



SHIRE OF TAMMIN
OUR AIM IS PROGRESS



ANNUAL REPORT

2020-2021

Vision A place for people, a place for community

Shire Info

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SHIRE OF TAMMIN
OUR AIM IS PROGRESS



Above: The Tammin Town Hall built circa 1911. The Hall is a significant focal point and public venue for residents of the Shire of Tammin.



Left: Aerial view of the CBH grain receive facility located within the Tammin townsite, circa 2019. Right: Aerial view of grain harvesting underway in the Shire of Tammin.

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A MESSAGE FROM THE SHIRE PRESIDENT

I am delighted to present the 2020/21 Annual Report for the Shire of Tammin.

It's been a year of change, the 2021 Council elections resulted in welcoming two new Councillors, Courtney Thomson and Barry Leslie as well as Nick Caffell back to the team.

I would like to acknowledge and thank outgoing Councillors, Tania Daniels and Michael Greenwood for their commitment and dedication to the community during their tenures on Council. Both were active on key committees representing and advocating for Tammin.

Special mention to Michael who leaves us after 17 years of service, four as President and recipient of a WALGA long and loyal service award in 2019.

We sadly said goodbye to some much loved community members, celebrating their lives with family and friends.

We farewelled CEO Neville Hale a little early due to ill health, to a well-deserved retirement. Neville and the management team ensured strong governance and financial foundations that we will now build upon. Neville received the Local Government Distinguished Officers Award for his outstanding contribution made to Local Government sector. We appreciated interim CEO Gary Martin agreeing to return to hold the fort again until our newly appointed CEO Joanne Soderlund and family could arrive. We're now excited about what the future holds.

Over the 2020/21 financial year, Council spent \$1.477million on capital projects ranging from essential road works to projects that continue to improve and enhance community amenity and make Tammin an even better place to live. Council invested \$116,000 to ensure we maintain plant and equipment of a high standard allowing us to operate effectively and efficiently. Projects were completed on time and on budget. Further development has occurred for the "Southern Link" to provide safe access into our town, with a funding boost of \$1 million dollars secured.

The COVID-19 pandemic continued to impact our lives and community and required ongoing change and adaption, supported by staff and volunteers.

Council held its first ever online meeting due to restrictions.

Thankfully, many community events and sporting activities were reinstated we'd missed the previous year.



Glenice Batchelor
Shire President

A MESSAGE FROM THE SHIRE PRESIDENT

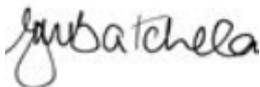
Highlights included the Fuse Festival in April with another wonderful day full of great activities for everyone – especially fun for younger members of the community and plenty of market stalls to browse.

The Annual Comedy Gold show entertained for a night of much needed laughter and local Seniors enjoyed many activities through the year including their annual Musical Luncheon, Wellbeing Days and other activities driven by the Age Friendly plan. We proudly held several Citizenship ceremonies and the Anzac day ceremony returned.

A big congratulations to community members who were recognised at the 2021 Achievement Awards Night. Lorraine (Lainy) Packham was our Citizen of the year, with Corey Dixon the Youth Citizen of the Year. Recognition awards were presented to Jayne York, Michael Crane and the Tammin Cricket Club.

Thank you to fellow Councilors and our Deputy Tanya Nicholls. We operate as a team and I am grateful for their support and input into decision-making. We want to encourage all members of the community to participate in civic life by attending Council meetings and other opportunities provided, to help us improve our community.

It has been another successful and busy year as we strive to provide excellent service, complete budgeted projects and meet community expectations. This couldn't happen without our hardworking and enthusiastic staff – both the 'inside administration' and 'outside crew', supported by our volunteer organisations and community members. Thank you everyone who helps make Tammin such a special place to work and live. Our aim is progress!



Glenice Batchelor



L-R: Shire of Tammin retiring CEO Mr. Neville Hale, Cr C. Thomson, Cr T. Nicholls, Cr G. Batchelor, Cr M. Greenwood (outgoing Shire President), Cr T. Daniels, Cr N. Caffell.

CHIEF EXECUTIVE OFFICER REPORT

The Shire has successfully delivered a number of important projects that continue to progress the community's goals and aspirations as articulated in the Strategic Community Plan. In FY20/21 these projects included:

Yorkrakine Hall:

A new roof was installed at the Yorkrakine hall and cracks in the walls repaired.

Cooinda:

Refurbishment of the kitchen which includes work to the walls and ceiling was undertaken.

Tammin Hall:

New curtains were installed on the stage with a new paved area near the lesser hall. A new table and bench were also installed.

Kadjininy Kep:

New less obtrusive fencing surrounding the park to improve the amenity of the area has been installed as well as new fence around some areas of the Memorial Park.

Roads:

100% of the budgeted road works for the financial year were delivered. This is an impressive effort by the works department. Works that were delivered include:

8.5km of resheeting work on Turon Rd, Wyola South Rd, Nelson Rd and Youering Rd.

1.5km of shoulder widening on O'Loughlin Rd

7.5km of shoulder widening, cement stabilisation and reseal on Bungulla North Rd, Tammin South Rd and Yorkrakine Rd. These works upgraded roads from a width of 4m to a width of 7.2m to meet the standards of sealed roads.

Footpaths:

Shields sheet – upgrade of old asphalt path with new concrete path 2 m wide, installation of pram ramp and concrete path access to Tamma Village. Installation of new brick paved footpath from Shields Street to the public toilet and access to the Shire office. Upgrade of the footpath around KEP was also undertaken to ensure easy access around the park. New asphalt was installed in front of the Lesser Hall and the tennis court for ease of access and aesthetic enhancement.

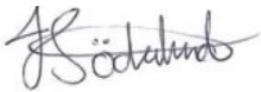
While new projects are often the focus, it is important to also recognise the day to day efforts that make our community so liveable. The roads are well maintained, our parks and sporting facilities prepped and ready for action and community events provide enjoyment and social cohesion. Our bright and supportive front line staff provide great customer service to the community and are always there to help however they can. All of these activities are supported by an equally dedicated management team who provide sound financial management and good governance support. Together, they form a professional and strong team and as the incoming CEO, I am delighted to have the opportunity to join this organisation.



Joanne Soderlund
Chief Executive Officer

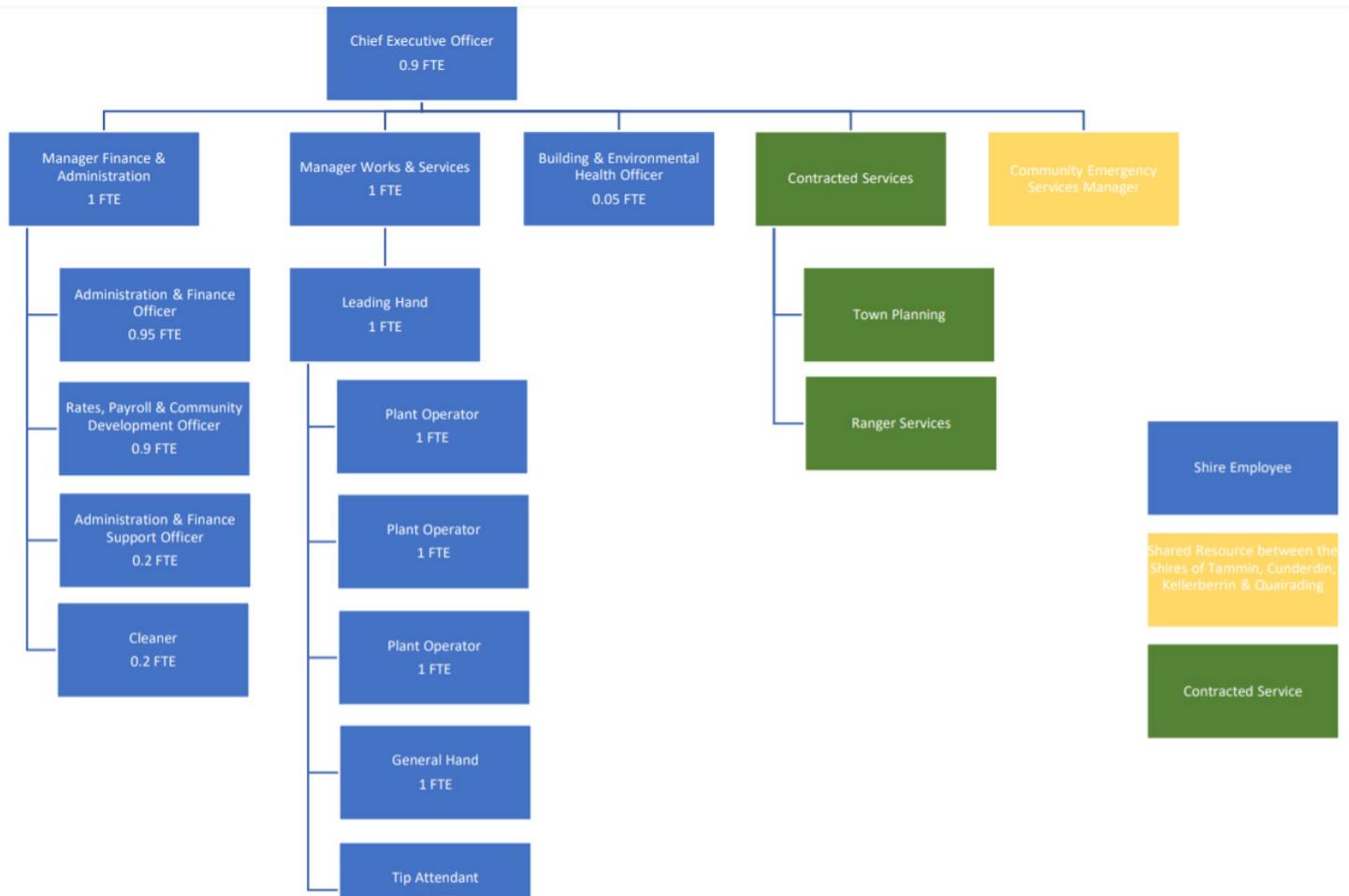
CHIEF EXECUTIVE OFFICER REPORT *(CONTINUED)*

I look forward to working with Council, management, staff, stakeholders and most importantly with the community so that together as one team we build on the strong foundations and assets to obtain the best outcomes for the Shire of Tammin Community.



