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2021-22

Acknowledgement to Country

The Shire of Tammin acknowledge the Ballardong Noongar People as traditional custodians of the land and skies on which we gather, and we pay our respects to their Elders, past, present and emerging.



A Message from the Shire President

Another year has gone by in the Shire of Tammin and it's time to reflect and present this 2021/22 Annual Report to our community.

On behalf of Council, I'd like to thank everyone who has contributed in any way to ensure the year was productive and successful. It's been a year of consolidation, after a year of change last year, with our new Council, new President and new CEO.

We welcomed CEO Joanne Soderlund, Rik and family to Tammin in October 2021. It's been a pleasure to watch the family become involved and contribute to our Tammin community on many levels - quite apart from Jo's own role. Significantly, Jo is the youngest female to be appointed as a CEO in WA Local Government history. She's enthusiastically and diligently overseen the development of our Tammin team, with strong support from Morgan and Fabian, and ensured great collaboration between our dedicated staff, Council and community.

Over the 2021/22 financial year, capital projects again dominated expenditure. With ongoing roadworks, purchase of equipment, as well as new projects, all designed to make Tammin a great place to live and work. All of which were completed on time and on budget - an outstanding achievement given the ongoing challenges of Covid19 and global supply.

Last year, we had secured funding to commence the "Southern Link", and a new replacement Clubhouse for our Public Golf Course. This year saw the commencement of work on these and other outstanding projects, such as the wonderful Astrotourism Art project - an inspiring night of storytelling under the stars at Yorkrakine Rock. Shared by Tammin and Wyalkatchem students and their families, the collaboration created beautiful art and a planisphere, and culminated in the presentation evening of Traditional dance and celebration at Yorkrakine Hall. A special thankyou to local Elders and all involved.

Everyday community activities increased and community spirit continued to grow as we witnessed the return of ANZAC services. We enjoyed our 10th annual Comedy Gold night and annual Fuse Festival.

Ongoing upgrades to Donnan Park continue to improve facilities for both players and spectators. Hockey, Football, and Netball teams provided great viewing, and success came from the Tammin Cricket club winning the Association flag.

The Tammin 2022 Achievement Award Night was held at the Kadjinny Kep. This was made more enjoyable and accessible, after completion of year one of planned renovations, with improved lighting, seating and paving. We presented Recognition awards for sport (Women and Men's Bowls Pennants), State and National representation, and excellence in scholastic endeavours. We honoured our Citizen of the Year, Val McMillan - for her long history of community involvement, from Brownies to Bowls, and Senior Citizen Pat Bell - tireless in CWA, the Tabloid and Markets.



Glenice Batchelor - Shire President

A Message from the Shire President

Tammin Council not only works locally on our community's behalf, but contributes regionally, participating regularly in Regional Road planning, the Great Eastern Zone of Councils, and this year helping convene a meeting with CBH and local growers. We've supported the development of a local bushfire brigade, and thank our local volunteers and those who continue to help and contribute to the safety of all. As a member of the Wheatbelt East Regional Organisation of Councils (WEROC), we work together on agreed annual priorities, resulting in medical student incursions, improved waste management and tourism planning, all while investigating and advocating for priority needs, such as housing.

This report is for the financial year to June 30th 2022. Tammin is already focused on new activities, completed projects, we've already had local business award success and business expansion, and celebrated back-to-back wins from the KATS Reserves football team. We've said goodbye to families, friends, and staff; wished them well, and warmly welcomed those who have chosen to join our small and thriving community.

Thank you again to everyone who helps make Tammin such a special place to live and work. I encourage everyone to keep contributing, step forward if you haven't already, together, let's continue to further develop our beautiful town and community of Tammin.

Our aim is progress!



Glenice Batchelor
Shire President



A Message from the Chief Executive Officer

It is with pleasure that I present the 2021/2022 Annual Report for the Shire of Tammin. It has been a very busy year for the Shire, successfully delivering a number of important projects that continue to progress the community's goals and aspirations as articulated in the Strategic Community Plan.

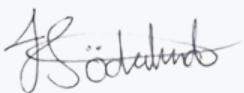
During the year a number of upgrades were made to key community amenities to ensure these facilities remain updated, useable and comfortable such as painting the interior of the hall, air conditioning in the lesser hall and the installation of large windows in a section of the pavilion.

Our road network is the Shire's largest asset category and as such, a significant portion of our efforts are directed at maintaining and upgrading our roads. The Shire contributed over \$750,000 this year on our road network, which represents approximately 69% of our total capital expenditure spend, highlighting our commitment to this area.

To ensure that the Shire is able to continue to deliver high quality services to the community it is critical that our plant and equipment is reliable and up to date. Therefore, a number of fleet items were replaced during the financial year along with a portion of the Shire's IT assets.

Looking to the future we will commence the development of a new Strategic Community Plan for Tammin in the coming year. This plan is important to capture the community's aspirations for Tammin and guides Council when setting its Annual Budget and Capital Works Plan. We look forward to engaging with the Community and hearing your views in the development of this plan.

On a personal note, I would like to thank the Shire President and Councillors for giving me this opportunity to serve the Tammin community as your CEO. I am very grateful to Council and staff for their support, dedication and hard work and feel privileged to work with such a professional team. I would also like to thank the wider Tammin community for making not just myself but my whole family feel so welcome. We have thoroughly enjoyed our first year in Tammin and look forward to many more.

