

SHIRE OF TAMMIN

ANNUAL BUDGET

2021/22



SHIRE OF TAMMIN
BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Basis of Preparation	3
Statement of Comprehensive Income by Program	4
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Budget	9

SHIRE'S VISION

A place for people, a place for community.

SHIRE OF TAMMIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	1,158,131	1,122,118	1,121,536
Operating grants, subsidies and contributions	9(a)	578,369	1,185,353	592,590
Fees and charges	8	135,875	134,423	136,104
Interest earnings	11(a)	38,405	15,556	22,391
Other revenue	11(b)	41,298	39,037	50,964
		1,952,078	2,496,487	1,923,585
Expenses				
Employee costs		(788,698)	(769,926)	(876,160)
Materials and contracts		(749,327)	(556,322)	(759,102)
Utility charges		(106,934)	(103,673)	(123,007)
Depreciation on non-current assets	5	(1,056,218)	(1,011,491)	(1,053,329)
Interest expenses	11(d)	(4,539)	(4,336)	(6,866)
Insurance expenses		(94,223)	(91,367)	(87,899)
Other expenditure		(102,519)	(78,158)	(100,152)
		(2,902,458)	(2,615,274)	(3,006,515)
Subtotal		(950,380)	(118,786)	(1,082,930)
Non-operating grants, subsidies and contributions	9(b)	1,830,967	747,718	870,967
Profit on asset disposals	4(b)	18,512	12,684	8,000
Loss on asset disposals	4(b)	(976)	(3,603)	0
		1,848,503	756,799	878,967
Net result		898,123	638,013	(203,963)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		898,123	638,013	(203,963)

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

SHIRE OF TAMMIN FOR THE YEAR ENDED 30 JUNE 2022

BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 14 to the budget.

2020/21 ACTUAL BALANCES

Balances shown in this budget as 2020/21 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

CHANGE IN ACCOUNTING POLICIES

On the 1 July 2021 no new accounting policies are to be adopted and no new policies are expected to impact the annual budget.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

SERVICE CHARGES

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

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

PROFIT ON ASSET DISPOSAL

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

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

SHIRE OF TAMMIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue	1,8,9(a),11(a),11(b)	\$	\$	\$
General purpose funding		1,682,859	2,203,995	1,643,581
Law, order, public safety		6,027	2,008	3,883
Health		1,097	674	1,044
Education and welfare		54,914	53,248	64,910
Housing		14,986	11,149	9,405
Community amenities		35,436	27,146	33,820
Recreation and culture		32,602	59,457	32,460
Transport		80,510	84,298	77,738
Economic services		2,895	3,212	6,855
Other property and services		40,752	51,301	49,889
		1,952,078	2,496,488	1,923,585
Expenses excluding finance costs	4(a),5,11(c)(e)(f)(g)			
Governance		(371,443)	(304,366)	(345,783)
General purpose funding		(86,568)	(68,056)	(87,419)
Law, order, public safety		(39,112)	(31,951)	(36,157)
Health		(10,312)	(7,970)	(9,149)
Education and welfare		(96,109)	(99,585)	(100,277)
Housing		(39,001)	(35,850)	(40,872)
Community amenities		(261,930)	(157,807)	(192,683)
Recreation and culture		(547,741)	(453,706)	(585,835)
Transport		(1,365,360)	(1,340,519)	(1,488,214)
Economic services		(42,821)	(40,028)	(68,640)
Other property and services		(37,522)	(71,101)	(44,620)
		(2,897,919)	(2,610,938)	(2,999,649)
Finance costs	7,6(a),11(d)			
Housing		(1,985)	(1,751)	(2,980)
Recreation and culture		(2,390)	(1,784)	(2,919)
Transport		(164)	(800)	(967)
		(4,539)	(4,336)	(6,866)
Subtotal		(950,380)	(118,786)	(1,082,930)
Non-operating grants, subsidies and contributions	9(b)	1,830,967	747,718	870,967
Profit on disposal of assets	4(b)	18,512	12,684	8,000
(Loss) on disposal of assets	4(b)	(976)	(3,603)	0
		1,848,503	756,799	878,967
Net result		898,123	638,013	(203,963)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		898,123	638,013	(203,963)

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

SHIRE OF TAMMIN
FOR THE YEAR ENDED 30 JUNE 2022

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

ACTIVITIES

GOVERNANCE

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

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

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

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

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

HEALTH

To provide an operational framework for environmental 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.

