



Shire of Tammin

ANNUAL REPORT

2011 - 2012

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VISION, AIM, GOALS AND VALUES

OUR VISION - A PLACE FOR PEOPLE, A PLACE FOR COMMUNITY

- Tammin has a community that cares and is a place where community matters.
- Tammin will be a great place to live and visit because we take pride in our local area, with enhanced local natural areas or open spaces.
- Our community is vibrant and active, inclusive and welcoming, a community for young and old, a community where people are treated equally and feel safe.

OUR AIM

- To sustain and build our local area capacity through local employment and strengthened community development.

OUR GOALS

Social

- Grow and sustain the population through planned provision of services.
- Maintain the sense of community, which is inclusive and welcoming for all.

Environmental

- Provide leadership and promote local and regional sustainability, principles and practices.
- Enhance local natural areas and open spaces.

Economic

- Strengthen local businesses and employment capacity.
- Support and encourage sustainable business growth.

OUR VALUES

The Shire of Tammin has a clear strength in the bond and affinity between Councillors, the community and staff. Staff supports the community leadership and governance role of Councillors and work together to achieve the commitments of the Council Plan. Having all of the Shire's Council staff practice the following values enhances the quality of this partnership:

- **Service** - Our citizens, community and service users are the focus of all our actions
- **Accountability** - We are responsible for our actions, which are open to review
- **Innovation** - We encourage and seek new ideas in finding solutions
- **Teamwork** - We share our skills, knowledge and experience as part of a team and work together towards achieving Council's goals
- **Recognition** - We promote the achievements and efforts of others
- **Safety** - We look after our environment and the welfare of others
- **Integrity** - We are open and honest and work to the best ability
- **Respect** - We acknowledge the opinions of others and their rights and differences

OBJECTIVES AND ACHIEVEMENTS

The Shire of Tammin's Strategic Community Plan for the next ten years details the following outcomes:

Vision	Outcomes	Objectives
SOCIAL: BUILDING A SENSE OF COMMUNITY		
<ul style="list-style-type: none"> Our community will be inclusive and inviting; a place where all people, young and old, are accepted and valued. Community leadership and involvement will ensure our different communities recreate, network and interact, building strong relationships and support. Our diverse community has access to services within their local area. 	<ul style="list-style-type: none"> Strong and inclusive community. An active community. Community service enhancement. 	<ul style="list-style-type: none"> Strengthen community groups and networks. Improve recreation for all ages. Improve local access to services.
ENVIRONMENT: PRESERVING AND SUSTAINING OUR NATURAL ENVIRONMENT		
<ul style="list-style-type: none"> We will live sustainably in our natural environment. Our local bush spaces will be enjoyed by our community and we will ensure our local environment is protected and enhanced. We will provide leadership and be recognised for sustainable practices through our active support in regional recycling and resource recovery. 	<ul style="list-style-type: none"> Sustainable waste management. Sustainable living. Enhanced local environment. 	<ul style="list-style-type: none"> Ensure waste management. Promote and strengthen the efficient use of natural resources. Protect, maintain and enhance
BUILT ENVIRONMENT: ENHANCED LIFESTYLE CHOICES		
<ul style="list-style-type: none"> Our local area will be maintained through the provision of housing and employment choices for all ages, whilst protecting our viable farmland. 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. 	<ul style="list-style-type: none"> Improved quality and maintenance of our infrastructure. Housing needs met. Improved business capacity. 	<ul style="list-style-type: none"> Upgrade and maintain our infrastructure. To ensure transport routes are safe. Facilitate affordable diverse housing requirements. Create land use capacity for industry.
ECONOMIC DEVELOPMENT: MAXIMISE DEVELOPMENT		
<ul style="list-style-type: none"> We will build and sustain our community through facilitating employment opportunities. Our economy will thrive, support sustainable businesses and facilitate the growth of industry. 	<ul style="list-style-type: none"> Industry and employment growth. Increased economic capacity. 	<ul style="list-style-type: none"> Facilitate local industry growth. Support and facilitate sustainable businesses. Promote Tammin as a place to visit, live and work

GOVERNANCE: STRENGTHEN SHIRE LEADERSHIP		
<ul style="list-style-type: none"> • We will provide leadership and make informed decisions for the benefit of the community. • We will provide good governance to ensure our local area is sustainable and advocate and lobby on behalf of our community for the provision of services and infrastructure. • We will work in partnership with our community and support our community as leaders. 	<ul style="list-style-type: none"> • Accountable governance. • Partnership with community. 	<ul style="list-style-type: none"> • Ensure responsible management of resources. • Provide opportunities for community leadership.

The Councils' annual budget has identified a number of initiatives in order to achieve the above mentioned objectives.

ACHIEVEMENTS AND HIGHLIGHTS FOR 2011/2012

ACHIEVEMENTS

- (1) An Electrician was recruited to service the needs of the Shire and the local community, the service commenced in August 2011.
- (2) The Shire purchased Lot 52 Tammin-Wyalkatchem Road for the purpose of relocating and construction of a new depot.
- (3) Community facilities were progressed, namely:
 - (a) Tamma Village - refurbishment works included refurbishment of Unit 2 and replacement of hot water systems and gas ovens.
 - (b) Staff Housing - saw the completion of the 12 Russell Street house.
 - (c) Frearson Park - fencing and retaining wall.
- (4) Asset management, the consultants completed the asset management plan for buildings and structures during the year and are in the process of completing the transport asset management plan. The Plans once completed will provide a useful management tool to the Shire in ensuring that building and facilities are maintained at a level which will ensure the delivery of service to the community.

HIGHLIGHTS

During the 2011/2012 financial year, the Shire achieved the following:

- (1) Rate increases were contained as follows:

Unimproved values	4.5%
Gross rental values	2.0%
Minimum unimproved values	5.2%
Minimum gross rental values	5.2%

A revaluation of all rural properties was undertaken resulting in an increase of 1.83% in

property valuations throughout the municipality.

- (2) \$1.95M was spent in maintaining services at current levels.

- (3) Expenditure on capital works is summarised as follows:

- Land and buildings	\$0.48m
- Road infrastructure	\$0.47m
- Plant and equipment	\$ 0.55m
- Furniture and equipment	\$ 0.12m

STRATEGIC OBJECTIVES FOR 2012/2013

The following strategic objectives have been set for the 2012-13 financial year:

- (1) New Depot Construction
- (2) Caravan Park and Short Stay Accommodation
- (3) Completion of Road Infrastructure Program set for the year
- (4) Completion of the Plant Replacement Program set for the year.

STATEMENT BY SHIRE PRESIDENT



The Shire ended the year with a small deficit of approximately \$34,000 after excluding funds held for committed capital works of \$453,400 and grant funding for 2012/13 received in advance of \$457,616. Rates increased by 5.00% on average for the 2011-12 financial year.

The Shire during the year adopted its Strategic Community Plan which maps out the community vision and represents a clear direction for the next ten years. My thanks go to the members of the community who played a vital role in providing the input and ideas via the workshop, one to one meetings and responding to a questionnaire. The input provided by the elected members to the plan confirmed that Council and its community are very much aligned and Council is committed to achieve the community aspirations.

In order to meet its legislative requirements the Shire has progressed the preparation of asset management plans and long term financial plans. These plans form part of the integrated planning framework introduced by the State Government for local governments.

