

# SHIRE OF TAMMIN

## BUDGET

### FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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#### **SHIRE'S VISION**

A Place for People, A Place for Community

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	1,121,536	1,121,590	1,118,062
Operating grants, subsidies and contributions	9(a)	592,590	1,154,783	650,983
Fees and charges	8	136,104	107,979	154,752
Interest earnings	11(a)	22,391	35,493	53,350
Other revenue	11(b)	50,964	73,310	59,992
		<b>1,923,585</b>	<b>2,493,155</b>	<b>2,037,139</b>
<b>Expenses</b>				
Employee costs		(876,160)	(827,993)	(854,746)
Materials and contracts		(759,102)	(634,949)	(956,320)
Utility charges		(123,007)	(134,503)	(119,541)
Depreciation on non-current assets	5	(1,053,329)	(974,037)	(1,255,065)
Interest expenses	11(d)	(6,866)	(8,766)	(8,194)
Insurance expenses		(87,899)	(83,421)	(65,987)
Other expenditure		(100,152)	(112,125)	(112,899)
		<b>(3,006,515)</b>	<b>(2,775,794)</b>	<b>(3,372,752)</b>
<b>Subtotal</b>		<b>(1,082,930)</b>	<b>(282,639)</b>	<b>(1,335,613)</b>
Non-operating grants, subsidies and contributions	9(b)	870,967	590,310	579,655
Profit on asset disposals	4(b)	8,000	7,727	18,069
Loss on asset disposals	4(b)	0	(59,823)	(51,127)
		<b>878,967</b>	<b>538,214</b>	<b>546,597</b>
<b>Net result</b>		<b>(203,963)</b>	<b>255,575</b>	<b>(789,016)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(203,963)</b>	<b>255,575</b>	<b>(789,016)</b>

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

# SHIRE OF TAMMIN

## FOR THE YEAR ENDED 30 JUNE 2021

### BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations. The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

Accounting policies which have been adopted in the preparation of this budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

### THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of Tammin controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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. A separate statement of those monies appears at Note 13 to the budget.

### 2019/20 ACTUAL BALANCES

Balances shown in this budget as 2019/20 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

### CHANGE IN ACCOUNTING POLICIES

On the 1 July 2020 the following new accounting policies are to be adopted and may impact the preparation of the budget:

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

AASB 1059 is not expected to impact the annual budget. Specific impacts of AASB 2018-7 have not been identified.

### KEY TERMS AND DEFINITIONS - NATURE OR TYPE

#### REVENUES RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

#### SERVICE CHARGES

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

Excludes rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

#### PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

### REVENUES (CONTINUED)

#### OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

#### NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

#### FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

#### INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

#### OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

### EXPENSES

#### EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences safety expenses, medical examinations, fringe benefit tax, etc.

#### MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

#### UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

#### INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

#### LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

#### DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

#### INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

#### OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
<b>Revenue</b>	1,8,9(a),11(a),11(b)	\$	\$	\$
General purpose funding		1,643,581	2,193,732	1,697,314
Law, order, public safety		3,883	2,916	8,754
Health		1,044	693	1,044
Education and welfare		64,910	58,130	63,637
Housing		9,405	11,430	27,417
Community amenities		33,820	28,089	35,020
Recreation and culture		32,460	52,263	51,100
Transport		77,738	79,739	78,277
Economic services		6,855	3,356	26,950
Other property and services		49,889	62,809	47,626
		1,923,585	2,493,155	2,037,139
<b>Expenses excluding finance costs</b>	4(a),5,11(c),(e),(f)			
Governance		(345,783)	(307,466)	(349,159)
General purpose funding		(87,419)	(73,238)	(96,223)
Law, order, public safety		(36,157)	(30,580)	(31,751)
Health		(9,149)	(8,244)	(9,670)
Education and welfare		(100,277)	(88,600)	(112,901)
Housing		(40,872)	(56,715)	(50,588)
Community amenities		(192,683)	(148,261)	(241,913)
Recreation and culture		(585,835)	(492,474)	(593,635)
Transport		(1,488,214)	(1,406,093)	(1,784,162)
Economic services		(68,640)	(64,319)	(76,039)
Other property and services		(44,620)	(91,038)	(18,517)
		(2,999,649)	(2,767,028)	(3,364,558)
<b>Finance costs</b>	,6(a),11(d)			
Housing		(2,980)	(3,960)	(3,960)
Recreation and culture		(2,919)	(3,026)	(2,454)
Transport		(967)	(1,780)	(1,780)
		(6,866)	(8,766)	(8,194)
<b>Subtotal</b>		(1,082,930)	(282,639)	(1,335,613)
Non-operating grants, subsidies and contributions	9(b)	870,967	590,310	579,655
Profit on disposal of assets	4(b)	8,000	7,727	18,069
(Loss) on disposal of assets	4(b)	0	(59,823)	(51,127)
		878,967	538,214	546,597
<b>Net result</b>		<b>(203,963)</b>	<b>255,575</b>	<b>(789,016)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(203,963)</b>	<b>255,575</b>	<b>(789,016)</b>

