



Shire of Tammin

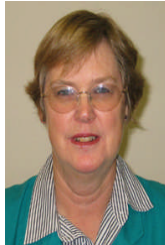
2005-06
Annual Report

COUNCIL MEMBERS



PRESIDENT
Cr. Barry Leslie

PO Box 58
KELLERBERRIN 6410
Tel: 9637 1162
Fax: 9637 1138
Originally Elected: 1999
Term Expires: 2007



DEPUTY PRESIDENT
Cr. Louise Caffell

PO Box 123
TAMMIN 6409
Tel: 9045 2035
Fax: 9045 2002
Originally Elected: 1998
Term Expires: 2007



Cr. Michael Greenwood

PO Box 24
TAMMIN 6409
Tel: 9637 1515
Fax: 9637 1515
Originally Elected: 2004
Term Expires: 2009



Cr. Stephen Jefferies

98 Barrack Road South
TAMMIN 6409
Tel: 9637 1112
Fax: 9045 4081
Originally Elected: 2005
Term Expires: 2009



Cr. Rodney Stokes

PO Box 52
TAMMIN 6409
Tel: 9637 1153
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Originally Elected: 2003
Term Expires: 2007

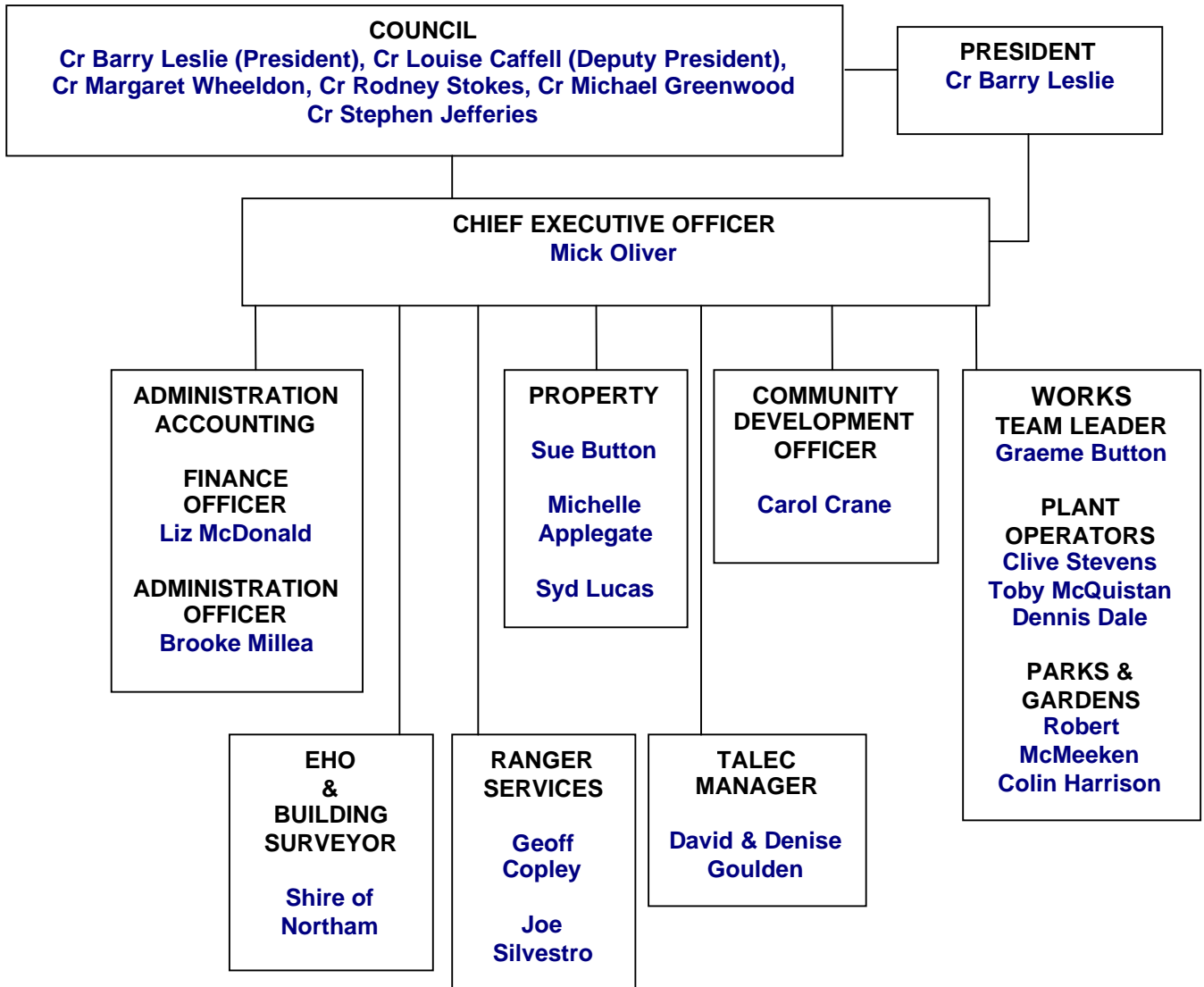


Cr. Margaret Wheeldon

26 Ridley Street
TAMMIN 6409
Tel : 9637 1041
Fax: 9637 1041
Originally Elected: 1999
Term Expires: 2009

ORGANISATIONAL STRUCTURE

June 2006



PRESIDENT'S REPORT

In presenting my report for the financial year 2005/2006, I would like to say just another easy and successful year. From Council's perspective, successful it has been, however easy would not describe the decisions Council had to make.

The majority of the year has been spent restructuring the organisation to return to a self governing position after the failure of our Resource Sharing arrangement with Kellerberrin. This was not a decision taken lightly, in fact necessary to maintain Councils' commitment to fostering the best interests of the community.

The restructure has seen the appointment of Mick Oliver as our Chief Executive Officer. We welcome Mick and wife Julie to our community. His task of reshaping the organisation has been large and I would take this opportunity to thank him for his outstanding commitment to returning the Shire of Tammin to an even keel. We also thank Julie for her input into training and support of staff.

Council has continued to be active in the wider sphere of local government

REGIONAL REPRESENTATION

Council has maintained an interest in regional activities with delegates attending:

- WA Local Government Association – Great Eastern Zone
- WE-ROC (Wheatbelt East Regional Organisation of Councils – which includes Yilgarn, Westonia Merredin, Bruce Rock, Kellerberrin and Tammin)
- Kellerberrin Tammin Local Emergency Management Committee
- Kellerberrin Regional Road Sub Group and Wheatbelt North Regional Road Group
- Tammin Landcare Committee
- Golden Pipeline Planning Advisory Group
- Cunderdin Meckering Tammin Landcare Committee
- Wheatbelt BEC

On the Local scene, Council has been active in the following areas:

- Senior Citizens Management Committee. We encourage the seniors of our town to be proactive in their own community.
- Tidy Towns Committee. This committee has been re-formed to lead in the beautification of our town.
- TALEC. An important part of our community profile and an icon that the current committee are working hard to retain and expand its role in landcare education.
- Anzac Day Service. This service continues to be well attended.

ROADS & PROPERTIES INSPECTION

A full inspection of the Shire of Tammin's properties and roads was undertaken by Councillors in March and April. The inspection provided timely information for the 2006/07 Budget deliberations.

GENERAL

There have been some changes to the staff during the year and I would like to thank all the staff for their efforts and commitment to the Shire of Tammin. Thanks also to fellow Councillors for their genuine commitment to the development and future of our community and organisation.

Barry Leslie
President

CHIEF EXECUTIVE OFFICER'S REPORT

I have much pleasure in presenting the Chief Executive Officer's Report for the 2005/2006 Financial Year. This is my first Report for the Shire of Tammin having commenced in the position on 13 January 2006 – half way through the year under review.