Joanne Soderlund

ORGANISATION STRUCTURE



A LITTLE ABOUT TAMMIN

The Shire of Tammin is located 184 kilometers east of Perth on the Great Eastern Highway. The Shire covers an area of 1,087 kilometres and is bound by the neighbouring Shire's of Kellerberrin, Quairading, Cunderdin and Wyalkatchem.

The Shire is home to a population of approximately 400 residents, working primarily within the agricultural industry for the production of grain and livestock. Each year, the Shire hosts a number of community events for its residents which include Comedy Gold, Fuse Festival, Seniors Luncheon, Silent Disco and Tammin Achievement Awards. The Shire also contributes annually to a number of community runs events including movie nights, the Australia Day community breakfast, Anzac Day service, along with a number of other events. In response to the Covid-19 global pandemic, it has been necessary for the Shire to postpone a number of these events during the FY19/20 financial year.

Residents of the Shire enjoy a Mediterranean-type climate with weather ranging from 0 degrees celsius in winter to 40 degrees celsius during summer. The average yearly rainfall is 370mm falling mainly in the winter months.

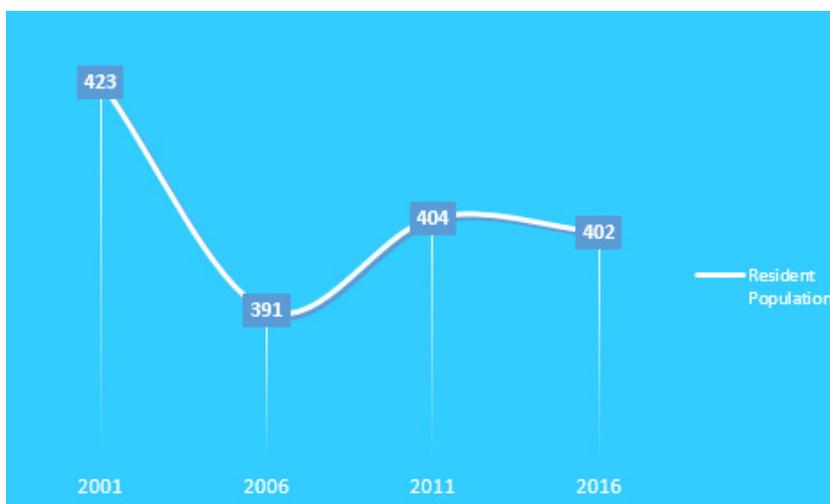
Tammin was first settled in 1893 by Mr John Packham with more settlers arriving in the 1900's. The town of Tammin was gazetted in 1899 and in 1948 became a Road Board in its own right having previously been part of the Meckering Road Board and later Cunderdin-Meckering-Tammin Road Boards. With changes to the Local Government Act 1960, it became the Shire of Tammin in 1961.

The name 'Tammin' means grandmother or grandfather according to the 'Descriptive Vocabulary of Aboriginies of WA' by G F Moore. Other theories are that Tammin was named after the Tamma, a small animal that once inhabited the area or the Tamma bush which grows throughout the district.

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

POPULATION

Australian Bureau of Statistic (ABS) data for the Shire of Tammin indicates a decline in population of approximately 5% (or 21 persons) between the 2001 and 2016 Census dates. The median age of persons residing with the Shire of Tammin is 38 years.



ELECTED REPRESENTATIVES

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

The Shire's Councillors are the voice of the Tammin community. Councillors listen to the issues and ideas of residents and community groups and make strategic and policy decisions within the legislative framework in which they operate. The Shire President leads Council meetings and represents Council on formal occasions supported by the Deputy President.



**CR. MICHAEL
GREENWOOD**

President, Term Expiry 2021

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**CR. GLENICE
BATCHELOR**

Deputy, Term Expiry 2023

Mobile: 0428 371 221
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CR. NICK CAFFELL

Councillor, Term Expiry 2021

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CR. TANIA DANIELS

Councillor, Term Expiry 2021

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CR. TANYA NICHOLLS

Councillor, Term Expiry 2023

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**CR. CHARMINE
THOMSON**

Councillor, Term Expiry 2023

Mobile: 0408 057 550
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MEETING ATTENDANCE

Council policy provides that Council member attendance at all Council and Committee meetings be reported in the Annual Report. For the year ended 30 June 2021 Council member attendance at all eleven (11) Council meetings and four (4) Special and Other Council Committee meetings is documented below:

COUNCILLOR	COUNCIL MEETINGS	SPECIAL COUNCIL MEETINGS & GENERAL MEETING OF ELECTORS	OTHER COUNCIL COMMITTEES
Cr. M Greenwood	11	4	-
Cr. G Batchelor	11	4	-
Cr. N Caffell	11	3	-
Cr. T Nicholls	11	4	-
Cr. C.Thomson	11	4	-
Cr. T Daniels	11	4	-

REMUNERATION

Councillor remuneration and travel reimbursements for meeting attendance during FY2020/21 is outlined in the table below:

COUNCILLOR	COUNCIL MEETINGS	OTHER MEETINGS	PRESIDENTS FEE	DEPUTY PRESIDENTS FEE	TRAVEL & ACCOM
Cr. M Greenwood	\$3,491.00	\$0	\$2,800.00	-	\$639.00
Cr. G Batchelor	\$1,737.00	\$0	-	\$700.00	\$233.00
Cr. N Caffell	\$1,400.00	\$0	-	-	\$341.00
Cr. T Nicholls	\$1,691.00	\$0	-	-	\$410.00
Cr. C.Thomson	\$1,645.00	\$0	-	-	\$696.00
Cr. T Daniels	\$1,791.00	\$0	-	-	\$378.00
Total	\$11,755.00	\$0	\$2,800.00	\$700.00	\$2,697.00

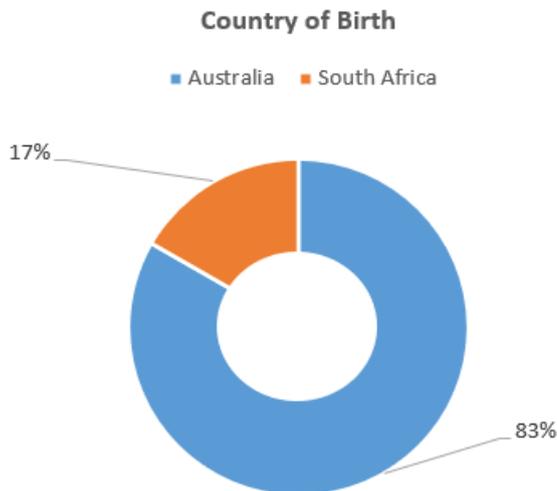
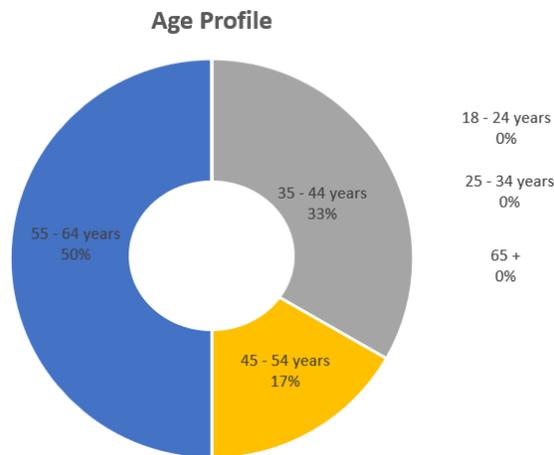
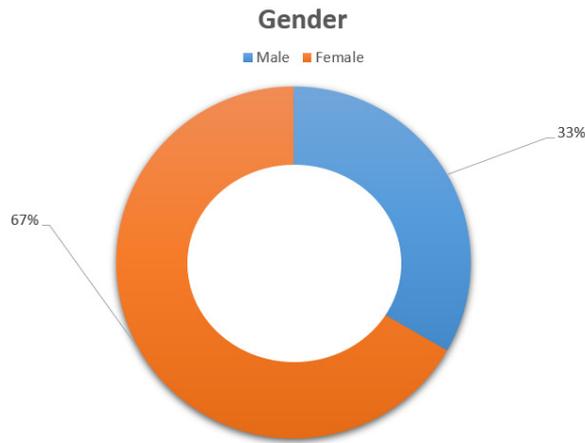


Above: The Shire of Tammin in conjunction with a number of supporting bodies presented numerous events during the course of the financial year including the 'Minority Event' a 'Musical Luncheon for Seniors' and the 'Comedy Gold' stand up show. These events were all well supported by the local Tammin community and visitors alike.