The Shire is a member of the South East Avon Regional Transition Group

(SEARTG) along with the Shires of Beverley, Cunderdin, Quairading and York, which was formed for the purpose of progressing structural reform in our region. One of the prime tasks of the group was to undertake the preparation of a regional business plan for the purposes of implementing common service arrangements and moving towards amalgamation as a single Local Government. The Regional Business Plan was finalised in September 2012 and the Shire undertook community consultation and resolved to progress the amalgamation proposal. However the Shire of Beverley resolved not to be part of SEARTG requiring the regional business to be reviewed on the basis that the four remaining member Local Governments will give consideration to progressing an amalgamation proposal pending the findings of the review. The review is expected to be finalised by the end of November 2012. The SEARTG received a grant of \$25,000 from the Department of Local Government to fund the review.

I extend my thanks to the elected members and staff for their dedication in progressing the operations of the Shire.

Cr Scott Uppill
President

CHIEF EXECUTIVE OFFICER'S REPORT



In December 2011 the Shire began providing electrical services to the local community and Council's decision is already paying off. The electrician has been kept busy undertaking many urgent works for the Shire as well as undertaking private works in the community. The value of private works undertaken for six months amounted to \$53,660. \$25,000 was budgeted for the period.

The Shire is in the progress of renewing its staff housing and this year saw the construction of a house located at 12 Russell Street and the sale of the 4 Russell Street property for \$130,000.

The asset management plan for buildings and structures and transport (roads and footpaths) reveal the following funding gap:

Asset class:	Funding gap:
Building and structures	
- Short term (5years)	\$6000pa
- Medium term (10 years)	\$35,000pa
Transport	
- Short term (5years)	\$484,000pa
- Medium term (10 years)	\$131,000pa

The funding gap in providing infrastructure assets is determined by identifying the projected cost of providing the assets at an identified level of service and deducting Councils' estimated

available expenditure for the same period. Addressing the funding gap will be a challenge for Council for many years.

The past year has been a challenging one and sadly two valued members of the Shire workforce being the Community Development Officer, Tanya Greenwood and Works Team Leader, Toby McQuistan moved on to take higher paying jobs with other organisations. Tanya was only here for two years but she brought a tremendous amount of energy to the position and was able to achieve much during her relatively short time in Tammin. Toby was with the Shire for almost 10 years and progressed through the ranks to team leader. I thank both Tanya and Toby for their efforts during my time in Tammin. I would also like to welcome new staff members who commenced during 2011/12 including our electrician John Greenwood, part time Community Development Officer David Goulden and Trainee Youth Development Officer Hayley Byrnes. Finally I would like to thank all of the Council staff for their efforts over the past year. My stay at Tammin has been enjoyable and may I take this opportunity to wish the community, Council and staff well in the future.

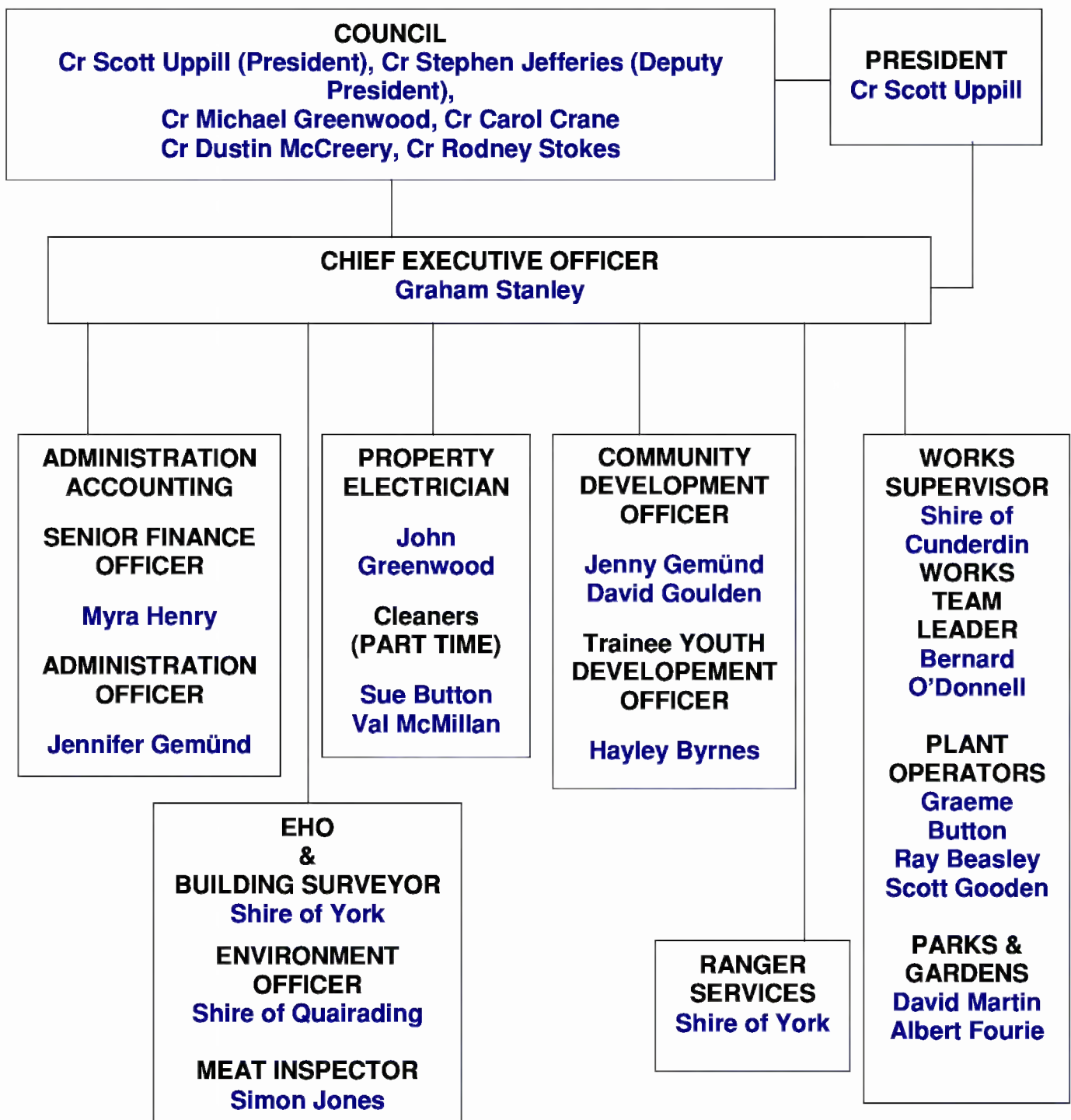
Graham Stanley
Chief Executive Officer

ORGANISATIONAL STRUCTURE

(At 30th June 2012)

The Shire of Tammin staff members are part of the corporate structure headed by the Chief Executive Officer. This corporate approach ensures that staff members work towards achieving common goals.

The staff is organised across a number of sections. The Chief Executive Officer is responsible for the overall management of the organisation. The Corporate Management Team implements and administers the policies of the Elected Members.