SHIRE OF TAMMIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,158,131	1,077,955	1,121,536
Operating grants, subsidies and contributions		578,369	1,231,501	643,280
Fees and charges		135,875	134,423	136,104
Interest received		38,405	15,556	22,391
Goods and services tax received		0	147,807	250,000
Other revenue		41,298	39,037	50,964
		1,952,078	2,646,279	2,224,275
Payments				
Employee costs		(788,698)	(762,583)	(876,160)
Materials and contracts		(749,327)	(549,431)	(809,102)
Utility charges		(106,934)	(103,673)	(123,007)
Interest expenses		(4,539)	(4,208)	(6,866)
Insurance paid		(94,223)	(91,367)	(87,899)
Goods and services tax paid		0	(150,000)	(250,000)
Other expenditure		(102,519)	(78,158)	(100,152)
		(1,846,240)	(1,739,420)	(2,253,186)
Net cash provided by (used in) operating activities	3	105,838	906,859	(28,911)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for WEROC Membership		0	(30,000)	0
Payments for purchase of property, plant & equipment	4(a)	(623,887)	(273,913)	(420,453)
Payments for construction of infrastructure	4(a)	(2,103,003)	(1,348,886)	(1,258,324)
Non-operating grants, subsidies and contributions	9(b)	1,830,967	747,718	920,277
Proceeds from sale of plant and equipment	4(b)	96,499	61,252	26,000
Proceeds on financial assets at amortised cost - self supporting loans		0	0	13,722
Net cash provided by (used in) investing activities		(799,424)	(843,828)	(718,778)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(56,079)	(48,795)	(69,443)
Net cash provided by (used in) financing activities		(56,079)	(48,795)	(69,443)
Net increase (decrease) in cash held		(749,665)	14,235	(817,132)
Cash at beginning of year		2,478,586	2,464,351	2,467,014
Cash and cash equivalents at the end of the year	3	1,728,921	2,478,586	1,649,882

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

SHIRE OF TAMMIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2(a)	869,549	846,221	947,974
		869,549	846,221	947,974
Revenue from operating activities (excluding rates)				
General purpose funding		532,723	1,089,664	529,807
Law, order, public safety		6,027	2,008	3,883
Health		1,097	674	1,044
Education and welfare		54,914	53,248	64,910
Housing		14,986	11,149	9,405
Community amenities		35,436	27,146	33,820
Recreation and culture		32,602	59,457	32,460
Transport		90,112	84,298	77,738
Economic services		2,895	3,212	6,855
Other property and services		49,662	63,985	57,889
		820,454	1,394,841	817,811
Expenditure from operating activities				
Governance		(371,443)	(304,366)	(345,783)
General purpose funding		(86,568)	(68,056)	(87,419)
Law, order, public safety		(39,112)	(31,951)	(36,157)
Health		(10,312)	(7,970)	(9,149)
Education and welfare		(96,109)	(99,585)	(100,277)
Housing		(40,986)	(37,602)	(43,852)
Community amenities		(261,930)	(157,807)	(192,683)
Recreation and culture		(550,131)	(455,490)	(588,754)
Transport		(1,365,524)	(1,341,319)	(1,489,181)
Economic services		(42,821)	(40,028)	(68,640)
Other property and services		(38,498)	(74,704)	(44,620)
		(2,903,434)	(2,618,877)	(3,006,515)
Non-cash amounts excluded from operating activities	2(b)	1,038,682	1,032,576	1,045,329
Amount attributable to operating activities		(174,749)	654,761	(195,401)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9(b)	1,830,967	747,718	870,967
Less Unspent Grants this year		0	(5,846)	0
<i>Net Non-Operating grants recognised as revenue</i>		1,830,967	741,872	870,967
Payments for WEROC Membership		0	(30,000)	0
Payments for property, plant and equipment	4(a)	(623,887)	(273,913)	(420,453)
Payments for construction of infrastructure	4(a)	(2,117,091)	(1,252,898)	(1,258,324)
Payments for financial assets at amortised cost - self supporting loans	6(a)	0	0	(13,722)
Proceeds from disposal of assets	4(b)	96,499	61,252	26,000
Proceeds from financial assets at amortised cost - self supporting loans		13,905	13,722	13,722
Amount attributable to investing activities		(799,607)	(739,965)	(781,810)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(56,079)	(48,795)	(69,443)
Transfers to cash backed reserves (restricted assets)	7(a)	(245,734)	(110,783)	(137,120)
Transfers from cash backed reserves (restricted assets)	7(a)	126,033	0	70,000
Amount attributable to financing activities		(175,780)	(159,578)	(136,563)
Budgeted deficiency before imposition of general rates		(1,150,136)	(244,782)	(1,113,774)
Estimated amount to be raised from general rates	1(a)	1,150,136	1,114,331	1,113,774
Net current assets at end of financial year - surplus/(deficit)	2(a)	0	869,549	0