ELECTED REPRESENTATIVES

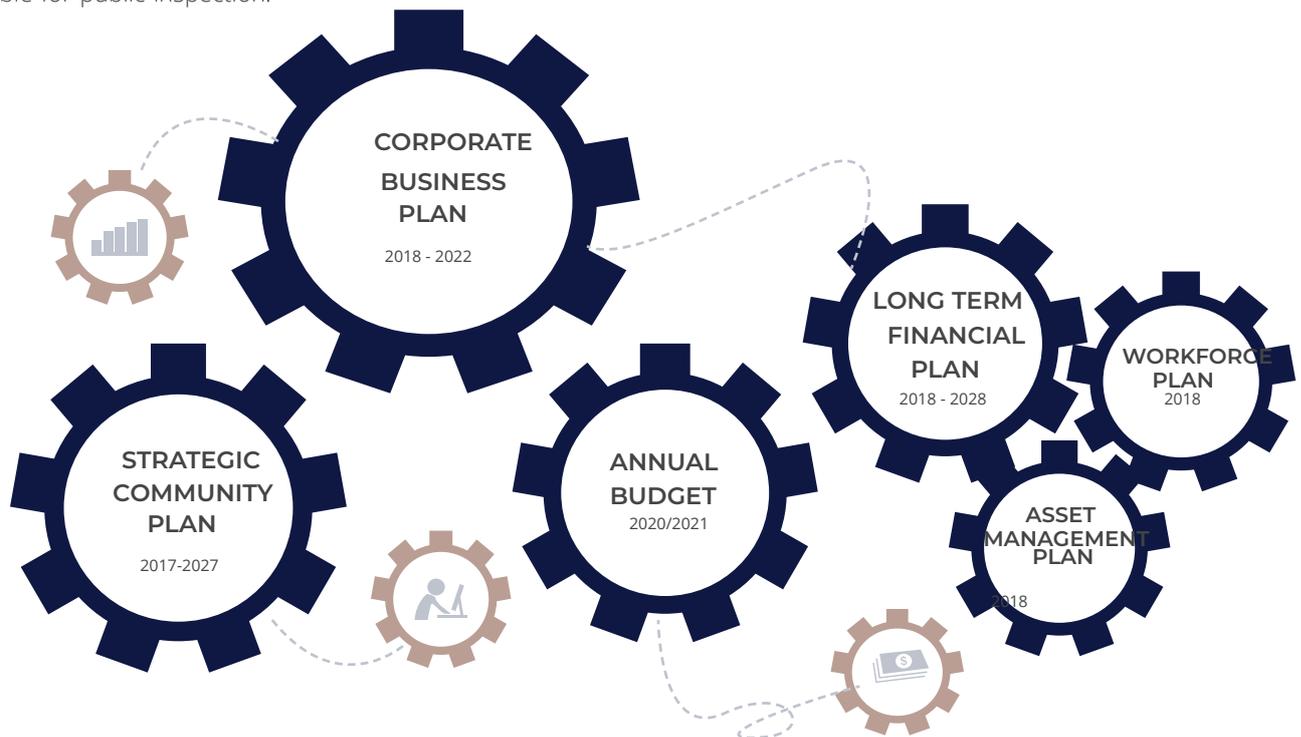
DEMOGRAPHIC PROFILE

A summary of the demographic profile of the Shire's elected members is provided below:



INTEGRATED PLANNING & REPORTING

In 2010, the Western Australian State Government introduced legislation requiring local governments to prepare an Integrated Planning and Reporting Framework. The Shire of Tammin has the following integrated planning documents available for public inspection.



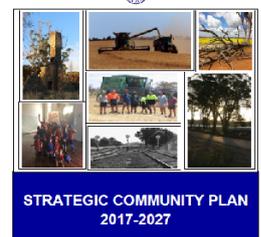
STRATEGIC COMMUNITY PLAN

The Shire of Tammin's Strategic Community Plan 2017-2027 outlines the strategic priorities of Council to address the community's long term vision for the Shire.

The Shire's vision for the Shire is **'A Place for People, a Place for Community'**. Tammin as a community is vibrant and active, inclusive and welcoming, a community where people are treated equally and feel safe. The Shire's aim is to sustain and build local area capacity through employment and strengthen community development.

The aspirations of the community in pursuit of the Shire's vision above, as identified through consultation with the community during the formation of the Strategic Community Plan have been categorised into six (6) strategic result areas detailed on the page to follow. Each of these result areas have multiple objectives the community desires to see achieved. It is the Shire's accompanying Corporate Business Plan 2020/21-2024/25 that details the actions the Shire of Tammin will undertake to achieve the objectives defined under each of the strategic result areas of the Strategic Community Plan.

During the FY2019/20, the Shire commenced community consultation for its comprehensive review of these plans. A revised Strategic Community Plan and Corporate Business Plan will be put forward for adoption in FY2020/21.





The six (6) strategic result areas outlined in the Shire of Tammin's Strategic Community Plan 2017-2027 that are the focus of the Shire of Tammin's pursuit to be **'A Place for People, a Place for Community'**.

1 Social / Community
Grow and sustain the population through planned provision of services. Maintain the sense of community which is inclusive and welcoming for all.

2 Environment
Provide leadership and promote local regional sustainability principles and practices. Enhance local natural areas and open spaces.

3 Housing & Facilities
Our local area will be maintained through the provision of housing and employment choices for all ages, whilst protecting our viable farmland.

4 Economic Development
Strengthen local business and employment capacity. Support and encourage sustainable business growth.

5 Infrastructure & Transport
Our local town, amenities and facilities will be maintained and enhanced, ensuring that our town is one that community loves to be in and is proud of.

6 Civic Leadership
Our Councillors and community leaders have vision, are accessible, act with transparency and integrity, and act in good faith on behalf of their constituents.

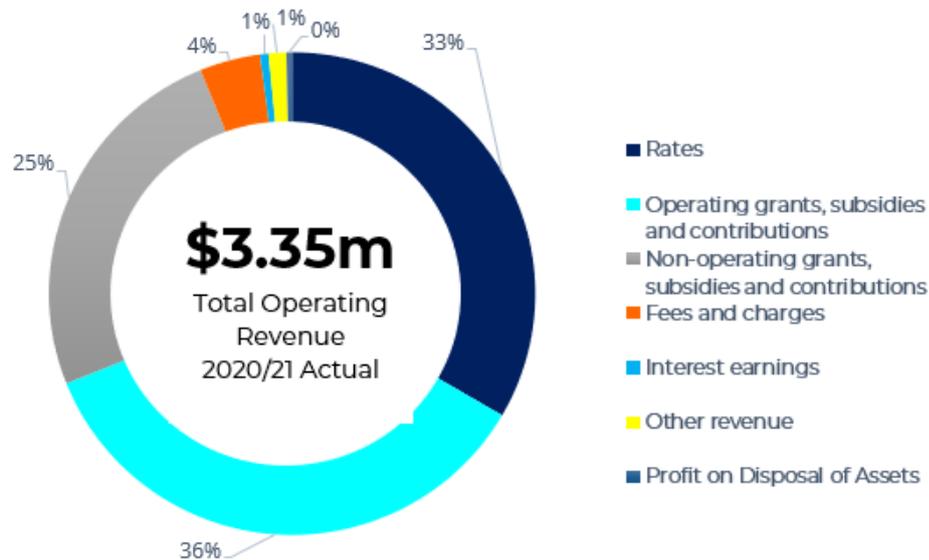
2020-2021

FINANCIAL SUMMARY

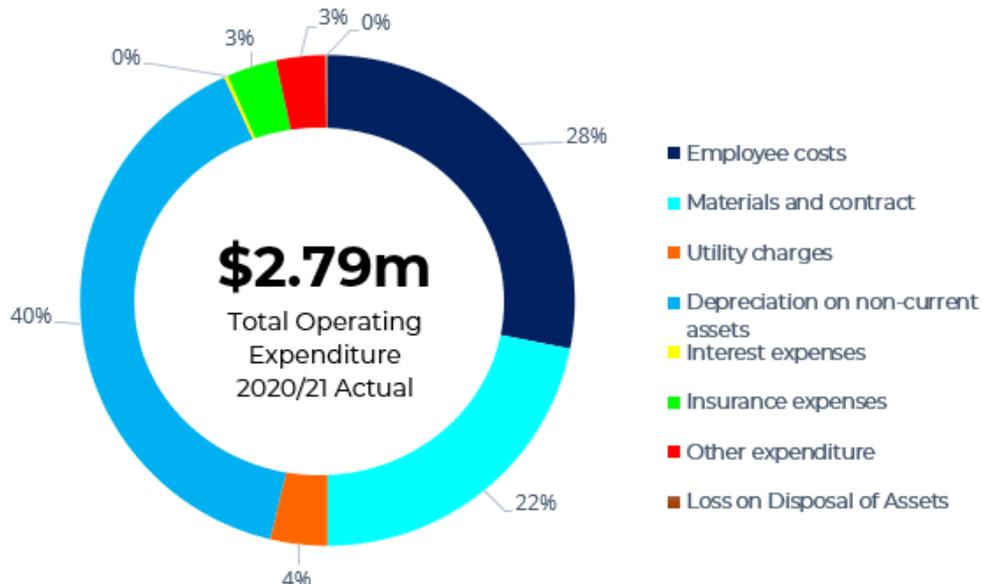
To deliver the objectives of the Strategic Community Plan the Shire requires many resources. These resources require funding, and the Shire derives this funding from different sources including rates, government grants and fees and charges.

The Annual Report presents the Shire's audited Annual Financial Statements for the year ending 30 June 2021 in the later pages of this report. A graphical representation of the Shire of Tammin's financial results for FY 2020-2021 is provided below.

Statement of Comprehensive Income - Revenue by Nature or Type



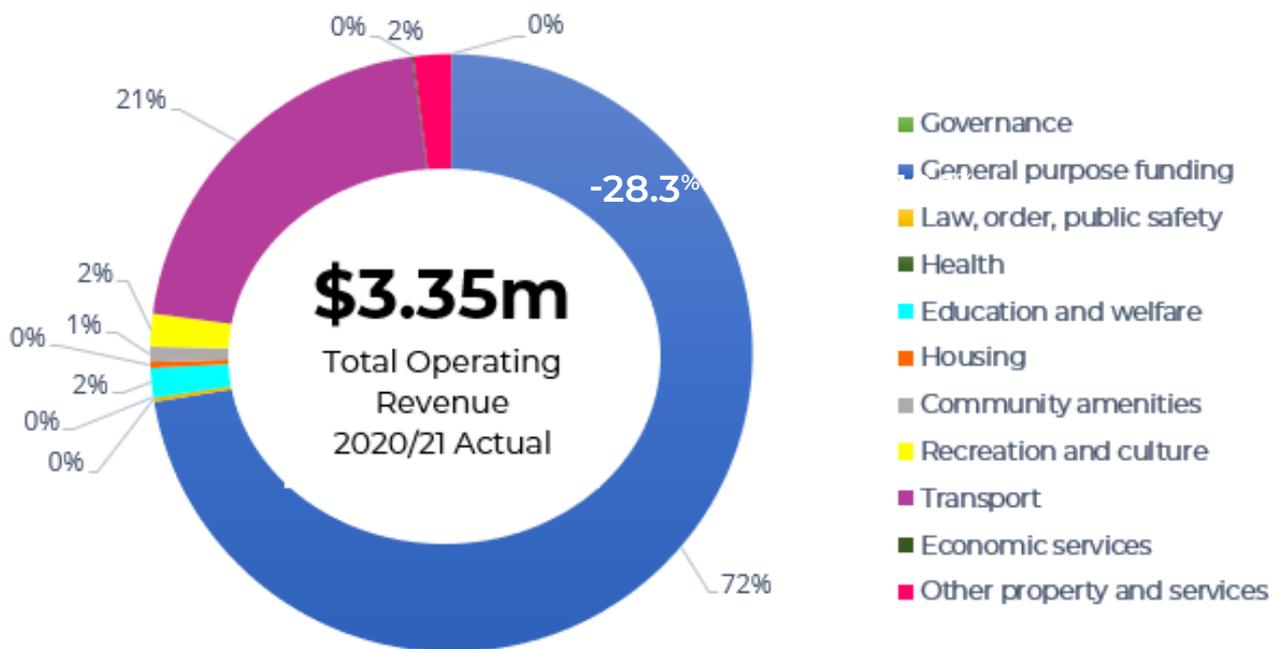
Statement of Comprehensive Income - Expenditure by Nature or Type