RESOURCE SHARING

The year has seen the transition of the Shire of Tammin back to full independence after several years of resource sharing with the Shire of Kellerberrin.

The Resource Sharing Agreement was wound up in December 2005 with the joint CEO arrangement concluding on 12 January 2006. Subsequently, joint plant ownership has also been finalised with the Shire of Tammin purchasing the Shire of Kellerberrin's interest in the CAT roller and Toro mower.

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:

	2005/06	2004/05
• Wheatbelt Agcare Contribution towards the operational expenses	\$1,760	\$1,800
• Tammin Primary School Contribution towards travel expenses for Swimming Lessons	\$2,000	\$1,000
• C.W.A. – Tammin Branch Donation towards WA Luncheon Week	\$350	\$350
• Shire of Northam Contribution towards Regional Roadgroup Chairman's Expenses	\$100	\$100
• Central Group of Affiliated Agricultural Societies Contribution towards display in 2004 Perth Royal Show	\$250	
• Kellerberrin Junior Cricket Association Junior Country Week Sponsorship	\$100	\$50
• St John Ambulance Contribution towards the purchase of a Monitor Defibrillator		\$3,000
• Cooina Centre Contribution to operational wages	\$5,000	\$5,000
• Tammin Bowling Club Contribution to Green keeper costs	\$16,500	\$16,500
• Tammin Golf Club Commitment to supply materials to the value of \$1,000 and utilise Council's builder to complete the works – works still to be carried out.		
• Tammin Arts Prize Annual Prize	\$1,000	\$1,400
• Kellerberrin/Tammin Football Club 50% reduction in annual ground fees	\$518	\$518

AUDIT

The Shire of Tammin's Auditor has changed during the year – due to an over commitment by the previous Auditor – Tony Bevan. The new Auditor is Paul Chabrel from Butler Settineri. Butler Settineri's contract was extended for a further 3 years through tender from 1 July 2006.

EMERGENCY SERVICES BUILDING

Planning was completed during the year for the construction of a joint fire and ambulance storage facility with construction now nearing completion.

KADJININY KEP

Tammin's *jewel in the Crown* continues to be developed with landscaping and Changeroom projects in the planning.

During the year, childrens' play equipment was erected – and instantly was accepted as the *place to be*. Additional equipment is planned to be provided.

HOUSING

The 3 bedroom house at 20 Ridley Street was completed during the year and is currently occupied by the CEO whilst suitable accommodation is built. A new residence for this purpose is planned to be built in 2006/07 on the corner of Old Yorkrakine Rd and Nottage Way.

The 3 bedroom house at 10 Ridley Street was acquired during the year and subsequently resold.

The 3 bedroom house at 5 Strang Street is in the process of being sold.

New 2 bedroom duplex accommodation is in the planning stage.

OTHER LAND

Agreement has been reached to acquire 4 ha on Lowles Road for the creation of a home for the Astronomical Society of WA Inc. and the subdivisional process is proceeding. Similarly, the subdivisional process for the acquisition of land for the new dam is still proceeding.

A multitude of land transactions have been completed – putting much of the Shire of Tammin's vacant land back into private ownership – and rate income generation.

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:

- Esplanade Hotel Fremantle – Colin Hayes
- Mercure Hotel – DF & WJ Wilkins
- Rendezvous Observation City – Dick Mussared
- Sheraton Perth – Terry O'Dea
- Sorrento Beach Resort – Frank Moore
- Sunmoon Resort – Trevor Amiss
- Seasons Of Perth – Brian Thomson
- Tradewinds Hotel – R & J Stokes

WA LOCAL GOVERNMENT GRANTS COMMISSION

The 2005/2006 General Purpose Grant distributed by the Western Australian Grants Commission provided a 5.7% increase from the previous year with \$409,069 being provided to the Shire of Tammin. This compared with a 7.3% increase in 2004/05.

The Local Road Funding Grant, also distributed by the Western Australian Grants Commission, provided a 4.2% increase from the previous year with \$212,396 being provided to the Shire of Tammin. This compared with a 0.7% increase in 2004/05.

LOAN BORROWING

No new borrowings were taken up in 2005/06. Loan principal repayments totalling \$76,104 were made resulting in a loan balance outstanding of \$618,815. Full details are disclosed in Note 21 of the Financial Report.

PRINCIPAL ACTIVITY PLAN

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. A Plan is still in the process of being prepared.

ROADWORKS

Utilising State grant funds (Regional Road Group) a further 2 kms of widening (to 7m width) was completed on the Tammin-Wyalkatchem Road and some 6 km of widening was completed on the Goldfields Road.

Utilising Federal grant funds (*Roads to Recovery*) improvement works were carried out on Franklin Road, Cubbine Road and South Tammin Road.

Utilising Federal grant funds (*Blackspot*) the Cubbine Rd / Reserve Rd intersection and the Tammin South Rd / Dixon Rd intersection were upgraded.

Gravel sheeting was carried out on a number of local roads utilising Shire of Tammin funds. However, maintenance grading proved difficult with the lack of moisture – a point well known to farmers.

The Jetpatcher, an efficient one man operation all on board truck, was again used in the 2005/06 year for bitumen pot hole and crack patching.

Minimal tree pruning was completed during the year – with much more planned for 2006/07.

Heavy rains in January resulted in some damage however proved the drainage system to the new town dam.

Thanks to all who allowed gravel to be taken to help improve the road network.

DONNAN PARK OVAL RETICULATION

Council has recognised that the current process of night time sprinkler watering is inappropriate. Planning is underway, and a grant application has been submitted, for funding to reticulate the Oval. Water is to be primarily sourced from the Storage Dam (58,000m³) and a Catchment Dam (11,000m³) constructed last year. Much work has been done to the collection drains whilst the Hunts Well bore has also been connected to the Dam.

Work will be carried out in 2006/07 to investigate storm water collection from the CBH facility.

ENVIRONMENTAL HEALTH & BUILDING CONTROL

During the year the Shire of Tammin withdrew from the Central Wheatbelt Health Scheme and has subsequently contracted environmental health and building control services from the Shire of Northam.

One building licence was issued during the year.

Permits Issued	2005/06		2004/05		2003/04	
	Number	Value	Number	Value	Number	Value
Carport/Pergola			3	\$12,000	11	\$31,701
Garages	1	\$10,000	3	\$8,000	5	\$48,500
Residences			1	\$135,000	1(6 Alt)	\$317,790
Industrial/ Commercial					5	\$22,559
TOTALS	1	\$10,000	7	\$155,000	28	\$420,550

SHIRE OFFICE

The skillion roof verandah at the front of the Office was re-sheeted to address the chronic leaking.

Council has recognised the inappropriate design of the car park sail shades and has provided funding in the 2006/07 Budget for their replacement.

Council has also recognised the failings of the kitchen facilities and the lack of storage facilities generally and has provided funding in the 2006/07 Budget to address these issues.

TALEC

A general downturn in bookings, the impending withdrawal of support from the Education Department in providing education services and cost increases has pressured a review of the Tammin Alcoa Land Education Centre. Continued support from Alcoa and strong local support has ensured the Centre's future and work is continuing, with the assistance of the Wheatbelt Development Commission, on how the finances can be turned around.

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 with a commitment to provide a number of documents to the State Records Commission by 31 March 2005 and 31 March 2006 and a fully revised Plan by 18 November 2007. Unfortunately, these documents were not provided. With the changes in the Shire of Tammin's administration and the outstanding items, the Plan is proposed to be reviewed and revised to comply with the 2007 deadline.