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

SHIRE OF TAMMIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

NOTE	2021/22 Budget	2020/21 Actual*	2020/21 Budget	
	\$	\$	\$	
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2	869,549	846,221	947,974
		869,549	846,221	947,974
Revenue from operating activities (excluding rates)				
Specified area and ex gratia rates	1(c)	7,995	7,787	7,762
Operating grants, subsidies and contributions	9(a)	578,369	1,185,353	592,590
Fees and charges	8	135,875	134,423	136,104
Interest earnings	11(a)	38,405	15,556	22,391
Other revenue	11(b)	41,298	39,037	50,964
Profit on asset disposals	4(b)	18,512	12,684	8,000
		820,454	1,394,841	817,811
Expenditure from operating activities				
Employee costs		(788,698)	(769,926)	(876,160)
Materials and contracts		(749,327)	(556,322)	(759,102)
Utility charges		(106,934)	(103,673)	(123,007)
Depreciation on non-current assets	5	(1,056,218)	(1,011,491)	(1,053,329)
Interest expenses	11(d)	(4,539)	(4,336)	(6,866)
Insurance expenses		(94,223)	(91,367)	(87,899)
Other expenditure		(102,519)	(78,158)	(100,152)
Loss on asset disposals	4(b)	(976)	(3,603)	0
		(2,903,434)	(2,618,877)	(3,006,515)
Non-cash amounts excluded from operating activities	2(b)	1,038,682	1,032,576	1,045,329
Amount attributable to operating activities		(174,749)	654,761	(195,401)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9(b)	1,830,967	747,718	870,967
Less Unspent Grants this year		0	(5,846)	0
		1,830,967	741,872	870,967
		1,830,967	741,872	870,967
Payments for WEROC Membership		0	(30,000)	0
Payments for property, plant and equipment	4(a)	(623,887)	(273,913)	(420,453)
Payments for construction of infrastructure	4(a)	(2,117,091)	(1,252,898)	(1,258,324)
Payments for financial assets at amortised cost - self supporting loans	6(a)	0	0	(13,722)
Proceeds from disposal of assets	4(b)	96,499	61,252	26,000
Proceeds from financial assets at amortised cost - self supporting loans		13,905	13,722	13,722
Amount attributable to investing activities		(799,607)	(739,965)	(781,810)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(56,079)	(48,795)	(69,443)
Transfers to cash backed reserves (restricted assets)	7(a)	(245,734)	(110,783)	(137,120)
Transfers from cash backed reserves (restricted assets)	7(a)	126,033	0	70,000
Amount attributable to financing activities		(175,780)	(159,578)	(136,563)
Budgeted deficiency before general rates		(1,150,136)	(244,782)	(1,113,774)
Estimated amount to be raised from general rates	1(a)	1,150,136	1,114,331	1,113,774
Net current assets at end of financial year - surplus/(deficit)	2	0	869,549	0

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

SHIRE OF TAMMIN
INDEX OF NOTES TO THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

Rates	10
Net Current Assets	13
Reconciliation of cash	16
Asset Acquisitions	17
Asset Disposals	18
Asset Depreciation	19
Borrowings	20
Reserves	22
Fees and Charges	23
Grant Revenue	23
Revenue Recognition	24
Other Information	25
Interests in Joint Arrangements	26
Significant Accounting Policies - Other Information	27