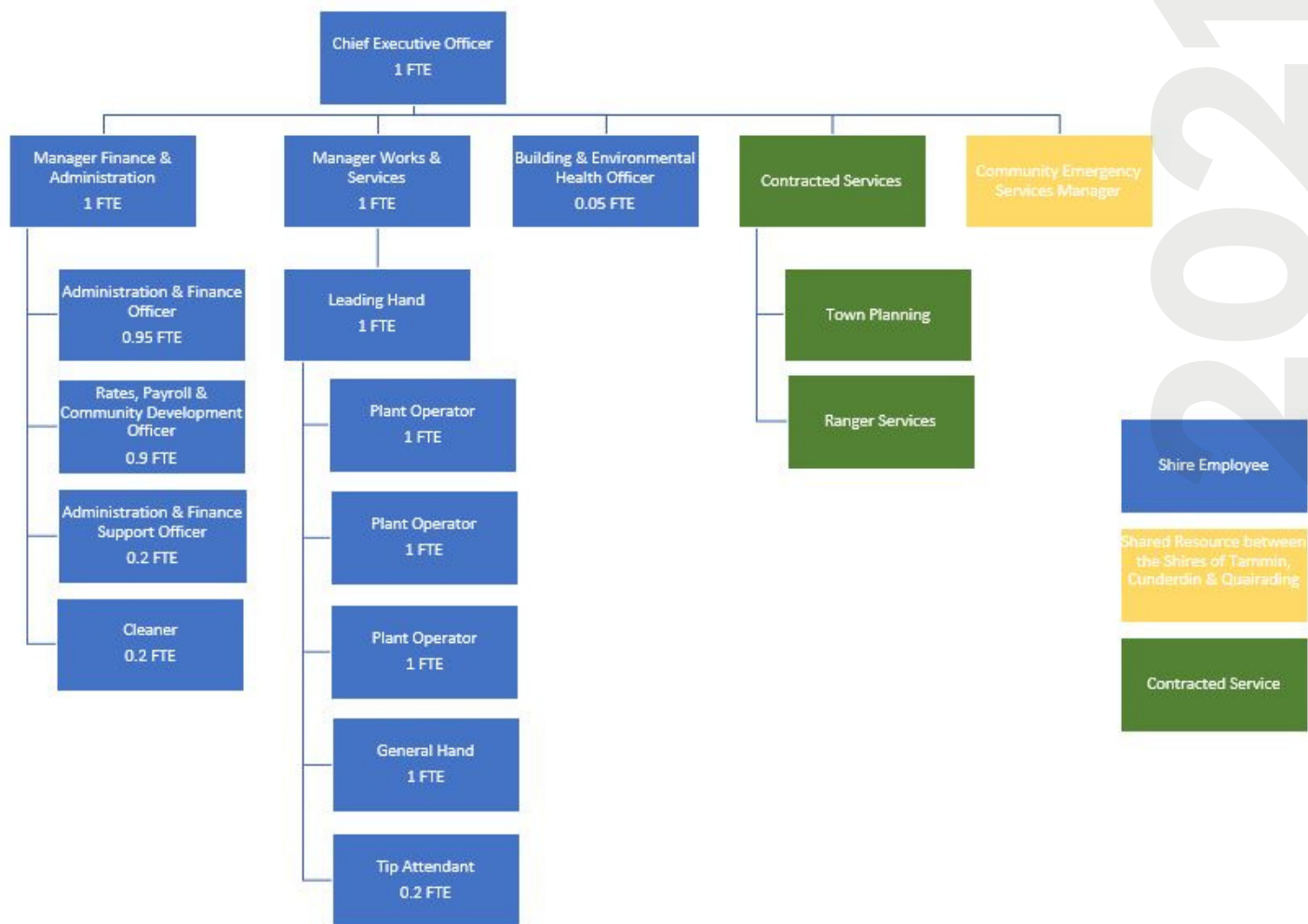


Joanne Soderlund
Chief Executive Officer



Joanne Soderlund - CEO

Organisation Structure



** Full Time Employee (FTE)



New RSL Memorial - Dennis Heppell & David Rees.



Tammin Achievement Awards at the Kadjinyiny KEP.

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 kilometers 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, Tammin Achievement Awards, School Holiday Activities and Wellness events. The Shire also contributes annually to a number of community run events including Australia Day, Anzac Day, Tammin Christmas Tree and many more.

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.

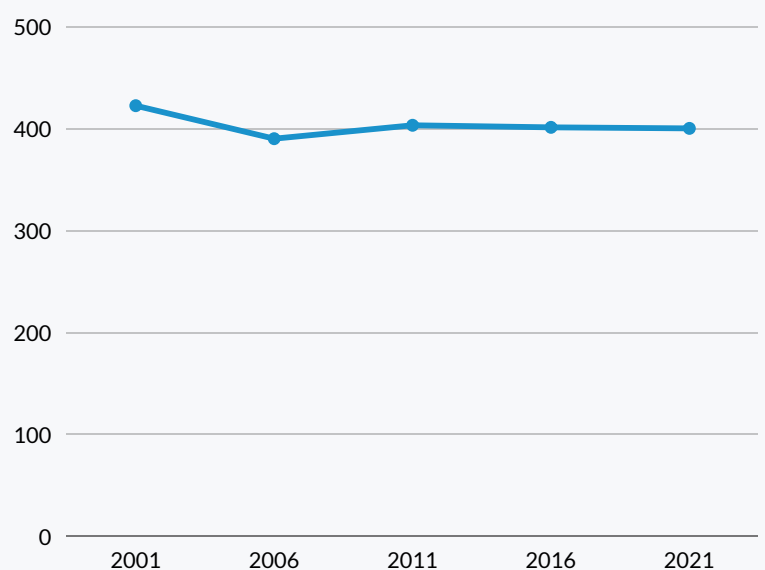
For further information regarding the history of the Shire, please contact the Shire Administration Office.

Population

Australian Bureau of Statistics (ABS) data for the Shire of Tammin indicates a decline in population of approximately 1.4% (or 6 persons) between the 2001 and 2021 Census dates. The median age of persons residing with the Shire of Tammin is 47 years.



Donnan Park Oval



Elected Representatives

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



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President, Term Expiry 23

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Elected Representatives

Council policy provides that Council member attendance at all Council and Committee meetings must be reported in the Annual Report. For the year ended 30 June 2022 Council member attendance at all eleven (11) Council meetings and (2) Special Council meetings is documented below:

Meeting Attendance

COUNCILLOR	ORDINARY & SPECIAL COUNCIL MEETINGS	GENERAL MEETING OF ELECTORS AND OTHER COUNCIL COMMITTEES
Cr. M Greenwood	3	4
Cr. G Batchelor	13	5
Cr. T Daniels	2	4
Cr. N Caffell	11	4
Cr. C Thomson (Charmaine)	10	4
Cr. T Nicholls	13	5
Cr. C Thomson (Courtney)	10	4
Cr. B Leslie	7	5

Remuneration

COUNCILLOR	ORDINARY & SPECIAL COUNCIL MEETINGS	COMMITTEE MEETINGS	PRESIDENT & DEPUTY ALLOWANCE	TRAVEL & ACCOM
Cr. M Greenwood	\$600	\$180		\$109
Cr. G Batchelor	\$2300	\$225	\$2800	\$65
Cr. T Daniels	\$200	\$180		\$46
Cr. N Caffell	\$1100	\$180		\$351
Cr. C Thomson (Charmaine)	\$1000	\$180		\$713
Cr. T Nicholls	\$1300	\$225	\$700	\$489
Cr. C Thomson (Courtney)	\$1000	\$180		\$514
Cr. B Leslie	\$700	\$225		\$138

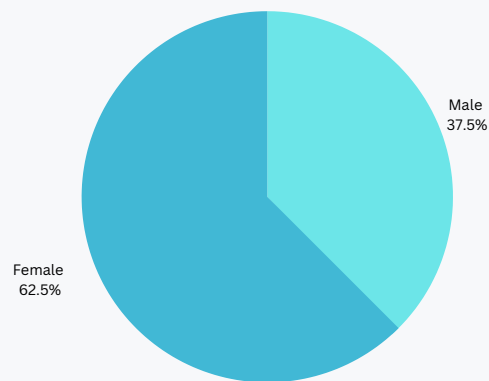


Elected Representatives

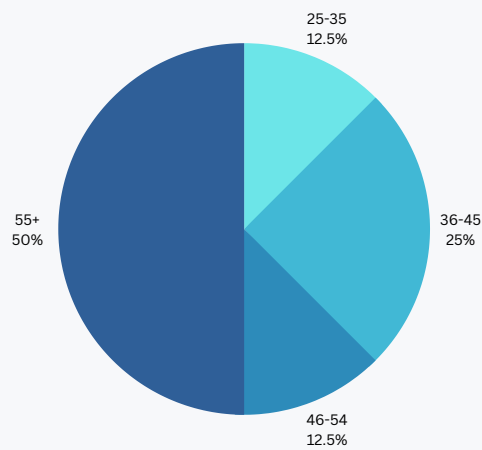
Demographic Profile

A summary of the demographic profile of the Shires elected members is provided below:

