

SHIRE OF TAMMIN
AUDITED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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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
AUDITED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

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

STATEMENT BY CEO

The accompanying financial report of the Shire of Tammin has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position as at 30 June 2024.

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

Signed on the

11th

day of

December

2024



Chief Executive Officer

Andrew Malone



SHIRE OF TAMMIN
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Actual	2024 Budget	2023 Actual
		\$	\$	\$
Revenue				
Rates	2(a),21	1,243,482	1,243,582	1,197,199
Grants, subsidies and contributions	2(a)	1,462,329	107,765	1,878,150
Fees and charges	2(a)	157,371	116,065	172,703
Interest revenue	2(a)	100,028	53,520	41,888
Other revenue	2(a)	15,106	90,050	125,136
		2,978,316	1,610,982	3,415,076
Expenses				
Employee costs	2(b)	(932,287)	(1,071,209)	(975,436)
Materials and contracts		(777,957)	(823,453)	(690,164)
Utility charges		(89,859)	(111,665)	(71,511)
Depreciation	9(a)	(1,411,591)	(1,213,290)	(1,154,527)
Finance costs	2(b)	(5,689)	(2,226)	(3,431)
Insurance		(107,091)	(93,817)	(86,815)
Other expenditure	2(b)	(91,551)	(95,960)	(77,511)
		(3,416,025)	(3,411,620)	(3,059,395)
		(437,709)	(1,800,638)	355,681
Capital grants, subsidies and contributions	2(a)	762,015	689,757	2,108,380
Profit on asset disposals	9(b)	44,812	66,000	53,483
Loss on asset disposals	9(b)	0	0	(17,286)
Loss on revaluation of other infrastructure footpaths	8(a)	0	0	(57,440)
		806,827	755,757	2,087,137
Net result for the period		369,118	(1,044,881)	2,442,818
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	840	0	15,248,850
Total other comprehensive income for the period		840	0	15,248,850
Total comprehensive income for the period		369,958	(1,044,881)	17,691,668

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



SHIRE OF TAMMIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	NOTE	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,303,747	3,535,222
Trade and other receivables	5	355,485	285,075
Other financial assets	4(a)	7,210	14,279
Other assets	6	111,794	112,877
TOTAL CURRENT ASSETS		3,778,236	3,947,453
NON-CURRENT ASSETS			
Trade and other receivables	5	18,350	11,604
Other financial assets	4(b)	41,585	47,955
Property, plant and equipment	7	8,559,855	8,270,464
Infrastructure	8	42,765,716	42,735,256
TOTAL NON-CURRENT ASSETS		51,385,506	51,065,279
TOTAL ASSETS		55,163,742	55,012,732
CURRENT LIABILITIES			
Trade and other payables	10	169,591	342,372
Other liabilities	11	14,852	41,800
Borrowings	12	50,879	42,939
Employee related provisions	13	60,849	52,215
TOTAL CURRENT LIABILITIES		296,171	479,326
NON-CURRENT LIABILITIES			
Borrowings	12	14,618	51,164
Employee related provisions	13	35,065	34,312
TOTAL NON-CURRENT LIABILITIES		49,683	85,476
TOTAL LIABILITIES		345,854	564,802
NET ASSETS		54,817,888	54,447,930
EQUITY			
Retained surplus		7,481,060	7,048,513
Reserve accounts	24	1,338,682	1,402,111
Revaluation surplus	14	45,998,146	45,997,306
TOTAL EQUITY		54,817,888	54,447,930

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 2024

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2022		4,331,800	1,676,006	30,748,456	36,756,262
Comprehensive income for the period					
Net result for the period		2,442,818	0	0	2,442,818
Other comprehensive income for the period	14	0	0	15,248,850	15,248,850
Total comprehensive income for the period		2,442,818	0	15,248,850	17,691,668
Transfers from reserve accounts	24	365,000	(365,000)	0	0
Transfers to reserve accounts	24	(91,105)	91,105	0	0
Balance as at 30 June 2023		7,048,513	1,402,111	45,997,306	54,447,930
Comprehensive income for the period					
Net result for the period		369,118	0	0	369,118
Other comprehensive income for the period	14	0	0	840	840
Total comprehensive income for the period		369,118	0	840	369,958
Transfers from reserve accounts	24	123,943	(123,943)	0	0
Transfers to reserve accounts	24	(60,514)	60,514	0	0
Balance as at 30 June 2024		7,481,060	1,338,682	45,998,146	54,817,888