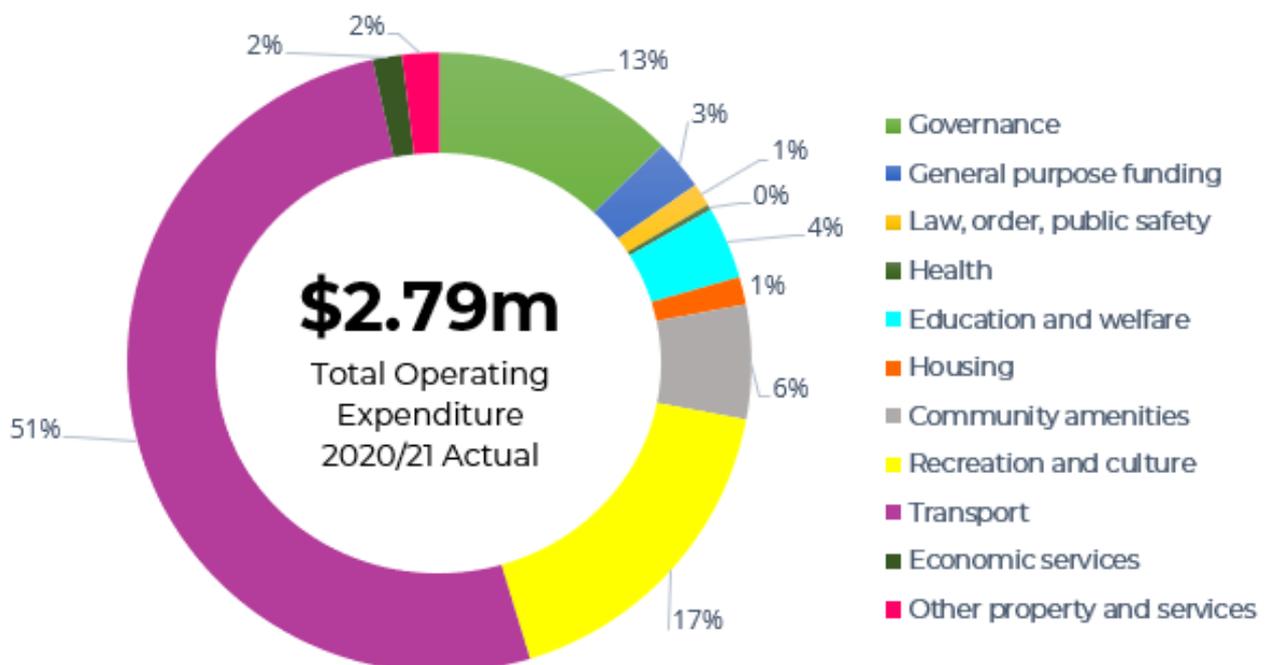
2020-2021

FINANCIAL SUMMARY *(CONTINUED)*

Statement of Comprehensive Income - Revenue by Program



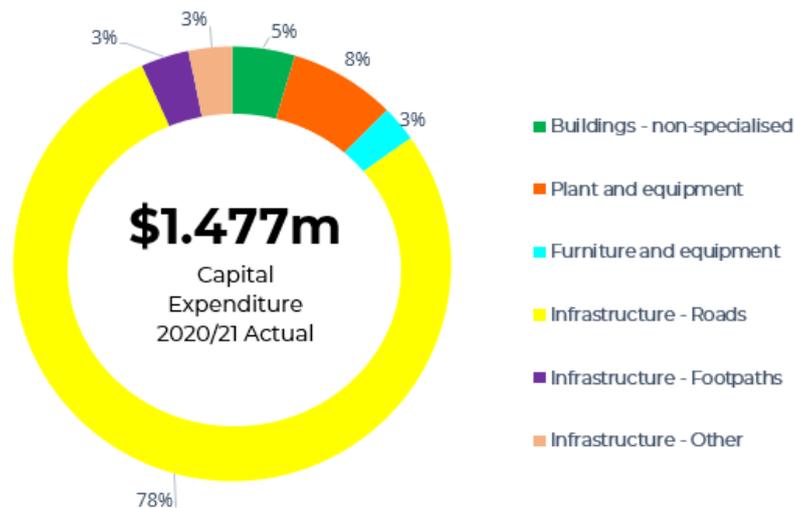
Statement of Comprehensive Income- Expenditure by Program



2020-2021

FINANCIAL SUMMARY *(CONTINUED)*

During the FY2020/2021 financial year, the Shire of Tammin outlayed funds of \$1.477m in capital projects across the Shire. A summary of this investment by asset class is provided below:



Key capital projects undertaken by the Shire of Tammin in FY2020-2021 included:

Capital Project	Expenditure (\$)
Tammin Hall (Flooring & Mens Toilets)	\$17,018
Cooinda Aged Care Building (Kitcehn & Building Reclad)	\$19,928
Yorkrakine Hall Roof & Wall Renewal	\$31,450
Footpaths (including Shields Street to Tammin Hall)	\$52,476
Roads (excluding road maintenance)	\$1,153,037



Above: The 'Fuse Festival' is a free community event held annually in the Shire of Tammin. The event includes entertainment for people of all ages and is supported by Lotterywest.

LEGISLATIVE COMPLIANCE

National Competition Policy

The Shire of Tammin has met its obligations with regard to the National Competition Policy. The Shire has no local laws or policies that contain anti-competitive provisions. No complaints were received by the Shire of Tammin in FY2020-2021 in relation to anti-competitive practices.

Disability Access and Inclusion Plan

The *Disability Services Act 1993* requires local governments to develop and implement a Disability Access and Inclusion Plans (DAIPs). The Shire of Tammin adopted a DAIP in 2015, with the plan to undergo a full review in 2020. Council is required to report on present activities as they relate to the six desired DAIP outcomes.

1. The Shire of Tammin is continually adapting existing services to give people with disabilities the same opportunities as other people to access the services of, and any events organised by the Shire.
2. The Shire of Tammin also continues to improve its buildings and footpath infrastructure to assist those with disabilities.
3. Wherever possible, people with disabilities can receive information from the Shire of Tammin in a format that will enable them to access the information as readily as other people are able to access it. This includes a comprehensive website and the ability to change documents to a large font size.
4. Staff at the Shire of Tammin are encouraged to be aware of the needs of people with disabilities to ensure they receive the same level and quality of service as other people receive. We are also working with contractors to ensure they are aware of their responsibilities.
5. People with disabilities have the same opportunities as other people to make complaints to the Shire of Tammin. This can be done via written letters, email, sms or verbally.
6. Council provides many ways for people to participate in public consultation and the Shire of Tammin is more than happy to discuss any grievances community members may have regarding the services available to the disabled.

The Shire has undertaken a Disability Access Audit for the various community facilities and amenities. The Shire has also undertaken a works program to improve the access ramps at various townsite intersections to better cater for the disabled and aged.

LEGISLATIVE COMPLIANCE *(CONTINUED)*

Public Interest

The *Public Interest Disclosure Act 2003* (The Act) aims to facilitate and encourage the disclosure of public interest information and to provide protection for those who have made disclosures and for those about whom disclosures are made.

The Shire of Tammin does not tolerate corrupt or other improper conduct, including mismanagement of public resources and the exercise of the public functions of the Shire and its officers, employees and contractors.

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

During the FY2020-2021 reporting period, there were no disclosure made under the Act and no disclosures were referred to the Ombudsman.

Annual Salaries

The Local Government Act 1995 requires Council to provide the number of employees who are entitled to an annual salary of \$100,000 or more, and to break those employees into salary bands of \$10,000.

For the current reporting period, two employees of the Shire of Tammin received a salary in excess of \$100,000. These salaries were within the bands of \$100,000 - \$110,000 and \$140,000 - \$150,000.

Record Keeping Plan

The Shire of Tammin is committed to best practice record keeping and compliance in accordance with the *State Records Act 2000*. The Shire of Tammin's Record Keeping Plan, following a comprehensive review in December 2019, has been approved by the State Record Office and the Shire conducts regular record keeping training for staff.

Register of Minor Complaints

Section 5.121 of the *Local Government Act 1995* (the Act) requires a local government to maintain a register of complaints that result in action under Section 5.110 (6) (b) or (c) of the Act. The Shire of Tammin received no complaints made under Section 5.121 of the Act during the current reporting period.

LEGISLATIVE **COMPLIANCE** (CONTINUED)

Freedom of Information

Part 5 of the *Freedom of Information Act 1992* (The Act) requires an agency such as a Local Government to prepare and publish an Information Statement. The Shire of Tammin has produced an Information Statement for the current reporting period which can be inspected by contacting the Shire Office.

The Information Statement contains information on the type of documents available to the public and how to access those documents.

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

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

The Act gives individuals and organisations a general right of access to information held by the Shire of Tammin. It also provides the right of appeal in relation to decisions made by the Shire to refuse access to information applied for under the Act.

The Shire of Tammin advises that no Freedom of Information requests were received by the Shire during the current reporting period.

ANNUAL FINANCIAL STATEMENTS FINANCIAL YEAR ENDED 30 JUNE 2021

SHIRE OF TAMMIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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COMMUNITY VISION

A place for people, a place for community.