SHIRE OF TAMMIN
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022
1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in \$	Number of properties	Rateable value \$	2021/22 Budgeted rate revenue \$	2021/22 Budgeted interim rates \$	2021/22 Budgeted back rates \$	2021/22 Budgeted total revenue \$	2020/21 Actual total revenue \$	2020/21 Budget total revenue \$
Differential general rate or general rate									
Gross rental valuations									
Gross rental valuations	0.12695	89	812,760	103,183	0	0	103,183	101,316	101,315
Unimproved valuations									
Unimproved value	0.01424	149	71,059,000	1,012,093	0	0	1,012,093	983,181	983,181
Sub-Totals		238	71,871,760	1,115,276	0	0	1,115,276	1,084,497	1,084,496
Minimum payment									
Gross rental valuations									
Gross rental valuations	590	48	28,290	28,320	0	0	28,320	26,358	26,358
Unimproved valuations									
Unimproved value	590	41	964,800	24,190	0	0	24,190	22,920	22,920
Mining	590	5	84,838	2,950	0	0	2,950	0	0
Sub-Totals		94	1,077,928	55,460	0	0	55,460	49,278	49,278
Discounts									
Total amount raised from general rates		332	72,949,688	1,170,736	0	0	1,170,736	1,133,775	1,133,774
Ex gratia rates							(20,600)	(19,444)	(20,000)
Total rates							1,150,136	1,114,331	1,113,774
							7,995	7,787	7,762
							1,158,131	1,122,118	1,121,536

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

The general rates detailed for the 2021/22 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

SHIRE OF TAMMIM
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022
1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	27 August 2021	0	0.0%	7.0%
Option two				
First instalment	27 August 2021	4	5.5%	7.0%
Second instalment	12 November 2021	4	5.5%	7.0%
Third instalment	14 January 2022	4	5.5%	7.0%
Fourth instalment	18 March 2022	4	5.5%	7.0%
2021/22				
		Budget	revenue	2020/21
		\$		Actual
				revenue
				\$
		1,144	1,440	1,122
		1,238	1,220	1,150
		7,376	5,732	3,570
		9,758	8,391	5,842
Instalment plan admin charge revenue				
Instalment plan interest earned				
Unpaid rates and service charge interest earned				

SHIRE OF TAMMIN
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022
1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate
 The Shire did not raise specified area rates for the year ended 30th June 2022.

(d) Service Charges
 The Shire did not raise service charges for the year ended 30th June 2022.

(e) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which discount is granted
Rates discount for prompt payment	2.0%	20,600	\$ 20,600	\$ 19,444	\$ 20,000	If all rates and charges appearing on the rates notice (including arrears) are paid in full within 35 days of issue of the rate assessment notice.
			20,600	19,444	20,000	

(f) Waivers or concessions
 The Shire does not anticipate any waivers or concessions for the year ended 30th June 2022.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
2. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents- unrestricted
Cash and cash equivalents - restricted
Receivables

Less: current liabilities

Trade and other payables
Contract liabilities
Long term borrowings
Employee provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
3	229,415	1,098,781	254,021
3	1,499,506	1,379,805	1,395,861
	118,398	118,398	77,542
	1,847,319	2,596,984	1,727,424
	(129,185)	(129,185)	(242,491)
	(59,719)	(59,719)	50,000
6	49,116	(21,175)	0
	(65,448)	(65,448)	(75,350)
	(205,236)	(275,527)	(267,841)
	1,642,083	2,321,457	1,459,583
2.(c)	(1,642,083)	(1,451,908)	(1,459,583)
	0	869,549	0

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
2. NET CURRENT ASSETS (CONTINUED)

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

Items excluded from calculation of budgeted deficiency

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

(b) Operating activities excluded from budgeted deficiency

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals
Add: Loss on disposal of assets
Add: Depreciation on assets
Movement in other assets
Movement in current contract liabilities associated with restricted cash
Movement in current employee provisions
Movement in bonds and deposits held