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

DISABILITY SERVICES COMMISSION REPORT

It is a requirement of the Disability Services Act that local governments report on the methods and tasks undertaken to improve access and mobility to their infrastructure.

The Shire of Tammin maintains a footpath improvement program. Individuals with mobility concerns or who are aware of aspects of the Shire of Tammin's operations that may require additional or improved access should contact the Chief Executive Officer.

NATIONAL COMPETITION POLICY

The Shire of Tammin is classified as a Category 1 local government under the National Competition Policy – which requires a local government to determine whether it operates significant business enterprises which compete or could compete with the private sector. A significant business enterprise is defined as one that generates an annual income from fees and charges exceeding \$200,000. The Shire of Tammin does not operate any business activity where the income from fees and charges exceeds this amount.

STAFF APPRECIATION

A number of Staff changes have occurred during the year. I wish the departed Staff all the best for their future and welcome the new Staff 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 support and for accepting Julie and me into your community.

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

COMMUNITY DEVELOPMENT OFFICER'S REPORT

GRANT FUNDING

Tammin Primary School P&C was successful in receiving \$44,850 to provide playground equipment and shade cover through the *Investing In Our Schools* funding.

Country Pathways application for a shared use footpath along Shields Street was unsuccessful. The funding round was over prescribed.

\$2,000 was granted by Healthways to provide entertainment and workshops for the 2005 Tammin Art Prize.

The Community Water Grants application for \$31,085 to purchase a new tank for Donnan Park and reconnect the water pipe through the townsite, as well as conduct a feasibility study on harvesting storm water from the townsite for use in reticulating the town parks and gardens, was successful.

Thank A Volunteer 2005 provided \$500 to host a sausage sizzle in Memorial Park.

A \$10,000 grant was approved by Lotterywest toward the cost of a new playground for the area between Memorial Park and Kadjiny Kep.

An Anzac Day Working Group grant application for \$3,322 was successful to purchase a portable PA system and lectern for use at Anzac Day functions and other community occasions.

Sponsorship for the 2006 Tammin Art Prize from Western Power was successful for \$2,500. It is hoped this will be an ongoing partnership.

Lotterywest – Gordon Reid funding for shows and audience participation of \$13,881 was approved to assist with costs associated with presenting shows in a rural venue.

Application for funding for \$15,000 from Alcoa to continue the excellent work done by the Tammin Alcoa Landcare Education Centre was approved.

EVENTS

The musical group *ABBR* performed at Kadjiny Kep on the 23 October. Good weather made for a very successful evening.

The 2005 Tammin Art Prize was held on 28-29 of October. The *Last Five Coins* provided excellent entertainment on the Friday evening followed by a workshop for students on the Saturday morning.

A play *The Messenger* was presented on the 31 October in the Tammin Town Hall. The Tammin Primary School P&C managed this event.

The live stage show *Ironing out the Wrinkles* was presented by the Tammin Senior Citizens on the 16 March at the Tammin Town Hall.

The *Magnificent Seven* performed at Kadjiny Kep on the 24 March.

Jenna Goulden and Glen Saunders were married at Kadjiny Kep on the 29 April.

On the 5 May the *Rigby Thomson Family Band* provided workshops for the Primary School students during the day and performed at the Tammin Town Hall in the evening.

COMMUNITY EVENTS

Walk Week was celebrated with the Tammin Primary School students and community members joining for a community walk around the town site of Tammin culminating with morning tea in Memorial Park on the 10 November

The Shire of Tammin hosted the Thank a Volunteer sausage sizzle in Memorial Park followed by Carols by Candlelight in Kadjininy Kep on the 18 December. This free concert was well attended by locals and visitors from other towns.

International Women's Day on the 9 March saw Mary Nenke from Cambinata Yabbies presented a very interesting address on the history of their business and family and the intricacies of setting up business in rural WA.

The Tammin Youth Activity Centre was opened in the Lesser Hall on the 7 April. The Centre is open weekly for the Tammin youth and is supervised by volunteers.

The Shire of Tammin again supported the Tammin RSL with the 2006 Anzac Service in Memorial park. Following the service a sausage sizzle and drinks were provided.

The Shire of Tammin continues to be a member of the Be-Active Management Committee – which manages the Be-Active Coordinator's position. Tammin utilises the services of this scheme both through the Primary School and local sporting groups.

Heritage Council consultant Laura Gray prepared a report on the Tammin Town Hall and offered possible solutions to the rising damp problems that have been identified.

The Shire of Tammin was congratulated on their excellent and innovative project, Kadjininy Kep, in the National awards for Local Government.

C.A. (Carol) Crane
Community Development Officer

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 Tammin Roads Board was formed in 1948. Previously, it was part of the Cunderdin Meckering Tammin Roads Board.

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. It's postal address is PO Box 53, Tammin WA 6409 and it's 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 upon 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 it's 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 metal fabrication and a tree nursery are also local industries.

EDUCATION

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 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.

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, Tammin Alcoa Landcare Education Committee, Uniting Church Guild, Coinda Centre Committee, Catholic Womens Fellowship Committee, C.W.A. – Tammin Branch, Care of the Aged (HACC), Volunteer Fire and Rescue, Red Cross, Tammin Tabloid Newsletter and the Tammin Arts Prize Committee.

RECEPTION VENUES

Several reception venues exist:

- Tammin Main Town Hall – situated in Donnan Street next door to the Shire Office.
- Tammin Lessor Hall – situated in Donnan Street next door to the Main Town Hall.
- Donnan Park Pavilion – situated at Donnan Park, Booth Street next to the oval.

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 modern plant and equipment operated by trained and experienced staff is available for private works hire. 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 on Fridays.

The refuse disposal site is situated approximately 5 kms south of Tammin on Hunt Road and is open on Saturday, Sunday and Monday.

DEPARTMENT OF PLANNING & INFRASTRUCTURE AGENCY

The Shire of Tammin maintains an on-line agency for the Department of 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.

PHOTOCOPYING AND FAXING

Staff are able to assist with any photocopying, faxing and binding requirements.

CHURCHES

Three churches exist in Tammin:

- St. Mark's Anglican Church – Cnr McLaren Road and Dreyer Street.
- Catholic Church – Cnr Yorkrakine Road and Shields Street.
- 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.

MEALS ON WHEELS

A local *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 WA Fire and Rescue Fire Station is located on the corner of Donnan Street and Booth Street. Co-located is the Tammin Volunteer St John Ambulance service - a sub-branch of the Kellerberrin Volunteer St. Johns Ambulance Association.

**SHIRE OF TAMMIN
AUDIT REPORT TO SHIRE OF TAMMIN RATEPAYERS**

Chartered
Accountants



A. Scope

We have audited the accompanying financial report of Shire of Tammin for the year ended 30 June 2006. The Council are 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 ratepayers.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable 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 as to whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Interpretations) so as to present a view of the Council which is consistent with our understanding of its financial position and the results of its operations.

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

B. Audit Opinion

In our opinion, the accompanying financial reports are drawn up in accordance with the books of the Council and fairly present the financial position of the Shire of Tammin as at 30 June 2006 and the results of its operations and its cash flows for the year then ended in accordance with applicable Accounting Standards and other mandatory professional reporting requirements and the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

C. Statutory Compliance

We did not during the course of our audit become aware of any instances where the Shire did not comply with the statutory requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Butler Settineri (Audit) Pty Ltd
A.C.N. 112 942 373
Registered Company Auditor Number 289109

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CA

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D. Other Matters

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

- a) There are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).
- c) All information and explanations required were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD

PAUL J CHABREL
Director

21 December 2006

SHIRE OF TAMMIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006

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SHIRE OF TAMMIN
FINANCIAL REPORT
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 30 June 2006 are in my opinion properly drawn up to present fairly the financial position of the Shire of Tammin at 30 June 2006 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 regulations under that Act.