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

## KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

### OBJECTIVE

### ACTIVITIES

#### GOVERNANCE

To provide a decision making process for the efficient allocation of scarce resources.

Includes the activities of members of council and the administrative support available to the council for the provision of governance to the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

#### GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

#### LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer and environmentally conscious community.

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

#### HEALTH

To provide an operational framework for environmental & community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

#### EDUCATION AND WELFARE

To provide services to disadvantaged persons, the elderly, children and youth.

Maintenance of child minding centre, playgroup centre, senior citizens centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

#### HOUSING

The provision of housing to staff.

Staff housing, provision of general rental accommodation to the public when not required by staff.

#### COMMUNITY AMENITIES

The provision of services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drain, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

#### RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources that help to maintain the social well being of the community.

Maintenance of public halls, civic centres, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museums and other cultural facilities.

#### TRANSPORT

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

#### ECONOMIC SERVICES

To help promote the Shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.

#### OTHER PROPERTY AND SERVICES

To monitor and control Council's overheads operating account.

Private works operation, plant repair and operation costs, housing and engineering operational costs.

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

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates	1,121,536	1,106,571	1,128,724
Operating grants, subsidies and contributions	643,280	1,119,394	640,321
Fees and charges	136,104	107,979	154,752
Interest earnings	22,391	35,493	53,350
Goods and services tax	250,000	312,733	200,000
Other revenue	50,964	73,310	59,992
	<b>2,224,275</b>	<b>2,755,480</b>	<b>2,237,139</b>
<b>Payments</b>			
Employee costs	(876,160)	(815,224)	(856,196)
Materials and contracts	(809,102)	(557,700)	(945,659)
Utility charges	(123,007)	(134,503)	(119,541)
Interest expenses	(6,866)	(4,991)	(12,075)
Insurance expenses	(87,899)	(83,421)	(65,987)
Goods and services tax	(250,000)	(250,000)	(210,661)
Other expenditure	(100,152)	(112,125)	(112,899)
	<b>(2,253,186)</b>	<b>(1,957,964)</b>	<b>(2,323,018)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>3 (28,911)</b>	<b>797,516</b>	<b>(85,879)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for other loans and receivables	0	(70,000)	0
	(515,453)	(588,739)	(707,400)
Payments for purchase of property, plant & equipment	4(a) (1,163,324)	(890,814)	(1,024,746)
Payments for construction of infrastructure	4(a) 920,277	520,310	579,655
Non-operating grants, subsidies and contributions	26,000	212,486	194,191
Proceeds from sale of plant and equipment	4(b) 13,722	6,793	0
Proceeds on financial assets at amortised cost - self supporting loans	6(a) 0	70,000	0
Proceeds on other loans and receivables	0	70,000	0
<b>Net cash provided by (used in) investing activities</b>	<b>(718,778)</b>	<b>(739,963)</b>	<b>(958,300)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	6(a) (69,443)	(79,562)	(72,769)
Proceeds from new borrowings	6(b) 0	70,000	0
<b>Net cash provided by (used in) financing activities</b>	<b>(69,443)</b>	<b>(9,562)</b>	<b>(72,769)</b>
<b>Net increase (decrease) in cash held</b>	<b>(817,132)</b>	<b>47,991</b>	<b>(1,116,948)</b>
Cash at beginning of year	2,467,014	2,419,023	2,394,300
<b>Cash and cash equivalents at the end of the year</b>	<b>3 1,649,882</b>	<b>2,467,014</b>	<b>1,277,352</b>