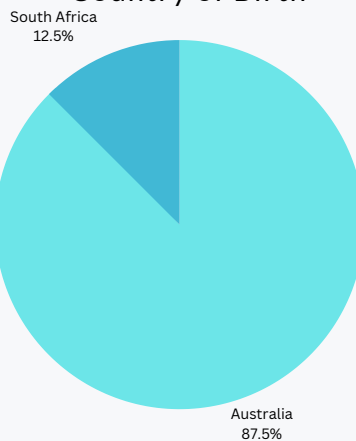
Gender



Age Profile

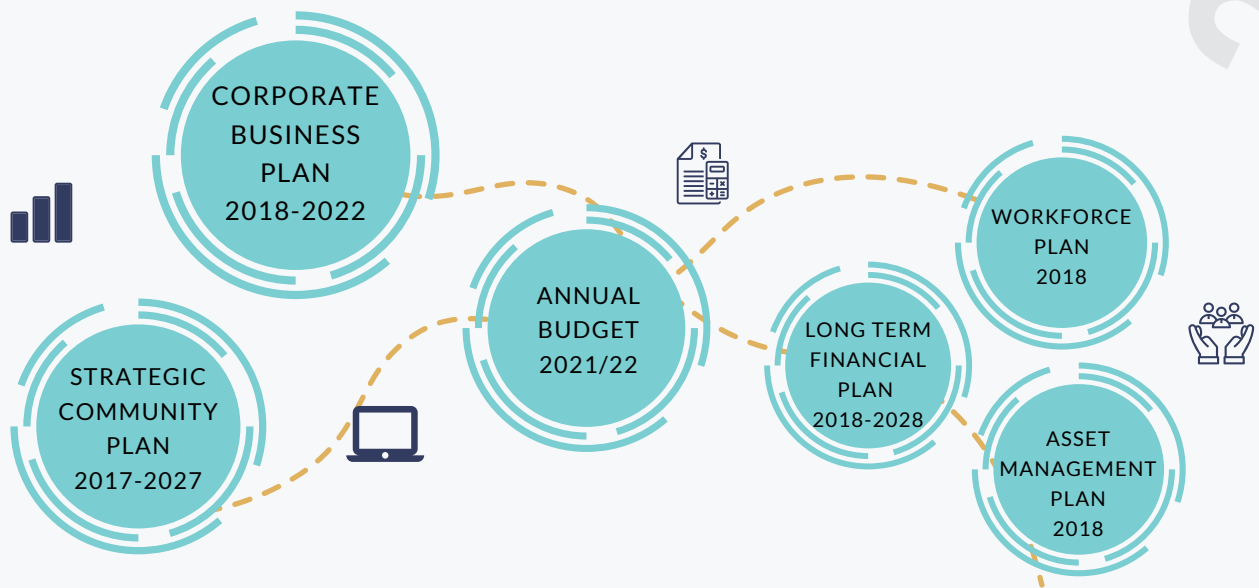


Country of Birth



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, "A place for People, a Place for Community".

Tammin as a community is a 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 aspiration of the community in pursuit of the Shire's vision, as identified through consultation with the community during the formation of the Strategic Community Plan has been categorised in six (6) strategic result areas as detailed on the following page. Each of these areas have multiple objectives the community desires to see achieved. It is the Shire's accompany Corporate Business Plan 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 FY2019/20, the Shire commenced community consultation for its comprehensive review of these plans and adopted the revised Strategic Community Plan & Corporate Business Plan in FY2020/21.



Integrated Planning & Reporting



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".

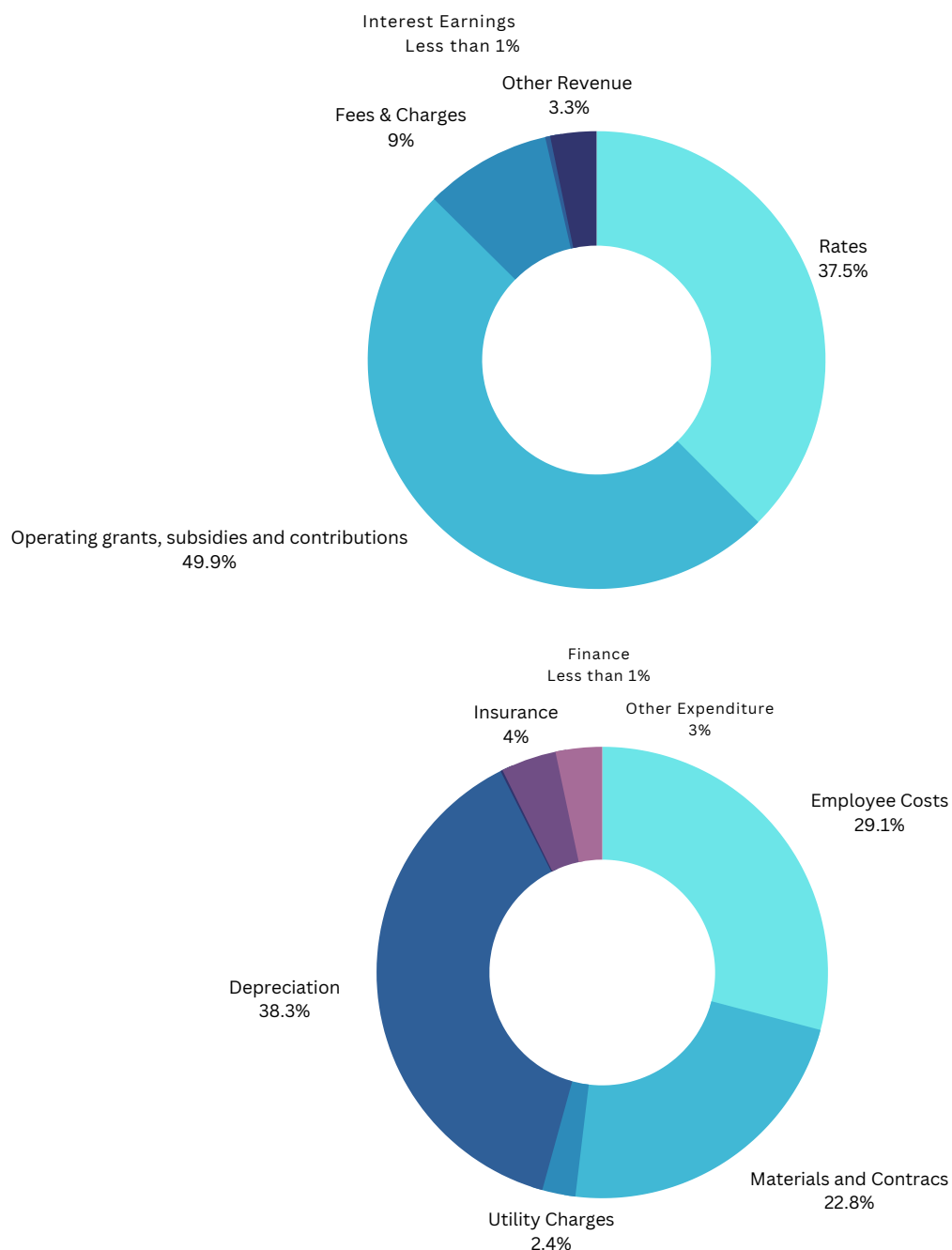
- 
1) Social / Community: Grow and sustain the population through planned provision of services. Maintain the sense of community which is inclusive and welcoming for all.
- 
2) Environment: Provide leadership and promote local regional sustainability principles and practices. Enhance local natural areas 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 a vision, are accessible, act with transparency and integrity, and act in good faith on behalf of their constituents.

Financial Summary

2021/22

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.

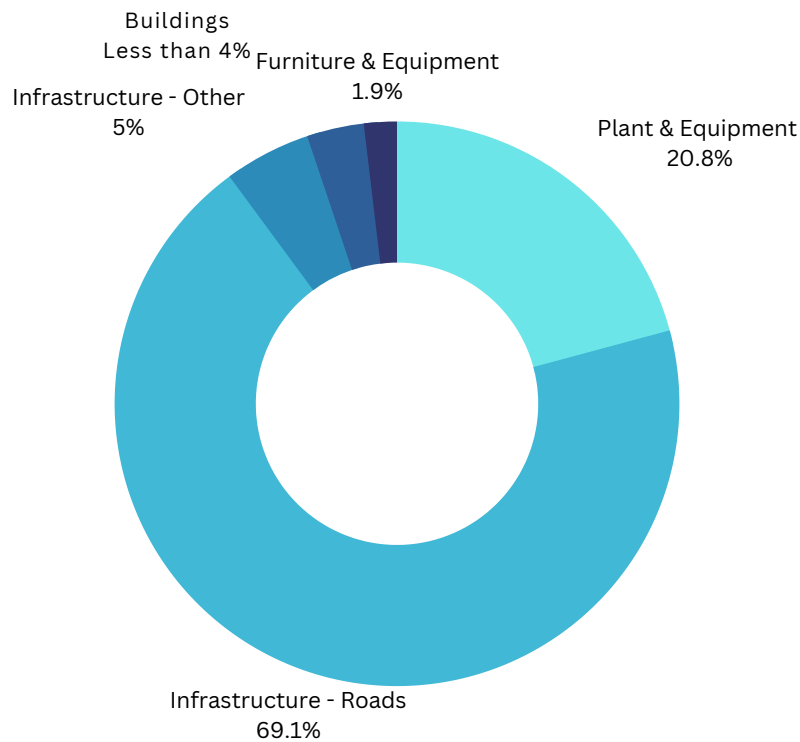
The Annual Report presents the Shire's audited Annual Financial Statements for the year ending 30 June 2022 in the later pages of this report. A graphical representative of the shire of Tammin's financial results for the FY 2021/22 is provided below.