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 2024**

	NOTE	2024 Actual \$	2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		1,220,992	1,198,545
Grants, subsidies and contributions		1,353,947	1,231,142
Fees and charges		157,371	172,703
Interest revenue		100,028	41,888
Goods and services tax received		242,925	346,134
Other revenue		15,106	125,136
		3,090,369	3,115,548
Payments			
Employee costs		(931,513)	(963,703)
Materials and contracts		(946,228)	(684,856)
Utility charges		(89,859)	(71,511)
Finance costs		(5,689)	(3,431)
Insurance paid		(107,091)	(86,815)
Goods and services tax paid		(210,970)	(404,702)
Other expenditure		(91,552)	(77,511)
		(2,382,902)	(2,292,529)
Net cash provided by (used in) operating activities	15(b)	707,467	823,019
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	7(a)	(576,300)	(888,165)
Payments for construction of infrastructure	8(a)	(1,161,160)	(2,548,829)
Capital grants, subsidies and contributions		762,015	2,108,380
Proceeds for financial assets at amortised cost		0	1,676,006
Proceeds from financial assets at amortised cost - self supporting loans		14,279	14,091
Proceeds from sale of property, plant & equipment	9(b)	50,830	194,614
Net cash provided by (used in) investing activities		(910,336)	556,097
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	23	(28,606)	(41,470)
Net cash provided by (used in) financing activities		(28,606)	(41,470)
Net increase (decrease) in cash held		(231,475)	1,337,646
Cash at beginning of year		3,535,222	2,197,576
Cash and cash equivalents at the end of the year	15(a)	3,303,747	3,535,222

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



**SHIRE OF TAMMIN
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	21	1,235,140	1,235,561	1,189,178
Rates excluding general rates	21	8,342	8,021	8,021
Grants, subsidies and contributions		1,462,329	107,765	1,878,150
Fees and charges		157,371	116,065	172,703
Interest revenue		100,028	53,520	41,888
Other revenue		15,106	90,050	125,136
Profit on asset disposals		44,812	66,000	53,483
		3,023,128	1,676,982	3,468,559
Expenditure from operating activities				
Employee costs		(932,287)	(1,071,209)	(975,436)
Materials and contracts		(777,957)	(823,453)	(690,164)
Utility charges		(89,859)	(111,665)	(71,511)
Depreciation		(1,411,591)	(1,213,290)	(1,154,527)
Finance costs		(5,689)	(2,226)	(3,431)
Insurance		(107,091)	(93,817)	(86,815)
Other expenditure		(91,551)	(95,960)	(77,511)
Loss on asset disposals		0	0	(17,286)
Loss on revaluation of non-current assets		0	0	(57,440)
		(3,416,025)	(3,411,620)	(3,134,121)
Non-cash amounts excluded from operating activities	22(a)	1,369,420	1,147,290	1,185,178
Amount attributable to operating activities		976,523	(587,348)	1,519,616
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions	2(a)	762,015	689,757	2,108,380
Proceeds from disposal of assets	9(b)	50,830	96,000	194,614
Proceeds from financial assets at amortised cost - self supporting loans	23	14,279	14,279	14,091
		827,124	800,036	2,317,085
Outflows from investing activities				
Purchase of property, plant and equipment	7(a)	(576,300)	(562,819)	(888,165)
Purchase and construction of infrastructure	8(a)	(1,161,160)	(1,137,925)	(2,548,829)
		(1,737,460)	(1,700,744)	(3,436,994)
Amount attributable to investing activities		(910,336)	(900,708)	(1,119,909)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	24	123,943	279,650	365,000
		123,943	279,650	365,000
Outflows from financing activities				
Repayment of borrowings	23	(28,606)	(42,728)	(41,470)
Transfers to reserve accounts	24	(60,514)	(335,238)	(91,105)
		(89,120)	(377,966)	(132,575)
Amount attributable to financing activities		34,823	(98,316)	232,425
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year		2,146,891	1,586,372	1,514,759
Amount attributable to operating activities		976,523	(587,348)	1,519,616
Amount attributable to investing activities		(910,336)	(900,708)	(1,119,909)
Amount attributable to financing activities		34,823	(98,316)	232,425
Surplus or deficit after imposition of general rates	22(b)	2,247,901	0	2,146,891