LEGISLATIVE COMPLIANCE

National Competition Policy

The introduction of the National Competition Policy requires all Local Governments to include in the Annual Report, Statements relating to the following:

The Structural Reform of Public Monopolies

The intention of the structural reform of Public Monopolies is that:

- ➔ There is a separation of regulatory and commercial functions of Public Monopolies.
- ➔ There is a separation of natural monopolistic operations and potentially competitive activities of Public Monopolies.
- ➔ There is a separation of potential competitive activities into a number of smaller, essentially independent business units.

The Shire of Tammin is not considered a natural monopoly, nor does it conduct any business activity that can be considered a Public Monopoly. Therefore the principle of structural reform of Public Monopolies does not apply to the Shire of Tammin.

Competitive Neutrality

For significant Local Government business enterprises, which are classified as “Public Financial Enterprises”, Local Government will, where appropriate:

- ➔ Adopt a corporatisation model for those Local Government business enterprises.
- ➔ Impose on significant business enterprises:
 - ⇒ Full Commonwealth, State and Territory taxes on tax equivalent systems;
 - ⇒ Debt guarantee fees directed towards off-setting the competitive advantages provided by government guarantees; and
 - ⇒ Those regulations to which private sector businesses are normally subject, such as those relating to the protection of the environment and planning and approval processes, on an equivalent basis to private sector competitors.

These principles have been designed to ensure that a local government has no unfair advantage over any competitor in the market place.

These principles only apply to business activities that receive more than \$200,000 in annual income, of which the Shire of Tammin has none, and therefore do not apply to the Shire of Tammin.

Council has not received any allegations of non-compliance with Competitive Neutrality Principles from the private sector.

Legislation Review

In accordance with the National Competition Policy all Local Laws have been reviewed and will be adopted in the 2012/13 financial year.

Disability Access and Inclusion Plan

The Disability Services Act 1993 was amended in December 2004, creating a requirement of public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs). These plans had to be fully developed by July 2007, and replaced and built on the achievements of Disability Service Plans (DSPs).

Council adopted a DAIP in November 2007 for implementation. Council is required to report on our present activities as they relate to the six desired DAIP outcomes.

1. Council is continually adapting our 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. Council also continues with improvement to buildings and footpath infrastructure to assist both wheelchair and gopher access.
3. Wherever possible people with disabilities can receive information from the Shire 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 large font size.
4. The staff are always 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 staff, this can be via written letters, e-mail, SMS or verbally.
6. Council provides many ways for people to participate in public consultation and we are more than happy to discuss any grievances community members may have regarding the services available to the disabled.

Public Interest Disclosure & Disclosure of Annual Salaries

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 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 2011/12 there were no disclosures made under the Act.

Annual Salaries

One employee of the Shire of Tammin received a salary in excess of \$100,000 for the year ended 30th June 2011.

<u>No. Employees</u>	<u>Salary Range</u>
1	\$110,000 - \$120,000

Record Keeping Plan

The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner.

Principal 6 – Compliance: Government organisations ensure their employees comply with the Record-Keeping Plan.

Rationale:

An organisation and its employees must comply with the organisation's Record Keeping Plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

Minimum Compliance Requirements:

The Record-Keeping Plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every 5 years.
2. The organisation conducts a record-keeping program.
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.
4. The organisation's induction program addresses employee role and responsibilities in regards to their compliance with the organisation's record keeping plan.

The Shire of Tammin has complied with items 1 to 4.

Register of Minor Complaints

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

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

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

In Accordance with these requirements, it is advised that no complaints of minor breaches under the Local Government Act 1995 were received during 2011/12.

Freedom of Information

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

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

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

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

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

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

Councillor Meeting Attendance

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

	Council		Committee	
	<u>Eligible</u>	<u>Attended</u>	<u>Eligible</u>	<u>Attended</u>
Cr L. Caffell	4	4	0	0
Cr C. Crane	8	7	0	0
Cr M. Greenwood	12	11	1	1
Cr S. Jefferies	12	10	0	0
Cr D. McCreery	8	8	0	0
Cr B. Stokes	4	4	0	0
Cr R. Stokes	12	11	1	1
Cr S Uppill	12	11	1	1



SHIRE OF TAMMIN

ANNUAL FINANCIAL STATEMENTS

2011 - 2012

SHIRE OF TAMMIN

ANNUAL FINANCIAL STATEMENTS

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**SHIRE OF TAMMIN
FINANCIAL REPORT**

FOR THE YEAR ENDED 30 TH JUNE 2012

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Tammin being the annual financial report and other information for the financial year ended 30th June 2012 are in my opinion are properly drawn up to present fairly the financial position of the Shire of Tammin as at 30 th June 2012 and the results of the operations for the financial year ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the Regulations under the Act.

Signed on the 8th day of November 2012

A handwritten signature in black ink, appearing to read 'G. Stanley', is written above the printed name.

Graham Stanley

Chief Executive Officer

SHIRE OF TAMMIN
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

2010/11 ACTUAL		Note	2011/12 ADOPTED BUDGET	2011/12 ACTUAL
\$	EXPENSES		\$	\$
(78,564)	General Purpose Funding	2,3,4	(87,036)	(85,877)
(211,206)	Governance		(228,288)	(183,813)
(9,556)	Law, Order, Public Safety		(15,401)	(7,108)
(73,815)	Health		(101,070)	(102,849)
(92,120)	Education and Welfare		(105,336)	(100,457)
0	Housing		-	0
(103,967)	Community Amenities		(148,494)	(104,974)
(430,568)	Recreation and Culture		(491,640)	(412,467)
(722,908)	Transport		(799,136)	(678,612)
(102,220)	Economic Services		(106,024)	(104,522)
(70,461)	Other Property and Services		(123,719)	(173,010)
(1,895,385)			(2,206,144)	(1,953,689)
	REVENUE	2,3,4		
1,593,446	General Purpose Funding		1,789,829	1,849,139
34,940	Governance		10,063	13,085
2,317	Law, Order, Public Safety		2,420	1,422
46,132	Health		71,854	77,400
78,489	Education and Welfare		71,113	67,900
0	Housing		-	0
66,824	Community Amenities		69,712	64,966
52,441	Recreation and Culture		36,923	38,123
336,292	Transport		325,626	321,239
21,305	Economic Services		6,320	5,443
100,610	Other Property & Services		110,230	182,455
2,332,796			2,494,090	2,621,172
437,411	<i>Increase(Decrease)</i>		287,946	667,483
	DISPOSAL OF ASSETS	6,11		
0	Land and Building		90,522	130,000
9162	Plant and Equipment		20,826	106,297
0	Furniture and Equipment		0	0
9162	<i>Gain (Loss) on Disposal</i>		111,348	236,297
	FINANCE COSTS	7,11		
(9,713)	Recreation and Culture		(7,280)	(7,280)
(7,751)	Transport		(11,342)	(7,676)
0	Other Property & Services		(6,356)	(792)
(17,464)	<i>Increase(Decrease)</i>		(24,978)	(15,748)
429,109	NET RESULT		374,316	888,032
	Other Comprehensive Income			
0	Rounding		0	2
429,109	TOTAL COMPREHENSIVE INCOME		374,316	888,034