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

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

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>OPERATING ACTIVITIES</b>			
<b>Net current assets at start of financial year - surplus/(deficit)</b>	947,974	952,429	956,397
<b>Revenue from operating activities (excluding general rates)</b>	947,974	952,429	956,397
Operating grants, subsidies and contributions	9(a) 592,590	1,154,783	650,983
Fees and charges	8 136,104	107,979	154,752
Interest earnings	11(a) 22,391	35,493	53,350
Other revenue	11(b) 58,726	80,998	67,754
Profit on asset disposals	4(b) 8,000	7,727	18,069
	817,811	1,386,980	944,908
<b>Expenditure from operating activities</b>			
Employee costs	(876,160)	(827,993)	(854,746)
Materials and contracts	(759,102)	(634,949)	(956,320)
Utility charges	(123,007)	(134,503)	(119,541)
Depreciation on non-current assets	5 (1,053,329)	(974,037)	(1,255,065)
Interest expenses	11(d) (6,866)	(8,766)	(8,194)
Insurance expenses	(87,899)	(83,421)	(65,987)
Other expenditure	(100,152)	(112,125)	(112,899)
Loss on asset disposals	4(b) 0	(59,823)	(51,127)
	(3,006,515)	(2,835,617)	(3,423,879)
<b>Operating activities excluded from budgeted deficiency</b>			
Non-cash amounts excluded from operating activities	2 (a)(i) 1,045,329	1,024,044	1,288,123
<b>Amount attributable to operating activities</b>	(195,401)	527,836	(234,451)
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions	9(b) 870,967	590,310	579,655
Purchase property, plant and equipment	4(a) (515,453)	(588,739)	(707,400)
Purchase and construction of infrastructure	4(a) (1,163,324)	(890,814)	(1,024,746)
Proceeds from disposal of assets	4(b) 26,000	212,486	194,191
Advances of self supporting loans	6(a) 0	(70,000)	0
<b>Amount attributable to investing activities</b>	(795,532)	(746,756)	(958,300)
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings	6(a) (69,443)	(79,562)	(72,769)
Principal elements on self supporting loan	13,722	6,793	0
Proceeds from new borrowings	6(b) 0	70,000	0
Transfers to cash backed reserves (restricted assets)	7(a) (137,120)	(205,968)	(168,000)
Transfers from cash backed reserves (restricted assets)	7(a) 70,000	261,729	327,100
<b>Amount attributable to financing activities</b>	(122,841)	52,992	86,331
<b>Budgeted deficiency before general rates</b>	(1,113,774)	(165,928)	(1,106,420)
<b>Estimated amount to be raised from general rates</b>	1(a) 1,113,774	1,113,902	1,110,300
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (a)(iii) 0	947,974	3,880