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



SHIRE OF TAMMIN
FOR THE YEAR ENDED 30 JUNE 2024
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SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

The *Local Government (Financial Management) Regulations 1996* provide that:

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls; and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 *Property, Plant and Equipment*, which would have required the Shire to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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.

Critical accounting estimates and judgements

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 amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on the nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - Note 7
 - Infrastructure - Note 8
- Expected credit losses on financial assets - Note 5
- Impairment losses of non-financial assets - Note 7 and 8.
- Measurement of employee benefits - Note 13

Fair value hierarchy can be found in Note 20

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.

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

These amendments are not expected to have any material impact on the financial report on initial application.

- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

This amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements

These amendments may result in additional disclosures in the case of applicable finance arrangements.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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.
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.
Capital 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.

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

Revenue Recognition

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

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,243,482	0	1,243,482
Grants, subsidies and contributions	1,462,329	0	0	0	1,462,329
Fees and charges	157,371	0	0	0	157,371
Interest earnings	0	0	0	100,028	100,028
Other revenue	15,106	0	0	0	15,106
Capital grants, subsidies and contributions	0	762,015	0	0	762,015
Total	1,634,806	762,015	1,243,482	100,028	3,740,331

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,197,199	0	1,197,199
Grants, subsidies and contributions	1,878,150	0	0	0	1,878,150
Fees and charges	172,703	0	0	0	172,703
Interest revenue	0	0	0	41,888	41,888
Other revenue	125,136	0	0	0	125,136
Capital grants, subsidies and contributions	0	2,108,380	0	0	2,108,380
Total	2,175,989	2,108,380	1,197,199	41,888	5,523,456

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2024 Actual \$	2023 Actual \$
Interest revenue		
Financial assets at amortised cost - self supporting loans	238	427
Interest on reserve account funds	49,410	33,456
Overdue and Rate instalment interest	7,401	6,644
Other interest revenue	42,979	1,361
	<u>100,028</u>	<u>41,888</u>
Fees and charges relating to rates receivable		
Charges on instalment plan	3,300	1,755
The 2024 original budget estimate in relation to: Charges on instalment plan was \$1,500.		

(b) Expenses

Auditors remuneration		
- Audit of the Annual Financial Report	31,840	32,600
- Other services – grant acquittals	0	2,000
	<u>31,840</u>	<u>34,600</u>
Employee Costs		
Employee benefit costs	920,393	909,454
Other employee costs	11,894	65,982
	<u>932,287</u>	<u>975,436</u>
Finance costs		
Interest and financial charges paid on borrowings	2,165	3,431
Other interest paid	3,524	0
	<u>5,689</u>	<u>3,431</u>
Other expenditure		
Sundry expenses	91,551	77,511

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

3. CASH AND CASH EQUIVALENTS

Note	2024 \$	2023 \$
Cash at bank and on hand	3,303,747	3,535,222
Total cash and cash equivalents	3,303,747	3,535,222
Held as		
- Unrestricted cash and cash equivalents	1,950,213	2,091,311
- Restricted cash and cash equivalents	1,353,534	1,443,911
	3,303,747	3,535,222

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost	7,210	14,279
	7,210	14,279