M.G. (Mick) Oliver
Chief Executive Officer

19 September 2006

SHIRE OF TAMMIN
INCOME STATEMENT
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2005/06	2004/05
REVENUES FROM ORDINARY ACTIVITIES			
Rates	22	480,521	453,428
Grants and Subsidies	28	497,599	589,789
Contributions Reimbursements and Donations		157,401	370,962
Service Charges	24	0	0
Fees and Charges	27	175,568	140,161
Interest Earnings	2(a)	24,156	30,054
Other Revenue		11,749	9,162
		<u>1,346,994</u>	<u>1,593,556</u>
EXPENSES FROM ORDINARY ACTIVITIES			
Employee Costs		(609,169)	(507,882)
Materials and Contracts		(459,477)	(715,019)
Utilities		(87,962)	(62,711)
Depreciation	2(a)	(295,471)	(473,429)
Interest Expenses	2(a)	(40,577)	(30,126)
Insurance		(77,611)	(45,279)
Other Expenditure		(45,063)	(7,572)
		<u>(1,615,330)</u>	<u>(1,842,018)</u>
		(268,336)	(248,462)
Grants and Subsidies - non-operating	28	564,578	324,123
Contributions Reimbursements and Donations - non-operating		0	0
Profit on Asset Disposals	20	14,694	58,988
Loss on Asset Disposals	20	(4,308)	(18,764)
		<u>306,628</u>	<u>115,885</u>
NET RESULT		<u><u>306,628</u></u>	<u><u>115,885</u></u>

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

SHIRE OF TAMMIN
INCOME STATEMENT
BY PROGRAM

FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2005/06 \$	2005/06 Budget \$	2004/05 \$
REVENUES FROM ORDINARY ACTIVITIES				
Governance		16,161	30,289	41,799
General Purpose Funding		1,136,748	1,137,213	1,082,445
Law, Order, Public Safety		11,095	9,700	12,481
Health		67,155	76,209	79,904
Education and Welfare		66,404	70,086	87,803
Housing		0	0	0
Community Amenities		50,462	63,121	35,720
Recreation and Culture		55,159	22,970	20,572
Transport		375,468	257,910	334,067
Economic Services		2,093	1,100	172
Other Property and Services		<u>136,809</u>	<u>240,020</u>	<u>281,704</u>
	2 (a)	1,917,554	1,908,618	1,976,667
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		233,019	271,295	259,076
General Purpose Funding		24,053	38,673	34,974
Law, Order, Public Safety		13,672	22,720	19,390
Health		82,378	94,585	90,044
Education and Welfare		128,862	135,450	129,709
Housing		0	0	0
Community Amenities		76,080	95,111	91,774
Recreation & Culture		221,354	207,158	202,108
Transport		688,801	674,609	787,600
Economic Services		67,023	64,167	37,651
Other Property and Services		<u>35,107</u>	<u>167,754</u>	<u>178,330</u>
	2 (a)	1,570,349	1,771,522	1,830,656
BORROWING COSTS EXPENSE				
Governance		824	824	1,375
Recreation & Culture		20,098	20,098	21,773
Transport		14,452	14,312	3,224
Other Property & Services		<u>5,203</u>	<u>5,946</u>	<u>3,754</u>
	2 (a)	40,577	41,180	30,126
NET RESULT		<u><u>306,628</u></u>	<u><u>95,916</u></u>	<u><u>115,885</u></u>

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

SHIRE OF TAMMIN
BALANCE SHEET
AS AT 30 JUNE 2006

	NOTE	2005/06 \$	2004/05 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	674,604	662,035
Trade and Other Receivables	4	108,986	168,844
Inventories	5	0	1,392
TOTAL CURRENT ASSETS		<u>783,590</u>	<u>832,271</u>
NON-CURRENT ASSETS			
Other Receivables	4	0	4,400
Inventories	5	0	0
Property, Plant and Equipment	6	2,153,573	2,139,323
Infrastructure	7	20,766,972	21,300,643
TOTAL NON-CURRENT ASSETS		<u>22,920,545</u>	<u>23,444,366</u>
TOTAL ASSETS		<u>23,704,135</u>	<u>24,276,637</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	28,152	443,714
Long Term Borrowings	9	123,306	77,043
Provisions	10	56,828	43,649
TOTAL CURRENT LIABILITIES		<u>208,286</u>	<u>564,406</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	541,373	617,876
Provisions	10	1,215	24,853
TOTAL NON-CURRENT LIABILITIES		<u>542,588</u>	<u>642,729</u>
TOTAL LIABILITIES		<u>750,874</u>	<u>1,207,135</u>
NET ASSETS		<u>22,953,261</u>	<u>23,069,502</u>
EQUITY			
Retained Surplus		2,256,059	2,062,939
Reserves - Cash Backed	11	376,324	262,816
Reserves - Asset Revaluation	12	20,320,878	20,743,747
TOTAL EQUITY		<u>22,953,261</u>	<u>23,069,502</u>

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

SHIRE OF TAMMIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2005/06 \$	2004/05 \$
RETAINED SURPLUS			
Balance as at 1 July 2005		2,062,939	1,990,253
Net Result		306,628	115,885
Transfer from/(to) Reserves		<u>-113,508</u>	<u>-43,199</u>
Balance as at 30 June 2006		<u>2,256,059</u>	<u>2,062,939</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2005		262,816	219,617
Amount Transferred (to)/from Retained Surplus		<u>113,508</u>	<u>43,199</u>
Balance as at 30 June 2006	11	<u>376,324</u>	<u>262,816</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2005		20,743,747	20,743,747
Revaluation Increment		0	0
Revaluation Decrement		<u>-422,869</u>	<u>0</u>
Balance as at 30 June 2006	12	<u>20,320,878</u>	<u>20,743,747</u>
TOTAL EQUITY		<u><u>22,953,261</u></u>	<u><u>23,069,502</u></u>

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

SHIRE OF TAMMIN
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2005/06 \$	2005/06 Budget \$	2004/05 \$
Cash Flows From Operating Activities				
Receipts				
Rates		471,954	480,335	463,221
Grants and Subsidies - operating		497,599	633,104	589,789
Contributions, Reimbursements & Donations		157,401	253,482	370,962
Service Charges		0	0	0
Fees and Charges		175,568	232,633	51,260
Interest Earnings		24,156	27,450	30,054
Goods and Services Tax		0	(3,250)	185,884
Other		80,172	0	9,162
		<u>1,406,850</u>	<u>1,623,754</u>	<u>1,700,332</u>
Payments				
Employee Costs		(619,628)	(590,655)	(504,125)
Materials and Contracts		(458,085)	(1,096,962)	(449,706)
Utilities (gas, electricity, water, etc)		(87,963)	(50,844)	(62,711)
Insurance		(77,611)	(74,095)	(45,279)
Interest		(44,918)	(41,180)	(27,518)
Goods and Services Tax		0	0	(166,061)
Other		(456,283)	(40,597)	(7,572)
		<u>(1,744,488)</u>	<u>(1,894,333)</u>	<u>(1,262,972)</u>
Net Cash Provided By (Used In)				
Operating Activities	13(b)	(337,638)	(270,579)	437,360
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(267,397)	(209,221)	(630,141)
Payments for Construction of Infrastructure		(121,595)	(236,477)	(360,926)
Advances to Community Groups		0	0	0
Grants/Contributions for the Development of Assets		564,578	280,910	324,123
Proceeds from Sale of Plant & Equipment		246,324	116,000	214,768
Proceeds from Advances		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In)				
Investing Activities		421,910	(48,788)	(452,176)
Cash Flows from Financing Activities				
Repayment of Debentures		(76,104)	(74,978)	(64,345)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		4,400	1,100	1,100
Proceeds from New Debentures		0	0	250,000
		<u>0</u>	<u>0</u>	<u>250,000</u>
Net Cash Provided By (Used In)				
Financing Activities		(71,704)	(73,878)	186,755
Net Increase (Decrease) in Cash Held		12,568	(393,245)	171,939
Cash at Beginning of Year		662,035	653,275	490,096
Cash at End of Year	13(a)	<u>674,603</u>	<u>260,030</u>	<u>662,035</u>

