



Shire of Tammin

2008-09 Annual Report

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ANNUAL REPORT

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COUNCIL MEMBERS



PRESIDENT
Cr. Rodney Stokes

10 Livesey North Rd
PO Box 52
TAMMIN 6409
Tel: 9637 1153
Fax: 9637 1153
Originally Elected: 2003
Term Expires: 2011
Email: connemara@bbnet.com.au



DEPUTY PRESIDENT
Cr. Louise Caffell

790 Tammin South Rd
PO Box 123
TAMMIN 6409
Tel: 9045 2035
Fax: 9045 2002
Originally Elected: 1998
Term Expires: 2011
Email: caffell@hotmail.com



Cr. Michael Greenwood

1078 Nelson Rd
PO Box 24
TAMMIN 6409
Tel: 9637 1515
Fax: 9637 1515
Originally Elected: 2004
Term Expires: 2009
Email: mybert@westnet.com.au



Cr. Stephen Jefferies, JP

98 Barrack South Road
TAMMIN 6409
Tel: 9637 1112
Fax: 9045 4081
Originally Elected: 2005
Term Expires: 2009
Email: gulltammin@westnet.com.au



Cr. Bernard Stokes

148 Tammin South Rd
PO Box 65
TAMMIN 6409
Tel: 9637 1282
Fax: 9637 1282
Originally Elected: 2008
Term Expires: 2011
Email: stokesbc@bigpond.com

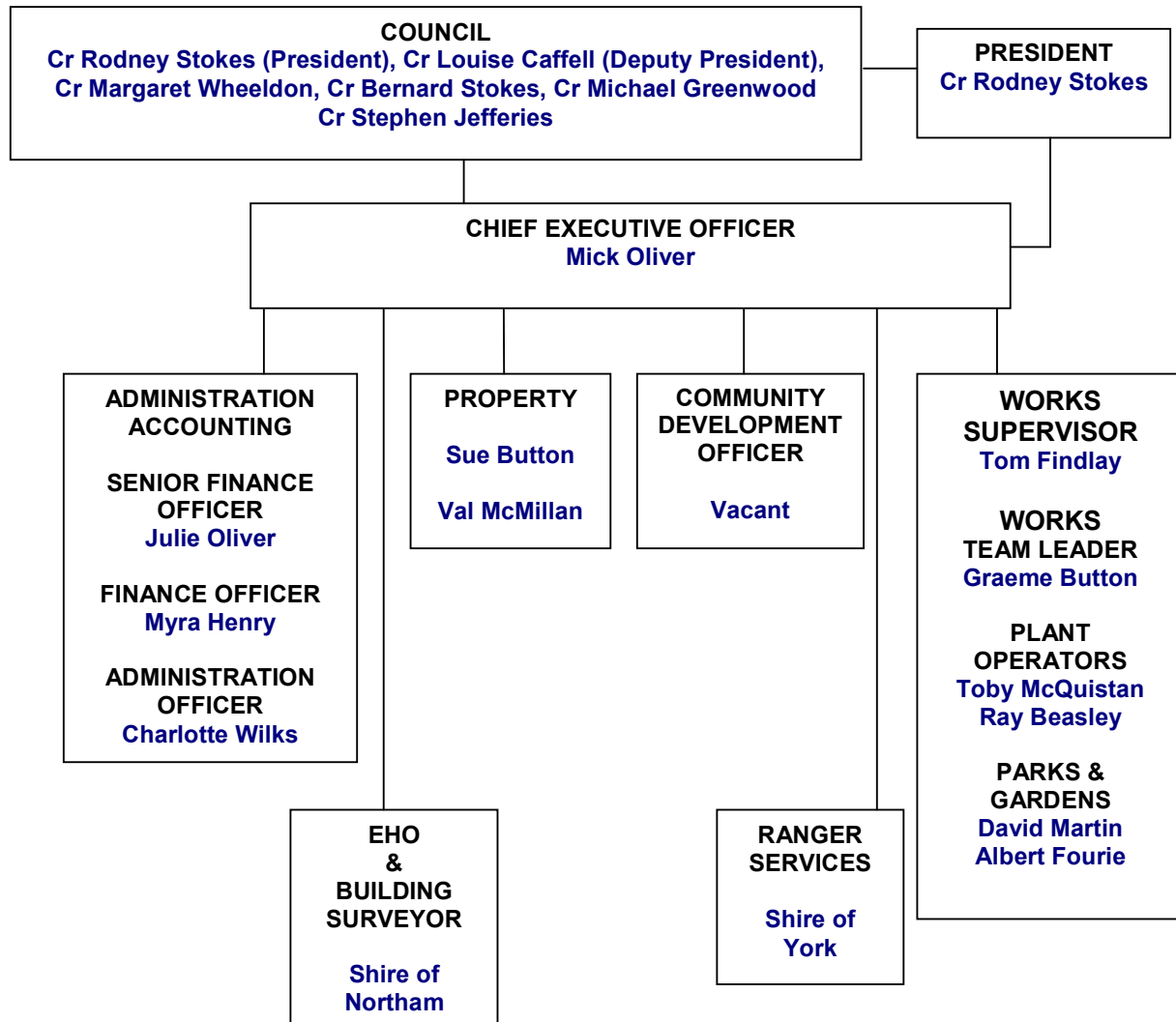


Cr. Margaret Wheeldon

26 Ridley Street
TAMMIN 6409
Tel : 9637 1041
Fax: 9637 1041
Originally Elected: 1999
Term Expires: 2009
Email: margaretwheeldon@bigpond.com

ORGANISATIONAL STRUCTURE

June 2009



PRESIDENT'S REPORT

It has been an interesting year in local government. After the announcement in February by the Minister that amalgamations would occur, it became very busy and confusing. Following consultation with the Community and neighbouring local governments, Council developed a submission that was in conformity with the wishes of the Minister. Within the submission, Council's view was that if amalgamations were to occur, we would prefer to amalgamate with local governments to the west of Tammin. However, within the submission, Council were clear that we expected to keep our depot and office open with employment of the existing staff to remain. Our main priority is to keep our identity and reasonable representation.

On a positive note the Federal Government provided a local community infrastructure Economic Stimulus Grant of which Tammin received \$100,000 and also State Government Royalty for Regions will see Tammin receiving \$565,828 in the first year and a further \$362,710 in 2009/10. The following projects will be completed with these funds:

- Tammin Hall refurbishment
- Lesser Hall refurbishment
- Donnan Park BBQ and covered way
- Play ground shelter
- Donnan Park change room refurbishment
- Grandstand seating and re-sheeting
- Town footpaths
- Street lighting
- Kadjininy Kep change rooms and grounds
- New housing

Council also continues to support community and sporting groups with financial grants.

I would like to thank Cr Margaret Wheeldon for her ten years of hard work and commitment as a councillor for the Tammin Community.

Appreciation is extended to Mick & Julie Oliver for all their valued efforts during their time in Tammin. Best wishes are also extended to Mick with his new appointment as Chief Executive Officer of Pingelly and Julie with her position as Senior Finance Officer at Brookton.

Congratulations to Scott Uppill on his recent election to Council. Also, congratulations to Michael Greenwood and Stephen Jefferies on their re-election for another four year term.

Thank you to all the staff for all their hard work and commitment throughout the year and a special welcome to Charlotte Wilks as our new administration officer.

Thanks also to Glenn Bone for relieving as Acting Chief Executive Officer while Mick is away on holidays. Our new Chief Executive Officer is Graham Stanley and he will commence duties on 12 January 2010.

Finally, I would like to say it has been a difficult year for both councillors and staff because of the uncertainty posed by the prospect of amalgamation. I would like to thank everyone for their continued support and remind residents if they have any issues to feel free to approach myself or councillors at any time.

Rodney Stokes
President

CHIEF EXECUTIVE OFFICER'S REPORT

I have much pleasure in presenting the Chief Executive Officer's Report for the 2008/2009 Financial Year. This is my fourth Report for the Shire of Tammin.