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

SHIRE OF TAMMIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	2010/11 ACTUAL \$	2011/12 ACTUAL \$
Current assets			
Cash and cash equivalents	5	954,341	1,150,958
Trade and other receivables	28	85,489	134,908
Inventories	29	0	0
Total current assets		1,039,830	1,285,866
Non-current assets			
Trade and other receivables	28	4,866	5,340
Property, infrastructure, plant and equipment	6	24,564,096	25,435,712
Total non-current assets		24,568,962	25,441,053
Total assets		25,608,792	26,726,917
Current liabilities			
Trade and other payables	30	88,218	119,912
Interest-bearing loans and borrowings	7	68,272	92,745
Provisions	32	58,147	75,541
Total current liabilities		214,637	288,197
Non-current liabilities			
Interest-bearing loans and borrowings	7	181,654	333,009
Provisions	32	21,435	26,610
Total non-current liabilities		203,089	359,619
Total liabilities		417,726	647,817
Net assets		25,191,066	26,079,101
Equity			
Retained surplus		4,759,966	5,802,015
Reserve - asset revaluation	8	20,039,816	20,039,816
Reserves - other (cash/investment backed)	8,11	391,284	237,270
Total equity		25,191,066	26,079,101

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 2012

	Note	RETAINED SURPLUS	RESERVES CASH BACKED	ASSET REVALUATION RESERVE	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2010		4,352,113	370,031	20,039,816	24,761,960
Net Result		429,107	0	0	429,107
Total Other Comprehensive Income		0	0	0	0
Transfer from / (to) retained surplus		(21,253)	21,253	0	0
Balance as at 30 June 2011		4,759,967	391,284	20,039,816	25,191,067
Net Result		888,034	0	0	888,034
Total Other Comprehensive Income		-	0	0	-
Transfer from / (to) retained surplus		154,014	(154,014)	0	0
Balance as at 30 June 2012		5,802,015	237,270	20,039,816	26,079,101

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 2012

2010/11 ACTUAL		Note	2011/12 ADOPTED BUDGET	2011/12 ACTUAL
\$			\$	\$
	Cash Flows from operating activities			
	EXPENDITURE			
(666,315)	Employee Costs		(818,515)	(865,718)
(556,374)	Materials & Contracts		(723,203)	(321,461)
(97,002)	Utilities		(107,157)	(94,655)
(61,897)	Insurance		(65,901)	(75,165)
(17,778)	Interest Expenses		(24,988)	(15,802)
(5,342)	Other		(33,475)	(51,125)
(\$1,404,708)			(\$1,773,239)	(\$1,423,926)
	REVENUE			
659,635	Rates		695,052	686,217
145,796	Subsidies Reimburements and Contributions		131,993	150,799
229,405	Fees and Charges		245,864	247,752
63,460	Interest Received		61,200	54,830
29,654	Other		8,200	14,468
\$1,127,950			\$1,142,309	\$1,154,066
(\$276,758)	Net Cash flows from Operating Activities	9	(\$630,930)	(\$269,860)
	Cash flows from investing activities			
	Payments			
0	Purchase Tools		0	0
(93,327)	Purchase Land and Buildings		(941,319)	(475,369)
(587,884)	Purchase Infrastructure Assets- Roads		(598,522)	(473,710)
(11,692)	Purchase Infrastructure Assets - Recreational Facilities		(4,500)	(3,785)
(72,512)	Purchase Infrastructure Assets - Other		0	0
(370,595)	Purchase Plant and Equipment		(566,590)	(547,000)
(36,963)	Purchase Furniture and Equipment		(13,898)	(11,577)
(1,172,973)			(2,124,829)	(1,511,441)
	Receipts			
0	Disposal of Land and Buildings		0	130,000
0	Disposal of Furniture and Equipment		0	0
52,273	Disposal of Plant and Equipment		336,690	254,876
0	Contributions from Other Parties			0
52,273			336,690	384,876
(\$1,120,700)	Net cash flows from investing activities		(\$1,788,139)	(\$1,126,565)
	Cash flows from financing activities			
(64,265)	Loan Repayments -Principal		(80,054)	(74,173)
0	Loan Borrowings		300,000	250,000
0	Principal Repayments Received		0	0
(\$64,265)	Net cash flows from financing activities		\$219,946	\$175,827
	Cash flows from government			
	Receipts from appropriate grants			
954,901	Recurrent		691,209	1,151,465
313,336	Capital		670,572	265,748
\$1,268,237	Net cash Provided By Government		\$1,361,781	\$1,417,213
(\$193,486)	Net (decrease)/increase in cash held		(\$837,342)	\$196,615
1,147,827	Cash at the Beginning of Reporting Period		954,340	954,341
0	Rounding		0	2
\$954,341	Cash at the End of Reporting Period	9	\$116,998	\$1,150,958

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

SHIRE OF TAMMIN
RATE SETTING STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

2010/11 ACTUAL		NOTES	2011/12 ADOPTED BUDGET	2011/12 ACTUAL
\$	REVENUE	2,3,4	\$	\$
933,811	General Purpose Funding		1,094,777	1,151,119
34,940	Governance		10,063	13,085
2,317	Law, Order Public Safety		2,420	1,422
46,132	Health		71,854	77,400
78,489	Education and Welfare		71,113	67,900
0	Housing		0	0
66,824	Community Amenities		69,712	64,966
52,441	Recreation and Culture		36,923	38,123
336,292	Transport		325,626	321,239
21,305	Economic Services		6,320	5,443
100,610	Other Property and Services		110,230	182,455
\$1,673,161			\$1,799,038	\$1,923,152
	LESS EXPENDITURE	2,3,4		
(78,564)	General Purpose Funding		(87,036)	(85,877)
(211,206)	Governance		(228,288)	(183,813)
(9,556)	Law, Order, Public Safety		(15,401)	(7,108)
(73,815)	Health		(101,070)	(102,849)
(92,120)	Education and Welfare		(105,336)	(100,457)
0	Housing		0	0
(103,967)	Community Amenities		(148,494)	(104,974)
(440,281)	Recreation and Culture		(491,640)	(419,747)
(730,659)	Transport		(799,136)	(686,288)
(102,220)	Economic Services		(106,024)	(104,522)
(70,461)	Other Property & Services		(123,719)	(173,802)
(1,912,849)			(2,206,144)	(1,969,437)
(239,688)	<i>Increase(Decrease)</i>		(407,106)	(46,285)
	ADD			
-	Early Loan Payment		0	0
(6,726)	Provisions Employee Entitlements Accrued		0	5,175
9,162	Profit/(Loss) on the disposal of assets	6,11	111,348	236,297
478,077	Depreciation Written Back	6	429,480	491,245
43,111	Proceeds from Sale of Assets	6	225,342	148,579
\$523,624			\$766,170	\$881,296
\$283,936	<i>Sub Total</i>		\$359,064	\$835,011
	LESS CAPITAL PROGRAMME			
0	Purchase Tools		0	0
(93,327)	Purchase Land & Buildings	6,26	(941,319)	(475,369)
(587,884)	Infrastructure Assets - Roads	6,26	(598,522)	(473,710)
(11,692)	Infrastructure Assets - Recreation Facilities	6,26	(4,500)	(3,785)
(72,512)	Infrastructure Assets - Other	6,26	0	0
(370,595)	Purchase Plant and Equipment	6,26	(566,590)	(547,000)
(36,963)	Purchase Furniture and Equipment	6,26	(13,898)	(11,577)
(64,265)	Repayment of Debt - Loan Principal	7,11	(80,054)	(74,173)
(21,253)	Transfer to Reserves	8,11	(20,000)	(39,135)
(1,258,491)			(2,224,883)	(1,624,748)
	ABNORMAL ITEMS			
0			0	0
\$0			\$0	\$0
(3)	Plus Rounding		0	0
(1,258,494)			(2,224,883)	(1,624,748)
(974,558)	<i>Sub Total</i>		(1,865,819)	(789,737)
	LESS FUNDING FROM			
0	Loans	7,11	300,000	250,000
0	Reserves	8,11	348,300	193,150
840,288	Opening Funds - July 1 B/Fwd	25	522,467	525,365
(525,365)	Closing Funds - June 30 C/Fwd	25	0	(876,798)
314,923			1,170,767	91,717
(659,635)	AMOUNT TO BE MADE UP FROM RATES		(695,052)	(698,020)