Principal place of business:
1 Donnan Street
TAMMIN WA 6409



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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Tammin for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Tammin at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 2nd day of December 2021



Chief Executive Officer

Joanne Soderlund

Chief Executive Officer



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	24(a)	1,122,118	1,121,536	1,121,590
Operating grants, subsidies and contributions	2(a)	1,192,824	592,590	1,120,243
Fees and charges	2(a)	135,268	136,104	122,702
Interest earnings	2(a)	18,926	22,391	35,889
Other revenue	2(a)	39,426	50,964	89,680
		2,508,562	1,923,585	2,490,104
Expenses				
Employee costs		(787,898)	(876,160)	(812,758)
Materials and contracts		(611,200)	(759,102)	(614,783)
Utility charges		(104,529)	(123,007)	(99,964)
Depreciation on non-current assets	10(b)	(1,102,983)	(1,053,329)	(1,071,386)
Interest expenses	2(b)	(6,836)	(6,866)	(9,313)
Insurance expenses		(91,367)	(87,899)	(83,421)
Other expenditure	2 (b)	(89,959)	(100,152)	(81,074)
		(2,794,772)	(3,006,515)	(2,772,699)
		(286,210)	(1,082,930)	(282,595)
Non-operating grants, subsidies and contributions	2(a)	837,154	870,967	590,310
Profit on asset disposals	10(a)	12,684	8,000	7,727
(Loss) on asset disposals	10(a)	(3,603)	0	(59,823)
		846,235	878,967	538,214
Net result for the period		560,025	(203,963)	255,619
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	5,969	0	20,361
Total other comprehensive income for the period		5,969	0	20,361
Total comprehensive income for the period		565,994	(203,963)	275,980

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
General purpose funding		2,207,365	1,643,581	2,194,128
Law, order, public safety		7,166	3,883	2,916
Health		674	1,044	693
Education and welfare		53,247	64,910	58,130
Housing		11,194	9,405	11,430
Community amenities		27,207	33,820	28,089
Recreation and culture		59,512	32,460	20,932
Transport		84,592	77,738	79,739
Economic services		3,212	6,855	3,356
Other property and services		54,393	49,889	90,691
		2,508,562	1,923,585	2,490,104
Expenses				
Governance		(354,417)	(345,783)	(325,717)
General purpose funding		(73,893)	(87,419)	(80,191)
Law, order, public safety		(33,321)	(36,157)	(31,524)
Health		(8,426)	(9,149)	(8,788)
Education and welfare		(105,247)	(100,277)	(93,695)
Housing		(37,314)	(40,872)	(44,103)
Community amenities		(166,782)	(192,683)	(161,474)
Recreation and culture		(482,663)	(585,835)	(510,440)
Transport		(1,433,190)	(1,488,214)	(1,350,160)
Economic services		(42,786)	(68,640)	(70,227)
Other property and services		(49,897)	(44,620)	(87,067)
		(2,787,936)	(2,999,649)	(2,763,386)
Finance Costs				
Housing		(2,978)	(2,980)	(4,212)
Recreation and culture		(2,894)	(2,919)	(3,118)
Transport		(964)	(967)	(1,983)
	2(b)	(6,836)	(6,866)	(9,313)
		(286,210)	(1,082,930)	(282,595)
Non-operating grants, subsidies and contributions	2(a)	837,154	870,967	590,310
Profit on disposal of assets	10(a)	12,684	8,000	7,727
(Loss) on disposal of assets	10(a)	(3,603)	0	(59,823)
		846,235	878,967	538,214
Net result for the period		560,025	(203,963)	255,619
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	5,969	0	20,361
Total other comprehensive income for the period		5,969	0	20,361
Total comprehensive income for the period		565,994	(203,963)	275,980

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



SHIRE OF TAMMIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,252,671	1,135,610
Trade and other receivables	6	104,018	91,313
Other financial assets	5(a)	1,351,974	1,342,463
Other assets	7	1,047	907
TOTAL CURRENT ASSETS		2,709,710	2,570,293
NON-CURRENT ASSETS			
Trade and other receivables	6	22,325	17,668
Other financial assets	5(b)	72,483	80,419
Property, plant and equipment	8	7,079,372	7,150,959
Infrastructure	9	25,410,151	25,016,486
TOTAL NON-CURRENT ASSETS		32,584,331	32,265,532
TOTAL ASSETS		35,294,041	34,835,825
CURRENT LIABILITIES			
Trade and other payables	12	165,226	161,007
Other liabilities	13	59,719	94,259
Borrowings	14(a)	56,605	69,970
Employee related provisions	15	59,932	75,350
TOTAL CURRENT LIABILITIES		341,482	400,586
NON-CURRENT LIABILITIES			
Borrowings	14(a)	135,574	191,653
Employee related provisions	15	16,965	9,560
TOTAL NON-CURRENT LIABILITIES		152,539	201,213
TOTAL LIABILITIES		494,021	601,799
NET ASSETS		34,800,020	34,234,026
EQUITY			
Retained surplus		3,902,170	3,455,592
Reserves - cash/financial asset backed	4	1,442,188	1,328,741
Revaluation surplus	11	29,455,662	29,449,693
TOTAL EQUITY		34,800,020	34,234,026

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 2021

		RESERVES CASH/FINANCIAL			
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS	
		\$	\$	\$	
				TOTAL EQUITY	
				\$	
Balance as at 1 July 2019		3,144,212	1,384,502	29,429,332	33,958,046
Comprehensive income					
Net result for the period		255,619	0	0	255,619
Other comprehensive income	11	0	0	20,361	20,361
Total comprehensive income		<u>255,619</u>	<u>0</u>	<u>20,361</u>	<u>275,980</u>
Transfers from reserves	4	261,729	(261,729)	0	0
Transfers to reserves	4	(205,968)	205,968	0	0
Balance as at 30 June 2020		3,455,592	1,328,741	29,449,693	34,234,026
Comprehensive income					
Net result for the period		560,025	0	0	560,025
Other comprehensive income	11	0	0	5,969	5,969
Total comprehensive income		<u>560,025</u>	<u>0</u>	<u>5,969</u>	<u>565,994</u>
Transfers to reserves	4	(113,447)	113,447	0	0
Balance as at 30 June 2021		3,902,170	1,442,188	29,455,662	34,800,020

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



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

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates	1,104,561	1,121,536	1,108,551	
Operating grants, subsidies and contributions	1,150,122	643,280	1,265,152	
Fees and charges	135,268	136,104	122,702	
Interest received	18,926	22,391	35,889	
Goods and services tax received	229,848	250,000	14,238	
Other revenue	39,426	50,964	89,679	
	<u>2,678,151</u>	<u>2,224,275</u>	<u>2,636,211</u>	
Payments				
Employee costs	(795,911)	(876,160)	(819,427)	
Materials and contracts	(607,121)	(809,102)	(659,724)	
Utility charges	(104,529)	(123,007)	(99,964)	
Interest expenses	(6,836)	(6,866)	(9,313)	
Insurance paid	(91,367)	(87,899)	(83,421)	
Goods and services tax paid	(221,491)	(250,000)	0	
Other expenditure	(89,959)	(100,152)	(81,075)	
	<u>(1,917,214)</u>	<u>(2,253,186)</u>	<u>(1,752,924)</u>	
Net cash provided by (used in) operating activities	16	<u>760,937</u>	<u>(28,911)</u>	<u>883,287</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost	(9,328)	0	(1,398,740)	
Payments for purchase of property, plant & equipment	8(a) (224,292)	(515,453)	(626,056)	
Payments for construction of infrastructure	9(a) (1,252,940)	(1,163,324)	(942,457)	
Non-operating grants, subsidies and contributions	2(a) 837,154	920,277	590,310	
Proceeds from financial assets at amortised cost - self supporting loans	13,722	13,722	6,793	
Proceeds from sale of property, plant & equipment	10(a) 61,252	26,000	212,486	
Net cash (used) in investment activities		<u>(574,432)</u>	<u>(718,778)</u>	<u>(2,157,664)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	14(b) (69,444)	(69,443)	(79,036)	
Proceeds from new borrowings	14(b) 0	0	70,000	
Net cash (used in) investment activities		<u>(69,444)</u>	<u>(69,443)</u>	<u>(9,036)</u>
Net increase (decrease) in cash held		117,061	(817,132)	(1,283,413)
Cash at beginning of year		1,135,610	2,467,014	2,419,023
Cash and cash equivalents at the end of the year	16	<u>1,252,671</u>	<u>1,649,882</u>	<u>1,135,610</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 2021

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$	
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus	25(b)	972,564	947,974	892,711
		972,564	947,974	892,711
Revenue from operating activities (excluding rates)				
General purpose funding		1,093,035	529,807	1,080,226
Law, order, public safety		7,166	3,883	2,916
Health		674	1,044	693
Education and welfare		53,247	64,910	58,130
Housing		11,194	9,405	11,430
Community amenities		27,207	33,820	28,089
Recreation and culture		59,512	32,460	20,932
Transport		84,592	77,738	79,739
Economic services		3,212	6,855	3,356
Other property and services		67,077	57,889	98,420
		1,406,916	817,811	1,383,931
Expenditure from operating activities				
Governance		(354,417)	(345,783)	(325,717)
General purpose funding		(73,893)	(87,419)	(80,191)
Law, order, public safety		(33,321)	(36,157)	(31,524)
Health		(8,426)	(9,149)	(8,788)
Education and welfare		(105,247)	(100,277)	(93,695)
Housing		(40,292)	(43,852)	(98,080)
Community amenities		(166,782)	(192,683)	(161,474)
Recreation and culture		(485,557)	(588,754)	(513,562)
Transport		(1,434,154)	(1,489,181)	(1,352,143)
Economic services		(42,786)	(68,640)	(70,227)
Other property and services		(53,500)	(44,620)	(97,125)
		(2,798,375)	(3,006,515)	(2,832,526)
Non-cash amounts excluded from operating activities	25(a)	1,081,232	1,045,329	1,070,401
Amount attributable to operating activities		662,337	(195,401)	514,517
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	837,154	870,967	590,310
Proceeds from disposal of assets	10(a)	61,252	26,000	212,486
Proceeds from financial assets at amortised cost - self supporting loans		13,722	13,722	6,793
Advances for financial assets at amortised cost - self supporting loans		0	0	(70,000)
Purchase of property, plant and equipment	8(a)	(224,292)	(515,453)	(626,056)
Purchase and construction of infrastructure	9(a)	(1,252,940)	(1,163,324)	(942,457)
Amount attributable to investing activities		(565,104)	(768,088)	(828,924)
FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(69,444)	(69,443)	(79,036)
Proceeds from borrowings	14(c)	0	0	70,000
Payments for principal portion of lease liabilities		0	(13,722)	0
Transfers to reserves (restricted assets)	4	(113,447)	(137,120)	(205,968)
Transfers from reserves (restricted assets)	4	0	70,000	261,729
Amount attributable to financing activities		(182,891)	(150,285)	46,725
Surplus/(deficit) before imposition of general rates		(85,658)	(1,113,774)	(267,682)
Total amount raised from general rates	24(a)	1,114,330	1,113,774	1,113,902
Surplus/(deficit) after imposition of general rates	25(b)	1,028,672	0	846,220