Financial Summary

2021/22

During the FY2021/22 financial year, the Shire of Tammin outlayed funds of \$1.093m in capital projects across the Shire. A summary of this investment by asset class is provided below.



Capital Projects

Key capital projects undertaken by the Shire of Tammin in FY2021/22 included:

Tammin Town Hall Painting & Lesser Hall Air-conditioning: \$26,210

Roads (excluding road maintenance): \$758,156

Plant & Equipment: \$231,630

IT Upgrade: \$15,297



Shire of Tammin plant undertaking road maintenance works.

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 FY2021/22 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 Plan (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 services 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 disable and aged.

Legislative Compliance

Public Interest

The Public Interest Disclosure Act 2003 (The Act) aims to facilitate and encourage the disclosure of public interest information and to provide protections 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 officer, employee and contractors.

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

During the FY2021/22 reporting period, there were no disclosures 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 in salary bands.

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 \$130,000 - \$140,000.

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 the 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

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 the Meetings, Rates Book, Town Planning Scheme, Local Laws Codes of Conduct, Register of Financial Interest, 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.

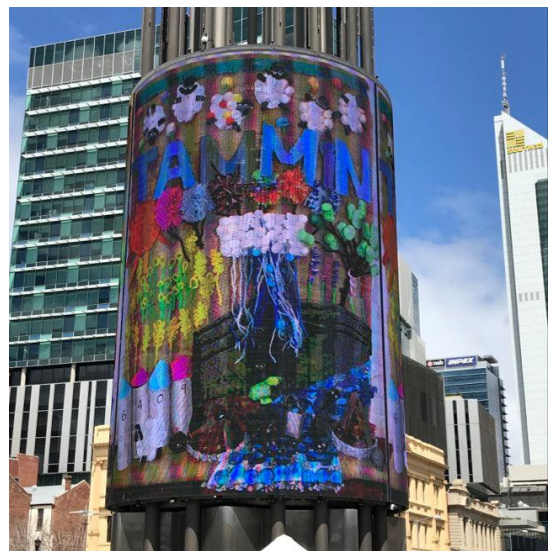
All Council meetings of the Shire are open to the public and meeting dates and venues are advertised on a regular basis. Members of the public are invited to ask questions during Public Question Time shortly after the commencement of each meeting.

The Act gives individuals and organisation 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.



Donnan Park - Sporting in Tammin



School Holiday Activity - WALGA Showcase in Pixels Competition. Tammin represented in Yagan Square, Perth.

Annual Financial Statement & Independent Auditors Report

Financial Year ended 30 June 2022

2021-22



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

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The Shire of Tammin conducts the operations of a local government with the following 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 2022**

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

Signed on the

17th day of

November

2022



Chief Executive Officer

Joanne Soderlund



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

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	23(a),2(a)	1,158,386	1,158,131	1,122,118
Operating grants, subsidies and contributions	2(a)	1,563,952	578,369	1,192,824
Fees and charges	2(a)	187,055	135,875	135,268
Interest earnings	2(a)	11,077	38,405	18,926
Other revenue	2(a)	100,663	41,298	39,426
		3,021,133	1,952,078	2,508,562
Expenses				
Employee costs		(860,404)	(785,698)	(787,898)
Materials and contracts		(667,742)	(752,727)	(611,200)
Utility charges		(69,758)	(106,934)	(104,529)
Depreciation	9(a)	(1,121,473)	(1,056,218)	(1,102,983)
Finance costs	2(b)	(4,510)	(4,539)	(6,836)
Insurance		(116,189)	(94,223)	(91,367)
Other expenditure	2(b)	(97,698)	(102,119)	(89,959)
		(2,937,774)	(2,902,458)	(2,794,772)
		83,359	(950,380)	(286,210)
Capital grants, subsidies and contributions	2(a)	562,053	1,830,967	837,154
Profit on asset disposals	9(b)	20,218	18,512	12,684
Loss on asset disposals	9(b)	(2,182)	(976)	(3,603)
		580,089	1,848,503	846,235
Net result for the period	22(b)	663,448	898,123	560,025
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	14	1,292,794	0	5,969
Total other comprehensive income for the period		1,292,794	0	5,969
Total comprehensive income for the period		1,956,242	898,123	565,994

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



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

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	2,197,576	1,252,671
Trade and other receivables	5	147,897	104,018
Other financial assets	4(a)	1,690,097	1,351,974
Other assets	6	577	1,047
TOTAL CURRENT ASSETS		4,036,147	2,709,710
NON-CURRENT ASSETS			
Trade and other receivables	5	19,549	22,325
Other financial assets	4(b)	60,391	72,483
Property, plant and equipment	7	7,858,166	7,079,372
Infrastructure	8	25,833,937	25,410,151
TOTAL NON-CURRENT ASSETS		33,772,043	32,584,331
TOTAL ASSETS		37,808,190	35,294,041
CURRENT LIABILITIES			
Trade and other payables	10	228,365	165,226
Other liabilities	11	602,926	59,719
Borrowings	12	41,681	56,605
Employee related provisions	13	62,016	59,932
TOTAL CURRENT LIABILITIES		934,988	341,482
NON-CURRENT LIABILITIES			
Borrowings	12	93,892	135,574
Employee related provisions	13	23,048	16,965
TOTAL NON-CURRENT LIABILITIES		116,940	152,539
TOTAL LIABILITIES		1,051,928	494,021
NET ASSETS		36,756,262	34,800,020
EQUITY			
Retained surplus		4,331,800	3,902,170
Reserve accounts	26	1,676,006	1,442,188
Revaluation surplus	14	30,748,456	29,455,662
TOTAL EQUITY		36,756,262	34,800,020

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 2022

	NOTE	RETAINED SURPLUS	RESERVE ACCOUNTS	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2020		3,455,592	1,328,741	29,449,693	34,234,026
Comprehensive income for the period		560,025	0	0	560,025
Net result for the period					
Other comprehensive income for the period	14	0	0	5,969	5,969
Total comprehensive income for the period		560,025	0	5,969	565,994
Transfers to reserves	26	(113,447)	113,447	0	0
Balance as at 30 June 2021		3,902,170	1,442,188	29,455,662	34,800,020
Comprehensive income for the period		663,448	0	0	663,448
Net result for the period					
Other comprehensive income for the period	14	0	0	1,292,794	1,292,794
Total comprehensive income for the period		663,448	0	1,292,794	1,956,242
Transfers to reserves	26	(233,818)	233,818	0	0
Balance as at 30 June 2022		4,331,800	1,676,006	30,748,456	36,756,262