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

**SHIRE OF TAMMIN
STATEMENT OF RATING INFORMATION
FO THE YEAR ENDED 30 JUNE 2012**

	CURRENT YEAR ESTIMATED 2011/12									CURRENT YEAR ACTUAL 2011/12								
	GENERAL RATE				MINIMUM RATE				TOTAL	GENERAL RATE				MINIMUM RATE				TOTAL
	No. of Prop.	Rateable value \$	U.V. Rate in \$	Rate Yield \$	No.	Minimums Rateable value \$	Min. Rate \$	Yield \$		No. of Prop.	Rateable value \$	U.V. Rate in \$	Rate Yield \$	No.	Minimums Rateable value \$	Min. Rate \$	Yield \$	
General Rate GRV.	77	403,020	0.150379	60,606	56	28,956	385.00	21,560	82,166	77	403,020	0.150379	60,606	56	28,956	385.00	21,560	82,166
General Rate UV - Rural	170	63,426,000	0.009893	627,473	17	306,978	385.00	6,545	634,018	170	63,465,017	0.009893	627,859	16	267,961	385.00	6,160	634,019
				0				0	0				0				0	0
				0				0	0				0				0	0
SUB TOTAL GENERAL RATE	247	63,829,020		688,079	73	335,934		28,105	716,184	247	63,868,037		688,465	72	296,917		27,720	716,185
Interim Rates									500									4,964
Ex-Gratia Rates									4,868									4,867
Discount Allowed									(26,500)									(27,996)
SUB TOTAL		0		0		0		0	(21,132)		0		0		0		0	(18,165)
GRAND TOTAL	247	63,829,020		688,079	73	335,934		28,105	695,052	247	63,868,037		688,465	72	296,917		27,720	698,020

NOTE: (1) THE OBJECT AND REASON FOR GENERAL AND MINIMUM RATE

Council has imposed a general rate of 0.150379 GRV and 0.009893 UV and a minimum rate of \$385.00 pa, as Council perceives it to be a "reasonable" minimum level of rates which all ratepayers in its district should pay. The minimum rate reflects the basic cost incurred by the Council in servicing each lot or dwelling in its district.

(2) RATES LEVIED IF NO MINIMUM RATE OF \$385 PA WAS IMPOSED

Total GRV & U.V. Applicable to Properties that Minimum rate applies	X	General Rate in Dollar	=	Rates Levied on Properties that the Minimum Rate Applies
431,976	X	0.150379	=	\$ 64,960
63,732,978	X	0.009893	=	\$ 630,510

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

1 SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 10 to this financial report.

(c) Goods and Services Tax

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

(d) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

(e) Trade and Other Receivables

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

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

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

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

(g) Fixed Assets

Initial Recognition

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

Revaluation

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

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

Land under Roads

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

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

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

Whilst such treatment is inconsistent with the requirements of AASB1051, Local Government (Financial Management) Regulation prevail.

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

(h) Depreciation of Non-Current Assets

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Depreciation of Non-Current Assets (Continued)

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

Capitalisation Threshold

Expenditure on items of equipment under \$1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(i) Financial Instruments

Classification

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

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

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. That are subsequently measured at amortised cost. Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, are non-derivatives that are either not suitable to be classified into other categories of financial assets due to their nature or that are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable. They are subsequently measured at fair value with changes in such fair value (i.e. gains and losses) recognized in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to the asset previously recognized in other comprehensive income, is classified into profit or loss.

Available-for-sale financial assets are included in current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as non-current.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognized in profit or loss. Also, any cumulative decline in fair value previously recognized in other comprehensive income is reclassified into profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant continued involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. 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.

(j) Estimation of Fair Value

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

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

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

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

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

Where such an indication exists, an 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). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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

(l) Trade and Other Payables

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

(m) Employee Benefits

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

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

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

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

The liability for long service leave is recognized in the provision for employee benefits and measured as the present value of the estimated future cash outflows to be made for the benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

(n) Interest-bearing Loans and Borrowings

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

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

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

Borrowing Costs

Borrowing costs are recognized 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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Provisions

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

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

(p) Leases

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

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

(q) Joint Venture

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Balance Sheet and Comprehensive Income Statement. Information about the joint venture is set out in Note 21.

The Council's interest in joint venture entities are recorded using the equity method of accounting in the financial report.

When the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of gain or loss not attributable to the Councils 'share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or impairment loss.

(r) Rates, Grants, Donations and Other Contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 5(b). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(s) Superannuation

The Shire of Tammin contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

(w) Budget Comparative Figures

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

(x) New Accounting Standards and Interpretations for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ended 30 June 2012.

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

	Title and Topic	Issued	Applicable (*)	Impact
(i)	AASB 9 – Financial Instruments	December 2009	01 January 2013	<p>Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.</p>
(ii)	AASB 1053 - Application of Tiers of Australian Accounting Standards	June 2010	01 July 2013	<p>Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.</p>
(iii)	AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9	December 2009	01 January 2013	<p>Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).</p>
	<p>[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)</p>			

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title and Topic	Issued	Applicable (*)	Impact
(iv)	AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	01 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(v)	AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(vi)	AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]	December 2010	01 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title and Topic	Issued	Applicable (*)	Impact
(vii)	AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009 - 11 & 2010 - 7]	December 2010	01 January 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2011 - 2 Amendments to Australian Accounting Standards - Arising from the Trans-Tasman Consequence Project - Reduced Disclosure Requirements. [AASB 101 & 1054]	May 2011	01 July 2013	
	AASB 2011 - 3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to ABS GFS manual and related Amendments. [AASB 1049]	May 2011	01 July 2012	
	AASB 2011 - 6 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127,128 & 131]	July 2011	01 July 2013	

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title and Topic	Issued	Applicable (*)	Impact
(viii)	AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards	August 2011	01 January 2013	Nil - None of these, except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.

[AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

	September 2011	01 January 2013	
(ix)	AASB 13 - Fair Value Measurement, AASB 2011 - 8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]		AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 requires inputs to all fair value measurements to be categorised in accordance with fair value hierarchy. AASB 13 also requires enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value. AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards. The amendments to the legislation requires the phasing in of fair value in relation to fixed assets over the three years from 1 July

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards and Interpretations for Application in Future Periods (Continued)

(x)	AASB 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.
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	Title and Topic	Issued	Applicable (*)	Impact
(xi)	AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(xii)	AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	September 2011	01 July 2013	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

AASB 2011 – 12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]	November 2011	01 January 2013
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AASB 2011 – 13 Amendments to Australian Accounting Standards – Improvements to AASB 1049	December 2011	01 July 2012
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Notes:

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards and Interpretations for Application in Future Periods (Continued)

(y) Adoption of New and Revised Accounting Standards

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and

These new and revised standards were:

AASB 124
AASB 1054
AASB 2009 - 12
AASB 2009 - 14
AASB 2010 - 4
AASB 2010 - 5
AASB 2010 - 6
AASB 2010 - 9

AASB 2011 - 1

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2 REVENUES AND EXPENSES

The Net Result includes:

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
	Charging as Expenses		
478,077	Depreciation on Non-Current Assets	429,480	491,245
7,571	Auditors Remuneration	8,000	7,715
17,464	Interest Expenses	24,978	15,748
	Crediting as Revenue		
	Interest on Earnings		
21,115	Reserve Funds	20,000	21,912
37,062	Other Funds	36,000	26,586
5,283	Other Interest Revenue	5,200	6,333
<u>63,460</u>		<u>61,200</u>	<u>54,831</u>
	Profit/(Loss) on Sale of Non-Current Assets		
0	Land	0	0
0	Buildings	90,522	130,000
9,162	Plant and Equipment	20,826	106,297
0	Furniture and Equipment	0	0
<u>9,162</u>		<u>111,348</u>	<u>236,297</u>

3 DESCRIPTION OF FUNCTIONS/ACTIVITIES

The principal activities of Council for the Local Government of the Shire of Tammin covers the provisions of law, order, public safety services, education services, health services, welfare services, housing services, community amenities, recreation and cultural services, transport services, economic services, and other property services as permitted under the Local Government Act or other written law.

Description of Programs

General Purpose Funding

Details rates levied, interest on late payment of rates, general purpose grants and interest received on investments

Governance

This service provides assistance to elected members and ratepayers on matters which do not concern specific council services

Law, Order, Public Safety

This service provides for the supervision of local laws, fire prevention and animal control.

Health

This service provides for food quality and pest control, support to child health clinic, medical service and administration of health scheme.

Education and Welfare

This service provides for maintenance of old school, donation towards school awards and youth activities. Retirement Village is reported in this programme.

Housing

This service provides for the maintenance of staff housing and retirement village. The revenue and expenditure is reported in the programme where it is provided. Retirement Village is reported in the Education and Welfare programme.

Community Amenities

This service provides the collection of rubbish, operation of waste disposal sites, administration of town planning schemes, maintenance of cemeteries and protection of the environment.

Recreation and Culture

This service provides for the maintenance of halls, recreation grounds and various reserves. The operations of the library is also included.

Transport

This service provides for the maintenance of roads, bridges, footpaths, cleaning and lighting of streets, street trees, depot maintenance and aerodrome maintenance. Revenue associated with the construction of roads, etc is also recorded in this programme.

Economic Services

This service provides for weed control, tourism and area promotion, implementation of building controls, swimming pool inspections and promotion of economic development initiatives.

Other Property and Services

This service provides for the undertaking of private works, allocation of on-costs and plant operation costs, recording of material and stock, salaries and wages paid and allocated to works.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

4 REVENUES AND EXPENSES BY NATURE AND TYPE

Expenses and revenues classified according to nature and type.

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
	Operating Expenses		
(695,638)	Employee Costs	(828,940)	(901,338)
(557,423)	Materials and Contracts	(716,203)	(329,389)
(97,002)	Utility Charges (Gas, Electricity, Water, etc)	(107,157)	(94,655)
(478,077)	Depreciation on Non-Current Assets	(429,480)	(491,246)
(15,838)	Loss on Asset Disposals	0	(4,631)
(17,464)	Interest Expenses	(24,988)	(18,234)
(61,897)	Insurance Expenses	(65,901)	(75,166)
(5,339)	Other Expenses	(33,475)	(59,407)
(1,928,678)	Agrees with Comprehensive Income Statement	(2,206,144)	(1,974,066)
	Operating Revenues		
659,635	Rates	695,052	698,020
1,037,297	Operating Grants, Subsidies and Contributions	813,202	1,302,264
313,336	Non - Operating Grants, Subsidies and Contributions	670,572	265,748
25,000	Profit on Asset Disposals	111,348	240,928
229,405	Fees and Charges	245,864	285,842
63,460	Interest Earnings	61,200	54,830
29,654	Other Revenue	8,200	14,468
2,357,787	Agrees with Comprehensive Income Statement	2,605,438	2,862,100
0	Rounding	0	0
\$429,109	Net Result	\$399,294	\$888,034

5 CASH AND CASH EQUIVALENTS

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
550	Cash on Hand	550	550
19,585	Cash at Bank	116,448	1,150,408
934,206	Investments	0	0
954,341	Represented by:-	116,998	1,150,958
412,313	Restricted	62,984	267,923
542,028	Unrestricted	54,014	883,035
954,341		116,998	1,150,958

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$

(a) Restricted Funds

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

13,961	Information and Technology Reserve	5,370	14,742
313,791	Plant Reserve	8,852	138,219
12,929	Long Service Leave Reserve	13,585	13,652
45,216	Aged Pensioners Units Reserve	29,515	47,745
5,387	Entitlements Reserve	5,662	5,689
0	Building Reserve	0	17,223
4,171	Funds held on behalf of the Department of Transport (Licensing)	0	13,045
16,858	Unexpended Grants	0	17,608
412,313		62,984	267,923

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

5 CASH AND CASH EQUIVALENTS (Continued)

(b) Conditions over contributions

Contributions and Grants recognised as revenues during the financial year in respect of which expenditure had not been made.

35,000	-Govt Grant - Country Local Government Fund Capital Works Plan	0	0
9,567	Regional & Local Community Infrastructure Programme - Round 2 (Hall Kitchen)	0	0
262,643	Royalties for Regions (R4R)	0	0
6,252	Lottery West Grant - Function and Events	0	0
0	Wheatbelt Natural Resource Management - Red Card Grant	0	750

Grants received in a previous financial year which have been expended during the financial year.

0	-Govt Grant - Country Local Government Fund Capital Works Plan	0	16,858
313,462		0	17,608

6 FIXED ASSETS

(a) Disposal of Assets

In accordance with Financial Management Regulation 36(1)(e), the following information is provided in relation to the disposal of Assets by Asset Class:

	Proceeds Sale of Assets		Written Down Value		Gain(Loss) on Disposal	
	2011/2012	2011/2012	2011/2012	2011/2012	2011/2012	2011/2012
	Adopted		Adopted		Adopted	
	Budget	Actual	Budget	Actual	Budget	Actual
	\$	\$	\$	\$	\$	\$
Asset by Class						
Plant and Equipment	206,690	254,876	225,342	148,579	(18,652)	106,297
Land and Building	130,000	130,000	0	0	130,000	130,000
TOTAL BY CLASS OF ASSET	336,690	384,876	225,342	148,579	111,348	236,297

Asset by Program	Proceeds Sale of Assets	Written Down Value	Gain/(Loss) on Disposal
	\$	\$	\$
Governance	86,876	75,546	11,330
Law, Order, Public Safety	0	0	0
Health	0	0	0
Education and Welfare	0	0	0
Housing	0	0	0
Community Amenities	0	0	0
Recreation and Culture	0	0	0
Transport	148,000	70,256	77,744
Economic Services	20,000	2,777	17,223
Other Property and Services	130,000	0	130,000
TOTAL BY PROGRAM	384,876	148,579	236,297

(b) Borrowing Costs Incurred and Capitalised as Part of a Qualifying Asset

No Borrowing Costs were incorporated in the Financial Statement as Assets purchased were funded from General Purpose Funding.