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 FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have 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 Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These were:

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

The impact of adoption of these standards is described at Note 28.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

- Employee expenses
- Other financial assets
- Property, plant and equipment
- Infrastructure
- Borrowing liabilities
- Provisions

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

2 REVENUE AND EXPENSES

(a) Grant revenue

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
General purpose funding	1,065,676	495,247	1,034,189
Law, order, public safety	5,159	0	0
Recreation and culture	42,720	20,000	11,890
Transport	75,213	71,788	74,164
Economic services	105	5,555	0
Other property and services	3,951	0	0
	1,192,824	592,590	1,120,243
Non-operating grants, subsidies and contributions			
General purpose funding	223,459	223,588	0
Recreation and culture	0	140,000	87,500
Transport	613,695	507,379	502,810
	837,154	870,967	590,310
Total grants, subsidies and contributions	2,029,978	1,463,557	1,710,553
Fees and charges			
Law, order, public safety	2,007	2,200	1,452
Health	674	1,044	693
Education and welfare	53,248	64,705	57,830
Housing	10,898	8,185	11,163
Community amenities	27,106	31,320	28,089
Recreation and culture	7,056	10,900	8,261
Transport	3,300	1,450	200
Economic services	3,107	1,300	3,356
Other property and services	27,872	15,000	11,659
	135,268	136,104	122,702

There were no changes to the amounts of fees or charges detailed in the original budget.

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

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.

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Fees and charges	133,501	133,560	119,114
Other revenue	11,660	13,579	11,806
Non-operating grants, subsidies and contributions	837,154	870,967	590,310
	982,315	1,018,106	721,230
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:			
Revenue from contracts with customers included as a contract liability at the start of the period	94,259	0	59,719
Revenue from contracts with customers recognised during the year	50,902	147,139	0
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	837,154	870,967	530,591
	982,315	1,018,106	590,310
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	6,350	0	4,956
Contract liabilities from contracts with customers	(59,719)	0	(94,259)

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'. Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met. Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less. Consideration from contracts with customers is included in the transaction price. Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements
 Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

General rates
 Statutory permits and licences
 Fines

	2021 Actual \$	2021 Budget \$	2020 Actual \$
	1,114,330	1,113,774	1,113,902
	1,767	2,194	3,388
	0	350	200
	1,116,097	1,116,318	1,117,490
Other revenue			
Reimbursements and recoveries	27,766	37,385	77,874
Sale of inventory	142	2,500	0
Other	11,518	11,079	11,806
	39,426	50,964	89,680
Interest earnings			
Financial assets at amortised cost - self supporting loans	771	0	0
Interest on reserve funds	9,328	13,000	23,968
Rates instalment and penalty interest (refer Note 24(f))	7,658	4,720	8,388
Other interest earnings	1,169	4,671	3,533
	18,926	22,391	35,889

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

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

2 REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration				
- Audit of the Annual Financial Report		42,000	35,700	30,000
- Other Services - OAG - R2R Acquittal		2,000	0	0
- Other Services - Consultant Auditors - Statutory Review		8,000	0	0
		<u>52,000</u>	<u>35,700</u>	<u>30,000</u>
Interest expenses (finance costs)				
Borrowings	14(b)	6,836	6,866	8,737
Interest expense (other)		0	0	576
		<u>6,836</u>	<u>6,866</u>	<u>9,313</u>
Other expenditure				
Impairment loss on trade and other receivables from contracts with customers		34	2,305	160
Sundry expenses		89,925	97,847	80,914
		<u>89,959</u>	<u>100,152</u>	<u>81,074</u>

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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	Timing of 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

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		1,252,671	1,135,610
Total cash and cash equivalents		1,252,671	1,135,610
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents		194,522	116,025
- Financial assets at amortised cost - term deposits	5	1,338,069	1,328,741
		1,532,591	1,444,766

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

Reserves - cash/financial asset backed	4	1,442,188	1,328,741
Contract liabilities from contracts with customers	13	59,719	94,259
Bond and deposits held	12	30,684	21,766
Total restricted assets		1,532,591	1,444,766

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

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

4 RESERVES - CASH/FINANCIAL ASSET BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
(a) Reserve - Staff Entitlements	40,791	44,280	0	85,071	40,791	44,394	0	85,185	27,238	13,553	0	40,791
(b) Reserves - Plant Replacement	264,402	61,882	0	326,384	264,402	62,616	0	327,018	407,066	35,336	(178,000)	264,402
(c) Reserves - Information & Technology	12,226	87	0	12,313	12,226	20,121	0	32,347	12,014	213	0	12,226
(d) Reserves - Tamma Village Upgrade & Improvements	20,641	145	0	20,786	20,641	204	0	20,845	20,283	359	0	20,641
(e) Reserves - Sports, Recreation Facilities Upgrades Reserve	872,990	6,128	0	879,118	872,990	8,639	(70,000)	811,629	892,940	16,850	(36,600)	872,990
(f) Reserves - Bowling Green Replacement Reserve	2,084	14	0	2,098	2,084	2	0	2,086	24,961	24,232	(47,129)	2,084
(g) Reserves - Property & Building Reserve	115,627	811	0	116,438	115,827	1,144	0	116,971	0	115,627	0	115,627
	1,328,741	113,447	0	1,442,188	1,328,741	137,120	(70,000)	1,395,861	1,384,502	205,968	(261,729)	1,328,741

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserve - 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 Reserve	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.

5. OTHER FINANCIAL ASSETS

	2021	2020
	\$	\$
(a) Current assets		
Financial assets at amortised cost	1,351,974	1,342,463
Other financial assets at amortised cost		
Term deposits	1,338,069	1,328,741
Self supporting loans	13,905	13,722
	<u>1,351,974</u>	<u>1,342,463</u>
(b) Non-current assets		
Local Government House Trust	36,903	30,934
Financial assets at amortised cost - self supporting loans	35,580	49,485
	<u>72,483</u>	<u>80,419</u>
Financial assets at amortised cost		
Self supporting loans	35,580	49,485
Financial assets at fair value through other comprehensive income		
Units in Local Government House Trust	36,903	30,934
Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 14(b) as self supporting loans.		

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 26.

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

6. TRADE AND OTHER RECEIVABLES

Current

Rates Outstanding
 Sundry Debtors
 GST receivable
 Provision for Doubtful Debts

Non-current

Pensioner's rates and ESL deferred

	2021	2020
	\$	\$
	74,814	61,914
	13,393	5,231
	15,971	24,328
	(160)	(160)
	<u>104,018</u>	<u>91,313</u>
	22,325	17,668

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 26.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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.

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

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

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

7. OTHER ASSETS

	2021	2020
	\$	\$
Fuel Tax Credits	1,047	907

Other assets - current

Fuel Tax Credits

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Fuel tax credits represent the amount receivable from the ATO at the end of the reporting period on account of fuel usage of council vehicles for business purposes.

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

8 PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$
Carrying amount at 1 July 2019	378,800	5,859,197	6,237,997	31,261	749,906	7,019,164
Additions	0	231,487	231,487	7,525	387,044	626,056
(Disposals)	(8,000)	(156,737)	(164,737)	0	(99,846)	(264,583)
Depreciation (expense)	0	(120,380)	(120,380)	(8,376)	(100,922)	(229,678)
Carrying amount at 30 June 2020	<u>370,800</u>	<u>5,813,568</u>	<u>6,184,368</u>	<u>30,410</u>	<u>936,182</u>	<u>7,150,959</u>
Comprises:						
Gross balance amount at 30 June 2020	370,800	6,165,606	6,536,406	49,405	1,335,942	7,921,753
Accumulated depreciation at 30 June 2020	0	(352,038)	(352,038)	(18,996)	(399,760)	(770,794)
Carrying amount at 30 June 2020	<u>370,800</u>	<u>5,813,568</u>	<u>6,184,368</u>	<u>30,409</u>	<u>936,182</u>	<u>7,150,959</u>
Additions	0	68,397	68,397	39,548	116,347	224,292
(Disposals)	0	0	0	0	(52,171)	(52,171)
Depreciation (expense)	0	(123,686)	(123,686)	(9,881)	(110,141)	(243,708)
Carrying amount at 30 June 2021	<u>370,800</u>	<u>5,758,279</u>	<u>6,129,079</u>	<u>60,076</u>	<u>890,217</u>	<u>7,079,372</u>
Comprises:						
Gross balance amount at 30 June 2021	370,800	6,234,003	6,604,803	88,953	1,378,048	8,071,804
Accumulated depreciation at 30 June 2021	0	(475,724)	(475,724)	(28,877)	(487,831)	(992,432)
Carrying amount at 30 June 2021	<u>370,800</u>	<u>5,758,279</u>	<u>6,129,079</u>	<u>60,076</u>	<u>890,217</u>	<u>7,079,372</u>