Other financial assets at amortised cost

Self supporting loans receivable	7,210	14,279
	7,210	14,279

Held as

- Unrestricted other financial assets at amortised cost	7,210	14,279
	7,210	14,279

(b) Non-current assets

Financial assets at amortised cost	0	7,210
Financial assets at fair values through other comprehensive income	41,585	40,745
- Units in Local Government House Trust	41,585	47,955

Financial assets at amortised cost

Self supporting loans receivable	0	7,210
	0	7,210

Financial assets at fair value through other comprehensive income

Units in Local Government House Trust - opening balance	40,745	38,902
Movement attributable to fair value increment	840	1,843
Units in Local Government House Trust - closing balance	41,585	40,745

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 23 as self supporting loans. Fair value of financial assets through comprehensive income is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

MATERIAL 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 20 (i)) due to the observable market rates).

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

Financial assets at fair value through profit or loss

The Shire has elected to classify the following financial assets at fair value through profit or loss:

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

5. TRADE AND OTHER RECEIVABLES

Current

Rates and statutory receivables
Trade receivables
GST receivable
Emergency Services Levy receivable
Allowance for credit losses of trade receivables

Non-current

Rates and statutory receivables

Note	2024	2023
	\$	\$
	103,509	82,579
	221,043	126,627
	11,141	43,095
	19,952	32,934
	(160)	(160)
	355,485	285,075
	18,350	11,604
	18,350	11,604

Note	30 June 2024 Actual	30 June 2023 Actual	1 July 2022 Actual
	\$	\$	\$
5	(160)	(160)	(160)
	(160)	(160)	(160)

Allowance for credit losses of trade receivables
Total trade and other receivables from contracts with customers

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

6. OTHER ASSETS

	2024	2023
	\$	\$
Other assets - current		
Contract assets	111,794	111,794
Fuel tax credits	0	1,083
	111,794	112,877

Contract Assets

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

MATERIAL ACCOUNTING POLICIES

Other current assets

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

Contract assets

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

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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.

	Land	Buildings - non specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$		\$	\$	\$
Balance at 1 July 2022	329,000	6,503,840	6,832,840	66,524	958,802	7,858,166
Additions	55,959	286,975	342,934	0	545,231	888,165
Disposals	0	0	0	0	(158,417)	(158,417)
Depreciation	0	(131,586)	(131,586)	(18,400)	(167,464)	(317,450)
Balance at 30 June 2023	384,959	6,659,229	7,044,188	48,124	1,178,152	8,270,464
Comprises:						
Gross balance amount at 30 June 2023	384,959	6,790,815	7,175,774	104,250	1,694,660	8,974,684
Accumulated depreciation at 30 June 2023	0	(131,586)	(131,586)	(56,126)	(516,508)	(704,220)
Balance at 30 June 2023	384,959	6,659,229	7,044,188	48,124	1,178,152	8,270,464
Additions	0	117,817	117,817	17,100	441,383	576,300
Disposals	0	0	0	0	(6,018)	(6,018)
Depreciation	0	(136,349)	(136,349)	(18,400)	(126,142)	(280,891)
Balance at 30 June 2024	384,959	6,640,697	7,025,656	46,824	1,487,375	8,559,855
Comprises:						
Gross balance amount at 30 June 2024	384,959	6,908,632	7,293,591	121,350	2,073,525	9,488,466
Accumulated depreciation at 30 June 2024	0	(267,935)	(267,935)	(74,526)	(586,150)	(928,611)
Balance at 30 June 2024	384,959	6,640,697	7,025,656	46,824	1,487,375	8,559,855

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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	2	Market approach using recent or estimated observable market data for similar properties	Independent Valuation	June 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	June 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	June 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		Not Applicable
	Plant and equipment	N/A	Cost	Not Applicable		Not Applicable

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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.