(c) Fixed Assets Classified according to Class

Actual 2010/2011			Actual 2011/2012	
\$	\$		\$	\$
2,727,610		Land and Buildings (at cost)	3,142,478	
(645,153)	2,082,457	Less Accumulated Depreciation	(698,392)	2,444,087
238,409		Furniture and Equipment (at cost)	249,985	
(201,997)	36,412	Less Accumulated Depreciation	(215,270)	34,715

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

6 FIXED ASSETS (Continued)

(c) Fixed Assets Classified according to Class

1,536,247		Plant and Equipment (at cost)	1,678,819	
<u>(965,439)</u>	570,808	Less Accumulated Depreciation	<u>(793,033)</u>	885,786
2,796		Tools (at cost)	2,796	
<u>(2,796)</u>	0	Less Accumulated Depreciation	<u>(2,796)</u>	0
Infrastructure Assets				
29,735,903		Roads (at valuation)	29,735,903	
1,441,578		Roads (at cost)	1,915,288	
<u>(10,333,778)</u>	20,843,703	Less Accumulated Depreciation	<u>(10,523,778)</u>	21,127,412
579,231		Footpaths (at cost)	579,231	
<u>(356,781)</u>	222,450	Less Accumulated Depreciation	<u>(397,327)</u>	181,904
1,076,953		Other Structures (at cost)	1,080,738	
<u>(268,687)</u>	808,266	Less Accumulated Depreciation	<u>(318,931)</u>	761,807
		Rounding		
<u>24,564,096</u>		TOTAL FIXED ASSETS	<u>25,435,711</u>	

Assets at cost are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 "Impairment of Assets"

During 2009/2010, the Shire engaged Cardno Pty Ltd to conduct a full road inventory and condition rating audit. This Audit resulted in the Shire revaluing its Road Assets to reflect the current replacement valuation less depreciation based on the current condition.

(d) Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant, and equipment between the beginning and the end of the

Program	Land and Buildings	Furniture and Equip.	Plant and Equip.	Tools	Footpaths	Roads	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Asset Balance at the beginning of the year	2,727,610	238,409	1,536,247	2,796	579,231	31,177,481	107,6953	37,338,727
Assets Acquired during the year	475,369	11,577	547,000	0	0	473,710	3785	1,511,441
Assets Disposed during the year	(60,500)	0	(404,428)	0	0	0	0	(464,928)
Revaluation Increments/ (decrements)	0	0	0	0	0	0	0	0
Asset Balance at the end of the year	3,142,479	249,986	1,678,819	2,796	579,231	31,651,191	1,080,738	38,385,240
Depreciation at the beginning of the year	(645,153)	(201,998)	(965,439)	(2,796)	(356,781)	(10,333,779)	(268,687)	(12,774,633)
Depreciation Expense Raised	(73,684)	(13,273)	(123,498)	0	(40,546)	(190,000)	(50,244)	(491,245)
Depreciation Expense Written Back on Disposals	20,445	0	295,904	0	0	0	0	316,349
Revaluation Increments/ (decrements)	0	0	0	0	0	0	0	0
Depreciation at the end of Year	(698,392)	(215,271)	(793,033)	(2,796)	(397,327)	(10,523,779)	(318,931)	(12,949,529)
Net Asset Values at the end of the year	2,444,087	34,715	885,786	0	181,904	21,127,412	761,807	25,435,711

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

7 BORROWINGS INFORMATION

- (a) In accordance with Financial Management regulation 48 the unspent balance of money borrowed in previous years is summarised as follows:

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
0	Loans Unspent	0	0
0	Amount Expended	0	0
Nil	CLOSING BALANCE	Nil	Nil

- (b) **Loans Raised in Financial Year**

Actual		Adopted Budget	Actual
2011/2012		2011/2012	2011/2012
\$		\$	\$
	The Shire borrowed the following funds in the 2011/2012 financial year.		
	Amount Borrowed		
0	New Loan - Purchase of Land Shire Depot	150,000	150,000
0	New Loan - Construction of Staff House	100,000	100,000
0	New Loan - Purchase of Grader	50,000	0
0	Amount Expended	(300,000)	(250,000)
Nil	CLOSING BALANCE	Nil	Nil

- (c) **Loan Repayments**

Program	Loan No.	Principal 01.07.11	Loans Raised		Interest		Loan Repayment		Principal 30.6.2012
			Budget 2011/2012	Actual 2011/2012	Budget 2011/2012	Actual 2011/2012	Budget 2011/2012	Actual 2011/2012	
		\$	\$	\$	\$	\$	\$	\$	\$
Recreation	76	132,166	0	0	7,280	7,280	41,362	41,362	90,804
Transport	77	117,760	0	0	6,489	6,489	26,911	26,910	90,850
Transport	78	0	150,000	150,000	3,638	1,187	5,892	3,540	146,460
Transport	NEW	0	50,000	0	1,215	0	1,963	0	0
Other									
Property	79	0	100,000	100,000	6,356	792	3,926	2,360	97,640
TOTAL		249,926	300,000	250,000	24,978	15,748	80,054	74,172	425,754
Change in Net Accrual					0	-	0	0	
Loan Repayments to be financed by the Shire					24,978	15,748	80,054	74,172	
Loan Repayments reimbursed from external sources					0	0	0	0	
TOTAL					24,978	15,748	80,054	74,172	

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

8 RESERVES

In accordance with Financial Management Regulation 38 the following Reserve account information is disclosed.

(a) Information Technology Reserve (Cash Backed)

Purpose - to fund information technology acquisitions

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
13,203	Opening Balance	13,961	13,961
	Plus Transfer from Accumulated Surplus		
758	- Interest Received	709	781
0	- Transfer	0	0
	Less Transfer to Accumulated Surplus		
0	- Purchases Computer Equipment	(9,300)	0
13,961	CLOSING BALANCE	5,370	14,742

(b) Plant Reserve (Cash Backed)

Purpose - Acquisition of Major Plant & Equipment.

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
296,746	Opening Balance	313,791	313,791
	Plus Transfer from Accumulated Surplus		
17,045	- Interest Received	16,061	17,578
	Less Transfer to Accumulated Surplus		
0	- Plant Purchases	(321,000)	(193,150)
313,791	CLOSING BALANCE	8,852	138,219

(c) Long Service Leave Reserve (Cash Backed)

Purpose - To fund staff long service leave entitlements.