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land - freehold land	2	Market approach using recent or estimated observable market data for similar properties	Independent Valuation	2017	Price per hectare/market borrowing rate
Land - freehold land	3	Cost approach using current replacement cost (Net Revaluation method)	Management Valuation	2017	Price per square metre adjusted for restricted use
Buildings - non-specialised	2	Market approach using recent or estimated observable market data for similar properties	Independent Valuation	2017	Improvements to buildings using construction costs (Level 2) and current condition, residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	3	Cost approach using current replacement cost (Net Revaluation method)	Independent Valuation	2017	Improvements to buildings using construction costs (Level 2) and current condition, residual values and remaining useful life assessments (Level 3) inputs

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

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

9 INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure roads	Other infrastructure - footpaths	Infrastructure other	Total Infrastructure
	\$	\$	\$	\$
Carrying amount at 1 July 2019	21,661,447	189,429	3,044,500	24,895,376
Additions	858,999	17,732	65,726	942,457
Revaluation increments / (decrements) transferred to revaluation surplus	0	20,361	0	20,361
Depreciation (expense)	(668,871)	(16,960)	(155,877)	(841,708)
Carrying amount at 30 June 2020	21,851,575	210,562	2,954,349	25,016,486
Comprises:				
Gross balance at 30 June 2020	29,422,053	719,950	5,025,826	35,167,829
Accumulated depreciation at 30 June 2020	(7,570,478)	(509,388)	(2,071,477)	(10,151,343)
Carrying amount at 30 June 2020	21,851,575	210,562	2,954,349	25,016,486
Additions	1,153,036	52,476	47,428	1,252,940
Depreciation (expense)	(686,051)	(16,976)	(156,248)	(859,275)
Carrying amount at 30 June 2021	22,318,560	246,062	2,845,529	25,410,151
Comprises:				
Gross balance at 30 June 2021	30,575,090	772,426	5,073,254	36,420,770
Accumulated depreciation at 30 June 2021	(8,256,530)	(526,364)	(2,227,725)	(11,010,619)
Carrying amount at 30 June 2021	22,318,560	246,062	2,845,529	25,410,151

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

9 INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - Roads	3	Cost approach using current replacement cost (Gross Revaluation method)	Independent Valuation	2019	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Footpaths	3	Cost approach using current replacement cost (Gross Revaluation method)	Independent Valuation	2020	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure	3	Cost approach using current replacement cost (Gross Revaluation method)	Independent Valuation	2019	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

The fair value of land, buildings and infrastructure is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Revaluation (Continued)

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

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

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

10 FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Land - freehold land	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,000	\$ 8,000	\$ 0	\$ 0
Buildings	0	0	0	0	0	0	0	0	156,737	106,970	0	(49,766)
Plant and equipment	52,171	61,252	12,684	(3,603)	18,000	26,000	8,000	0	99,846	97,516	7,727	(10,057)
	52,171	61,252	12,684	(3,603)	18,000	26,000	8,000	0	264,583	212,486	7,727	(59,823)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Other property and services				
Hyundai Santa Fe Elite 2.2 Diesel Autom	23,925	36,609	12,684	0
Isuzu MUX White Wagon TN1	28,246	24,643	0	(3,603)
	52,171	61,252	12,684	(3,603)

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

10. FIXED ASSETS

(b) Depreciation

Buildings
Furniture and equipment
Plant and equipment
Infrastructure roads
Other infrastructure - footpaths
Infrastructure other

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
	123,686	120,647	120,380
	9,881	8,371	8,376
	110,141	82,627	100,922
	686,051	668,505	668,871
	16,976	16,950	16,960
	156,248	156,229	155,877
	1,102,983	1,053,329	1,071,386

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested 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.

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

Depreciation rates

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

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

Depreciation on revaluation

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

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

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

11. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Change in accounting Polic	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - vested in and under the control of Council	0	0	0	0	12,000	(12,000)	0	0	0
Revaluation surplus - Land and buildings	5,980,673	0	0	5,980,673	5,980,673	0	0	0	5,980,673
Revaluation surplus - Furniture and equipment	151,711	0	0	151,711	151,711	0	0	0	151,711
Revaluation surplus - Plant and equipment	700,276	0	0	700,276	700,276	0	0	0	700,276
Revaluation surplus - Infrastructure roads	21,214,893	0	0	21,214,893	21,214,893	0	0	0	21,214,893
Revaluation surplus - Infrastructure other	1,371,206	0	0	1,371,206	1,350,845	0	20,361	20,361	1,371,206
Local Government House Trust	30,934	5,969	5,969	36,903	30,934	0	0	0	30,934
	29,449,693	5,969	5,969	29,455,662	29,441,332	(12,000)	20,361	20,361	29,449,693

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

12. TRADE AND OTHER PAYABLES

Sundry Creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities
Bonds and deposits held
Accrued Interest on Loans

	2021	2020
	69,260	79,080
	32,123	30,422
	16,232	8,604
	16,829	21,007
	30,684	21,766
	98	128
	165,226	161,007

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Prepaid rates

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

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

13. OTHER LIABILITIES

Current
 Contract liabilities

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time band:

Less than 1 year

	2021	2020
	\$	\$
	59,719	94,259
Contract liabilities		Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
	\$ 59,719	\$ 0

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

SHIRE OF TAMMIN
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FOR THE YEAR ENDED 30 JUNE 2021

14 INFORMATION ON BORROWINGS

(a) Borrowings

	2021	2020
	\$	\$
Current	56,605	69,970
Non-current	135,574	191,653
	192,179	261,623

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020
				Principal 1 July 2020	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Principal 1 July 2020	Budget Principal repayments	Budget interest repayments	Budget Principal outstanding	Principal 1 July 2019	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing																
12 Russell Street	79	WATC*	4.72%	18,209	11,909	643	8,300	18,075	11,908	644	8,167	32,196	0	13,987	1,322	18,209
3 & 5 Nottage Way	89	WATC*	3.47%	70,956	13,161	2,335	57,525	70,576	13,161	2,336	57,415	89,469	0	18,803	2,889	70,886
Recreation and culture																
Synthetic Bowling Green	61	WATC*	2.69%	82,209	12,790	2,123	69,419	82,126	12,790	2,124	69,336	100,681	0	18,472	2,543	82,209
Transport																
Depot	78	WATC*	4.72%	27,312	17,862	964	9,450	27,112	17,862	967	9,250	48,293	0	20,981	1,983	27,312
				196,416	55,722	6,065	142,894	197,889	55,721	6,071	142,168	270,659	0	72,243	8,737	198,418
Self Supporting Loans																
Recreation and culture																
Bowling Club SSL	82	WATC*	1.33%	63,207	13,722	771	49,485	63,207	13,722	795	49,485	0	70,000	6,793	0	63,207
				63,207	13,722	771	49,485	63,207	13,722	795	49,485	0	70,000	6,793	0	63,207
Total Borrowings				281,821	99,444	6,836	192,179	261,096	69,443	6,866	191,653	270,659	70,000	79,036	8,737	261,623

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 5, as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

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14. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

The Shire had no new borrowings for the financial year ended 30 June 2021.

(d) Unspent Borrowings

The Shire had no unspent borrowings for the financial year ended 30 June 2021.

	2021	2020
	\$	\$
(e) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	100,000	100,000
Bank overdraft at balance date	0	0
Credit card limit	20,000	20,000
Credit card balance at balance date	(711)	(1,410)
Total amount of credit unused	119,289	118,590
Loan facilities		
Loan facilities - current	56,605	69,970
Loan facilities - non-current	135,574	191,653
Total facilities in use at balance date	192,179	261,623
Unused loan facilities at balance date	NIL	NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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.

Risk

Information regarding exposure to risk can be found at Note 26.

15. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2020			
Current provisions	47,021	28,329	75,350
Non-current provisions	0	9,560	9,560
	47,021	37,889	84,910
Additional provision	50,322	257	50,579
Amounts used	(51,310)	(7,282)	(58,592)
Balance at 30 June 2021	46,033	30,864	76,897
Comprises			
Current	46,033	13,899	59,932
Non-current	0	16,965	16,965
	46,033	30,864	76,897

Amounts are expected to be settled on the following basis:
 Less than 12 months after the reporting date
 More than 12 months from reporting date

	2021 \$	2020 \$
Less than 12 months after the reporting date	45,142	75,350
More than 12 months from reporting date	31,755	9,560
	76,897	84,910

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Short-term employee benefits

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

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

Other long-term employee benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Provisions

Provisions are recognised when the Shire has a present 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.

16. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	1,252,671	1,649,882	1,135,610
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	560,025	(203,963)	255,619
Non-cash flows in Net result:			
Depreciation on non-current assets	1,102,983	1,053,329	1,071,386
(Profit)/loss on sale of asset	(9,081)	(8,000)	52,096
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(17,362)	0	0
(Increase)/decrease in other assets	(140)	0	51,844
(Increase)/decrease in inventories	0	0	3,558
(Increase)/decrease in contract assets	0	0	(59,718)
(Increase)/decrease in contract liabilities	(34,540)	690	94,259
Increase/(decrease) in payables	4,219	0	16,918
Increase/(decrease) in employee provisions	(8,013)	0	(12,363)
Non-operating grants, subsidies and contributions	(837,154)	(870,967)	(590,310)
Net cash from operating activities	760,937	(28,911)	883,289

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17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	12,313	0
General purpose funding	1,312,845	1,275,525
Law, order, public safety	12,882	13,160
Education and welfare	1,225,515	1,257,152
Housing	751,541	766,531
Community amenities	499,078	499,364
Recreation and culture	6,161,599	6,205,214
Transport	24,632,524	24,147,369
Economic services	83,141	90,171
Other property and services	602,603	581,339
	<u>35,294,041</u>	<u>34,835,825</u>

18. CONTINGENT LIABILITIES

The Shire of Tammin has, in compliance with the Contaminated Sites Act 2003 s 11, listed the Tammin Refuse Disposal Site to be possible source of contamination.

The Shire is currently not aware of any potential contamination on the above site and therefore; has not identified any need to undertake investigation. Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and Environmental Regulation (DWER) the need and criteria for remediation, the Shire is unable to accurately quantify its clean-up liabilities for potentially contaminated site.

The Shire is continuing to monitor the sites and will progressively undertake site investigations and remediation on a risk based approach. This approach is consistent with the DWER guidelines.