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 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,165,622	1,158,131	1,104,561
Operating grants, subsidies and contributions		2,051,901	578,369	1,150,122
Fees and charges		187,055	135,875	135,268
Interest received		11,077	38,405	18,926
Goods and services tax received		144,602	0	229,848
Other revenue		95,635	41,298	39,426
		3,655,892	1,952,078	2,678,151
Payments				
Employee costs		(843,413)	(788,698)	(795,911)
Materials and contracts		(616,953)	(749,327)	(607,121)
Utility charges		(69,758)	(106,934)	(104,529)
Interest expenses		(4,538)	(4,539)	(6,836)
Insurance paid		(116,189)	(94,223)	(91,367)
Goods and services tax paid		(128,631)	0	(221,491)
Other expenditure		(97,698)	(102,519)	(89,959)
		(1,877,180)	(1,846,240)	(1,917,214)
Net cash provided by (used in) operating activities	15(b)	1,778,712	105,838	760,937
Payments for financial assets at amortised cost		(337,937)	0	(9,328)
Payments for purchase of property, plant & equipment	7(a)	(283,139)	(623,887)	(224,292)
Payments for construction of infrastructure	8(a)	(809,901)	(2,103,003)	(1,252,940)
Non-operating grants, subsidies and contributions		562,053	1,830,967	837,154
Proceeds from for loans - clubs/institutions current		13,905	0	13,722
Proceeds from sale of property, plant & equipment	9(b)	77,818	96,499	61,252
Net cash provided by (used in) investing activities		(777,201)	(799,424)	(574,432)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	25	(56,606)	(56,079)	(69,444)
Net cash provided by (used in) financing activities		(56,606)	(56,079)	(69,444)
Net increase (decrease) in cash held		944,905	(749,665)	117,061
Cash at beginning of year		1,252,671	2,478,586	1,135,610
Cash and cash equivalents at the end of the year	15(a)	2,197,576	1,728,921	1,252,671

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



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	24(b)	1,028,672	869,549	972,564
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Specified area and ex gratia rates	23(a)	7,787	7,995	7,788
Operating grants, subsidies and contributions		1,563,952	578,369	1,192,824
Fees and charges		187,055	135,875	135,268
Interest earnings		11,077	38,405	18,926
Other revenue		100,663	41,298	39,426
Profit on asset disposals	9(b)	20,218	18,512	12,684
		1,890,752	820,454	1,406,916
Expenditure from operating activities				
Employee costs		(860,404)	(785,698)	(787,898)
Materials and contracts		(667,742)	(752,727)	(611,200)
Utility charges		(69,758)	(106,934)	(104,529)
Depreciation	9(a)	(1,121,473)	(1,056,218)	(1,102,983)
Finance costs		(4,510)	(4,539)	(6,836)
Insurance		(116,189)	(94,223)	(91,367)
Other expenditure		(97,698)	(102,119)	(89,959)
Loss on asset disposals	9(b)	(2,182)	(976)	(3,603)
		(2,939,956)	(2,903,434)	(2,798,375)
Non-cash amounts excluded from operating activities	24(a)	1,114,380	1,038,682	1,081,232
Amount attributable to operating activities		65,176	(1,044,298)	(310,227)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		562,053	1,830,967	837,154
Proceeds from disposal of assets	9(b)	77,818	96,499	61,252
Proceeds from financial assets at amortised cost - self supporting loans		13,905	13,905	13,722
Purchase of property, plant and equipment	7(a)	(283,139)	(623,887)	(224,292)
Purchase and construction of infrastructure	8(a)	(809,901)	(2,117,091)	(1,252,940)
Amount attributable to investing activities		(439,264)	(799,607)	(565,104)
FINANCING ACTIVITIES				
Repayment of borrowings	25	(56,606)	(56,079)	(69,444)
Transfers to reserves (restricted assets)	26	(233,818)	(245,734)	(113,447)
Transfers from reserves (restricted assets)	26	0	126,033	0
Amount attributable to financing activities		(290,424)	(175,780)	(182,891)
Surplus/(deficit) before imposition of general rates		364,160	(1,150,136)	(85,658)
Total amount raised from general rates	23(a)	1,150,599	1,150,136	1,114,330
Surplus/(deficit) after imposition of general rates	24(b)	1,514,759	0	1,028,672

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



SHIRE OF TAMMIN
FOR THE YEAR ENDED 30 JUNE 2022
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SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the Local Government Act 1995 and accompanying regulations

Local Government Act 1995 requirements

Section 6.4(2) of the Local Government Act 1995 read with the Local Government (Financial Management) Regulations 1996 prescribe that the financial report be prepared in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

Judgements and estimates

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

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

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

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year.	None.	When rates notice is issued.
Operating grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services.	Over time	Fixed terms transfer of funds based on agreed milestones and reporting.	Contract obligation if project not complete.	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared.
Fees and charges	Cemetery services, library fees, rental income, reinstatements and private works.	Single point in time	Payment in full in advance.	None.	Output method based on provision of service or completion of works.
Interest earnings	Interest received for investment of Shire funds with financial institutions	Over time	On maturity of investment or periodically as agreed with bank	None	When interest is received.
Other revenue	Private works operations and miscellaneous plant income, insurance income.	Over time	Payment in full in advance.	None	When debtors invoice is issued or payment is received in advance.
Non-operating grants, subsidies and contributions	Construction or acquisition of recognisable non-financial assets to be controlled by the local government.	Over time	Fixed terms transfer of funds based on agreed milestones and reporting.	Contract obligation if project not complete.	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

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

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,158,386	0	1,158,386
Operating grants, subsidies and contributions	1,563,952	0	0	0	1,563,952
Fees and charges	187,055	0	0	0	187,055
Interest earnings	0	0	0	11,077	11,077
Other revenue	100,663	0	0	0	100,663
Non-operating grants, subsidies and contributions	0	562,053	0	0	562,053
Total	1,851,670	562,053	1,158,386	11,077	3,583,186

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,122,118	0	1,122,118
Operating grants, subsidies and contributions	1,192,824	0	0	0	1,192,824
Fees and charges	135,268	0	0	0	135,268
Interest earnings	0	0	0	18,926	18,926
Other revenue	39,426	0	0	0	39,426
Non-operating grants, subsidies and contributions	0	837,154	0	0	837,154
Total	1,367,518	837,154	1,122,118	18,926	3,345,716

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

	Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings				
Financial assets at amortised cost - self supporting loans		612	612	771
Interest on reserve funds		3,818	25,245	9,328
Rates instalment and penalty interest (refer Note 23(b))		6,606	8,614	7,658
Other interest earnings		41	3,934	1,169
		11,077	38,405	18,926
(b) Expenses				
Auditors remuneration				
- Audit of the Annual Financial Report		32,400	30,000	42,000
- Other services - OAG - Acquittals		1,800	0	2,000
- Other services - Consultant Auditors - Statutory Review		0	0	8,000
		34,200	30,000	52,000
Finance costs				
Borrowings	25	4,510	4,539	6,836
Other expenditure				
Sundry expenses		97,698	102,119	89,959

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Total cash and cash equivalents

Held as
- Unrestricted cash and cash equivalents

Note	2022	2021
	\$	\$
	2,197,576	1,252,671
15(a)	2,197,576	1,252,671
	2,197,576	1,252,671
	2,197,576	1,252,671

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to 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.

Details of restrictions on financial assets can be found at Note 15.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Financial assets at amortised cost

Loans to clubs/associations

Term deposits

Held as

- Restricted other financial assets at amortised cost

- Restricted other financial assets at amortised cost

(b) Non-current assets

Financial assets at amortised cost

Financial assets at fair values through other comprehensive

income - Units in Local Government House Trust

Financial assets at amortised cost

Self supporting loans receivable

Financial assets at fair values through other comprehensive income

Financial assets at fair values through other comprehensive

income - Local Government House trust

	2022	2021
	\$	\$
	1,690,097	1,351,974
	1,690,097	1,351,974
24(b)	14,091	13,905
	1,676,006	1,338,069
	1,690,097	1,351,974
15(a)	1,676,006	1,338,069
	14,091	13,905
	1,690,097	1,351,974
	21,489	35,580
	38,902	36,903
	60,391	72,483
	21,489	35,580
	38,902	36,903

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

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

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

Financial assets at fair value through profit 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 19.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

5. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
Trade and other receivables
GST receivable
Provision for Doubtful Debts

Note	2022	2021
	\$	\$
	74,378	74,814
	73,679	13,393
	0	15,971
19(b)	(160)	(160)
	147,897	104,018
	19,549	22,325

Non-current

Pensioner's rates and ESL deferred

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 19.