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

SHIRE OF TAMMIN

RATE SETTING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2005/06 \$	2005/06 Budget \$
REVENUES			
Governance		16,161	30,289
General Purpose Funding		656,227	655,630
Law, Order, Public Safety		11,095	9,700
Health		67,155	76,209
Education and Welfare		66,404	70,086
Housing		0	
Community Amenities		50,462	63,121
Recreation and Culture		55,159	22,970
Transport		375,468	257,910
Economic Services		2,093	1,100
Other Property and Services		136,809	240,020
		<u>1,437,033</u>	<u>1,427,035</u>
EXPENSES			
Governance		(233,018)	(272,119)
General Purpose Funding		(24,877)	(38,673)
Law, Order, Public Safety		(13,672)	(22,720)
Health		(82,378)	(94,585)
Education and Welfare		(128,862)	(135,450)
Housing		0	0
Community Amenities		(76,080)	(95,111)
Recreation & Culture		(241,452)	(227,256)
Transport		(703,254)	(688,921)
Economic Services		(67,023)	(64,167)
Other Property and Services		(40,310)	(173,700)
		<u>(1,610,926)</u>	<u>(1,812,702)</u>
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals		(10,386)	2,100
Movement in Accrued Interest		0	174,325
Movement in Accrued Salaries and Wages		0	
Movement in Non-Current Employee Provisions		(23,638)	
Depreciation on Assets		295,471	
Capital Expenditure and Revenue			
Purchase Land Held for Resale		0	0
Purchase Assets		(267,397)	(209,221)
Purchase Infrastructure Assets - Roads		(121,595)	(176,477)
Purchase Infrastructure Assets - Other		0	(60,000)
Proceeds from Disposal of Assets		246,324	116,000
Repayment of Debentures		(76,503)	(74,978)
Proceeds from New Debentures		0	0
Self-Supporting Loan Principal Income		4,400	0
Transfers to Reserves (Restricted Assets)		(113,508)	(18,400)
Transfers from Reserves (Restricted Assets)		0	21,186
Add Estimated Surplus/(Deficit) July 1 B/Fwd		5,049	129,549
Less Estimated Surplus/(Deficit) June 30 C/Fwd		(244,845)	0
Amount Req'd to be Raised from Rates	22	<u>(480,521)</u>	<u>(481,583)</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 30 JUNE 2006

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 applicable Australian Accounting Standards, 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.

First AIFRSs Financial Report

This is the Shire's first Australian equivalents to International Financial Reporting Standards ("AIFRSs") annual financial report covered by AIFRSs and AASB1 "First Time Adoption of Australian equivalents to International Financial Reporting Standards".

The preparation of the annual financial report in accordance with AIFRSs resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under previous Generally Accepted Accounting Principles ("previous GAAP").

The accounting policies set out below have been consistently applied to all periods presented in this financial report. They have also been applied in preparing an opening AIFRSs balance sheet as at 1 July 2004 for the purposes of the transition to Australian Accounting Standards - AIFRSs as required by AASB 1. The impact of the transition from previous GAAP to AIFRSs is explained in Note 35.

Compliance with IFRSs

International Financial Reporting Standards ("IFRSs") form the basis of Australian Accounting Standards adopted by the AASB, being AIFRSs. The financial report of the Shire complies with IFRSs and interpretations adopted by the International Accounting Standards Board except as follows:

- AIFRSs include specific provisions relating to not-for-profit entities. These are not included in IFRSs.
- Australian Accounting Standard AAS27 "Financial Reporting by Local Governments" also applies and there is no equivalent standard in IFRSs.

The principal areas of non-compliance with IFRSs include:

- the recognition of non-reciprocal revenue;
- the definition of value in use for the purposes of estimating the recoverable amount of impaired assets; and
- the offsetting of asset revaluation increments and decrements on a class of asset basis rather than individual asset basis.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of Preparation (Continued)

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) Fixed Assets

Property, plant and equipment and infrastructure assets are brought to account at cost or independent or management valuation less, where applicable, any accumulated depreciation, amortisation or impairment losses.

The value of all infrastructure assets (other than land under roads) has been recorded in the Balance Sheet. Land under roads are excluded from infrastructure in accordance with legislative requirements.

As of 1 July 2004, Council elected to revert to the cost basis for measuring land and buildings and all infrastructure assets (other than roads) that were being carried at a revalued amount at the immediately preceding reporting date being 30 June, 2004.

This was achieved by deeming the carrying amount of the non-current assets comprising the particular class to be their cost and complied with the requirements on application of AASB 1 "First Time Adoption of Australian Equivalents to International Financial Reporting Standards".

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 using fair value at reporting date.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Inventories

General

Inventories are valued at the lower of cost and net realisable value.

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.

(f) 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	3 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
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 - slab	40 years

(g) 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.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Investments

All investments are valued at cost and interest on those investments is recognised when accrued.

(i) Impairment

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

Where such an indication exists, an 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.

(j) 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.

(k) 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) Annual Leave and Long Service Leave (Long-term Benefits)

The provision for employees' benefits for annual leave and long service leave expected to be settled more than 12 months from the reporting date represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees service to balance date.

(l) 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.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Superannuation

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

(n) Interest Rate Risk

The Shire's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is considered negligible for all financial instruments other than borrowings. Information on interest rate risk as it applies to borrowings is disclosed in Note 21(e).

(o) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial report. The Shire does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Shire.

(p) Fair Value

The fair value of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds fair value have not been written down as the Council intends to hold these assets to maturity.

The aggregate fair value and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial report.

(q) Rounding Off Figures

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

(r) Comparative Figures

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

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

2. REVENUES AND EXPENSES	2005/06	2004/05
	\$	\$
(a) Result from Ordinary Activities		
The Result from Ordinary Activities includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit	4,950	5,162
- Other Services	1,350	968
Depreciation		
Buildings	16,052	38,021
Furniture and Equipment	7,319	16,883
Plant and Equipment	38,415	82,812
HAAC Equipment	0	0
Landcare Equipment	1,291	3,416
Tools	0	0
Roads	232,394	332,297
Footpaths	0	0
Drainage	0	0
	<u>295,471</u>	<u>473,429</u>
Interest Expenses		
Finance Lease Charges	0	0
Debentures (<i>refer Note 21(a)</i>)	40,577	30,126
	<u>40,577</u>	<u>30,126</u>
Rental Charges		
- Operating Leases	0	0
	<u>0</u>	<u>0</u>
(ii) Crediting as Revenue:		
	2005/06	2005/06
	\$	Budget
		\$
Interest Earnings		
Investments		
- Reserve Funds	12,508	8,400
- Municipal Fund	11,508	17,000
- Trust Fund	0	0
Other Interest Revenue (<i>refer note 26</i>)	140	0
	<u>24,156</u>	<u>25,400</u>
	<u>24,156</u>	<u>30,054</u>

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of Tammin is a local authority providing a representative government for its residents and ratepayers. The Shire of Tammin delivers needed services and facilities to maintain and enhance the quality of life and ensures equity in service provision for its people through responsible use of available resources.