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

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>		947,974	952,429	956,397
		947,974	952,429	956,397
<b>Revenue from operating activities (excluding rates)</b>				
General purpose funding		529,807	1,079,830	587,014
Law, order, public safety		3,883	2,916	8,754
Health		1,044	693	1,044
Education and welfare		64,910	58,130	63,637
Housing		9,405	11,430	45,486
Community amenities		33,820	28,089	35,020
Recreation and culture		32,460	52,263	51,100
Transport		77,738	79,739	78,277
Economic services		6,855	3,356	26,950
Other property and services		57,889	70,536	47,626
		817,811	1,386,980	944,908
<b>Expenditure from operating activities</b>				
Governance		(345,783)	(307,466)	(349,159)
General purpose funding		(87,419)	(73,238)	(96,223)
Law, order, public safety		(36,157)	(30,580)	(31,751)
Health		(9,149)	(8,244)	(9,670)
Education and welfare		(100,277)	(88,600)	(112,901)
Housing		(43,852)	(110,441)	(105,675)
Community amenities		(192,683)	(148,261)	(241,913)
Recreation and culture		(588,754)	(495,500)	(596,089)
Transport		(1,489,181)	(1,407,873)	(1,785,942)
Economic services		(68,640)	(64,319)	(76,039)
Other property and services		(44,620)	(101,095)	(18,517)
		(3,006,515)	(2,835,617)	(3,423,879)
Non-cash amounts excluded from operating activities	2 (a)(i)	1,045,329	1,024,044	1,288,123
<b>Amount attributable to operating activities</b>		(195,401)	527,836	(234,451)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9(b)	870,967	590,310	579,655
Purchase property, plant and equipment	4(a)	(515,453)	(588,739)	(707,400)
Purchase and construction of infrastructure	4(a)	(1,163,324)	(890,814)	(1,024,746)
Proceeds from disposal of assets	4(b)	26,000	212,486	194,191
Proceeds from self supporting loans	6(b)	(13,722)	0	0
Advances of self supporting loans	6(a)	0	(70,000)	0
<b>Amount attributable to investing activities</b>		(795,532)	(746,756)	(958,300)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(69,443)	(79,562)	(72,769)
Principal elements on self supporting loan		13,722	6,793	0
Proceeds from new borrowings	6(b)	0	70,000	0
Transfers to cash backed reserves (restricted assets)	7(a)	(137,120)	(205,968)	(168,000)
Transfers from cash backed reserves (restricted assets)	7(a)	70,000	261,729	327,100
<b>Amount attributable to financing activities</b>		(122,841)	52,992	86,331
<b>Budgeted deficiency before general rates</b>		(1,113,774)	(165,928)	(1,106,420)
<b>Estimated amount to be raised from general rates</b>	1(a)	1,113,774	1,113,902	1,110,300
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (a)(iii)	<b>0</b>	<b>947,974</b>	<b>3,880</b>

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



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

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
Gross Rental Value	0.12395	90	817,388	101,315	0	0	101,315	100,533	100,533
<b>Unimproved valuations</b>									
Unimproved Value	0.01561	152	62,980,000	983,181	0	0	983,181	986,795	986,013
<b>Sub-Totals</b>		242	63,797,388	1,084,496	0	0	1,084,496	1,087,328	1,086,546
	<b>Minimum</b>								
<b>Minimum payment</b>									
	\$								
<b>Gross rental valuations</b>									
Gross Rental Value	573	46	23,662	26,358	0	0	26,358	26,358	26,358
<b>Unimproved valuations</b>									
Unimproved Value	573	40	846,100	22,920	0	0	22,920	20,055	20,055
<b>Sub-Totals</b>		86	869,762	49,278	0	0	49,278	46,413	46,413
		328	64,667,150	1,133,774	0	0	1,133,774	1,133,741	1,132,959
Discounts (Refer note 1(e))							(20,000)	(19,839)	(22,659)
<b>Total amount raised from general rates</b>							1,113,774	1,113,902	1,110,300
Ex-gratia rates							7,762	7,688	7,762
<b>Total amount raised from other rates</b>							1,121,536	1,121,590	1,118,062

All land (other than exempt land) in the Shire of Tammin is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire of Tammin.

The general rates detailed for the 2020/21 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

## 1. RATES AND SERVICE CHARGES (CONTINUED)

### (b) Interest Charges and Instalments - Rates and Service Charges

The following instalment options are available to ratepayers for the payment of rates and service charges.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
<b>Option one</b>				
Payment in Full	27th August 2020	0	0.0%	8.0%
<b>Option two</b>				
Instalment 1	27th August 2020	4	5.5%	8.0%
Instalment 2	11th November 2020	4	5.5%	8.0%
Instalment 3	13th January 2021	4	5.5%	8.0%
Instalment 4	16th March 2021	4	5.5%	8.0%

  

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	1,122	1,260	1,100
Instalment plan interest earned	1,150	1,042	1,550
Unpaid rates and service charge interest earned	3,570	7,005	7,000
	5,842	9,307	9,650

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30 June 2021.

(d) Service Charges

The Shire did not raise service charges for the year ended 30 June 2021.

(e) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which discount is granted
			\$	\$	\$	
Rates discount for prompt payment	2.0%	20,000	20,000	19,839	22,659	If all rates and charges appearing on the rates notice (including arrears) are paid in full within 35 days of issue of the rate assessment notice.
			20,000	19,839	22,659	

(f) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30 June 2021.