	Infrastructure - roads and drainage	Other infrastructure footpaths	Other infrastructure	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 2022	22,368,028	298,409	3,167,500	25,833,937
Additions	2,390,237	158,592	0	2,548,829
Revaluation increments / (decrements) transferred to revaluation surplus	15,418,557	(171,550)	0	15,247,007
Revaluation (loss) / reversals transferred to profit or loss	0	(57,440)	0	(57,440)
Depreciation	(724,274)	(20,440)	(92,363)	(837,077)
Balance at 30 June 2023	39,452,548	207,571	3,075,137	42,735,256
Comprises:				
Gross balance at 30 June 2023	47,920,497	719,941	3,167,501	51,807,939
Accumulated depreciation at 30 June 2023	(8,467,949)	(512,370)	(92,364)	(9,072,683)
Balance at 30 June 2023	39,452,548	207,571	3,075,137	42,735,256
Additions	1,125,994	23,437	11,729	1,161,160
Depreciation	(1,020,772)	(17,564)	(92,364)	(1,130,700)
Balance at 30 June 2024	39,557,770	213,444	2,994,502	42,765,716
Comprises:				
Gross balance at 30 June 2024	49,046,491	743,378	3,179,230	52,969,099
Accumulated depreciation at 30 June 2024	(9,488,721)	(529,934)	(184,728)	(10,203,383)
Balance at 30 June 2024	39,557,770	213,444	2,994,502	42,765,716

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value						
	Infrastructure - roads and drainage	3	Cost approach using current replacement cost (Gross revaluation method)	Independent Valuation	June 2023	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs
	Other infrastructure footpaths	3	Cost approach using current replacement cost (Gross revaluation method)	Independent Valuation	June 2023	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs
	Other infrastructure	3	Cost approach using current replacement cost (Gross revaluation method)	Independent Valuation	June 2022	Construction costs and current conditions (level 2), 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 to determine the fair value of infrastructure using level 3 inputs.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

9. FIXED ASSETS

(a) Depreciation	Note	2024	2023
		\$	\$
Buildings - non specialised	7(a)	136,349	131,586
Furniture and equipment	7(a)	18,400	18,400
Plant and equipment	7(a)	126,142	167,464
Infrastructure - roads and drainage	8(a)	1,020,772	724,274
Other infrastructure footpaths	8(a)	17,564	20,440
Other infrastructure	8(a)	92,364	92,363
		1,411,591	1,154,527

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 2024

9. FIXED ASSETS (Continued)

(b) Disposals of assets

	2024 Actual Net Book Value	2024 Actual Sale Proceeds	2024 Actual Profit	2024 Actual Loss	2024 Budget Net Book Value	2024 Budget Sale Proceeds	2024 Budget Profit	2024 Budget Loss	2023 Actual Net Book Value	2023 Actual Sale Proceeds	2023 Actual Profit	2023 Actual Loss
Plant and Equipment	\$ 6,018	\$ 50,830	\$ 44,812	\$ 0	\$ 30,000	\$ 96,000	\$ 66,000	\$ 0	\$ 158,417	\$ 194,614	\$ 53,483	\$ (17,286)

The following assets were disposed of during the year.

	2024 Actual Net Book Value	2024 Actual Sale Proceeds	2024 Actual Profit	2024 Actual Loss
Plant and Equipment				
Transport				
Toro ride on reel mower	6,000	6,830	830	0
Kia MQ4 Sorrento	18	44,000	43,982	0
	6,018	50,830	44,812	0

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

9. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value.

They are subject to subsequent revaluation at the next revaluation consistent with *Financial Management Regulation 17A(4)*.

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.

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

Revaluation (continued)

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

Depreciation

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

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

Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

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

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

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 9(a).

Impairment

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

Gains or losses on disposal

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

10. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 ATO liabilities
 Bonds and deposits held
 Accrued Interest on Loans

	2024	2023
	\$	\$
	55,894	229,218
	42,935	37,749
	29,160	22,097
	14,382	30,058
	26,341	23,207
	879	43
	169,591	342,372

MATERIAL 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 income for the prepaid rates that have not been refunded.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

11. OTHER LIABILITIES

	2024	2023
	\$	\$
Current		
Contract liabilities	14,852	41,800
	14,852	41,800
Reconciliation of changes in contract liabilities		
Opening balance	41,800	602,926
Additions	0	41,800
Revenue from contracts with customers included as a contract liability at the start of the period	(26,948)	(602,926)
	14,852	41,800

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

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.