COMMUNITY SUPPORT

Council continues to support various community programs and projects via contributions and donations to the various clubs and organisations throughout the financial year. Funding is made following a submission for financial assistance to the annual Budget process during March. Financial support was provided to:

	2008/09	2007/08	2006/07
• Wheatbelt Agcare Contribution towards the operational expenses	\$900	\$900	\$1,800
• C.W.A. – Tammin Branch Donation towards WA Luncheon Week	\$375	\$375	\$375
• Eastern Districts Display Committee Contribution towards Perth Royal Show display	\$350	\$350	\$350
• Cooinda Centre Contribution to operational wages	\$5,000	\$5,000	\$5,000
• Tammin Bowling Club Contribution to Green keeper costs	\$20,000	\$20,000	\$18,000
• Tammin Golf Club Contribution to building alterations			\$15,000
• Tammin Arts Prize Annual Prize (cash and kind)	\$1,650	\$1,650	\$1,650
• Tammin Playgroup Donation	\$900	\$900	\$2,420
• Kellerberrin/Tammin Football Club 50% reduction in annual ground fees	\$518	\$518	\$518
• Tammin Catholic Guild Toilet block repairs (pans, cisterns and seats)			\$1,000
• Tammin Primary School Community bus for swimming lessons	\$2,000	\$2,000	
• Tammin Primary School Year 4-7 School Camp	\$100		
• Royal Flying Doctor Service Donation	\$200	\$200	\$200
• Lord Mayors Disaster Appeal Donation		\$500	\$500
• Kellerberrin & Districts Agricultural Society Donation	\$50		
• Yorkrakine Centenary Celebrations Donation	\$650		
• Central Wheatbelt Visitors Centre Donation	\$500		
• Tammin CWA 70th Anniversary Celebration	\$200		

RATES

Prizes were offered to ratepayers as part of the Early Payment of Rates competition to encourage rate payers to pay within the discount period. The prizes that were offered were at no cost to Council. Prize winners were:

- Sorrento Beach Resort Assessment 435 – Allan & Janet Munday
- Esplanade Hotel Fremantle Assessment 367 – Danny & Jeanette Martin

WA LOCAL GOVERNMENT GRANTS COMMISSION

The 2008/2009 General Purpose Grant distributed by the Western Australian Grants Commission provided a 8.2% increase from the previous year with \$502,105 being provided to the Shire of Tammin. This compared with a 7.0% increase in 2007/08, 5.5% in 2006/07 and 5.7% increase in 2005/06. The Local Road Funding Grant, also distributed by the Western Australian Grants Commission, provided a 5.9% increase from the previous year with \$245,363 being provided to the Shire of Tammin. This compared with a 5.5% increase in 2007/08, 2.9% in 2006/07 and 4.2% increase in 2005/06.

As part of the Government's economic stimulus plan, the first quarter of the 2009/10 grants (\$128,903 General Purpose Grant and \$66,825 Local Road Funding Grant) was also paid in 2008/09.

ROYALTIES FOR REGIONS (R⁴R)

With the change in State Government came a dramatic change in rural local government finances. \$565,828 was allocated to the Shire of Tammin in the first year with a further \$362,710 in 2009/10 (the difference being required to be spent on a regional basis). An advance of \$282,914 was received in 2008/09. Following a community survey of priorities in January 2009, Council resolved that the Year 1 funding be spent on:

- Town Hall Kitchen refurbishment
- Lesser Hall refurbishment
- Donnan Park changerooms refurbishment, grandstand seating and sheeting of the plant shed
- Footpaths
- Street Lighting
- Kadjininy Kep – changerooms and grounds
- New housing

LOCAL COMMUNITY INFRASTRUCTURE PROGRAM (RLCIP)

The Federal Government also provided local governments with an economic stimulus grant in 2008/09. Tammin received \$100,000. Council resolved to expend these funds on:

- Tammin Town Hall refurbishment
- Donnan Park BBQ Covered Way

LOAN BORROWING

No new borrowings were taken up in 2008/09. Loan principal repayments totalling \$79,488 were made resulting in a loan balance outstanding of \$386,919. Full details are disclosed in Note 21 of the Financial Report.

ROADWORKS

Utilising State grant funds (Regional Road Group \$102,350) and contribution from the Shire of Tammin (\$51,175) approximately 3 kms of previously widened sections (to 7m width) on both the Tammin-Wyalkatchem Road and the Goldfields Road was given it's second coat of bitumen and aggregate.

Utilising Federal grant funds (*Roads to Recovery* \$34,301) and contribution from the Shire of Tammin (\$37,37) 4.91 km of gravel resheeting was carried out on Yorkrakine Rd.

Other roadworks completed from the Shire of Tammin's own resources included:

- | | |
|--|----------|
| • Chapel Wheeldon Rd – gravel re-sheeted 2.1km | \$11,528 |
| • Cubbine Rd – gravel re-sheeted 1.2km | \$7,990 |
| • Livesey North Rd – relocated intersection with Great Eastern Hwy | \$3,875 |
| • Quinn Rogers Rd – gravel re-sheeted 2.05km | \$16,176 |
| • Ralston Rd – widened shoulders 1.69km | \$23,022 |
| • Tammin Wyalkatchem Rd – dam drain/Packham Creek floodway relief gate | \$8,780 |
| • York Rd – gravel re-sheeted 1.45km | \$4,648 |

Thanks to all who allowed gravel to be taken to help improve the road network and to those who helped out in out of hours / emergency situations. Council has directed that property owners who make gravel available for roadworks are to receive, in addition to the royalty payable, priority in roadworks.

OTHER WORKS

Other works completed in the year included:

- Constructed the BMX Track
- Tractor replacement
- 2009-2014 Strategic Plan
- Fencing boundary between Donnan Park and Tamma Village
- Lighting of off street parking in Donnan Street (opposite Town Hall)
- Relocation of playground equipment at Donnan Park
- Brick paving of courtyards at Tamma Village (with financial assistance from the Tammin Seniors Committee)
- Stabilisation of the footings and refurbishment of the Tammin Town Hall
- Repainted the façade of Cooida
- Upgraded power board to Donnan Park kitchen and replaced the carpets in the Pavilion
- Replaced the front fence in Memorial Park

ENVIRONMENTAL HEALTH & BUILDING CONTROL

The Shire of Tammin continues to contract environmental health and building control services from the Shire of Northam. Seven building licence was issued during the year.

Permits Issued	2008/09		2007/08		2006/07		2005/06	
	No	Value	No	Value	No	Value	No	Value
Carport/Pergola								
Garages	3	\$40,000	3	\$9,300	1	\$12,000	1	\$10,000
Residences	2	\$200,000	3	\$401,779	3	\$572,546		
Additions to Residence	2	\$102,571	1	\$2,000				
Industrial/Commercial	1	\$19,900			1	\$70,507		
TOTALS	8	\$362,471	7	\$413,079	5	\$655,053	1	\$10,000

The State Government has approved Council's request to extend building control (Class 1-9 buildings) from the Tammin townsite to the whole of the Shire of Tammin with control of Class 10 buildings (outbuildings, sheds etc) remaining in the townsite only.

TOWN PLANNING SCHEME NO 1

The Shire of Tammin's Town Planning Scheme No 1 was granted final approval by the Minister for Planning on 8 February 2001. Legislation requires Town Planning Schemes to be consolidated and reviewed every 5 years. Council has resolved to amend the Scheme to address the various zoning issues and road realignments which have occurred. The amendment is progressing through the statutory processes.

TALEC

Following a variety of meetings, surveys and workshops, culminating in a report to the General Meeting of Electors, a decision was made to close the Tammin Alcoa Landcare Education Centre at the end of the 2008 calendar year. Council has subsequently resolved to offer the Barracks and quarters for lease.

HISTORY

The original CBH weighbridge scales have been donated to the Shire of Tammin for historical preservation by the Hutchison family who acquired the scales from CBH in 1970.

It is understood that these are the first scales installed in Tammin by CBH.

The scales will make a fine contribution to any museum created in the future in Tammin.

BUSH FIRE CONTROL

Appreciation is extended to all of the volunteers who assist in bush fire control in Tammin. In particular, appreciation is extended to Toby McQuistan, Volunteer Fire Service Captain and Haydn Dixon, Chief Bush Fire Control Officer for their assistance in fire break inspections.

STAFF APPRECIATION

Two Staff changes have occurred during the year. I wish the departed Staff all the best for their future and welcome the new Staff member to the organisation.

To all Staff, I would like to recognise your commitment to achieve the programs set by the Council and thank you for your efforts.

CONCLUSION

My appreciation is extended to Councillors and the Tammin community for your guidance and support.

M.G. (Mick) Oliver Dip LG (C) (T) FLGMA
Chief Executive Officer

STATUTORY REPORTS

PLAN FOR THE FUTURE

In 2005 the *Local Government Act* was changed to remove the requirement to annually prepare a 4 year Principal Activities Plan. In its place a requirement was inserted to prepare a bi-annual Plan For The Future. The 2007 Plan was reviewed and re-adopted by Council in February 2008. The major objectives relate to roadworks and plant replacement.

DISABILITY ACCESS INCLUSION PLAN

A review of the Shire of Tammin's Disability Access Inclusion Plan (previously Disability Services Plan) required by Part 5 of the *Disability Services Act* was carried out in March 2007.