Classification and subsequent measurement

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

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

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

6. OTHER ASSETS

	2022	2021
	\$	\$
Other assets - current		
Fuel Tax Credits	577	1,047

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
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	Land \$	Buildings \$	Total land and buildings \$	Furniture and equipment \$	Plant And Equipment \$	Total property, plant and equipment \$
Balance at 1 July 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		0	(123,686)	(123,686)	(9,881)	(110,141)	(243,708)
Balance at 30 June 2021	9(a)	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)
Balance at 30 June 2021		370,800	5,758,279	6,129,079	60,076	890,217	7,079,372
Additions		0	36,211	36,211	15,297	231,631	283,139
Disposals		0	0	0	0	(59,782)	(59,782)
Revaluation increments / (decrements) transferred to revaluation surplus		(41,800)	834,404	792,604	0	0	792,604
Depreciation		0	(125,054)	(125,054)	(8,849)	(103,264)	(237,167)
Balance at 30 June 2022	9(a)	329,000	6,503,840	6,832,840	66,524	958,802	7,858,166
Comprises:							
Gross balance amount at 30 June 2022		329,000	6,503,840	6,832,840	104,250	1,486,429	8,423,519
Accumulated depreciation at 30 June 2022		0	0	0	(37,726)	(527,627)	(565,353)
Balance at 30 June 2022		329,000	6,503,840	6,832,840	66,524	958,802	7,858,166

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

7. 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	2022	Price per hectare/market borrowing rate
Buildings - non-specialised	2	Market approach using recent or estimated observable market data for similar properties	Independent Valuation	2022	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	2022	Improvements to buildings using construction costs (Level 2) and current condition, residual values and remaining useful life assessments (Level 3) inputs

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

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

(ii) Cost					
Furniture and equipment	N/A	Cost	Not Applicable		N/A
Plant and equipment	N/A	Cost	Not Applicable		N/A

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - roads	Infrastructure - footpaths	Other infrastructure	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 2020	21,851,575	210,562	2,954,349	25,016,486
Additions	1,153,036	52,476	47,428	1,252,940
Depreciation	(686,051)	(16,976)	(156,248)	(859,275)
Balance 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)
Balance at 30 June 2021	22,318,560	246,062	2,845,529	25,410,151
Additions	758,155	22,609	29,137	809,901
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	498,191	498,191
Depreciation	(708,687)	(18,214)	(157,405)	(884,306)
Transfers	0	47,952	(47,952)	0
Balance at 30 June 2022	22,368,028	298,409	3,167,500	25,833,937
Comprises:				
Gross balance at 30 June 2022	31,333,245	845,848	3,167,500	35,346,593
Accumulated depreciation at 30 June 2022	(8,965,217)	(547,439)	0	(9,512,656)
Balance at 30 June 2022	22,368,028	298,409	3,167,500	25,833,937

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - Roads	3	Cost approach using current replacement cost (Gross Revaluation method)	Independent Valuation	June 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	June 2020	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs
	Infrastructure - Other Infrastructure	3	Cost approach using current replacement cost (Gross Revaluation method)	Independent Valuation	June 2022	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings	7(a)	125,054	123,433	123,686
Furniture and equipment	7(a)	8,849	8,384	9,881
Plant And Equipment	7(a)	103,264	82,824	110,141
Infrastructure - roads	8(a)	708,687	669,482	686,051
Infrastructure - footpaths	8(a)	18,214	16,992	16,976
Other infrastructure	8(a)	157,405	155,103	156,248
		1,121,473	1,056,218	1,102,983

Depreciation rates

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

Asset Class	Useful life
Buildings	20 - 90 years
Furniture and Equipment	5 years
Plant and Equipment	4 - 50 years
Footpaths	40 - 80 years
Other Infrastructure	10 - 90 years
Sealed roads and streets	
- clearing and earthworks	not depreciated
- construction/road base	24 - 50 years
- kerbing	60 years
original surfacing and major re-surfacing	
- bituminous seals	14 - 20 years
- asphalt surfaces	14 - 20 years
Gravel roads	
- clearing and earthworks	not depreciated
- construction/road base	24 - 50 years
- gravel sheet	12 years
Formed roads (unsealed)	
- clearing and earthworks	not depreciated
- construction/road base	24 - 50 years

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant And Equipment	\$ 59,782	\$ 77,818	\$ 20,218	\$ (2,182)	\$ 78,963	\$ 96,499	\$ 18,512	\$ (976)	\$ 52,171	\$ 61,252	\$ 12,684	\$ (3,603)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Transport				
4.5 Tonne Tip Truck	32,933	45,455	12,522	0
Other property and services				
Admin Vehicle TN2	16,849	24,545	7,696	0
Utility TN3 Gardeners	10,000	7,818	0	(2,182)
	59,782	77,818	20,218	(2,182)

SHIRE OF TAMMIN
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9. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

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

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

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

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

Revaluation

The fair value of land, buildings, 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.

Revaluation (continued)

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

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.

Depreciation

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

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

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

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

Depreciation on revaluation

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

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

SHIRE OF TAMMIN
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10. TRADE AND OTHER PAYABLES

Current

	2022 \$	2021 \$
Sundry creditors	109,134	69,260
Prepaid rates	36,147	32,123
Accrued payroll liabilities	23,555	16,232
ATO Liabilities excluding GST	18,330	16,829
Bonds and deposits held	25,656	30,684
Accrued Interest on loans	70	98
GST Payable	15,473	0
	228,365	165,226

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 usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

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

SHIRE OF TAMMIN
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11. OTHER LIABILITIES

Current

Contract liabilities

Reconciliation of changes in contract liabilities

Opening balance

Additions

Revenue from contracts with customers included as a contract liability at the start of the period

The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

Reconciliation of changes in capital grant/contribution liabilities

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

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

	2022	2021
	\$	\$
Contract liabilities	602,926	59,719
Reconciliation of changes in contract liabilities		
Opening balance	59,719	0
Additions	602,926	59,719
Revenue from contracts with customers included as a contract liability at the start of the period	(59,719)	0
	602,926	59,719
Reconciliation of changes in capital grant/contribution liabilities		
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	602,926	59,719

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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FOR THE YEAR ENDED 30 JUNE 2022

12. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		41,681	93,892	135,573	56,605	135,574	192,179
Total secured borrowings	25	41,681	93,892	135,573	56,605	135,574	192,179

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Tammin. Other loans relate to transferred receivables. Refer to Note 5.

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 21(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 19.

Details of individual borrowings required by regulations are provided at Note 25 .

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

13. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions
Employee benefit provisions
 Annual Leave
 Long Service Leave

Non-current provisions
 Long Service Leave

2022	2021
\$	\$
43,017	46,033
18,999	13,899
62,016	59,932
23,048	16,965
85,064	76,897

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

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

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

2022	2021
\$	\$
62,016	45,142
23,048	31,755
85,064	76,897

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 of these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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14. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	Total Movement on Revaluation	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and Buildings	5,980,673	834,404	(41,800)	792,604	6,773,277	5,980,673	0	0	5,980,673
Revaluation surplus - Furniture and equipment	151,711	0	0	0	151,711	151,711	0	0	151,711
Revaluation surplus - Plant And Equipment	700,276	0	0	0	700,276	700,276	0	0	700,276
Revaluation surplus - Infrastructure - roads	21,214,893	0	0	0	21,214,893	21,214,893	0	0	21,214,893
Revaluation surplus - Other infrastructure	1,371,206	498,191	0	498,191	1,869,397	1,371,206	0	0	1,371,206
Revaluation surplus - Local Government House Trust	36,903	1,999	0	1,999	38,902	30,934	5,969	5,969	36,903
	29,455,662	1,334,594	(41,800)	1,292,794	30,748,456	29,449,693	5,969	5,969	29,455,662

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	2,197,576	1,728,921	1,252,671
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
Cash and Cash equivalents		0	0	104,119
Financial assets at amortised cost				
- Term Deposits	4	1,676,006	1,559,225	1,338,069
- Loans to clubs/associations	4	14,091	0	13,905
		1,690,097	1,559,225	1,456,093