In order to discharge its responsibilities to the community, the Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

The Shire of Tammin operations as disclosed in this Financial Report encompass the following service orientated activities/programs:

GOVERNANCE

Members expenses and other costs of the Shire that relate to the tasks of assisting Councillors and the public on matters which do not concern specific Council services.

In accordance with legislative changes effective from 1 July 1997 administration costs have been allocated to the various programs of the Shire of Tammin to reflect the true costs of the services and facilities provided. Directly attributable costs have been recorded in the relevant program while indirect costs have been allocated on the basis of administration staff time.

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.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

2. REVENUES AND EXPENSES (continued)

(b) Statement of Objective (continued)

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.

(c) Conditions Over Contributions

	2005/06	2004/05
	\$	\$
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 program	0	52,512
	0	52,512
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.	0	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 program	0	(52,512)
Closing balances of unexpended grants	0	0

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	2005/06	2004/05
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	298,280	399,219
Restricted	376,324	262,816
	<u>674,604</u>	<u>662,035</u>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Information & Technology Reserve	10,495	10,094
Plant Reserve	167,567	159,338
Long Service Leave Reserve	25,048	19,149
Aged Pensioner Units Reserve	24,420	18,563
Entitlements Reserve	21,335	20,530
Housing Reserve	127,459	35,142
Unspent Grants	0	0
Unspent Loans	0	0
	<u>376,324</u>	<u>262,816</u>

4. TRADE AND OTHER RECEIVABLES

Current

Rates Outstanding	32,303	23,737
Sundry Debtors	76,776	140,897
Loans - Clubs/Institutions	0	1,100
GST Receivable	0	3,203
Less Doubtful Debts	(93)	(93)
	<u>108,986</u>	<u>168,844</u>

Non-Current

Rates Outstanding - Pensioners	0	0
Loans - Clubs/Institutions	0	4,400
	<u>0</u>	<u>4,400</u>

5. INVENTORIES

Current

Fuel and Materials	0	1,392
Land Held for Resale - Cost		
Cost of Acquisition	0	0
Development Costs	0	0
	<u>0</u>	<u>1,392</u>

Non-Current

Land Held for Resale - Cost		
Cost of Acquisition	0	0
Development Costs	0	0
	<u>0</u>	<u>0</u>

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	2005/06	2004/05
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	1,974,719	1,956,842
Less Accumulated Depreciation	<u>(374,826)</u>	<u>(359,419)</u>
	1,599,893	1,597,423
Furniture and Equipment - Cost	180,917	193,494
Less Accumulated Depreciation	<u>(170,717)</u>	<u>(163,398)</u>
	10,200	30,096
Plant and Equipment - Cost	1,354,064	1,296,718
Less Accumulated Depreciation	<u>(813,735)</u>	<u>(789,356)</u>
	540,329	507,362
Tools - Cost	4,225	4,225
Less Accumulated Depreciation	<u>(4,225)</u>	<u>(4,225)</u>
	0	0
Landcare Centre Equipment - Cost	76,076	76,076
Less Accumulated Depreciation	<u>(72,925)</u>	<u>(71,634)</u>
	3,151	4,442
HAAC Equipment - Cost	0	5,224
Less Accumulated Depreciation	<u>0</u>	<u>(5,224)</u>
	0	0
	<u><u>2,153,573</u></u>	<u><u>2,139,323</u></u>

Effective from 1 July 2004, Council deemed the carrying amount of land and buildings previously carried at a revalued amount to be their cost.

This was in accordance with the exemptions on application of Australian Accounting Standard AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards". These assets, along with all other plant and equipment asset classes, are now being carried at cost. Whilst they are not subject to a policy of regular revaluation, they are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 "Impairment of Assets".

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

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 \$	Tools \$	HAAC Equipment \$	Landcare Centre Equipment \$	Total \$
Balance as at 1 July 2005	1,597,426	30,096	507,362	0	0	4,442	2,139,326
Additions	72,036	12,258	248,103				332,397
(Disposals inc. Depreciation W/Back)	-76,629		-159,309		0		-235,938
Revaluation - Increments							0
- (Decrements)							0
Impairment - (losses)							0
- reversals							0
Depreciation (Expense)	-16,052	-7,319	-38,415		0	-1,291	-63,076
Other Movements	23,111	-24,835	-17,412				-19,136
Balance as at 30 June 2006	<u>1,599,893</u>	<u>10,200</u>	<u>540,329</u>	<u>0</u>	<u>0</u>	<u>3,151</u>	<u>2,153,573</u>

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	2005/06	2004/05
	\$	\$
7. INFRASTRUCTURE		
Roads - management valuation 2005		29,111,085
Roads - management valuation 2006	29,237,774	
Roads - Cost	121,595	549,558
Less Accumulated Depreciation	<u>-9,638,302</u>	<u>-9,405,905</u>
	<u>19,721,067</u>	<u>20,254,738</u>
Footpaths - management valuation 1997	455,558	386,881
Footpaths - Cost		68,677
Less Accumulated Depreciation	<u>-186,853</u>	<u>-186,853</u>
	<u>268,705</u>	<u>268,705</u>
Drainage - management valuation 1997	803,984	25,733
Drainage - Cost		778,251
Less Accumulated Depreciation	<u>-26,784</u>	<u>-26,784</u>
	<u>777,200</u>	<u>777,200</u>
Parks & Ovals - Cost	<u>0</u>	<u>0</u>
	<u><u>20,766,972</u></u>	<u><u>21,300,643</u></u>

The valuations of the municipality's infrastructure were originally based on the written down replacement cost performed in accordance with Statement of Accounting Practice SAP 1 'Current Cost Accounting'.

The valuation of the roads were re-valued down in 2005/06 as a result of a change in the mathematical formula (to match the ROMAN system).

Effective from 1 July 2004, Council deemed the carrying amount of all infrastructure assets, other than roads, carried at a revalued amount, to be their cost.

This was in accordance with the exemptions on application of Australian Accounting Standard AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards". These assets, along with all other infrastructure asset classes (other than roads), are now being carried at cost. Whilst they are not subject to a policy of regular revaluation, they are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 "Impairment of Assets".

Council have adopted a policy of re-valuing roads with sufficient regularity to ensure the carrying amount of each 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 30 JUNE 2006

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 2005	20,254,738	268,705	777,200	21,300,643
Additions	121,595	0	0	121,595
(Disposals)	0	0	0	0
Revaluation - Increments	0	0	0	0
- (Decrements)	-422,869	0	0	-422,869
Impairment - (losses)	0	0	0	0
- reversals	0	0	0	0
Depreciation (Expense)	-232,394	0	0	-232,394
Other Movements	-3	0	0	-3
Balance as at 30 June 2006	<u>19,721,067</u>	<u>268,705</u>	<u>777,200</u>	<u>20,766,972</u>

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	2005/06	2004/05
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	24,367	416,515
PAYG Liability	0	11,138
Rates Received In Advance	0	8,500
Accrued Interest on Debentures	0	4,341
Accrued Salaries and Wages	3,785	3,220
	<u>28,152</u>	<u>443,714</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	77,442	77,043
Lease Liability	45,864	0
	<u>123,306</u>	<u>77,043</u>
Non-Current		
Secured by Floating Charge		
Debentures	541,373	617,876
Lease Liability	0	0
	<u>541,373</u>	<u>617,876</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	37,130	37,130
Provision for Long Service Leave	19,698	6,519
	<u>56,828</u>	<u>43,649</u>
Non-Current		
Provision for Annual Leave	0	0
Provision for Long Service Leave	1,215	24,853
	<u>1,215</u>	<u>24,853</u>