Strategies to address the 6 Outcomes:

- Outcome 1 - People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Shire of Tammin.
- Outcome 2 – People with disabilities have the same opportunities as other people to access the buildings and other facilities of the Shire of Tammin.
- Outcome 3 – People with disabilities 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.
- Outcome 4 – People with disabilities have the same level and quality of service from the staff of the Shire of Tammin as other people receive from the staff of the Shire of Tammin.
- Outcome 5 – People with disabilities have the same opportunities as other people to participate in any public consultation by the Shire of Tammin.
- Outcome 6 – People with disabilities have the same opportunities as other people to make complaints to the Shire of Tammin

have been developed and adopted.

RECORDKEEPING PLAN

The *State Records Act* provides an obligation on local governments to adopt a Recordkeeping Plan which is an accurate reflection of its record keeping program. Further, an obligation on local governments exists to review its Plan periodically or when there is any significant change to its functions.

The Shire of Tammin adopted a Recordkeeping Plan in March 2004 and completed a review of the Plan in July 2008. The Review was accepted by State Records Commission in June 2009 with the next review being required prior to 22 June 2014.

Staff's roles and responsibilities in regard to compliance are part of the induction process for all administrative and supervisory Staff. The efficiency and effectiveness of this training has not been formally reviewed – although, informally, it is considered adequate.

PUBLIC INTEREST DISCLOSURE

The Public Interest Disclosure Code was established by the Commissioner for Public Sector Standards under Section 20 of the *Public Interest Disclosure Act*.

One of the principles of the Code is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also to encourage a system of transparency and accountability in the way government officials act and utilise public monies.

Matters that fall into the category of public interest include:

- Improper conduct (irregular or unauthorised use of public resources);
- An offence under State Law including corruption (substantial unauthorised or irregular use of, or substantial mismanagement of, public monies)
- Administration matters generally (conduct involving a substantial risk of injury to public health, prejudice to public safety or harm to the environment)

Matters that relate to the Shire of Tammin should be referred to the Shire of Tammin's Public Interest Disclosure Officer. Disclosures to the Public Interest Disclosure Officer can be made not just about officers of the Shire of Tammin but also about its elected officials.

There is an obligation of the Public Interest Disclosure Officer in the Public Interest Disclosure Act to ensure that the disclosure is confidential and that the person making a disclosure is provided adequate protection from reprisals, civil and criminal liability or breach of confidentiality.

The Shire of Tammin had no Public Interest Disclosures during the reporting period.

FREEDOM OF INFORMATION

Section 96 of the *Freedom of Information Act* requires local governments to publish an Information Statement.

In summary, the Shire of Tammin's Statement indicates that the Shire of Tammin is responsible for the good governance of the Shire and carries out functions as required including statutory compliance and provision of services and facilities.

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

Where ever possible and practical and in line with privacy laws, the Shire of Tammin makes personal information readily available free of charge.

No Freedom of Information requests were made during the reporting period.

NATIONAL COMPETITION POLICY

In 1995 the Council of Australian Government entered into a number of agreements known as the National Competition Policy. The Policy is a whole of Government approach to bring about reform in the public sector to encourage Government to become more competitive.

Local Government will mainly be affected where it operates significant business activities (defined as one that generates an annual income from fees and charges exceeding \$200,000) that compete or could compete with private sector business. Local Government will also be impacted where its local laws unnecessarily affect competition.

The Shire of Tammin does not operate any significant business activities and has reviewed its local laws.

REGISTER OF MINOR COMPLAINTS

Section 5.121 of the Local Government Act 1995 (Register of certain complaints of minor breaches) requires the complaints officer for each local government to maintain a register of complaints which records all complaints that result in action under section 5.110(6) (b) or (c) of the Act. (Conduct of Certain Officials)

Section 5.53 (2) (hb) of the Local Government Act 1995 requires that details of entries made under section 5.121 during the financial year in the register of complaints, including:

- (i) the number of complaints recorded on the register of complaints;
- (ii) how the recorded complaints were dealt with; and
- (iii) any other details that the regulations may require;

be disclosed in the Annual Report.

In Accordance with these requirements, it is advised that no complaints of minor breaches under the Local Government Act 1995 were received during 2008/09.

PAYMENTS TO EMPLOYEES

One Shire employee received a salary in the range \$100,000 to \$110,000.

COUNCILLOR MEETING ATTENDANCE

Council Policy provides that Councillors' attendance at all Council meetings and Committee meetings which they have been appointed a member, be reported in the Annual Report.

	Council		Committee	
	<u>Eligible</u>	<u>Attended</u>	<u>Eligible</u>	<u>Attended</u>
Cr L. Caffell	12	12		
Cr M. Greenwood	12	12	1	
Cr S. Jefferies	12	9	1	
Cr B. Stokes	12	12	2	2
Cr R. Stokes	12	12	2	2
Cr M. Wheeldon	12	11		

TAMMIN AT A GLANCE

LEGISLATIVE AUTHORITY

The State of Western Australia is divided into districts by the Governor, on recommendation of the Minister. When an area of the State becomes a district, a local government is established for the district.

The local government of the Shire of Tammin is a body corporate with perpetual succession and a common seal. The Shire of Tammin has the legal capacity of a natural person and has an elected Council as its governing body representing all electors within the Shire (there are no Wards).

SHIRE LOCATION

Tammin is located 184 kms east of Perth on the Great Eastern Highway and the Shire of Tammin covers an area of 1,087 km², bounded by the Shires of Kellerberrin, Quairading, Cunderdin and Wyalkatchem. The community appreciate a Mediterranean type climate with weather ranging from 0°C in winter to 40°C plus during the summer. The average yearly rainfall is 370 mm, which mainly falls in winter.

The Shire of Tammin Council Chamber and Administration Centre is located at 1 Donnan Street, Tammin. Its postal address is PO Box 53, Tammin WA 6409 and its WEB site address is: www.tammin.wa.gov.au.

HISTORY OF THE SHIRE

Tammin was first settled in 1893 by John Packham with the arrival of more settlers in the 1900's. The town of Tammin was gazetted in 1899.

The name "TAMMIN" means grand-mother or grandfather according to the "Descriptive Vocabulary of Aborigines of W.A." 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 that grows throughout the district.

In 1948 Tammin became a Road Board in its own right, having previously been part of the Cunderdin Meckering Tammin Board. With the introduction of the *Local Government Act 1960* its name was changed to the Shire of Tammin in 1961.

CREST & MOTTO

The Shire of Tammin's Crest was adopted in 1979 based on a design by Miss Jenny Lee Christison following a competition. The Competition selectors recognised that this Crest depicted the land on which most people in the district depend and the production of sheep and wheat from which their income is derived. The bar shows the town colours whilst the two black swans show that although Tammin has its own local government structure, it is also part of the State of Western Australia. The motto, *Our Aim Is Progress*, is not in Latin as is most common with mottos, as it was considered that very few people read Latin and the motto is one which is still very relevant and one which the district should still pursue today.



ROADS AND AREA OF SHIRE

The Shire of Tammin has 461 kms of roads, of which 266 kms are sealed.

POPULATION

The Shire of Tammin, with the settlements of Tammin, Bungulla and Yorkrakine, has a total population of 428. The Shire of Tammin has 266 electors, 301 dwellings and employs 16 people.

LOCAL INDUSTRIES

The local industries in the Shire of Tammin include the farming of wheat, oats, lupins, barley, canola, chickpeas and faba beans. Sheep (wool and meat), cattle and pigs along with an abattoir, a metal fabrication business, a tree nursery and 24 hour roadhouse/restaurant/video hire/supermarket are also local industries.

EDUCATION

Located at 2 Ridley Street, Tammin's primary school was built in 1969. It caters for four year olds through to 12 year olds (year 7).

There is also an active playgroup for pre-schoolers.

Two school buses transport children in to the school from surrounding farms. Another school bus service transports year 8 to 10 students to Cunderdin District High School – 22 kilometres west of Tammin. There is also an Agricultural College in Cunderdin.

TOURIST INFORMATION BAY

The Information Bay is located on Donnan Street in the centre of town opposite the Tammin Hotel. Further local information can be obtained from Staff at the Shire Office.

PUBLIC LIBRARY

The Tammin Public Library is located in the Shire Office. An exchange is carried out every month to ensure books are being swapped over. Books, videos, sound recordings, DVD's and audio tapes are available. The Library also provides free Internet access.

RECREATION & SPORTING FACILITIES

Tammin has a small number of sporting groups that are strongly supported. These include lawn bowling, football, hockey, cricket and golf.