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

2 (a). NET CURRENT ASSETS

Items excluded from calculation of budgeted deficiency

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
<b>(i) Operating activities excluded from budgeted deficiency</b>			
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	4(b) (8,000)	(7,727)	(18,069)
Movement in employee benefits provision	0	(2,089)	0
Add: Loss on disposal of assets	4(b) 0	59,823	51,127
Add: Depreciation on assets	5 1,053,329	974,037	1,255,065
<b>Non cash amounts excluded from operating activities</b>	<b>1,045,329</b>	<b>1,024,044</b>	<b>1,288,123</b>
<b>(ii) Current assets and liabilities excluded from budgeted deficiency</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.			
<b>Adjustments to net current assets</b>			
Less: Cash - restricted reserves	3 (1,395,861)	(1,328,741)	(1,225,401)
Less: Current assets not expected to be received at end of year			
- current portion of self supporting loans receivable	(13,722)	(13,722)	0
- Other contract liabilities	(50,000)	50,000	0
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	0	69,443	0
<b>Total adjustments to net current assets</b>	<b>(1,459,583)</b>	<b>(1,223,020)</b>	<b>(1,225,401)</b>

2 (a). NET CURRENT ASSETS (CONTINUED)

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
		\$	\$	\$
<b>(iii) Composition of estimated net current assets</b>				
<b>Current assets</b>				
Cash and cash equivalents- unrestricted	3	254,021	1,088,273	51,951
Cash and cash equivalents - restricted				
Cash backed reserves	3	1,395,861	1,328,741	1,225,401
Unspent grants, subsidies and contributions	9	0	50,000	0
Receivables		77,542	77,542	119,352
		1,727,424	2,544,556	1,396,704
<b>Less: current liabilities</b>				
Trade and other payables		(242,491)	(178,769)	(81,800)
Contract liabilities		50,000	(50,000)	0
Long term borrowings		0	(69,443)	0
Provisions		(75,350)	(75,350)	(85,623)
		(267,841)	(373,562)	(167,423)
<b>Net current assets</b>		1,459,583	2,170,994	1,229,282
<b>Less: Total adjustments to net current assets</b>	2 (a)(ii)	(1,459,583)	(1,223,020)	(1,225,401)
<b>Closing funding surplus / (deficit)</b>		0	947,974	3,880

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**2 (b). NET CURRENT ASSETS (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

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

**TRADE AND OTHER PAYABLES**

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

**CONTRACT ASSETS**

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

**PROVISIONS**

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

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

**INVENTORIES**

**General**

Inventories are measured 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.

**Superannuation**

The Shire of Tammin contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Tammin contributes are defined contribution plans.

**LEASE LIABILITIES**

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

**TRADE AND OTHER RECEIVABLES**

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

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

Collectability of trade and other 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.

**EMPLOYEE BENEFITS**

**Short-term employee benefits**

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

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

**LAND HELD FOR RESALE**

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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

**CONTRACT LIABILITIES**

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

### 3. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

Note	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash at bank and on hand	1,649,882	2,467,014	1,277,352
	1,649,882	2,467,014	1,277,352
- Unrestricted cash and cash equivalents	254,021	1,088,273	51,951
- Restricted cash and cash equivalents	1,395,861	1,378,741	1,225,401
	1,649,882	2,467,014	1,277,352
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:			
Reserves Staff Entitlements	85,185	40,791	28,153
Reserves Plant Replacement	327,018	264,402	204,664
Reserves Information & Technology	32,347	12,226	12,417
Reserves Tamma Village Upgrade & Improvements	20,845	20,641	20,964
Reserves Sports, Recreation Facilities Upgrades	811,629	872,990	806,806
Reserves Bowling Green Replacement Reserve	2,066	2,064	37,397
Reserves Property & Building Reserve	116,771	115,627	115,000
	1,395,861	1,378,741	1,225,401
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	(203,963)	255,575	(789,016)
Depreciation	5	1,053,329	974,037
(Profit)/loss on sale of asset	4(b)	(8,000)	52,096
(Increase)/decrease in receivables		0	(7,675)
Increase/(decrease) in payables		0	81,431
Increase/(decrease) in contract liabilities		50,000	(50,000)
Increase/(decrease) in employee provisions		0	12,362
Non-operating grants, subsidies and contributions		(920,277)	(520,310)
<b>Net cash from operating activities</b>		(28,911)	797,516
			(85,879)

#### SIGNIFICANT ACCOUNTING POLICES

##### CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 - Net Current Assets.

##### FINANCIAL ASSETS AT AMORTISED COST

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

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



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

#### 4. FIXED ASSETS

##### (a) Acquisition of Assets

The following assets are budgeted to be acquired during the year.