SHIRE OF TAMMIN

	2005/06 \$	2005/06 Budget \$	2004/05 \$
11. RESERVES - CASH BACKED			
(a) Information & Technology Reserve			
Opening Balance	10,094	10,094	5,000
Amount Set Aside / Transfer to Reserve	401	323	5,094
Amount Used / Transfer from Reserve	0	0	0
	<u>10,495</u>	<u>10,417</u>	<u>10,094</u>
(b) Plant Reserve			
Opening Balance	159,338	159,338	171,725
Amount Set Aside / Transfer to Reserve	8,229	5,093	36,613
Amount Used / Transfer from Reserve	0	0	-49,000
	<u>167,567</u>	<u>164,431</u>	<u>159,338</u>
(c) Long Service Leave Reserve			
Opening Balance	19,149	19,149	13,449
Amount Set Aside / Transfer to Reserve	5,899	5,612	5,700
Amount Used / Transfer from Reserve	0	0	0
	<u>25,048</u>	<u>24,761</u>	<u>19,149</u>
(d) Aged Pensioner Units Reserve			
Opening Balance	18,563	18,563	9,149
Amount Set Aside / Transfer to Reserve	5,857	5,593	9,414
Amount Used / Transfer from Reserve	0	0	0
	<u>24,420</u>	<u>24,156</u>	<u>18,563</u>
(e) Entitlements Reserve			
Opening Balance	20,530	20,530	20,295
Amount Set Aside / Transfer to Reserve	805	656	235
Amount Used / Transfer from Reserve	0	-21,186	0
	<u>21,335</u>	<u>0</u>	<u>20,530</u>
(f) Housing Reserve			
Opening Balance	35,142	35,142	0
Amount Set Aside / Transfer to Reserve	92,317	1,123	35,142
Amount Used / Transfer from Reserve	0	0	0
	<u>127,459</u>	<u>36,265</u>	<u>35,142</u>
TOTAL CASH BACKED RESERVES	<u><u>376,324</u></u>	<u><u>260,030</u></u>	<u><u>262,816</u></u>

All of the cash backed reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

11. RESERVES - CASH 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 for fund Staff long service leave liabilities.

Aged Pensioner Units Reserve

- to be used for the maintenance Tamma Village units.

Entitlements Reserve

- to be used for fund Staff leave entitlement liabilities.

Housing Reserve

- to be used for the provision of housing.

The Housing Reserve is expected to be utilised in 2006/07.

The other 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

2005/06
\$

2004/05
\$

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

(a) **Plant & Equipment**

Balance as at 1 July 2005	0	0
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2006	0	0

(b) **Roads**

Balance as at 1 July 2005	20,743,747	20,743,747
Revaluation Increment	0	0
Revaluation Decrement	-422,869	0
Balance as at 30 June 2006	20,320,878	20,743,747

TOTAL ASSET REVALUATION RESERVES

	20,320,878	20,743,747
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SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006

13. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	2005/06	2005/06	2004/05
	\$	Budget	\$
Cash and Cash Equivalents	<u>674,604</u>	<u>260,030</u>	<u>662,035</u>

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

Net Result	306,628	95,916	115,885
Amortisation	0	0	0
Depreciation	295,471	174,325	473,429
Impairment (Loss)/Reversal	0	0	0
(Increase)/Decrease in Receivables	64,256	1,546	(78,923)
(Profit)/Loss on Sale of Asset	(10,386)	2,100	(40,224)
(Increase)/Decrease in Inventories	1,392	1,945	553
Increase/(Decrease) in Payables	(411,786)	(253,585)	289,279
Increase/(Decrease) in Employee Provisions	(14,235)	(11,916)	1,484
Grants/Contributions for the Development of Assets	<u>(564,578)</u>	<u>(280,910)</u>	<u>(324,123)</u>
Net Cash from Operating Activities	<u><u>(333,238)</u></u>	<u><u>(270,579)</u></u>	<u><u>437,360</u></u>

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

Bank Overdraft limit	0	75,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	20,000	0
Credit Card Balance at Balance Date	<u>0</u>	<u>0</u>
Total Amount of Credit Unused	<u><u>20,000</u></u>	<u><u>75,000</u></u>

Loan Facilities

Loan Facilities - Current	77,442	77,043
Loan Facilities - Non-Current	<u>541,373</u>	<u>617,876</u>
Total Facilities in Use at Balance Date	<u><u>618,815</u></u>	<u><u>694,919</u></u>

Unused Loan Facilities at Balance Date	<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 30 JUNE 2006

	2005/06	2004/05
	\$	\$
14. CAPITAL AND LEASING COMMITMENTS		
(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	<u>0</u>	<u>0</u>
Minimum Lease Payments	0	0
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		
the accounts.		
Payable:		
- not later than one year	45,864	0
- later than one year but not later than five years	0	0
- later than five years	<u>0</u>	<u>0</u>
	<u><u>45,864</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
The capital expenditure project outstanding at the end of the current reporting period represents		

15. CONTINGENT LIABILITIES

There are no known Contingent Liabilities at balance date.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

16. JOINT VENTURE

The Shire of Tammin together with the Shires of Kellerberrin and Bruce Rock had a joint venture arrangement with regard to the provision of an Environmental Health and Building Surveying Service. The involvement of the Shire of Tammin was wound up as at 27 June 2006.

	2005/06	2004/05
	\$	\$
Non-Current Assets		
Plant & Equipment	14,694	11,891
Less: Accumulated Depreciation	<u>(14,694)</u>	<u>(11,111)</u>
	<u><u>0</u></u>	<u><u>780</u></u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	287,397	628,603
General Purpose Funding	0	0
Law, Order, Public Safety	33,090	43,235
Health	0	9,191
Education and Welfare	260,585	207,073
Housing	0	0
Community Amenities	98,138	165,550
Recreation and Culture	467,059	1,177,678
Transport	21,789,507	21,304,265
Economic Services	7,308	0
Other Property and Services	586,857	191,963
Unallocated	<u>128,330</u>	<u>549,079</u>
	<u><u>23,658,271</u></u>	<u><u>24,276,637</u></u>

SHIRE OF TAMMIN

18. FINANCIAL RATIOS	2005/06	2004/05	2003/04
Current Ratio	1.955	1.087	1.323
Untied Cash to Trade Creditors Ratio	12.241	0.958	1.436
Debt Ratio	0.032	0.049	0.031
Debt Service Ratio	0.085	0.057	0.036
Gross Debt to Revenue Ratio	0.378	0.421	0.381
Gross Debt to Economically Realisable Assets Ratio	0.225	0.234	0.211
Rate Coverage Ratio	0.251	0.229	0.252
Outstanding Rates Ratio	0.067	0.050	0.057

The above rates 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 Trade Creditors Ratio	$\frac{\text{Untied cash}}{\text{Unpaid trade creditors}}$
Debt Ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$
Debt Service Ratio	$\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$
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 2006

19. TRUST FUNDS

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

	Balance 1-Jul-05 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-06 \$
Nomination Deposits	640		-240	400
DPI On-Line Licensing	5,272	203,042	-208,045	269
Pre-Paid Rates	0	8,500	-8,500	0
Builders Registration Levy	312	104	-327	89
Housing Bonds	3,116	1,080	-380	3,816
Interest On Cash Advance	787		-787	0
Tammin Tourist Promotion	2,224	2		2,226
TALEC Booking Deposits	2,900			2,900
Senior Citizen Unit Bonds	500			500
Alcoa Area Promotion	6,000			6,000
Tammin Arts Prize	231			231
Tammin Lawn Tennis	7,436		-7,436	0
Best Memorial Trust	700			700
Agricultural Society	3,197			3,197
Unknown (Rounding)				2
	<u>33,315</u>			<u>20,330</u>