COMMUNITY GROUPS & ORGANISATIONS

Tammin has numerous organisations that are strongly supported. These include a Senior Citizens Committee, P & C Committee, Playgroup, Tidy Towns Committee, South Tammin Catchment Group, Tammin Christmas Tree, Uniting Church Guild, Cooida Centre Committee, Anglican Guild, Catholic Womens Fellowship Committee, C.W.A. – Tammin Branch, Care of the Aged (HACC), Volunteer Fire Service, Tammin Tabloid Newsletter and the Tammin Arts Prize Committee.

RECEPTION VENUES

Several reception venues exist:

- Tammin Main Town Hall – situated at 3 Donnan Street next door to the Shire Office.
- Tammin Lesser Hall – situated at 3 Donnan Street next door to the Main Town Hall.
- Donnan Park Pavilion – situated at Donnan Park, Booth Street adjacent to the oval.
- Kadjininy Kep / Memorial Park – situated in Donnan Street next door to Lesser Hall.

Bookings for these facilities can be made through the Staff at the Shire Office.

AGED PERSONS FACILITIES

The Senior Citizen Centre – Tamma Village – is located in Booth Street and has a total of 10 units, which are all self-contained. The Village is in easy walking distance to all town amenities.

COMMUNITY BUS

A 22-seater bus is available for hire. For bookings, please contact the Staff at the Shire Office.

PRIVATE WORKS

The Shire's range of plant and equipment operated by trained and experienced staff is available for private works hire when it can be fitted around the works program. Current hire rates for graders, loaders, trucks and other plant are available from the Staff at the Shire Office.

REFUSE DISPOSAL

Avon Waste provides a weekly rubbish removal service under contract. Rubbish is collected each Friday.

The refuse disposal site is situated approximately 2½ kms south of Tammin on Hunt Road and is open on Saturday, Sunday and Monday.

DEPARTMENT FOR PLANNING & INFRASTRUCTURE AGENCY

The Shire of Tammin maintains an on-line agency for the Department for Planning and Infrastructure and the following license renewals can be paid:

- Vehicle licence
- Driver's licence (including photo)
- Firearm (including Firearm Extract card)
- Boat

Staff are also able to assist with the issue of new vehicle licenses, vehicle transfers, personalised number plates and processing of learner's permits. Vehicle inspections are carried out in both Cunderdin and Kellerberrin where appointments are necessary.

CHURCHES

Three churches exist in Tammin:

- St. Mark's Anglican Church –28-30 McLaren Street (Cnr McLaren Street).
- Catholic Church – 36 Shields Street (Cnr Old Yorkrakine Road).
- Uniting Church – 46-48 Walston Street.

COMMUNITY HEALTH AND IMMUNISATIONS

A Community Health Nurse visits Tammin every second week.

HOME AND COMMUNITY CARE

HACC services are available ranging from home help, gardening and home handy services as well as transport to hospital and visits to dentists, doctors and specialists.

HOSPITALS

Hospitals are located in Cunderdin and Kellerberrin.

HACC MEALS ON WHEELS

A local Home and Community Care *meals on wheels* service is administered by Mary Harrison. For more information, please telephone 9637 1345.

LOCAL NEWSPAPER

The *Tammin Tabloid* is produced twice per month by a voluntary organisation. For more information, please contact Pat Bell on telephone / facsimile 9637 1055 or email tabloid@tammin.wa.gov.au.

POLICE

A Police service is provided through the Kellerberrin Police Station. Backup service is provided by the Cunderdin Police Station.

TRANSPORT

Bookings for the Prospector and Greyhound Bus can be made at the Tammin Postal Agency.

TAMMIN EMERGENCY CENTRE

The Tammin Emergency Centre, located at 5 Donnan Street (cnr Booth Street) houses the Tammin Volunteer Fire Service tender and the Tammin Volunteer St John Ambulance Service ambulance.



Shire of Tammin

2008-09

FINANCIAL REPORT

SHIRE OF TAMMIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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SHIRE OF TAMMIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009
LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996
STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Tammin being the annual financial report and other information for the financial year ended 30th June 2009 are in my opinion properly drawn up to present fairly the financial position of the Shire of Tammin at 30th June 2009 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 18th day of August 2009.



MG (Mick) Oliver
Chief Executive Officer

**SHIRE OF TAMMIN
INCOME STATEMENT
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2008/09 \$	2008/09 Budget \$	2007/08 \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	22	613,111	609,900	561,236
Operating Grants, Subsidies and Contributions	28	1,375,040	905,064	737,609
Fees and Charges	27	261,014	198,895	294,331
Service Charges	24	0	0	0
Interest Earnings	2(a)	38,851	30,780	37,506
Other Revenue		<u>123,316</u>	<u>24,080</u>	<u>173,090</u>
		<u>2,411,332</u>	<u>1,768,719</u>	<u>1,803,772</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(688,707)	(764,028)	(695,338)
Materials and Contracts		(473,224)	(455,120)	(174,563)
Utility Charges		(83,932)	(82,900)	(76,203)
Depreciation on Non-Current Assets	2(a)	(441,298)	(430,185)	(431,431)
Interest Expenses	2(a)	(26,616)	(26,690)	(30,192)
Insurance Expenses		(46,664)	(44,468)	(45,833)
Other Expenditure		<u>(56,308)</u>	<u>(91,843)</u>	<u>(426,698)</u>
		<u>(1,816,749)</u>	<u>(1,895,234)</u>	<u>(1,880,258)</u>
Sub-Total		594,583	(126,515)	(76,486)
Non-Operating Grants, Subsidies and Contributions	28	203,485	207,560	368,198
Profit on Asset Disposals	20	6,692	5,000	52,617
Loss on Asset Disposal	20	(13,423)	(11,150)	(6,028)
NET RESULT		<u>791,337</u>	<u>74,895</u>	<u>338,301</u>

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

**SHIRE OF TAMMIN
INCOME STATEMENT
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2008/09 \$	2008/09 Budget \$	2007/08 \$
REVENUES FROM ORDINARY ACTIVITIES				
Governance		8,920	6,180	14,223
General Purpose Funding		1,979,493	1,389,960	1,303,850
Law, Order, Public Safety		3,899	13,204	24,976
Health		50,916	83,810	74,430
Education and Welfare		71,550	72,430	95,328
Housing		0	0	0
Community Amenities		69,519	63,775	65,580
Recreation and Culture		21,072	25,820	112,344
Transport		271,214	262,000	452,071
Economic Services		4,656	3,600	913
Other Property and Services		140,269	56,200	81,133
	2 (a)	<u>2,621,508</u>	<u>1,976,979</u>	<u>2,224,848</u>
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		(199,538)	(205,088)	(155,391)
General Purpose Funding		(69,538)	(72,935)	(74,174)
Law, Order, Public Safety		(14,460)	(34,290)	(41,381)
Health		(71,644)	(109,848)	(88,526)
Education and Welfare		(165,763)	(171,026)	(202,187)
Housing		0	0	0
Community Amenities		(99,764)	(102,552)	(90,962)
Recreation & Culture		(407,663)	(380,173)	(455,768)
Transport		(584,364)	(700,444)	(621,030)
Economic Services		(66,622)	(73,472)	(53,547)
Other Property and Services		(124,654)	(29,866)	(73,391)
	2 (a)	<u>(1,804,010)</u>	<u>(1,879,694)</u>	<u>(1,856,357)</u>
BORROWING COSTS EXPENSE				
Recreation & Culture		(14,283)	(14,280)	(16,262)
Transport		(10,643)	(10,820)	(11,663)
Other Property & Services		(1,235)	(1,590)	(2,267)
	2 (a)	<u>(26,161)</u>	<u>(26,690)</u>	<u>(30,192)</u>
NET RESULT		<u>791,337</u>	<u>70,595</u>	<u>338,299</u>

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

**SHIRE OF TAMMIN
BALANCE SHEET
AS AT 30TH JUNE 2009**

	NOTE	2008/09 \$	2007/08 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	1,102,619	359,127
Trade and Other Receivables	4	43,601	38,087
Inventories	5	0	0
TOTAL CURRENT ASSETS		1,146,220	397,214
NON-CURRENT ASSETS			
Other Receivables	4	0	0
Inventories	5	0	0
Property, Plant and Equipment	6	2,334,325	2,374,301
Infrastructure	7	21,034,880	21,163,666
TOTAL NON-CURRENT ASSETS		23,369,205	23,537,967
TOTAL ASSETS		24,515,425	23,935,181
CURRENT LIABILITIES			
Trade and Other Payables	8	74,551	88,806
Long Term Borrowings	9	72,728	79,408
Provisions	10	39,648	34,896
TOTAL CURRENT LIABILITIES		186,927	203,110
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	314,191	386,998
Provisions	10	22,761	18,505
TOTAL NON-CURRENT LIABILITIES		336,952	405,503
TOTAL LIABILITIES		523,879	608,613
NET ASSETS		23,991,546	23,326,568
EQUITY			
Retained Surplus		3,597,908	2,910,895
Reserves - Cash Backed	11	353,822	249,498
Reserves - Asset Revaluation	12	20,039,816	20,166,175
TOTAL EQUITY		23,991,546	23,326,568