MATERIAL 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.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

12. BORROWINGS

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		50,879	14,618	65,497	42,939	51,164	94,103
Total secured borrowings	23	50,879	14,618	65,497	42,939	51,164	94,103

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the general funds of the Shire of Tammin.

The Shire of Tammin has complied with the financial covenants of its borrowing facilities during the 2024 and 2023 years.

MATERIAL ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 20(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 23.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

13. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2024	2023
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	26,078	21,517
Long service leave	21,189	21,177
	47,267	42,694
Employee related other provisions		
Employment on-costs	13,582	9,521
Total current employee related provisions	60,849	52,215
Non-current provisions		
Employee benefit provisions		
Long service leave	31,726	31,890
Employee related other provisions		
Employment on-costs	3,339	2,422
Total non-current employee related provisions	35,065	34,312
Total employee related provisions	95,914	86,527

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.

MATERIAL ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

14. REVALUATION SURPLUS

	2024 Opening Balance	Total Movement on Revaluation	2024 Closing Balance	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance
	\$	\$	\$	\$	\$	\$
Land and Buildings	6,773,277	0	6,773,277	6,773,277	0	6,773,277
Furniture and equipment	151,711	0	151,711	151,711	0	151,711
Plant and equipment	700,276	0	700,276	700,276	0	700,276
Infrastructure - roads and drainage	36,633,450	0	36,633,450	21,214,893	15,418,557	36,633,450
Other infrastructure	1,697,847	0	1,697,847	1,869,397	(171,550)	1,697,847
Local Government House Trust	40,745	840	41,585	38,902	1,843	40,745
	45,997,306	840	45,998,146	30,748,456	15,248,850	45,997,306

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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	2024 Actual \$	2023 Actual \$
Cash and cash equivalents	3	3,303,747	3,535,222
Restrictions			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	1,353,534	1,443,911
		<u>1,353,534</u>	<u>1,443,911</u>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	24	1,338,682	1,402,111
Contract liabilities	11	14,852	41,800
Total restricted financial assets		<u>1,353,534</u>	<u>1,443,911</u>

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

Net result		369,118	2,442,818
Non-cash items:			
Depreciation/amortisation	9(a)	1,411,589	1,154,527
(Profit)/loss on sale of asset		(44,812)	(36,197)
Loss on revaluation of fixed assets		0	57,440
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(77,156)	(129,233)
(Increase)/decrease in other assets		1,083	(112,300)
Increase/(decrease) in trade and other payables		(172,779)	114,007
Increase/(decrease) in employee related provisions		9,387	1,463
Increase/(decrease) in other liabilities		(26,948)	(561,126)
Capital grants, subsidies and contributions		(762,015)	(2,108,380)
Net cash provided by/(used in) operating activities		<u>707,467</u>	<u>823,019</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit	100,000	100,000
Credit card limit	20,000	20,000
Credit card balance at balance date	(7,995)	(1,416)
Total amount of credit unused	<u>112,005</u>	<u>118,584</u>

Loan facilities

Loan facilities - current	50,879	42,939
Loan facilities - non-current	14,618	51,164
Total facilities in use at balance date	<u>65,497</u>	<u>94,103</u>

Unused loan facilities at balance date	<u>0</u>	<u>0</u>
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SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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

	2024	2023
	\$	\$
Contracted for:		
- capital expenditure projects	0	167,123
Payable:		
- not later than one year	0	167,123

The capital commitments at the prior reporting date relate to plant purchases.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

18. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
President's annual allowance	8,000	8,000	3,000
President's meeting attendance fees	3,735	3,735	2,600
President's travel and accommodation expenses	100	181	146
	11,835	11,916	5,746
Deputy President's annual allowance	2,000	2,000	750
Deputy President's meeting attendance fees	3,735	3,735	1,348
Deputy President's travel and accommodation expenses	100	665	535
	5,835	6,400	2,633
All other council member's meeting attendance fees	14,006	14,940	4,960
All other council member's travel and accommodation expenses	1,004	2,304	1,853
	15,010	17,244	6,813
18(b)	32,680	35,560	15,192

(b) Key Management Personnel (KMP) Compensation

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

Note	2024 Actual \$	2023 Actual \$
Short-term employee benefits	358,544	403,976
Post-employment benefits	42,902	42,527
Employee - other long-term benefits	5,023	2,661
Employee - termination benefits	6,160	12,696
Council member costs	32,680	15,192
18(a)	445,309	477,052

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

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

Council member costs

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

18. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

	2024 Actual	2023 Actual
	\$	\$
Sale of goods and services	1,268	0
Purchase of goods and services	0	68,058

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 18(a) and 18(b)

ii. Other Related Parties

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

**SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

19. 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 2024 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 2024

20. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

AASB 13 Fair Value Measurement 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 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 Shire can access at the measurement date.

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

In accordance with Australian Accounting Standards, the Shire's assets 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 except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

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 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

21. RATING INFORMATION

General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in \$	Number of Properties	2023/24 Actual Rateable Value*	2023/24 Actual Rate Revenue	2023/24 Actual Interim Rates	2023/24 Actual Total Revenue	2023/24 Budget Rate Revenue	2023/24 Budget Interim Rate	2023/24 Budget Total Revenue	2022/23 Actual Total Revenue
General Rate	Gross rental valuation	0.135992	89	812,240	110,459	0	110,459	110,458	0	110,458	106,621
General Rate	Unimproved valuation	0.010313	151	105,091,000	1,083,803	0	1,083,803	1,083,803	0	1,083,803	1,044,124
Total general rates			240	105,903,240	1,194,262	0	1,194,262	1,194,261	0	1,194,261	1,150,745
Minimum Payment											
\$											
Minimum payment											
General Rate	Gross rental valuation	633	50	29,370	31,650	0	31,650	31,650	0	31,650	30,400
General Rate	Unimproved valuation	633	42	1,405,900	26,586	0	26,586	26,586	0	26,586	24,928
Mining	Unimproved valuation	633	8	120,811	5,064	0	5,064	5,064	0	5,064	4,401
Total minimum payments			100	1,556,081	63,300	0	63,300	63,300	0	63,300	59,729
Total general rates and minimum payments			340	107,459,321	1,257,562	0	1,257,562	1,257,561	0	1,257,561	1,210,474
Ex-gratia Rates											
CBH											
Total amount raised from rates (excluding general rates)			0	0	0	0	8,342	8,021	0	8,021	8,021
Discounts							(22,422)	(22,000)	0	(22,000)	(21,296)
Total Rates							1,243,482			1,243,582	1,197,199
Rate instalment interest							711			1,000	971
Rate overdue interest							6,690			5,620	5,673

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

*Rateable Value at time of raising of rate.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

22. DETERMINATION OF SURPLUS OR DEFICIT

		2023/24	2023/24	2022/23
		Budget	Budget	
		(30 June 2024	(30 June 2024	(30 June 2023
		Carried	Carried	Carried
Note		Forward)	Forward)	Forward
		\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	9(b)	(44,812)	(66,000)	(53,483)
Add: Loss on disposal of assets	9(b)	0	0	17,286
Add: Loss on revaluation of fixed assets	8(a)	0	0	57,440
Add: Depreciation	9(a)	1,411,591	1,213,290	1,154,527
Non-cash movements in assets and liabilities:				
Pensioner deferred rates		(6,746)	0	7,945
Employee benefit provisions		9,387	0	1,463
Non-cash amounts excluded from operating activities		1,369,420	1,147,290	1,185,178
(b) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	24	(1,338,682)	(1,400,051)	(1,402,111)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(7,210)	0	(14,279)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	12	50,879	0	42,939
- Employee benefit provisions	13	60,849	62,016	52,215
Total adjustments to net current assets		(1,234,164)	(1,338,035)	(1,321,236)
Net current assets used in the Statement of Financial Activity				
Total current assets		3,778,236	1,614,858	3,947,453
Less: Total current liabilities		(296,171)	(276,823)	(479,326)
Less: Total adjustments to net current assets		(1,234,164)	(1,338,035)	(1,321,236)
Surplus or deficit after imposition of general rates		2,247,901	0	2,146,891