Asset class	Reporting program							2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Governance	Education and welfare	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>										
Land & Buildings	0	10,000	40,000	340,000	0	0	0	390,000	194,171	263,600
Furniture & Equipment	10,845	0	0	17,500	0	0	10,000	38,345	7,525	6,800
Plant & Equipment	0	0	0	0	87,108	0	0	87,108	387,043	437,000
	10,845	10,000	40,000	357,500	87,108	0	10,000	515,453	588,739	707,400
<i>Infrastructure</i>										
Roads	0	20,000	0	0	1,088,803	0	0	1,108,803	832,724	884,746
Footpaths	0	0	0	0	24,521	0	0	24,521	3,084	20,000
Other Infrastructure	0	0	0	5,000	0	25,000	0	30,000	55,007	120,000
	0	20,000	0	5,000	1,113,324	25,000	0	1,163,324	890,814	1,024,746
<b>Total acquisitions</b>	10,845	30,000	40,000	362,500	1,200,432	25,000	10,000	1,678,777	1,479,553	1,732,146

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document.

#### SIGNIFICANT ACCOUNTING POLICIES

##### RECOGNITION OF ASSETS

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

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

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

4. FIXED ASSETS

(b) Disposals of Assets

The following assets are budgeted to be disposed of during the year.

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Housing	0	0	0	0	164,737	114,971	0	(49,766)	166,127	133,069	18,069	(51,127)
Other property and services	18,000	26,000	8,000	0	99,845	97,515	7,727	(10,057)	61,122	61,122	0	0
	18,000	26,000	8,000	0	264,582	212,486	7,727	(59,823)	227,249	194,191	18,069	(51,127)
<b>By Class</b>												
<i>Property, Plant and Equipment</i>												
Land	0	0	0	0	8,000	8,000	0	0	8,000	8,000	0	0
Land & Buildings	0	0	0	0	156,737	106,970	0	(49,766)	158,127	107,000	0	(51,127)
Plant & Equipment	18,000	26,000	8,000	0	99,845	97,516	7,727	(10,057)	61,122	79,191	18,069	0
	18,000	26,000	8,000	0	264,582	212,486	7,727	(59,823)	227,249	194,191	18,069	(51,127)

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information attached to this budget document

**SIGNIFICANT ACCOUNTING POLICIES**

**GAINS AND LOSSES ON DISPOSAL**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**5. ASSET DEPRECIATION**

**By Program**

Law, order, public safety  
 Education and welfare  
 Housing  
 Community amenities  
 Recreation and culture  
 Transport  
 Economic services  
 Other property and services

**By Class**

Land & Buildings  
 Furniture & Equipment  
 Plant & Equipment  
 Roads  
 Footpaths  
 Other Infrastructure

<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
\$	\$	\$
280	257	280
31,006	28,473	29,142
16,978	15,421	18,313
13,092	11,800	8,308
188,622	173,214	153,223
712,769	654,544	926,281
7,026	6,452	5,249
83,556	83,875	114,270
<b>1,053,329</b>	<b>974,037</b>	<b>1,255,065</b>
120,647	110,622	121,907
8,371	7,688	8,114
82,626	83,021	120,137
668,505	613,896	879,773
16,950	15,566	16,981
156,229	143,244	108,154
<b>1,053,329</b>	<b>974,037</b>	<b>1,255,065</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**DEPRECIATION**

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

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

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

Major depreciation periods used for each class of depreciable asset are:

Land & Buildings	30 to 50 years
Furniture & Equipment	4 to 10 years
Plant & Equipment	5 to 15 years
Roads	12 to 50 years
Footpaths	40 years
Other Infrastructure	10 to 50 years

**AMORTISATION**

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

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

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**6. INFORMATION ON BORROWINGS**

**(a) Borrowing repayments**

Movement in borrowings and interest between the beginning and the end of the current financial year.