Non cash amounts excluded from operating activities

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
4(b)	(18,512)	(12,684)	(8,000)
4(b)	976	3,603	0
5	1,056,218	1,011,491	1,053,329
	0	(990)	0
		34,540	
	0	(9,902)	0
	0	6,518	0
	1,038,682	1,032,576	1,045,329

(c) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Cash - restricted reserves
Less: Current assets not expected to be received at end of year
- Current portion of self supporting loans receivable
- Self Supporting Loans
- Bonds & Deposits held
Add: Current liabilities not expected to be cleared at end of year
- Current portion of borrowings
- Current portion of contract liabilities
- Current employee benefit provisions

Total adjustments to net current assets

7	(1,559,225)	(1,439,524)	(1,395,861)
	(13,905)	(13,722)	(13,722)
	0	0	(50,000)
	(25,566)	(25,566)	0
	(49,116)	21,175	0
	(59,719)	(59,719)	0
	65,448	65,448	0
	(1,642,083)	(1,451,908)	(1,459,583)

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
2 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An 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.

TRADE AND OTHER PAYABLES

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

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.

INVENTORIES

General

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Superannuation

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

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

LAND HELD FOR RESALE

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

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

CONTRACT ASSETS

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

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.

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.

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.

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.

EMPLOYEE BENEFITS

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

CONTRACT LIABILITIES

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
3. RECONCILIATION OF CASH

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

Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Cash at bank and on hand	1,728,921	2,478,586	1,649,882
Total cash and cash equivalents	1,728,921	2,478,586	1,649,882
Held as			
- Unrestricted cash and cash equivalents	229,415	1,098,781	254,021
- Restricted cash and cash equivalents	1,499,506	1,379,805	1,395,861
	1,728,921	2,478,586	1,649,882
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	1,499,506	1,379,805	1,395,861
	1,499,506	1,379,805	1,395,861
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	7	1,559,225	1,439,524
Contract liabilities - current		(59,719)	(59,719)
		1,499,506	1,379,805
			1,395,861
Reconciliation of net cash provided by operating activities to net result			
Net result	898,123	638,013	(203,963)
Depreciation	5	1,056,218	1,011,491
(Profit)/loss on sale of asset	4(b)	(17,536)	(9,081)
(Increase)/decrease in receivables		0	(34,748)
(Increase)/decrease in contract assets		0	0
Increase/(decrease) in payables		0	3,552
Increase/(decrease) in prepaid expenses		0	908
Increase/(decrease) in contract liabilities		0	34,540
Increase/(decrease) in employee provisions		0	9,902
Non-operating grants, subsidies and contributions		(1,830,967)	(747,718)
Net cash from operating activities	105,838	906,859	(28,911)

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

FINANCIAL ASSETS AT AMORTISED COST

The Shire classifies financial assets at amortised cost

If both of the following criteria are met:

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

SHIRE OF TAMMAMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program											2021/22 Budget total	2020/21 Actual total	2020/21 Budget total		
	Governance	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services					
<i>Property, Plant and Equipment</i>																
Buildings - non-specialised	0	0	0	0	0	0	0	262,067	87,176	22,500	0	371,743	116,947	295,000		
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	11,764	11,764	40,617	38,345		
Plant and equipment	0	0	0	0	0	0	0	240,380	240,380	0	0	240,380	116,348	87,108		
	0	0	0	0	0	0	0	262,067	327,556	22,500	11,764	623,887	273,913	420,453		
<i>Infrastructure</i>																
Infrastructure - roads	0	0	0	0	0	0	0	0	1,841,058	0	0	1,841,058	1,152,994	1,078,005		
Infrastructure - footpaths	0	0	0	0	0	0	0	0	80,000	0	0	80,000	52,476	55,319		
Infrastructure - other infrastructure	0	0	0	0	0	0	0	56,033	140,000	0	0	196,033	47,428	125,000		
	0	0	0	0	0	0	0	56,033	2,061,058	0	0	2,117,091	1,252,898	1,258,324		
Total acquisitions	0	0	0	0	0	0	0	318,100	2,388,614	22,500	11,764	2,740,978	1,526,811	1,678,777		

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

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

SHIRE OF TAMMIN
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022
 4. FIXED ASSETS