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

**SHIRE OF TAMMIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2008/09 \$	2007/08 \$
RETAINED SURPLUS			
Balance as at 1 July 2008		2,910,895	2,387,153
Net Result		791,337	338,299
Transfer from/(to) Reserves		<u>(104,324)</u>	<u>185,443</u>
Balance as at 30 June 2009		<u>3,597,908</u>	<u>2,910,895</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2008		249,498	434,941
Amount Transferred (to)/from Retained Surplus		<u>104,324</u>	<u>(185,443)</u>
Balance as at 30 June 2009	11	<u>353,822</u>	<u>249,498</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2008		20,166,175	20,166,175
Revaluation Increment			
Revaluation Decrement		<u>(126,359)</u>	<u></u>
Balance as at 30 June 2009	12	<u>20,039,816</u>	<u>20,166,175</u>
TOTAL EQUITY		<u><u>23,991,546</u></u>	<u><u>23,326,568</u></u>

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

SHIRE OF TAMMIN
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2008/09 \$	2008/09 Budget \$	2007/08 \$
Cash Flows From Operating Activities				
Receipts				
Rates		632,298	605,600	573,349
Operating Grants, Subsidies and Contributions		1,490,361	905,064	918,409
Fees and Charges		236,386	198,895	294,331
Service Charges		0	0	0
Interest Earnings		38,852	30,780	37,506
Goods and Services Tax		0	0	0
Other Revenue		7,921	24,080	50,114
		<u>2,405,818</u>	<u>1,764,419</u>	<u>1,873,709</u>
Payments				
Employee Costs		(683,839)	(764,028)	(691,611)
Materials and Contracts		(473,224)	(455,120)	(174,563)
Utility Charges		(83,932)	(82,900)	(76,203)
Insurance Expenses		(46,664)	(44,468)	(45,833)
Interest expenses		(26,617)	(26,690)	(30,822)
Goods and Services Tax		0	0	0
Other Expenditure		(66,421)	(87,629)	(381,045)
		<u>(1,380,697)</u>	<u>(1,460,835)</u>	<u>(1,400,077)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>1,025,121</u>	<u>303,584</u>	<u>473,632</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(177,197)	(162,410)	(385,600)
Payments for Construction of Infrastructure		(271,521)	(316,200)	(739,511)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		203,485	207,560	368,198
Proceeds from Sale of Plant & Equipment		43,091	40,000	91,936
		<u>43,091</u>	<u>40,000</u>	<u>91,936</u>
Net Cash Provided By (Used In) Investing Activities		(202,142)	(231,050)	(664,977)
Cash Flows from Financing Activities				
Repayment of Debentures		(79,487)	(74,121)	(75,281)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In) Financing Activities		(79,487)	(74,121)	(75,281)
Net Increase (Decrease) in Cash Held		743,492	(1,587)	(266,626)
Cash at Beginning of Year		359,127	359,127	625,753
Cash and Cash Equivalents at the End of the Year	13(a)	<u>1,102,619</u>	<u>357,540</u>	<u>359,127</u>

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

**SHIRE OF TAMMIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2008/09 \$	2008/09 Budget \$
REVENUES			
Governance		8,921	6,180
General Purpose Funding		1,366,382	784,360
Law, Order, Public Safety		3,899	13,204
Health		50,916	83,810
Education and Welfare		71,550	72,430
Housing		0	0
Community Amenities		69,519	63,775
Recreation and Culture		21,014	25,800
Transport		271,214	262,000
Economic Services		4,714	3,620
Other Property and Services		<u>140,270</u>	<u>56,200</u>
		2,008,399	1,371,379
EXPENSES			
Governance		(199,538)	(205,088)
General Purpose Funding		(69,538)	(72,935)
Law, Order, Public Safety		(14,460)	(34,290)
Health		(71,644)	(109,848)
Education and Welfare		(165,763)	(171,026)
Housing		0	0
Community Amenities		(99,764)	(102,552)
Recreation & Culture		(421,946)	(394,453)
Transport		(595,007)	(711,264)
Economic Services		(66,622)	(73,473)
Other Property and Services		<u>(125,890)</u>	<u>(31,457)</u>
		(1,830,172)	(1,906,386)
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals		6,730	6,150
Movement in Employee Benefit Provisions		4,256	9,501
Depreciation and Amortisation on Assets		441,298	430,185
Capital Expenditure and Revenue			
Purchase Land and Buildings		(26,949)	(26,910)
Purchase Furniture and Equipment		(2,456)	(2,500)
Purchase Plant and Equipment		(147,792)	(133,000)
Purchase Infrastructure Assets - Roads		(262,268)	(305,700)
Purchase Infrastructure Assets - Other		(9,253)	(10,500)
Proceeds from Disposal of Assets		43,091	40,000
Repayment of Debentures		(72,807)	(74,121)
Transfers to Reserves (Restricted Assets)		(113,114)	(109,475)
Transfers from Reserves (Restricted Assets)		8,790	80,251
Add Estimated Surplus/(Deficit) July 1 B/Fwd		(55,393)	(55,393)
Less Estimated Surplus/(Deficit) June 30 C/Fwd		605,471	(80,919)
Amount Required to be Raised from Rates	22	<u><u>(613,111)</u></u>	<u><u>(605,600)</u></u>

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

The report has also been prepared on the accrual basis under the convention of historical cost accounting as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at fair value through profit and loss and certain classes of non-current assets.

Critical Accounting 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 this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 19 to this financial report.

(c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Balance Sheet are stated inclusive of applicable GST.

(d) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity 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.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the balance sheet.

(e) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the Income Statement as at the time of signing a binding contract of sale.

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

(g) Fixed Assets

Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired economic benefits.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ significantly from that determined future using fair value at reporting date.

Land under Roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets

Initial Recognition (continued)

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

(h) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	50 to 100 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - hotmix/bitumen	15 years
Other Infrastructure	10 to 50 years

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets

Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets (Continued)

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(j) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 '*Impairment of Assets*' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Interest-bearing Loans and Borrowings (continued)

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.

(o) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(p) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(q) Joint Venture

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Balance Sheet and Income Statement. Information about the joint venture is set out in Note 16.

(r) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(s) Superannuation

The Council contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council 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 even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

(u) Rounding Off Figures

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

(v) Comparative Figures

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

(w) 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.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2009

Council's assessment of these new standards and interpretations is set out below:

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(ii) Revised AASB 123 Borrowing Costs (includes AASB 2009-1) and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007 and April 2009	1 January 2009	Nil – There have been two revisions to the Standard. The first removed the option to expense all borrowing costs and required the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The second (AASB2009-1) reinstated the choice to either expense or capitalise in the case of not-for-profit entities. There will be no impact on the financial report of the Council as it already capitalises borrowing costs relating to qualifying assets and will continue to do so.
(iii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of Financial Position), being as at the beginning of the comparative period.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(iv) AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 January 2009	Nil – The revisions are part of the AASBs annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs.
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 July 2009	The revisions embodied in these standards relate largely to terminology or editorial comments and will have a minimal effect on the accounting practices of the Council. It is not anticipated the more significant changes will have any effect on the financial report as the topics are not relevant to the operations of the Council.
(v) AASB 2008-11 Amendments to Australian Accounting Standard – Business Considerations Among Not-for-Profit Entities	November 2008	1 July 2009	Nil – Whilst this standard has the effect of applying AASB 3 Business Combinations to the Not-for-Profit sector, specific provisions are provided in respect of local government. These specific provisions are very similar to the previous requirements of AAS 27.
(vi) AASB 2008-1 Amendments to Australian Accounting Standard – Share-Based Payments: Vesting Conditions and Cancellations	February 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2008-2 Amendments to Australian Accounting Standards Puttable Financial Instruments and Obligations Arising on Liquidation	March 2008	1 January 2009	

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

Title and Topic (vi) (Continued)	Issued	Applicable (*)	Impact
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	March 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2007-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	July 2008	1 January 2009	
AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items	August 2008	1 July 2009	
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	September 2008	1 January 2009	
AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
Interpretation 1 – Changes in Existing, Decommissioning, Restoration and Similar Liabilities	June 2008	1 January 2009	