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2020	2020/21 Budget New Loans	2020/21 Budget Principal Repayments	Budget Principal outstanding 30 June 2021	2020/21 Budget Interest Repayments	Actual Principal 1 July 2019	2019/20 Actual New Loans	2019/20 Actual Principal Repayments	Actual Principal outstanding 30 June 2020	2019/20 Actual Interest Repayments	Budget Principal 1 July 2019	2019/20 Budget New Loans	2019/20 Budget Principal Repayments	Budget Principal outstanding 30 June 2020	2019/20 Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Housing</b>																		
12 Russell Street	79	WATC	4.7%	18,075	0	11,908	6,167	644	32,196	0	14,121	18,075	1,187	32,196	0	14,121	18,075	1,187
3 & 5 Nottage Way	80	WATC	3.5%	70,576	0	13,161	57,415	2,336	89,488	0	18,912	70,576	2,773	89,488	0	18,912	70,576	2,773
<b>Recreation and culture</b>																		
Synthetic Bowling Green	81	WATC	2.7%	82,126	0	12,790	69,336	2,124	100,681	0	18,555	82,126	2,454	100,681	0	18,555	82,126	2,454
<b>Transport</b>																		
Depot	78	WATC	4.7%	27,112	0	17,862	9,250	967	48,293	0	21,181	27,112	1,780	48,293	0	21,181	27,112	1,780
				197,889	0	55,721	142,168	6,071	270,658	0	72,769	197,889	8,194	270,658	0	72,769	197,889	8,194
<b>Self Supporting Loans</b>																		
<b>Recreation and culture</b>																		
Bowling Green Surface	82	WATC	1.3%	63,207	0	13,722	49,485	795	0	70,000	6,793	63,207	572	0	0	0	0	0
				63,207	0	13,722	49,485	795	0	70,000	6,793	63,207	572	0	0	0	0	0
				261,096	0	69,443	191,653	6,866	270,658	70,000	79,562	261,096	8,766	270,658	0	72,769	197,889	8,194

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.

The self supporting loan(s) repayment will be fully reimbursed.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**6. INFORMATION ON BORROWINGS**

**(b) New borrowings - 2020/21**

The Shire does not intend to undertake any new borrowings for the year ended 30 June 2021

**(c) Unspent borrowings**

The Shire had no unspent borrowing funds as at 30 June 2020 nor is it expected to have unspent borrowing funds as at 30 June 2021.

**(d) Credit Facilities**

	<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
	\$	\$	\$
<b>Undrawn borrowing facilities</b>			
<b>credit standby arrangements</b>			
Bank overdraft limit	100,000	100,000	100,000
Bank overdraft at balance date	0	0	0
Credit card limit	20,000	20,000	20,000
Credit card balance at balance date	(1,500)	(3,000)	(1,500)
<b>Total amount of credit unused</b>	<b>118,500</b>	<b>117,000</b>	<b>118,500</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	191,653	261,096	197,889

<b>Overdraft details</b>	<b>Purpose overdraft was established</b>	<b>Year overdraft established</b>	<b>Amount b/fwd 1 July 2020</b>	<b>2020/21 Budgeted Increase/ (Decrease)</b>	<b>Amount as at 30th June 2021</b>
			\$	\$	\$
NAB	To assist with Short term cashflow		100,000	0	100,000
			<b>100,000</b>	<b>0</b>	<b>100,000</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**BORROWING COSTS**

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

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

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
(a) Reserves Staff Entitlements	\$ 40,791	\$ 44,394	\$ 0	\$ 85,185	\$ 27,238	\$ 13,553	\$ 0	\$ 40,791	\$ 27,238	\$ 915	\$ 0	\$ 28,153
(b) Reserves Plant Replacement	264,402	62,616	0	327,018	407,066	35,336	(178,000)	264,402	407,066	8,598	(211,000)	204,664
(c) Reserves Information & Technology	12,226	20,121	0	32,347	12,014	213	0	12,226	12,014	404	0	12,417
(d) Reserves Tamma Village Upgrade & Improvements	20,641	204	0	20,845	20,282	359	0	20,641	20,283	681	0	20,964
(e) Reserves Sports, Recreation Facilities Upgrades	872,990	8,639	(70,000)	811,629	892,940	16,650	(36,600)	872,990	892,940	29,966	(116,100)	806,806
(f) Reserves Bowling Green Replacement Reserve	2,064	2	0	2,066	24,961	24,232	(47,129)	2,064	24,961	12,435	0	37,397
(g) Reserves Property & Building Reserve	115,627	1,144	0	116,771	0	115,627	0	115,627	0	115,000	0	115,000
	1,328,741	137,120	(70,000)	1,395,861	1,384,502	205,968	(261,729)	1,328,741	1,384,502	168,000	(327,100)	1,225,401