(b) Disposals of Assets

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

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
By Program												
Transport	35,398	45,000	9,602	0	0	0	0	0	0	0	0	0
Other property and services	43,566	51,500	8,910	(976)	52,171	61,252	12,684	(3,603)	18,000	26,000	8,000	0
	78,963	96,499	18,512	(976)	52,171	61,252	12,684	(3,603)	18,000	26,000	8,000	0
By Class												
<u>Property, Plant and Equipment</u>												
Plant and equipment	78,963	96,499	18,512	(976)	52,171	61,252	12,684	(3,603)	18,000	26,000	8,000	0
	78,963	96,499	18,512	(976)	52,171	61,252	12,684	(3,603)	18,000	26,000	8,000	0

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

- Plant replacement programme

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
5. ASSET DEPRECIATION

By Program

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

By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - other infrastructure

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
0	257	280
29,189	29,169	31,006
15,004	13,758	16,978
21,046	19,298	13,092
189,498	174,945	188,622
714,278	670,740	712,769
7,036	6,452	7,026
80,167	96,872	83,556
1,056,218	1,011,491	1,053,329
123,433	122,990	120,647
8,384	9,069	8,371
82,824	90,782	82,626
669,482	629,664	668,505
16,992	15,581	16,950
155,103	143,406	156,229
1,056,218	1,011,491	1,053,329

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings - non-specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	12 to 15 years
Infrastructure - footpaths	40 years
Infrastructure - other infrastructure	10 to 50 years

AMORTISATION

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

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

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	2021/22		2021/22		2021/22		2021/21		2021/21		2021/21		2021/21		2021/21			
				Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest
Housing																					
12 Russell Street	79	WATC	4.7%	9,196	110	0	6,166	3,030	110	18,075	0	8,879	0	8,879	0	9,196	534	18,075	0	11,908	644
3 & 5 Notlage Way	80	WATC	3.5%	64,052	1,875	0	13,622	50,430	1,875	70,576	0	6,524	0	6,524	0	64,052	1,218	70,576	0	13,161	2,336
Recreation and culture																					
Synthetic Bowling Green	81	WATC	2.7%	75,774	1,778	0	13,136	62,638	1,778	82,126	0	6,352	0	6,352	0	75,774	1,099	82,126	0	12,790	2,124
Transport																					
Depot	78	WATC	4.7%	13,794	164	0	9,250	4,544	164	27,112	0	13,318	0	13,318	0	13,794	800	27,112	0	17,862	967
				162,816	3,927	0	42,174	120,642	3,927	197,889	0	35,073	0	35,073	0	162,816	3,650	197,889	0	55,721	6,071
Self Supporting Loans																					
Recreation and culture																					
Bowling Green Surface	82	WATC	1.3%	49,485	612	0	13,905	35,580	612	63,207	0	13,722	0	13,722	0	49,485	686	63,207	0	13,722	795
				49,485	612	0	13,905	35,580	612	63,207	0	13,722	0	13,722	0	49,485	686	63,207	0	13,722	795
				212,301	4,539	0	56,079	156,222	4,539	261,096	0	48,795	0	48,795	0	212,301	4,336	261,096	0	69,443	6,866

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue. The self supporting loan(s) repayment will be fully reimbursed.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
6. INFORMATION ON BORROWINGS

(b) New borrowings - 2021/22

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2022

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2021 nor is it expected to have unspent borrowing funds as at 30th June 2022.

(d) Credit Facilities

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	100,000	100,000	100,000
Bank overdraft at balance date	0	0	0
Credit card limit	20,000	20,000	20,000
Credit card balance at balance date	(1,500)	(2,300)	(1,500)
Total amount of credit unused	118,500	117,700	118,500
Loan facilities			
Loan facilities in use at balance date	156,222	212,301	191,653