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

23. BORROWINGS DETAIL

Borrowings

Purpose	Note	Actual							Budget		
		Principal at	New Loans	Principal	Principal at 30	New Loans	Principal	Principal at	Principal at 1	Principal	Principal at
		1 July 2022	During 2022-23	Repayments During 2022-23	June 2023	During 2023-24	Repayments During 2023-24	30 June 2024	July 2023	Repayments During 2023-24	30 June 2024
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
3 & 5 Nottage Way		43,793	0	(13,977)	29,816	0	(7,354)	22,462	29,926	(14,592)	15,334
Synthetic Bowling Green		56,200	0	(13,402)	42,798	0	(6,973)	35,825	42,881	(13,857)	29,024
Total		99,993	0	(27,379)	72,614	0	(14,327)	58,287	72,807	(28,449)	44,358
Self Supporting Loans											
Bowling Green Surface		35,580	0	(14,091)	21,489	0	(14,279)	7,210	21,206	(14,279)	6,927
Total Self Supporting Loans		35,580	0	(14,091)	21,489	0	(14,279)	7,210	21,206	(14,279)	6,927
Total Borrowings	12	135,573	0	(41,470)	94,103	0	(28,606)	65,497	94,013	(42,728)	51,285

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

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023
						\$	\$	\$
3 & 5 Nottage Way		80	WATC	3.47%	30/06/2025	(992)	(931)	(1,518)
Synthetic Bowling Green		81	WATC	2.90%	30/06/2026	(584)	(1,056)	(1,511)
Total						(1,576)	(1,987)	(3,029)
Self Supporting Loans Finance Cost Payments								
Bowling Green Surface		82	WATC	1.30%	14/11/2024	(589)	(239)	(402)
Total Self Supporting Loans Finance Cost Payments						(589)	(239)	(402)
Total Finance Cost Payments						(2,165)	(2,226)	(3,431)

WATC - WA Treasury Corporation

SHIRE OF TAMMIN
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FOR THE YEAR ENDED 30 JUNE 2024

24. RESERVE ACCOUNTS

	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance	2024 Budget Opening Balance	2024 Budget Transfer to	2024 Budget Transfer (from)	2024 Budget Closing Balance	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Staff Entitlements	87,247	3,570	0	90,817	87,247	0	0	87,247	85,276	1,971	0	87,247
(b) Plant Replacement	236,409	13,695	(73,043)	177,061	178,761	175,607	(219,650)	134,718	467,228	64,181	(295,000)	236,409
(c) Information & Technology	12,632	521	0	13,153	12,632	0	0	12,632	12,346	286	0	12,632
(d) Tamma Village Upgrade & Improvements	21,324	871	0	22,195	21,324	0	0	21,324	20,842	482	0	21,324
(e) Sports, Recreation Facilities Upgrades Reserve	892,224	36,890	(50,900)	878,214	892,224	0	(60,000)	832,224	941,479	20,745	(70,000)	892,224
(f) Bowling Green Replacement Reserve	2,132	84	0	2,216	2,132	0	0	2,132	2,084	48	0	2,132
(g) Property & Building Reserve	150,143	4,883	0	155,026	150,143	159,631	0	309,774	146,751	3,392	0	150,143
	1,402,111	60,514	(123,943)	1,338,682	1,344,463	335,238	(279,650)	1,400,051	1,676,006	91,105	(365,000)	1,402,111

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

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

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