SHIRE OF TAMMIN
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19. CAPITAL COMMITMENTS

	2021	2020
	\$	\$
(a) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	0	45,403
Payable:		
- not later than one year	0	45,403

20. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Elected member: Michael Greenwood			
President's annual allowance	2,800	2,800	2,400
Meeting attendance fees	3,491	2,281	2,025
Travel and accommodation expenses	639	254	360
	6,930	5,335	4,785
Elected member: Glenice Batchelor			
Deputy President's annual allowance	700	700	750
Meeting attendance fees	1,737	1,180	1,180
Travel and accommodation expenses	233	254	50
	2,670	2,134	1,980
Elected member: Nicholas Caffell			
Meeting attendance fees	1,400	1,180	1,325
Travel and accommodation expenses	341	254	244
	1,741	1,434	1,569
Elected member: Tanya Nicholls			
Meeting attendance fees	1,691	1,180	790
Travel and accommodation expenses	410	254	149
	2,101	1,434	939
Elected member: Charmaine Thomson			
Meeting attendance fees	1,645	1,180	690
Travel and accommodation expenses	696	254	199
	2,341	1,434	889
Elected member: Tania Daniels			
Meeting attendance fees	1,791	1,180	1,280
Travel and accommodation expenses	378	254	306
	2,169	1,434	1,586
Elected member: Donald Thomson			
Meeting attendance fees	0	0	345
Travel and accommodation expenses	0	0	75
	0	0	420
	17,952	13,203	12,166
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	2,800	2,800	2,400
Deputy President's allowance	700	700	750
Meeting attendance fees	11,755	8,181	7,635
Travel and accommodation expenses	2,697	1,523	1,381
	17,952	13,203	12,166

SHIRE OF TAMMIN
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21. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
The total of remuneration paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	364,939	343,851
Post-employment benefits	21,083	34,214
Other long-term benefits	0	497
	<u>386,022</u>	<u>378,562</u>

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

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21. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Sale of goods and services	30,000	33,055
Purchase of goods and services	19,734	3,597
Short term employee benefits -other related parties	0	1,065

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

22. MAJOR LAND TRANSACTIONS

The Shire had no major land transactions in the current reporting period ended 30 June 2021.

23. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire had no major trading undertakings in the current reporting period ended 30 June 2021.

SHIRE OF TAMMIN
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24 RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
Gross Rental Value	0.12395	90	817,388	101,315	0	0	101,315	101,315	0	0	101,315	101,315
Unimproved valuations												
Unimproved Value	0.01661	152	62,980,000	983,181	0	0	983,181	983,181	0	0	983,181	986,013
Sub-Total		242	63,797,388	1,084,496	0	0	1,084,496	1,084,496	0	0	1,084,496	1,087,328
Minimum payment												
Gross rental valuations												
Gross Rental Value	573	46	23,662	26,358	0	0	26,358	26,358	0	0	26,358	26,358
Unimproved valuations												
Unimproved Value	573	40	846,100	22,920	0	0	22,920	22,920	0	0	22,920	20,055
Sub-Total		86	869,762	49,278	0	0	49,278	49,278	0	0	49,278	46,413
		328	64,667,150	1,133,774	0	0	1,133,774	1,133,774	0	0	1,133,774	1,133,741
Discounts/concessions (Note 24(d))							(19,444)				(20,000)	(19,839)
Total amount raised from general rate							1,114,330				1,113,774	1,113,902
Ex-gratia rates							7,788				7,762	7,688
Totals							1,122,118				1,121,536	1,121,590

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

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

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24 RATING INFORMATION (Continued)

(b) Specified Area Rate
 The Shire did not raise specified area rates for the year ended 30 June 2021.

(c) Service Charges
 The Shire did not raise service charges for the year ended 30 June 2021.

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

Rates Discounts

Rate or Fee	Discount	Discount	2021 Actual	2021 Budget	2020 Actual	Circumstances in which Discount is Granted
Discount Granted	%	\$	\$	\$	\$	
General Rates	2.00%	19,444	19,444	20,000	19,839	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.

(e) Waivers or Concessions
 The Shire did not grant any waivers or concessions during the year ended 30 June 2021.

24 RATING INFORMATION (Continued)

(f) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	27 August 2020	0.00	0.00%	8.00%
Option Two				
First instalment	27 August 2020	4.00	5.50%	8.00%
Second instalment	11 November 2020	4.00	5.50%	8.00%
Third instalment	13 January 2021	4.00	5.50%	8.00%
Fourth instalment	16 March 2021	4.00	5.50%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Instalment plan admin charge revenue	1,440	1,122	1,260
Instalment plan interest earned	1,220	1,150	1,042
Unpaid rates and service charge interest earned	6,438	3,570	7,346
	9,098	5,842	9,648

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25 RATE SETTING STATEMENT INFORMATION

Note	2020/21	2020/21	2020/21	2019/20
	(30 June 2021 Carried Forward)	Budget (30 June 2021 Carried Forward)	(1 July 2020 Brought Forward)	(30 June 2020 Carried Forward)
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	10(a)	(12,684)	(8,000)	(7,727)
Movement in pensioner deferred rates (non-current)		(4,657)	0	0
Movement in employee benefit provisions		(8,013)	0	(2,090)
Movement in other provisions (non-current)		0	0	(991)
Revenue restatement		0	0	(50,000)
Add: Loss on disposal of assets	10(a)	3,603	0	59,823
Add: Depreciation on non-current assets	10(b)	1,102,983	1,053,329	1,071,386
Non cash amounts excluded from operating activities		1,081,232	1,045,329	1,070,401
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - cash/financial asset backed	4	(1,442,188)	(1,395,861)	(1,328,741)
Less: Financial assets at amortised cost - self supporting loans	5(a)	(13,905)	(13,722)	(13,722)
- Bonds and deposits held		0	0	(126,343)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14(a)	56,605	0	69,970
- Contract liabilities		0	(50,000)	0
- Employee benefit provisions		59,932	0	75,350
Total adjustments to net current assets		(1,339,556)	(1,459,583)	(1,323,488)
Net current assets used in the Rate Setting Statement				
Total current assets		2,709,710	1,727,424	2,570,293
Less: Total current liabilities		(341,482)	(267,841)	(400,586)
Less: Total adjustments to net current assets		(1,339,556)	(1,459,583)	(1,323,488)
Net current assets used in the Rate Setting Statement		1,028,672	0	846,220

The adjusted 1 July 2020 brought forward value is due to:

1. The value represented in Bonds and deposits held has been removed from the calculation of Net Current Assets. The Shire considers that those deposits should remain a liability (creditor) until paid and not be removed from the calculation.
2. GST payable being offset with GST receivable at the end of both reporting periods, and reported as a Trade and other receivable - refer Note 6.

26. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.01%	1,252,671	0	200,000	1,052,671
Financial assets at amortised cost - term deposits	0.26%	1,338,069	1,338,069	0	0
2020					
Cash and cash equivalents	0.38%	1,135,610	0	1,135,610	0
Financial assets at amortised cost	1.00%	1,328,741	1,328,741	0	0

Sensitivity

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

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	2,000	11,356

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 14(b).

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26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	710	34,622	16,586	22,897	74,814
Loss allowance	0	0	0	0	0
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	751	35,285	11,759	14,119	61,914
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for sundry debtors.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Sundry Debtors					
Expected credit loss	0.00%	0.00%	0.00%	7.12%	
Gross carrying amount	2,342	723	0	10,328	13,393
Loss allowance	0	0	0	(160)	(160)
30 June 2020					
Sundry Debtors					
Expected credit loss	0.00%	0.00%	0.00%	8.23%	
Gross carrying amount	2,639	641	6	1,945	5,231
Loss allowance	0	0	0	(160)	(160)

26. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 14(e).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Payables	165,226	0	0	165,226	165,226
Borrowings	60,618	136,099	0	203,582	192,179
	<u>225,844</u>	<u>136,099</u>	<u>0</u>	<u>368,808</u>	<u>357,405</u>
2020					
Payables	161,007	0	0	161,007	161,007
Borrowings	76,309	203,056	0	279,365	261,623
	<u>237,316</u>	<u>203,056</u>	<u>0</u>	<u>440,372</u>	<u>422,630</u>

27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Shire.

28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

(a) AASB 1059 Service Concession Arrangements: Grantors

Service concession assets are those assets where a third party operator constructs assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide a public service, for a specified period of time. The Shire has considered the requirements of AASB1059 Service Concession Agreements: Grantor and confirms that the Shire has no arrangements that fall within the scope of this standard.

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

29. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116 31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

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

30. ACTIVITIES/PROGRAMS

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

PROGRAM NAME AND OBJECTIVES	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 and 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 citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.
HOUSING To provide housing to staff.	Staff housing, provision of general rental accommodation when buildings not required by staff.
COMMUNITY AMENITIES To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which help the social well being of the community.	Maintenance of public halls, civic centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycleways and parking facilities.
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 overhead operating accounts.	Private works operation, plant repair and operation costs, housing and engineering operation costs.

31. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	4.18	3.13	4.39
Asset consumption ratio	0.73	0.75	0.77
Asset renewal funding ratio	0.99	0.91	0.38
Asset sustainability ratio	1.27	1.27	0.64
Debt service cover ratio	10.92	8.50	15.88
Operating surplus ratio	(0.21)	(0.25)	(0.21)
Own source revenue coverage ratio	0.47	0.48	0.46

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

INDEPENDENT AUDITORS REPORT FINANCIAL YEAR ENDED 30 JUNE 2021



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Tammin

To the Councillors of the Shire of Tammin

Report on the audit of the annual financial report

Opinion

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

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Shire of Tammin:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a) The Operating Surplus Ratio as reported in Note 31 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
- (ii) The following material matter indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law was identified during the course of my audit:
 - a) For approximately 50% of purchase transactions sampled, the same officer raised and approved the purchase orders, receipted goods/services and then also approved the associated supplier invoices. Lack of segregation of duties increases the risk of unauthorised purchases occurring without detection, resulting in potential financial loss.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Tammin for the year ended 30 June 2021 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Steven Hoar
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
7 December 2021



SHIRE OF TAMMIN
OUR AIM IS PROGRESS

ANNUAL REPORT 2020-2021

Vision

A place for people, a place for community.

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