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22		2021/22		2021/22		2020/21		2020/21		2020/21		2020/21		2020/21	
	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Closing Balance	Budget Opening Balance	Actual Transfer to	Actual Closing Balance	Budget Transfer to	Budget Transfer (from)	Budget Opening Balance	Actual Transfer to	Actual Closing Balance	
(a) Reserves cash backed - Leave reserve	\$ 84,989	\$ 6,278	\$ 0	\$ 91,267	\$ 40,790	\$ 44,199	\$ 84,989	\$ 40,791	\$ 44,394	\$ 85,185	\$ 0	\$ 0	\$ 40,791	\$ 44,394	\$ 85,185	
(b) Plant Replacement Reserve	325,854	136,039	0	461,893	264,403	61,451	325,854	264,402	62,616	327,018	0	0	264,402	62,616	327,018	
(c) Information & Technology Reserve	12,288	5,185	0	17,473	12,227	61	12,288	12,226	20,121	32,347	0	0	12,226	20,121	32,347	
(d) Tamma Village Upgrade & Improvements Reserve	20,745	5,313	0	26,058	20,641	104	20,745	20,641	204	20,845	0	0	20,641	204	20,845	
(e) Sports, Recreation Facilities Upgrades Reserve	877,368	62,888	(126,033)	814,223	872,990	4,378	877,368	872,990	8,639	811,629	0	(70,000)	872,990	8,639	811,629	
(f) Bowling Green Replacement Reserve	2,074	31	0	2,105	2,064	10	2,074	2,064	2	2,066	0	0	2,064	2	2,066	
(g) Property & Building Reserve	1,439,524	245,734	(126,033)	1,559,225	1,328,741	110,783	1,439,524	1,328,741	137,120	1,395,861	0	(70,000)	1,328,741	137,120	1,395,861	

(b) Cash Backed Reserves - Purposes

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

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

SHIRE OF TAMMIN
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022

8. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Law, order, public safety	2,310	2,008	2,200
Health	1,097	674	1,044
Education and welfare	54,706	53,248	64,706
Housing	13,741	10,898	8,185
Community amenities	32,886	27,096	31,320
Recreation and culture	11,210	7,001	10,900
Transport	2,810	3,300	1,450
Economic services	1,365	3,107	1,300
Other property and services	15,750	27,092	15,000
	135,875	134,423	136,104

9. GRANT REVENUE

By Program:

(a) Operating grants, subsidies and contributions

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
General purpose funding	481,629	1,065,676	495,247
Law, order, public safety	2,000	0	0
Recreation and culture	20,000	42,721	20,000
Transport	73,110	75,213	71,788
Economic services	1,530	105	5,555
Other property and services	100	1,639	0
	578,369	1,185,353	592,590

(b) Non-operating grants, subsidies and contributions

General purpose funding	0	223,459	223,588
Recreation and culture	70,000	0	140,000
Transport	1,760,967	524,259	507,379
	1,830,967	747,718	870,967

Total grants, subsidies and contributions	2,409,336	1,933,071	1,463,557
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SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition	Accounting standard
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	AASB 15 AASB 1058
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	AASB 15 AASB 1058
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	AASB 15
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	AASB 15
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled	AASB 1058
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	AASB 1058
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	AASB 1058
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	AASB 1058
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	AASB 15 AASB 1058
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	AASB 1058
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	AASB 15
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	AASB 1058
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	AASB 15
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	AASB 15

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
11. OTHER INFORMATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	25,245	6,664	13,000
- Self Supporting Loans reimbursed	612	795	795
- Other funds	3,934	1,146	3,876
Other interest revenue (refer note 1b)	8,614	6,951	4,720
	38,405	15,556	22,391
(b) Other revenue			
Reimbursements and recoveries	41,298	39,037	50,964
	41,298	39,037	50,964
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	30,000	44,000	35,700
	30,000	44,000	35,700
(d) Interest expenses (finance costs)			
Interest expense on borrowings	4,539	4,336	6,866
	4,539	4,336	6,866
(e) Elected members remuneration			
Meeting fees	8,263	10,230	8,181
President's allowance	3,000	2,800	2,800
Deputy President's allowance	750	700	700
Travelling expenses	2,548	2,377	1,523
	14,561	16,107	13,203
(f) Write offs			
General rate	308	0	305
Fees and charges	2,010	0	2,000
	2,318	0	2,305

13. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire will be party to any joint venture arrangements during 2021/22.

SIGNIFICANT ACCOUNTING POLICIES

INTERESTS IN JOINT ARRANGEMENTS

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

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

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

14. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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