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

Restricted reserve accounts	26	1,676,006	1,559,225	1,442,188
Loans to clubs/associations	4	14,091	0	13,905
Total restricted financial assets		1,690,097	1,559,225	1,456,093

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

Net result		663,448	898,123	560,025
Non-cash items:				
Depreciation/amortisation	9(a)	1,121,473	1,056,218	1,102,983
(Profit)/loss on sale of asset		(18,036)	(17,536)	(9,081)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(41,103)	0	(17,362)
(Increase)/decrease in other assets		470	0	(140)
Increase/(decrease) in trade and other payables		63,139	0	4,219
Increase/(decrease) in employee related provisions		8,167	0	(8,013)
Increase/(decrease) in contract liabilities		543,207	0	(34,540)
Non-operating grants, subsidies and contributions		(562,053)	(1,830,967)	(837,154)
Net cash provided by/(used in) operating activities		1,778,712	105,838	760,937

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements				
Bank overdraft limit		100,000	100,000	100,000
Credit card limit		20,000	20,000	20,000
Credit card balance at balance date		(654)	(1,500)	(711)
Total amount of credit unused		119,346	118,500	119,289
Loan facilities				
Loan facilities - current	12	41,681	56,605	56,605
Loan facilities - non-current	12	93,892	99,617	135,574
Total facilities in use at balance date		135,573	156,222	192,179
Unused loan facilities at balance date		0	0	0

SHIRE OF TAMMIN
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16. 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.

17. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	441,393	0
Payable:		
- not later than one year	441,393	0

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18. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Elected member Cr Michael Greenwood			
President's annual allowance	0	0	2,800
Meeting attendance fees	780	0	3,491
Travel and accommodation expenses	109	0	639
	889	0	6,930
Elected member Cr Glenice Batchelor			
President's annual allowance	2,800	0	0
Deputy President's annual allowance	0	0	700
Meeting attendance fees	2,525	0	1,737
Travel and accommodation expenses	65	0	233
	5,390	0	2,670
Elected member Cr Nicholas Caffell			
Meeting attendance fees	1,280	0	1,400
Travel and accommodation expenses	352	0	341
	1,632	0	1,741
Elected member Cr Tanya Nicholls			
Deputy President's annual allowance	700	0	0
Meeting attendance fees	1,525	0	1,691
Travel and accommodation expenses	489	0	410
	2,714	0	2,101
Elected member Cr Charmaine Thomson			
Meeting attendance fees	1,425	0	1,645
Travel and accommodation expenses	712	0	696
	2,137	0	2,341
Elected member Cr Tania Daniels			
Meeting attendance fees	380	0	1,791
Travel and accommodation expenses	46	0	378
	426	0	2,169
Elected member Cr Courtney Thomson			
Meeting attendance fees	1,180	0	0
Travel and accommodation expenses	513	0	0
	1,693	0	0
Elected member Cr Barry Leslie			
Meeting attendance fees	925	0	0
Travel and accommodation expenses	137	0	0
	1,062	0	0
Elected member Payment Allowance (Budget - non specific)			
President's annual allowance	0	3,000	0
Deputy President's annual allowance	0	750	0
Meeting attendance fees	0	8,263	0
Travel and accommodation expenses	0	2,548	0
	0	14,561	0
TOTAL	15,943	14,561	17,952

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18. Elected Member Remuneration (Continued)

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

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's annual allowance	2,800	3,000	2,800
Deputy President's annual allowance	700	750	700
Meeting attendance fees	10,020	8,263	11,755
Travel and accommodation expenses	2,423	2,548	2,697
18(b)	15,943	14,561	17,952

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	366,876	364,939
Post-employment benefits	36,459	21,083
Employee - other long-term benefits	52,264	0
Council member costs	15,943	17,952
18(a)	471,542	403,974

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Council member costs

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

(c) Transactions with related parties

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

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

In addition to KMP compensation above the following transactions occurred with related parties:

	2022 Actual	2021 Actual
	\$	\$
Sale of goods and services	0	30,000
Purchase of goods and services	18,015	19,734

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18. RELATED PARTY TRANSACTIONS

(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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19. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.00%	2,197,576	0	200,000	1,997,576
Financial assets at amortised cost - term deposits	1.70%	1,676,006	1,676,006	0	0
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

Sensitivity

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

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	2,000	2,000

* 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 25 .

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19. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	618	32,137	17,510	24,113	74,378	
Loss allowance	0	0	0	0	0	5
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	5

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

	Less than 30 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	6.34%		
Gross carrying amount	70,449	705	0	2,525	73,679	
Loss allowance	0	0	0	160	160	5
30 June 2021						
Trade and other receivables						
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	5

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19. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
	\$	\$	\$	\$	\$	\$
Opening loss allowance as at 1 July	0	0	160	160	0	0
Closing loss allowance at 30 June	0	0	160	160	0	0

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

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

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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19. 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 15(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
<u>2022</u>	\$	\$	\$	\$	\$
Trade and other payables	192,218	0	0	192,218	192,218
Borrowings	44,928	97,510	0	142,438	135,573
	237,146	97,510	0	334,656	327,791
<u>2021</u>					
Trade and other payables	133,103	0	0	133,103	133,103
Borrowings	60,618	142,964	0	203,582	192,179
	193,721	142,964	0	336,685	325,282

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

20. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There have been no material events after the reporting period which would affect the financial report of the Shire for the year ended 30th June 2022 or which would require a separate disclosure.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

21. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE	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	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency service
HEALTH	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
EDUCATION AND WELFARE	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	Staff housing, provision of general rental accomodation when buildings not required by staff.
COMMUNITY AMENITIES	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	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	Construction and maintenance of roads, streets, footpaths, depots, cycleways and parking facilities.
ECONOMIC SERVICES	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	Private works operation, plant repair and operation costs, housing and engineering operation costs.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	100	0	0
General purpose funding	1,172,481	1,201,230	1,141,689
Law, order, public safety	5,123	4,027	2,007
Health	593	1,097	674
Education and welfare	60,558	54,914	53,247
Housing	15,338	14,986	11,194
Community amenities	40,903	35,436	27,207
Recreation and culture	8,753	12,602	16,791
Transport	24,495	17,002	9,379
Economic services	345	1,365	3,108
Other property and services	148,710	49,562	63,126
	1,477,399	1,392,221	1,328,422
Grants, subsidies and contributions			
General purpose funding	1,377,055	481,629	1,289,135
Law, order, public safety	15,477	2,000	5,159
Housing	314	0	0
Community amenities	50,000	0	0
Recreation and culture	3,614	90,000	42,721
Transport	641,572	1,834,077	688,908
Economic services	35,035	1,530	104
Other property and services	2,938	100	3,951
	2,126,005	2,409,336	2,029,978
Total Income	3,603,404	3,801,557	3,358,400
Expenses			
Governance	(324,949)	(371,442)	(354,417)
General purpose funding	(76,916)	(86,568)	(73,893)
Law, order, public safety	(62,614)	(39,112)	(33,321)
Health	(8,722)	(10,312)	(8,426)
Education and welfare	(111,119)	(96,109)	(105,247)
Housing	(49,723)	(40,986)	(40,292)
Community amenities	(213,967)	(261,930)	(166,782)
Recreation and culture	(489,762)	(550,133)	(485,557)
Transport	(1,428,650)	(1,365,522)	(1,434,154)
Economic services	(48,444)	(42,821)	(42,786)
Other property and services	(125,090)	(38,497)	(53,500)
Total expenses	(2,939,956)	(2,903,434)	(2,798,375)
Net result for the period	663,448	898,123	560,025

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. FUNCTION AND ACTIVITY (Continued)

(c) Fees and Charges (including Service Charges)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Governance	100	0	0
Law, order, public safety	5,123	2,310	2,008
Health	593	1,097	674
Education and welfare	60,558	54,706	53,248
Housing	13,483	13,741	10,898
Community amenities	28,291	32,886	27,105
Recreation and culture	8,095	11,210	7,056
Transport	5,900	2,810	3,300
Economic services	345	1,365	3,107
Other property and services	64,567	15,750	27,872
	187,055	135,875	135,268