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

Title and Topic (vi) (Continued)	Issued	Applicable (*)	Impact
Interpretation 12 – Service Concession Arrangements	June 2007	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
Interpretation 15 – Agreements for the Construction of Real Estate	August 2008	1 January 2009	
Interpretation 16 – Hedges of a Net Investment in a Foreign Operation	August 2008	1 October 2008	
Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
Interpretation 18 – Transfers of Assets from Customers	March 2009	Ending 1 July 2009	

Notes:

(*) – Applicable to reporting periods commencing on or after the given date.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES

2008/09
\$

2007/08
\$

(a) Result from Ordinary Activities

The Result from Ordinary Activities includes:

(i) Charging as an Expense:

Auditors Remuneration

- Audit	5,200	3,560
- Other Services	0	0

Depreciation

Buildings	67,869	57,967
Furniture and Equipment	7,508	5,805
Plant and Equipment	91,974	96,423
Roads	194,588	190,492
Footpaths	31,889	31,889
Other	47,470	48,855
	<u>441,298</u>	<u>431,431</u>

Interest Expenses

Finance Lease Charges	0	0
Debentures (<i>refer Note 21(a)</i>)	<u>26,616</u>	<u>30,192</u>
	<u>26,616</u>	<u>30,192</u>

Rental Charges

- Operating Leases	<u>0</u>	<u>0</u>
--------------------	----------	----------

(ii) Crediting as Revenue:

2008/09
\$

2008/09
Budget
\$

2007/08
\$

Interest Earnings

Investments			
- Reserve Funds	16,113	12,480	17,590
- Other Funds	19,853	18,000	19,559
Other Interest Revenue (<i>refer note 26</i>)	<u>2,885</u>	<u>300</u>	<u>357</u>
	<u>38,851</u>	<u>30,780</u>	<u>37,506</u>

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of Tammin is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

GOVERNANCE

General administration and support for council.

GENERAL PURPOSE FUNDING

Rates and their collection; Financial Assistance Grants from Grants Commission; Interest.

LAW, ORDER, PUBLIC SAFETY

Supervision of various local laws; fire prevention; and animal control.

HEALTH

Food and water quality control; meat inspection and septic system inspection.

EDUCATION AND WELFARE

Support of school activities and landcare education. Provision of senior's accommodation.

HOUSING

Provision of general rental accommodation when buildings not required by staff.

COMMUNITY AMENITIES

Rubbish collection services; operation of tip; administration of the town planning scheme; landcare; maintenance of cemeteries; and public conveniences.

RECREATION AND CULTURE

Maintenance of halls; tennis/netball courts; oval and reserves; operation of library; heritage and history.

TRANSPORT

Construction and maintenance of streets, roads, bridges; street lighting; traffic and directional signs; depot maintenance; motor vehicle licence agency.

ECONOMIC SERVICES

Tourism; implementation of building controls; Community Development Officer; noxious weeds and vermin control.

OTHER PROPERTY & SERVICES

Private works operations, plant repairs and operation costs.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)

	2008/09 \$	2007/08 \$
(c) Conditions Over Contributions		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Roads to Recovery Supplementary Grant	0	126,139
	<u>0</u>	<u>126,139</u>
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Regional & Local Community Infrastructure Program (RLCIP)	49,597	0
Royalties for Regions Funding (R ⁴ R)	271,715	0
Grants Commission FAGS (2009/10 Grant)	195,728	0
Less:		
Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
Roads to Recovery Supplementary Grant	0	(126,139)
Closing balances of unexpended grants	<u><u>517,040</u></u>	<u><u>0</u></u>
Comprises:		
Regional & Local Community Infrastructure Program (RLCIP)	49,597	0
Royalties for Regions Funding (R ⁴ R)	271,715	0
Grants Commission FAGS (2009/10 Grant)	195,728	0
	<u><u>517,040</u></u>	<u><u>0</u></u>

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2008/09 \$	2007/08 \$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	231,757	109,629
Restricted	870,862	249,498
	<u>1,102,619</u>	<u>359,127</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Information & Technology Reserve	12,624	11,863
Plant Reserve	283,748	175,280
Long Service Leave Reserve	11,691	10,984
Aged Pensioner Units Reserve	40,887	38,420
Entitlements Reserve	4,872	12,951
Housing Reserve	0	0
Unexpended Grants	517,040	0
	<u>870,862</u>	<u>249,498</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	19,115	11,857
Sundry Debtors	24,486	26,230
	<u>43,601</u>	<u>38,087</u>
Non-Current		
Rates Outstanding	0	0
Sundry Debtors	0	0
	<u>0</u>	<u>0</u>
5. INVENTORIES		
Current		
Nil	0	0
	<u>0</u>	<u>0</u>
Non-Current		
Nil	0	0
	<u>0</u>	<u>0</u>

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2008/09 \$	2007/08 \$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	2,380,963	2,354,014
Less Accumulated Depreciation	<u>(499,128)</u>	<u>(431,258)</u>
	<u><u>1,881,835</u></u>	<u><u>1,922,756</u></u>
 Furniture and Equipment - Cost	 199,869	 139,050
Less Accumulated Depreciation	<u>(183,321)</u>	<u>(117,450)</u>
	<u><u>16,548</u></u>	<u><u>21,600</u></u>
 Plant and Equipment - Cost	 1,445,664	 1,412,477
Less Accumulated Depreciation	<u>(1,009,722)</u>	<u>(982,532)</u>
	<u><u>435,942</u></u>	<u><u>429,945</u></u>
 Tools	 2,796	 2,796
Less Accumulated Depreciation	<u>(2,796)</u>	<u>(2,796)</u>
	<u><u>0</u></u>	<u><u>0</u></u>
 Landcare Centre Equipment	 0	 63,228
Less Accumulated Depreciation	<u>0</u>	<u>(63,228)</u>
	<u><u>0</u></u>	<u><u>0</u></u>
 Total	 <u><u>2,334,325</u></u>	 <u><u>2,374,301</u></u>

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Landcare Equipment \$	Total \$
Balance as at 1 July 2008	1,922,756	21,600	429,945	0	2,374,301
Additions	26,948	2,456	147,792	0	177,196
(Disposals)	0	0	(114,605)	(4,865)	(119,470)
Revaluation - Increments	0	0	0	0	0
- (Decrements)	0	0	0	0	0
Impairment - (losses)	0	0	0	0	0
- reversals	0	0	0	0	0
Depreciation (Expense)	(67,869)	(7,508)	(91,974)	0	(167,351)
Depreciation Written Back	0	(58,363)	64,784	63,228	69,649
Other Movements	0	58,363	0	(58,363)	0
Balance as at 30 June 2009	<u>1,881,835</u>	<u>16,548</u>	<u>435,942</u>	<u>0</u>	<u>2,334,325</u>

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2008/09	2007/08
	\$	\$
7. INFRASTRUCTURE		
Roads - management valuation 2009	29,735,903	
Roads - management valuation 2008		29,294,345
Roads - Cost	262,269	567,918
Less Accumulated Depreciation	<u>(9,949,190)</u>	<u>(9,754,602)</u>
	20,048,982	20,107,661
 Footpaths - management valuation 2007		
Footpaths - Cost	455,558	455,558
Less Accumulated Depreciation	<u>(282,520)</u>	<u>(250,631)</u>
	173,038	204,927
 Other - management valuation 2007		
Other - Cost	984,830	975,577
Less Accumulated Depreciation	<u>(171,970)</u>	<u>(124,499)</u>
	812,860	851,078
	<u><u>21,034,880</u></u>	<u><u>21,163,666</u></u>

Council have adopted a policy of re-valuing roads with sufficient regularity to ensure the carrying amount of road asset is fairly stated at reporting date.