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

20. DISPOSALS OF ASSETS - 2005/06 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance						
Ford Fairlane (TN.1)	38,158	38,000	38,158	40,000	0	2,000
Ford Fairlane (TN.1)	36,754	38,000	36,896	40,000	142	2,000
Ford Fairlane (TN.1)	41,111	0	37,583	0	-3,528	0
Education & Welfare						
HAAC equipment	0	0	0	0	0	0
Transport						
Toyota Hilux (TN.2)	14,115	21,400	14,565	18,000	450	-3,400
Toyota Dyna Dual Cab	23,377		22,598		-779	
Holden Rodeo (TN.221)	0	20,700		18,000	0	-2,700
Pressuremaster Cleaner	0	0	200	0	200	0
Other Property & Services						
Lot 6 - 10 Ridley St	76,629	0	90,530	0	13,901	0
	230,144	118,100	240,530	116,000	10,386	-2,100

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

21. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-05 \$	New Loans \$	Principal Repayments		Principal 30-Jun-06		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance								
73-Chamber & Office upgrade	14,468		8,046	5,981	6,422	8,487	824	824
Recreation & Culture								
76-Kadjinini Kep	333,167		28,544	28,544	304,623	304,623	20,098	20,098
Transport								
77-Plant & Machinery	250,000		18,948	18,948	231,052	231,052	14,452	14,312
Other Property & Services								
35-Housing	1,505		984	1,505	521	94	94	112
75-Housing	95,779		19,582	20,000	76,197	75,779	5,109	5,834
	694,919	0	76,104	74,978	618,815	620,035	40,577	41,180

All loan repayments were financed by general purpose revenue.

(b) New Debentures - 2005/06

No new Debenture loans were taken out in the 2005/06 financial year.

(c) Unspent Debentures

The Shire of Tammin did not have unspent Debentures in the 2005/06 financial year.

(d) Overdraft

The Shire of Tammin established an overdraft facility of \$75,000 in 2005 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2005 and 30 June 2006 was \$Nil. The Shire of Tammin did not conduct established an overdraft facility in the 2005/06 financial year.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

21. INFORMATION ON BORROWINGS (Continued)

(e) Interest Rate Risk

Council's exposure to interest rate risk as a result of borrowings and the effective weighted average interest rate

Borrowings	\$	\$
Floating interest rates		
Fixed interest rate maturing		
- within one year		
- one to five years	83,140	15,973
- over five years	535,675	678,946
Non interest bearing		
 Total Borrowings	<u>618,815</u>	<u>694,919</u>
 Weighted average effective interest rate	<u>6.04%</u>	<u>6.04%</u>

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

22. RATING INFORMATION - 2005/06 FINANCIAL YEAR

RATE TYPE	Rate in Dollar	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											
GRV	12.475¢	137	277,683	34,640	126		34,766	34,641			34,641
UV	1.76¢	157	26,255,909	462,104			462,104	462,104	600		462,704
Sub-Totals		294		496,744	126	0	496,870	496,745	600	0	497,345
Minimum Rates	Minimum \$										
GRV	135.00	36	7,597	4,860			4,860	4,860			4,860
UV	135.00	10	33,157	1,350			1,350	1,350			1,350
Sub-Totals		46		6,210	0	0	6,210	6,210	0	0	6,210
Specified Area Rate (refer note 23)							503,080				503,555
							0				0
							503,080				503,555
Discounts (refer note 25)							-22,559				-21,972
Totals							480,521				481,583

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

23. SPECIFIED AREA RATE - 2005/06 FINANCIAL YEAR

The Shire of Tammin did not raise Specified Area Rates in 2005/06.

24. SERVICE CHARGES - 2005/06 FINANCIAL YEAR

The Shire of Tammin did not raise Service Charges in 2005/06.

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2005/06 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
GRV	Discount	5%	983	1,161
UV	Discount	5%	21,576	20,811
			22,559	21,972

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.

26. INTEREST CHARGES AND INSTALMENTS - 2005/06 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Penalty Interest on Unpaid Rates	11.0		2,226	1,900
Interest on Instalments Plan	5.5		140	150
Charges on Instalment Plan		10	290	200
			2,656	2,250

Ratepayers had the option of paying rates in four equal instalments, due on 30 September 2005, 23 December 2005, 24 February 2006 and 26 May 2006. Administration charges and interest applied for the final three instalments.

**SHIRE OF TAMMIN
FOR THE YEAR ENDED 30 JUNE 2006**

	2005/06	2004/05
	\$	\$
27. FEES & CHARGES		
Governance	5,567	176
General Purpose Funding	10,886	300
Law, Order, Public Safety	624	611
Health	0	0
Housing	0	0
Education & Welfare	46,858	43,851
Community Amenities	42,882	35,720
Recreation & Culture	15,663	3,952
Transport	0	7,176
Economic Services	159	172
Other Property & Services	<u>52,929</u>	<u>48,203</u>
	<u><u>175,568</u></u>	<u><u>140,161</u></u>

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

28. GRANT REVENUE

By Nature and Type:

Grants and Subsidies - operating	497,599	589,789
Grants and Subsidies - non-operating	<u>564,578</u>	<u>324,123</u>
	<u><u>1,062,177</u></u>	<u><u>913,912</u></u>

By Program:

General Purpose Funding	624,104	589,789
Governance	3,822	0
Law, Order, Public Sector	10,421	11,820
Community Amenities		0
Recreation and Culture	35,955	15,000
Transport	367,875	277,303
Economic Services	0	0
Other Property	<u>20,000</u>	<u>20,000</u>
	<u><u>1,062,177</u></u>	<u><u>913,912</u></u>

29. COUNCILLORS' REMUNERATION

	2006	2006	2005
	\$	Budget	\$
		\$	

The following fees, expenses and allowances were paid to council members and/or the president.

Meeting Fees	5,965	7,440	2,875
President's Allowance	0	2,000	500
Deputy President's Allowance	0		0
Travelling Expenses	1,691	1,550	1,062
Telecommunications Allowance	0	600	0
	<u>7,656</u>	<u>11,590</u>	<u>4,437</u>

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

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 \$	2006	2005
100,000 - 109,999	0	0
110,000 - 119,999	0	0
120,000 - 129,999	0	0
130,000 - 139,999	0	0
140,000 - 149,999	0	0
150,000 - 159,999	0	0
160,000 - 169,999	0	0

31. EMPLOYEE NUMBERS

The number of full-time equivalent
Employees at balance date

2005/06	2004/05
<u>10</u>	<u>10.9</u>

32. ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of grants from the State and Federal Government. The total of grant revenue from government sources is disclosed in Note 28.

33. MAJOR LAND TRANSACTIONS

The Shire of Tammin did not undertake any major land transactions during the 2005/06 financial year.

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire of Tammin did not participate in any trading undertakings or major trading undertakings during the 2005/06 financial year.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

35. FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRSs)

(a) Reconciliation of Equity at 1 July 2004

There were no material differences between Equity in the opening AIFRSs Balance Sheet and the equity in the 1 July 2004 Balance Sheet presented under previous GAAP.

(b) Reconciliation of Equity at 30 June 2005

There were no material differences between Equity in the 30 June 2005 Balance Sheet presented under AIFRSs and the equity in the 30 June 2005 Balance Sheet presented under previous GAAP.

(c) Reconciliation of Net Result for the Year Ended 30 June 2005

There were no material differences between the Net Result for the year ended 30 June 2005 presented under AIFRSs and the Net Result for the year ended 30 June 2005 presented under previous GAAP.

(d) Explanation of Material Adjustments to the Cash Flow Statement

There are no material differences between the Cash Flow Statement presented under AIFRSs and the Cash Flow Statement presented under previous GAAP.