(d) Total Assets

	2022	2021
	\$	\$
Governance	0	12,313
General purpose funding	4,116,087	1,312,845
Law, order, public safety	8,970	12,882
Education and welfare	1,402,040	1,225,515
Housing	986,120	751,541
Community amenities	483,926	499,078
Recreation and culture	5,639,379	6,161,599
Transport	23,781,082	24,632,524
Economic services	100,910	83,141
Other property and services	1,289,676	602,603
	37,808,190	35,294,041

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. RATING INFORMATION

(a) General Rates

RATE TYPE	Rate Description	Basis of valuation	Rate in \$	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
		Differential general rate or general rate												
		Gross rental valuation	0.12695	89	812,760	103,180	0	0	103,180	103,183	0	0	103,183	101,315
		Unimproved valuation	0.01424	149	71,059,000	1,012,093	614	0	1,012,710	1,012,093	0	0	1,012,093	983,181
				238	71,871,760	1,115,276	614	0	1,115,890	1,115,276	0	0	1,115,276	1,084,496
		Sub-Total												
		Minimum payment												
		Gross rental valuation	590	48	28,290	28,320	0	0	28,320	28,320	0	0	28,320	26,358
		Unimproved valuation	590	41	964,800	24,190	0	0	24,190	24,190	0	0	24,190	22,920
		Unimproved valuation	590	5	84,838	2,950	0	0	2,950	2,950	0	0	2,950	0
				94	1,077,928	55,460	0	0	55,460	55,460	0	0	55,460	49,278
		Sub-Total												
				332	72,949,668	1,170,736	614	0	1,171,350	1,170,736	0	0	1,170,736	1,133,774
		Discounts on general rates (Refer note 23(d))												
		Total amount raised from general rates												
		Ex-gratia Rates												
		Ex-gratia Rates												
		Sub-Total												
		Total amount raised from rates (excluding general rates)												
		Total Rates												

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. RATING INFORMATION (Continued)

(b) Specified Area Rate

The Shire did not levy a specified area rate during the current reporting period

(c) Service Charges

The Shire did not levy a service charge during the current reporting period

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

Rates Discounts

Rate or Fee Discount Granted	Discount	2022 Actual	2022 Budget	2021 Actual	Circumstances in which Discount is Granted
	%	\$	\$	\$	
Early Payment	2.00%	20,751	20,600	19,444	Full payment received by the due date.
		20,751	20,600	19,444	

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	27/08/2021	0	0.00%	7.00%
Option Two				
First instalment	27/08/2021	4	5.50%	7.00%
Second instalment	12/11/2021	4	5.50%	7.00%
Third instalment	14/01/2022	4	5.50%	7.00%
Fourth instalment	18/03/2022	4	5.50%	7.00%

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Charges on instalment plan	3,630	1,144	1,440
Interest on instalment plan	1,262	1,238	1,220
Interest on unpaid rates	5,344	7,376	6,438
	10,236	9,758	9,098

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

24. RATE SETTING STATEMENT INFORMATION

Note	2021/22 (30 June 2022 Carried Forward)	2021/22 Budget (30 June 2022 Carried Forward)	2021/22 (1 July 2021 Brought Forward)	2020/21 (30 June 2021 Carried Forward)
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals				
Movement in pensioner deferred rates (non-current)	9(b)	(20,218)	(18,512)	(12,684)
Movement in employee benefit provisions (non-current)		2,776	0	(4,657)
Add: Loss on disposal of assets	9(b)	8,167	0	(8,013)
Add: Depreciation	9(a)	2,182	976	3,603
Non-cash amounts excluded from operating activities		1,121,473	1,056,218	1,102,983
		1,114,380	1,038,682	1,081,232
(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: Reserve accounts	26	(1,676,006)	(1,559,225)	(1,442,188)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(14,091)	(13,905)	(13,905)
- Bonds and Deposits held		0	(25,566)	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	12	41,681	(49,116)	56,605
- Current portion of contract liability		0	(59,719)	0
- Current employee benefits provision	13	62,016	65,448	59,932
Total adjustments to net current assets		(1,586,400)	(1,642,083)	(1,339,556)
Net current assets used in the Rate Setting Statement				
Total current assets		4,036,147	1,847,319	2,709,710
Less: Total current liabilities		(934,988)	(205,236)	(341,482)
Less: Total adjustments to net current assets		(1,586,400)	(1,642,083)	(1,339,556)
Net current assets used in the Rate Setting Statement		1,514,759	0	1,028,672

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

25. BORROWING AND LEASE LIABILITIES

Borrowings

Purpose	Note	Actual				Budget		
		Principal at 1 July 2020	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 1 July 2021	Principal Repayments During 2021-22
		\$	\$	\$	\$	\$	\$	\$
Housing								
12 Russell Street		18,209	(11,909)	6,300	0	(6,300)	9,196	(6,166)
3 & 5 Nottage Way		70,686	(13,161)	57,525	0	(13,732)	64,052	(13,622)
Recreation and culture								
Synthetic Bowling Green		82,209	(12,790)	69,419	0	(13,219)	75,774	(13,136)
Transport								
Depot		27,312	(17,862)	9,450	0	(9,450)	13,794	(9,250)
Total		198,416	(55,722)	142,694	0	(42,701)	162,816	(42,174)
Self Supporting Loans								
Recreation and culture								
Bowling Green Surface		63,207	(13,722)	49,485	0	(13,905)	49,485	(13,905)
Total Self Supporting Loans		63,207	(13,722)	49,485	0	(13,905)	49,485	(13,905)
Total Borrowings	12	261,623	(69,444)	192,179	0	(56,606)	212,301	(56,079)
								156,222

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.
All other loan repayments were financed by general purpose revenue.

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
						\$	\$	\$
Housing								
12 Russell Street		Housing	79	WATC	4.72%	(109)	(110)	(643)
3 & 5 Nottage Way		Housing	80	WATC	3.47%	(1,874)	(1,875)	(2,335)
Recreation and culture								
Synthetic Bowling Green		Recreation and culture	81	WATC	2.69%	(1,776)	(1,778)	(2,123)
Transport								
Depot		Transport	78	WATC	4.72%	(163)	(164)	(964)
Total						(3,922)	(3,927)	(6,065)
Self Supporting Loans Interest Repayments								
Bowling Green Surface		Recreation and culture	82	WATC	1.30%	(588)	(612)	(771)
Total Self Supporting Loans Interest Repayments						(588)	(612)	(771)
Total Interest Repayments	2(b)					(4,510)	(4,539)	(6,836)

* WA Treasury Corporation

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

26. RESERVE ACCOUNTS

Restricted by legislation/agreement

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
(a) Staff Entitlements	85,071	204	0	85,275	84,989	6,278	0	91,267	40,791	44,280	0	85,071
(b) Plant Replacement	326,384	140,845	0	467,229	325,854	136,039	0	461,893	264,402	61,982	0	326,384
(c) Information & Technology	12,313	33	0	12,346	12,288	5,185	0	17,473	12,226	87	0	12,313
(d) Tamma Village Upgrade & Improvements	20,786	56	0	20,842	20,745	5,313	0	26,058	20,641	145	0	20,786
(e) Sports, Recreation Facilities Upgrades Reserve	879,118	62,361	0	941,479	877,368	62,888	(126,033)	814,223	872,990	6,128	0	879,118
(f) Bowling Green Replacement Reserve	2,078	6	0	2,084	2,074	31	0	2,105	2,064	14	0	2,078
(g) Property & Building Reserve	116,438	30,313	0	146,751	116,206	30,000	0	146,206	115,627	811	0	116,438
	1,442,188	233,818	0	1,676,006	1,439,524	245,734	(126,033)	1,559,225	1,328,741	113,447	0	1,442,188

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



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Tammin

To the Councillors of the Shire of Tammin

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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

Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
29 November 2022