This policy accords with the requirements of AASB 116.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	<u>Roads</u> \$	<u>Footpaths</u> \$	<u>Other</u> \$	<u>Total</u> \$
Balance as at 1 July 2008	20,107,661	204,927	851,078	21,163,666
Additions	262,269	0	9,252	271,521
(Disposals)	0	0	0	0
Revaluation - Increments	0	0	0	0
- (Decrements)	(126,360)	0	0	(126,360)
Impairment - (losses)	0	0	0	0
- reversals	0	0	0	0
Depreciation (Expense)	(194,588)	(31,889)	(47,470)	(273,947)
Other Movements	0	0	0	0
Balance as at 30 June 2009	<u>20,048,982</u>	<u>173,038</u>	<u>812,860</u>	<u>21,034,880</u>

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2008/09 \$	2007/08 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	60,056	67,594
Other Agencies	2,193	8,572
Accrued Interest on Debentures	2,202	2,656
Accrued Salaries and Wages	10,100	9,984
	<u>74,551</u>	<u>88,806</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge Debentures	<u>72,728</u>	<u>79,408</u>
	<u>72,728</u>	<u>79,408</u>
Non-Current		
Secured by Floating Charge Debentures	<u>314,191</u>	<u>386,998</u>
	<u>314,191</u>	<u>386,998</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	39,648	34,896
Provision for Long Service Leave	0	0
	<u>39,648</u>	<u>34,896</u>
Non-Current		
Provision for Long Service Leave	<u>22,761</u>	<u>18,505</u>
	<u>22,761</u>	<u>18,505</u>

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2008/09 \$	2008/09 Budget \$	2007/08 \$
11. RESERVES - CASH BACKED			
(a) Information & Technology Reserve			
Opening Balance	11,863	11,864	11,069
Amount Set Aside / Transfer to Reserve	761	593	795
Amount Used / Transfer from Reserve	0	0	0
	<u>12,624</u>	<u>12,457</u>	<u>11,864</u>
(b) Plant Reserve			
Opening Balance	175,280	175,280	176,719
Amount Set Aside / Transfer to Reserve	108,468	105,764	12,508
Amount Used / Transfer from Reserve	0	(70,000)	(13,948)
	<u>283,748</u>	<u>211,044</u>	<u>175,279</u>
(c) Long Service Leave Reserve			
Opening Balance	10,984	10,984	12,332
Amount Set Aside / Transfer to Reserve	707	549	844
Amount Used / Transfer from Reserve	0	(10,251)	(2,192)
	<u>11,691</u>	<u>1,282</u>	<u>10,984</u>
(d) Aged Pensioner Units Reserve			
Opening Balance	38,420	38,420	35,845
Amount Set Aside / Transfer to Reserve	2,467	1,921	2,575
Amount Used / Transfer from Reserve	0	0	0
	<u>40,887</u>	<u>40,341</u>	<u>38,420</u>
(e) Entitlements Reserve			
Opening Balance	12,951	12,951	12,083
Amount Set Aside / Transfer to Reserve	711	648	868
Amount Used / Transfer from Reserve	(8,790)	0	0
	<u>4,872</u>	<u>13,599</u>	<u>12,951</u>
(f) Housing Reserve			
Opening Balance	0	0	186,894
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	(186,894)
	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u>353,822</u>	<u>278,723</u>	<u>249,498</u>

All of the cash backed reserve accounts are supported by money held in financial institutions or in separate investments and match the amounts shown as restricted cash and restricted investments in Notes 3 and 4 to this report.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

11. RESERVES - CASH/INVESTMENT BACKED (continued)

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Information & Technology Reserve

- to be used to fund IT requirements.

Plant Reserve

- to be used for the purchase of major plant and machinery.

Long Service Leave Reserve

- to be used to fund Staff long service leave liabilities.

Aged Pensioner Units Reserve

- to be used for the maintenance of the Tamma Village senior units.

Entitlements Reserve

- to be used to fund Staff leave entitlement liabilities.

Housing Reserve

- to be used for the provision of housing.

The Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

12. RESERVES - ASSET REVALUATION

Asset revaluation reserves have arisen on revaluation of the following classes of assets:

Roads

	2008/09	2007/08
	\$	\$
Balance as at 1 July 2008	20,166,175	20,166,175
Revaluation Increment	0	0
Revaluation Decrement	(126,360)	0
Balance as at 30 June 2009	<u>20,039,815</u>	<u>20,166,175</u>
 TOTAL ASSET REVALUATION RESERVES	 <u><u>20,039,815</u></u>	 <u><u>20,166,175</u></u>

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

13. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the balance sheet as follows:

	2008/09 \$	2008/09 Budget \$	2007/08 \$
Cash and Cash Equivalents	<u>1,102,619</u>	<u>357,540</u>	<u>359,127</u>

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

Net Result	791,337	70,595	338,299
Amortisation	0	0	0
Depreciation	441,298	430,185	431,431
Impairment (Loss)/Reversal	0	0	0
(Profit)/Loss on Sale of Asset	6,731	6,150	(46,589)
(Increase)/Decrease in Receivables	(5,513)	0	69,938
Increase/(Decrease) in Payables	(13,917)	(5,287)	33,298
Increase/(Decrease) in Employee Provisions	9,124	9,501	16,082
Increase/(Decrease) in Accrued Interest	(454)	0	(631)
Grants/Contributions for the Development of Assets	<u>(203,485)</u>	<u>(207,560)</u>	<u>(368,198)</u>
Net Cash from Operating Activities	<u><u>1,025,121</u></u>	<u><u>303,584</u></u>	<u><u>473,630</u></u>

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Bank Overdraft limit	100,000	100,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	20,000	20,000
Credit Card Balance at Balance Date	<u>0</u>	<u>0</u>
Total Amount of Credit Unused	<u><u>120,000</u></u>	<u><u>120,000</u></u>

Loan Facilities

Loan Facilities - Current	72,728	79,408
Loan Facilities - Non-Current	<u>314,191</u>	<u>386,998</u>
Total Facilities in Use at Balance Date	<u><u>386,919</u></u>	<u><u>466,406</u></u>

Unused Loan Facilities at 30 June 2009	<u><u>0</u></u>	<u><u>0</u></u>
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SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

14. CONTINGENT LIABILITIES

There were no known contingent liabilities as at 30 June 2009.

15. CAPITAL AND LEASING COMMITMENTS	2008/09	2007/08
	\$	\$
(a) Finance Lease Commitments		
Payable:		
- not later than one year	0	0
- later than one year but not later than five years	0	0
- later than five years	0	0
Minimum Lease Payments	<u>0</u>	<u>0</u>
Less Future Finance Charges	<u>0</u>	<u>0</u>
Total Lease Liability	<u><u>0</u></u>	<u><u>0</u></u>

(b) Operating Lease Commitments

Non-cancellable operating leases
contracted for but not capitalised in
the accounts.

Payable:		
- not later than one year	0	0
- later than one year but not later than five years	0	0
- later than five years	0	0
	<u>0</u>	<u>0</u>
	<u><u>0</u></u>	<u><u>0</u></u>

(c) Capital Expenditure Commitments

Contracted for:		
- capital expenditure projects	0	0
- plant & equipment purchases	0	0
Payable:		
- not later than one year	0	0

There is no capital expenditure project outstanding at the end of the current reporting period.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

16. JOINT VENTURE

The Shire of Tammin is not involved in any joint venture arrangements as at balance date.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY	2008/09	2007/08
Governance	717,144	721,136
General Purpose Funding	0	0
Law, Order, Public Safety	2,831	9,290
Health	0	0
Education and Welfare	226,067	243,372
Housing	0	0
Community Amenities	84,601	76,867
Recreation and Culture	1,209,496	1,288,301
Transport	20,610,928	20,665,252
Economic Services	5,868	6,348
Other Property and Services	512,270	527,401
Unallocated	1,146,220	397,214
	<u>24,515,425</u>	<u>23,935,181</u>

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2008/09	2007/08	2006/07
18. FINANCIAL RATIOS			
Current Ratio	1.47	0.73	1.84
Untied Cash to Unpaid Trade Creditors Ratio	3.11	1.23	3.67
Debt Ratio	0.02	0.03	0.03
Debt Service Ratio	0.04	0.05	0.06
Gross Debt to Revenue Ratio	0.16	0.25	0.27
Gross Debt to Economically Realisable Assets Ratio	0.11	0.17	0.19
Rate Coverage Ratio	0.25	0.25	0.27
Outstanding Rates Ratio	0.03	0.02	0.05

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted current assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{gross debt}}{\text{total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{gross debt}}{\text{economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{net rate revenue}}{\text{operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{rates outstanding}}{\text{rates collectable}}$

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

19. TRUST FUNDS

Funds held at balance date over which the Shire of Tammin has no control and which are not included in the financial statements are as follows:

	Balance 1-Jul-08 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-09 \$
Housing Bonds	1,460	520	440	1,540
Tamma Village Bonds	200	0	200	0
Best Memorial Trust	341	99	0	441
Pre-Paid Rates	12,000	13,000	12,000	13,000
	<u>14,001</u>			<u>14,981</u>

20. DISPOSALS OF ASSETS - 2008/09 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Holden Statesman Sedan	46,151	46,150	32,727	35,000	(13,423)	(11,150)
Chamberlain 3380 tractor	0	0	0	5,000	0	5,000
Isuzu 4x4 Fire Truck	0		4,000		4,000	0
Denning Motor Coach	3,671		6,363		2,692	0
	<u>49,822</u>	<u>46,150</u>	<u>43,090</u>	<u>40,000</u>	<u>(6,731)</u>	<u>(6,150)</u>

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

21. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-08 \$	New Loans \$	Principal Repayments		Principal 30-Jun-09		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Recreation & Culture - 76 Kadjininy Kep (hydrology model)	241,959		34,360	34,360	207,599	207,599	14,282	14,280
Transport - 77 Plant & Machinery (side tipping truck, trailer and other plant)	189,665		22,581	22,581	167,084	167,084	10,819	10,820
Other Property & Services - 75 Housing	34,783		22,547	22,467	12,236	12,316	1,515	1,590
	466,407	0	79,488	79,408	386,919	386,999	26,616	26,690

All loan repayments were financed by general purpose revenue.