(b) Cash Backed Reserves - Purposes

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

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

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

8. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Law, order, public safety	2,200	1,452	4,200
Health	1,044	693	1,044
Education and welfare	64,706	57,830	63,437
Housing	8,185	11,163	26,102
Community amenities	31,320	28,089	31,320
Recreation and culture	10,900	5,125	10,900
Transport	1,450	200	1,450
Economic services	1,300	3,356	1,300
Other property and services	15,000	73	15,000
	136,104	107,979	154,752

9. GRANT REVENUE

	Unspent grants, subsidies and contributions liability				Grants, subsidies and contributions revenue			
	Liability	Increase in Liability	Liability Reduction (As revenue)	Total Liability	Current Liability	2020/21 Budget	2019/20 Actual	2019/20 Budget
	1 July 2020			30 June 2021	30 June 2021			
<b>By Program:</b>	\$	\$	\$	\$	\$	\$	\$	\$
<b>(a) Operating grants, subsidies and contributions</b>								
General purpose funding				0	0	495,247	1,034,189	509,302
Law, order, public safety				0	0	0	0	4,354
Community amenities	50,000		(50,000)	0	0	0	0	200
Recreation and culture				0	0	20,000	46,430	40,200
Transport				0	0	71,788	74,165	71,277
Economic services				0	0	5,555	0	25,650
	50,000	0	(50,000)	0	0	592,590	1,154,783	650,983
<b>(b) Non-operating grants, subsidies and contributions</b>								
General purpose funding				0	0	223,588	0	0
Recreation and culture				0	0	140,000	87,500	76,850
Transport				0	0	507,379	502,810	502,805
	0	0	0	0	0	870,967	590,310	579,655
<b>Total</b>	<b>50,000</b>	<b>0</b>	<b>(50,000)</b>	<b>0</b>	<b>0</b>	<b>1,463,557</b>	<b>1,745,093</b>	<b>1,230,638</b>

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**10. REVENUE RECOGNITION**

**SIGNIFICANT ACCOUNTING POLICIES**

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

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



## 11. OTHER INFORMATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>The net result includes as revenues</b>			
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	13,000	23,968	41,000
- Other funds	4,671	3,477	3,800
Other interest revenue (refer note 1b)	4,720	8,047	8,550
	22,391	35,493	53,350
<b>(b) Other revenue</b>			
Reimbursements and recoveries	50,964	73,310	59,992
	50,964	73,310	59,992
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	35,700	30,000	28,000
	35,700	30,000	28,000
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 6(a))	6,866	8,766	8,194
Other	-	0	0
	6,866	8,766	8,194
<b>(e) Elected members remuneration</b>			
Meeting fees	8,181	6,935	8,060
President's allowance	2,800	2,400	2,400
Deputy President's allowance	700	750	600
Travelling expenses	1,523	1,254	1,500
	13,203	11,339	12,560
<b>(f) Write offs</b>			
General rate	305	0	300
Fees and charges	2,000	6,753	1,000
	2,305	6,753	1,300

## 12. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire will be party to any joint venture arrangements during 2020/21.

### SIGNIFICANT ACCOUNTING POLICIES

#### INTERESTS IN JOINT ARRANGEMENTS

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire of Tammin's interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.

### 13. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

#### GOODS AND SERVICES TAX (GST)

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

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

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

#### CRITICAL ACCOUNTING ESTIMATES

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

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

#### ROUNDING OFF FIGURES

All figures shown in this statement are rounded to the nearest dollar.

#### COMPARATIVE FIGURES

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

#### BUDGET COMPARATIVE FIGURES

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