(b) New Debentures - 2008/09

No new Debenture loans were taken out in the 2008/09 financial year.

(c) Unspent Debentures

The Shire of Tammin did not have unspent Debentures in the 2008/09 financial year.

(d) Overdraft

Council established an overdraft facility of \$100,000 in 2008 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2008 and 30 June 2009 was nil.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

22. RATING INFORMATION - 2008/09 FINANCIAL YEAR

Rate Type	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General Rate											
Gross Rental Value	13.3560	80	398,216	54,986	0	0	54,986	53,190	0	0	53,190
Unimproved Value	1.6094	167	34,765,000	561,308	1,560	114	562,982	559,510	1,000	0	560,510
Sub-Totals		247		616,294	1,560	114	617,968	612,700	1,000	0	613,700
Minimum Rates											
Gross Rental Value	Minimum \$300	50	21,070	13,200	0	0	13,200	15,000	0	0	15,000
Unimproved Value	\$300	16	133,851	3,000	0	0	3,000	4,800	0	0	4,800
Sub-Totals		66		16,200	0	0	16,200	19,800	0	0	19,800
Ex-Gratia Rates											
Specified Area Rate (refer note 23)							634,168				633,500
Discounts (refer note 25)							4,349				4,300
							0				0
							638,517 (25,406)				637,800 (27,900)
Totals							613,111				609,900

23. SPECIFIED AREA RATE - 2008/09 FINANCIAL YEAR

The Shire of Tammin did not levy a Specified Area Rate in 2008/09.

24. SERVICE CHARGES - 2008/09 FINANCIAL YEAR

The Shire of Tammin did not levy Service Charges in 2008/09.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2008/09 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	5.00%	24,880	27,900
Minimum Rate	Discount	5.00%	525	0
			25,405	27,900

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.

Rates were waived on sporting facilities and community organisation properties to encourage community development. 3 properties (Tammin Bowling Club, Tammin Golf Club and Tammin CWA) were involved.

26. INTEREST CHARGES AND INSTALMENTS - 2008/09 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		1,556	500
Interest on Instalment Plans	5.50%		1,329	300
Charges on Instalment Plans		10	480	500
			3,365	1,300

Ratepayers had the option of paying rates in four equal instalments, due on 30th September 2008, 28th November 2008, 27th January 2009 and 27th March 2009. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES

	2008/09 \$	2007/08 \$
Governance	226	3,288
General Purpose Funding	1,343	7,973
Law, Order, Public Safety	1,643	530
Health	6,393	6,140
Education and Welfare	49,543	62,350
Housing	0	0
Community Amenities	69,491	60,561
Recreation and Culture	8,215	90,939
Transport	8,209	8,802
Economic Services	2,315	867
Other Property and Services	113,636	52,881
	<u>261,014</u>	<u>294,331</u>

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

28. GRANT REVENUE	2008/09	2007/08
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	1,375,040	737,609
Non-Operating Grants, Subsidies and Contributions	203,485	368,198
	<u>1,578,525</u>	<u>1,105,807</u>
By Program:		
Governance	0	0
General Purpose Funding	1,326,113	696,455
Law, Order, Public Safety	1,200	1,350
Health	0	0
Education and Welfare	0	0
Housing	0	0
Community Amenities	0	0
Recreation and Culture	5,790	0
Transport	243,922	408,002
Economic Services	1,500	0
Other Property and Services	0	0
	<u>1,578,525</u>	<u>1,105,807</u>

29. COUNCILLORS' REMUNERATION	2008/09	2008/09	2007/08
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	4,440	5,120	4,020
President's Allowance	1,000	1,000	833
Deputy President's Allowance	0	0	0
Travelling Expenses	1,810	900	924
Telecommunications Allowance	0	0	0
	<u>7,250</u>	<u>7,020</u>	<u>5,777</u>

30. EMPLOYEES' REMUNERATION

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

Salary Range	2008/09	2007/08
\$100,000 - \$109,999	1	0

31. EMPLOYEE NUMBERS	2008/09	2007/08
The number of full-time equivalent employees at balance date	<u>11</u>	<u>13</u>

**SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009**

32. MAJOR LAND TRANSACTIONS

The Shire of Tammin did not undertake any major land transactions during the 2008/09 financial year.

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire of Tammin did not participate in any trading undertakings or major trading undertakings during the 2008/09 financial year.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

34. FINANCIAL RISK MANAGEMENT

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council 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 Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2008/09	2007/08	2008/09	2007/08
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	1,102,618	359,127	1,102,618	359,127
Receivables	43,601	38,087	43,601	38,087
	<u>1,146,219</u>	<u>397,214</u>	<u>1,146,219</u>	<u>397,214</u>
Financial Liabilities				
Payables	64,905	88,806	64,905	88,806
Borrowings	386,918	466,406	386,918	466,406
	<u>451,823</u>	<u>555,212</u>	<u>451,823</u>	<u>555,212</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council.

The major risk associated with investments is price risk – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by only purchasing investments with the highest credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	30-Jun-09	30-Jun-08
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	918	299
- Income Statement	918	299

Notes:

(*) Sensitivity percentages based on management's expectation of future possible market movements.

Recent market volatility has seen large market movements for certain types of investments.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

34. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council 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 Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also 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.

Council makes suitable provision for doubtful receivables as required and carries out credit checks where applicable.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	30-Jun-09	30-Jun-08
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	23.00%	49.00%
- Overdue	77.00%	51.00%

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

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. Council 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.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

2009

Payables

Borrowings

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values	
	\$	\$	\$	\$		\$
	64,905	0	0	64,905	64,905	
	74,122	312,797	0	386,919	386,918	
	<u>139,027</u>	<u>312,797</u>	<u>0</u>	<u>451,824</u>	<u>451,823</u>	

2008

Payables

Borrowings

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values	
	\$	\$	\$	\$		\$
	88,806	0	0	88,806	88,806	
	79,408	279,189	107,809	466,406	466,406	
	<u>168,214</u>	<u>279,189</u>	<u>107,809</u>	<u>555,212</u>	<u>555,212</u>	

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Borrowings (Continued)

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council 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 following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

						Weighted Average Effective Interest Rate	
	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$	\$
Year Ended 30 June 2009							
Borrowings							
Fixed Rate							
Debentures	12,236	0	0	0	374,683	0	386,919
Weighted Average Effective Interest Rate	5.74%				6.08%		6.03%
Year Ended 30 June 2008							
Borrowings							
Fixed Rate							
Debentures	0	34,783	0	0	0	431,623	466,406
Weighted Average Effective Interest Rate		5.74%				6.08%	6.01%

SHIRE OF TAMMIN

INDEPENDENT AUDIT REPORT

TO THE ELECTORS OF THE SHIRE OF TAMMIN

Scope

We have audited the financial report of the **Shire of Tammin** for the year ended **30 June 2009**. The Council is responsible for the preparation and presentation of the financial report and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the electors of the Shire of Tammin.

Our audit has been conducted in accordance with Australian Auditing Standards to provide a reasonable level of assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of Local Government Act, the Local Government Financial Management Regulations and Australian Accounting Standards and other mandatory professional reporting requirements so as to present a view of the Shire which is consistent with our understanding of its financial position and the results of its operations and cashflows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report presents fairly the financial position of the **Shire of Tammin** as at **30 June 2009** and the results of its operations and cashflows for the year then ended in accordance with the requirements of the Local Government Act, the Local Government Financial Management Regulations, applicable Accounting Standards and other mandatory professional reporting requirements.

Statutory Compliance

We did not, during the course of our audit, become aware of any instance where the Council did not comply with the requirements of the Local Government Act and the Local Government Financial Management Regulations.



Gregory Froomes Wyllie CPA

Perth, Western Australia

5 October 2009