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
12,227	Opening Balance	12,929	12,929
	Plus Transfer from Accumulated Surplus		
702	- Interest Received	656	724
	Less Transfer to Accumulated Surplus		
12,929	CLOSING BALANCE	13,585	13,653

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

8 RESERVES (Continued)

(d) Aged Pensioner Units Reserve (Cash Backed)

Purpose - Fund the maintenance of the Tamma Village Senior Units

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
42,760	Opening Balance	45,216	45,216
	Plus Transfer from Accumulated Surplus		
2,456	- Interest Received	2,299	2,529
0	- Other	0	0
	Less Transfer to Accumulated Surplus		
0	- Tamma Village Painting and Carpet	(18,000)	0
45,216	CLOSING BALANCE	29,515	47,745

(e) Entitlements Reserve (Cash Backed)

Purpose - Fund staff leave entitlement liabilities

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
5,095	Opening Balance	5,387	5,387
	Plus Transfer from Accumulated Surplus		
292	- Interest Received	275	301
0	- Other	0	0
	Less Transfer to Accumulated Surplus		
0	- Staff Leave entitlements paid	0	0
5,387	CLOSING BALANCE	5,662	5,688

(f) Building Reserve (Cash Backed)

Purpose - Fund the provision of major renovations, improvements or construction of new buildings for Council and community purposes in Tammin.

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
0	Opening Balance	0	0
	Plus Transfer from Accumulated Surplus		
0	- Net proceeds salesyard plant	0	17,223
	Less Transfer to Accumulated Surplus		
0	- Other	0	0
0	CLOSING BALANCE	0	17,223
391,284	TOTAL	62,984	237,270

All of the above Reserve Accounts are Cash Backed and are disclosed as Restricted Cash Assets in Note 5 of the Annual

Its anticipated that the Reserves will be utilised over the next 1 to 10 years .Council would expect further transfers to be made to some of the Reserves as funds are utilised.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

8 RESERVES (Continued)

(k) Reserves - Asset Revaluation

The Shire engages Cardno Consultants to conduct revaluations on the Shire Road Assets from time to time.

The Asset Revaluation Reserve is not Cash Backed and future transactions in the Reserve will be in accordance with the Shire of Tammin Accounting Policy.

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
20,039,816	Asset Revaluation Reserve (Roads)	0	20,039,816
0	Balance brought forward 1st July	0	0
	Revaluation increment/(decrement) of Assets during current financial year		
20,039,816	CLOSING BALANCE	0	20,039,816

9 CASH FLOW INFORMATION

Reconciliation of cash flows from operations with change in net equity resulting from operations.

For the purpose of the Cash Flow Statement, cash includes cash on hand and in or at call deposits with Banks or Financial Institutions.

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
	Change in net equity from operations		
429,109	Net Result	399,294	888,034
478,077	Depreciation	429,480	491,245
(9,162)	(Profit)/Loss on sale of Fixed Assets	(111,348)	(236,297)
(6,726)	Changes to Provisions	10,425	5,175
(1,268,237)	Government Revenue	(1,361,781)	(1,417,213)
	Change in Assets and Liabilities		
0	(Increase)/Decrease in Inventory	0	0
31,228	Increase/(Decrease) in Employee Provisions	0	17,394
4,507	Increase/(Decrease) in Accrued Expenses	0	15,483
63,400	(Increase)/Decrease in Debtors	10,000	(49,893)
1,049	Increase/(Decrease) in Creditors	(7,000)	16,211
(3)	Rounding	0	1
(276,758)	Cash flows from Operations	(630,930)	(269,860)
20,000	Credit Card Facility	20,000	20,000
100,000	Bank Overdraft limit	100,000	100,000
0	Amount Utilised	0	0
120,000	Unused Facility available	120,000	120,000
	RECONCILIATION OF CASH		
563,057	Cash at Bank - Operating	54,014	913,688
391,284	Restricted Reserves	62,984	237,270
391,284	TOTAL CASH	116,998	1,150,958

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

10 TRUST FUND INFORMATION

In accordance with Financial Management Regulation 37 the transactions of the Trust Fund are summarised as follows:

TRUST FUND							
FOR THE PERIOD ENDED 30 JUNE 2012							
PARTICULARS	OPENING BALANCE	RECEIPTS		PAYMENTS		CLOSING BALANCE	
		ADOPTED BUDGET	ACTUAL	ADOPTED BUDGET	ACTUAL	ADOPTED BUDGET	ACTUAL
		1/07/2011	2011/2012	2011/2012	2011/2012	2011/2012	30/06/2012
DEPOSITS	\$	\$	\$	\$	\$	\$	\$
Nominations Deposits	0	0	240	0	240	0	0
MYBERT Appeal	0	0	500	0	0	0	500
House Bonds	2,080	0	520	0	0	0	2,600
Tamma Village Bonds	0	0	0	0	0	0	0
Best Memorial Trust	642	0	100	0	0	0	742
Pre-Paid Rates	0	0	16,155	0	155	0	16,000
Abattoir Security Deposit	11000	0	0	0	0	0	11000
TOTAL	13,722	0	17,515	0	395	0	30,842

11 COMPARISON WITH RATE SETTING STATEMENT

The following information provides details of all income and expenditure together with movements to and from Reserve Accounts which have been included in the Rate Setting Statement but which have not been included in the Comprehensive Income Statement.

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
	Non Operating Income		
	Proceeds From Disposal of Assets		
0	Land and Buildings	130,000	130,000
52,273	Plant and Equipment	206,690	254,876
0	Transfer from Reserves	348,300	193,150
0	Loan Borrowings	300,000	250,000
52,273	TOTAL	984,990	828,026
	Non Operating Expenditure		
93,327	Purchase Land and Buildings	941,319	475,369
370,595	Purchase Plant and Equipment	566,590	547,000
36,963	Purchase Furniture and Equipment	13,898	11,577
587,884	Infrastructure Assets-Roads	598,522	473,710
11,692	Infrastructure Assets-Recreation	4,500	3,785
0	Purchase Tools	0	0
72,512	Infrastructure Assets-Other	0	-
64,265	Repayments of Debt-Principal	80,054	74,173
21,253	Transfer to Reserves	20,000	39,135
6,726	Accrued Employee Entitlements	0	(5,175)
1,265,217	TOTAL	2,224,883	1,619,574

12 RATING INFORMATION

In accordance with Financial Management Regulation 39 Council has imposed the following Rates:

(A) General and Minimum Rate

Actual		Actual
2010/2011		2011/2012
\$0.14250	- General Rate	\$0.150379
Rate in \$	(The basis for the rate is Gross Rental Value)	Rate in \$
\$0.009600	- General Rate Rural	\$0.009893
Rate in \$	(The basis for the rate is Unimproved Value)	Rate in \$
\$365 pa	- Minimum Rate	\$385 pa

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

12 RATING INFORMATION (Continued)

The Objects and Reasons for General and Minimum Rate

Council has imposed a general rate of \$0.150379 GRV and \$0.009893 UV and a minimum rate of \$385.00 pa, as Council perceives it to be a "reasonable" minimum level of rates which all ratepayers in its district should pay. The minimum rate reflects the basic cost incurred by the Council in servicing each lot or dwelling in its district.

For additional information on the rates levied refer to the "Statement of Rating Information".

(B) Specified Area Rates

No specified area rates will be levied during the year 2011/12

13 SERVICE CHARGES

The Shire of Tammin does not have any Service Charges as described in Section 6.38(1) of the Local Government 1995 and

14 INFORMATION ABOUT DISCOUNTS, INCENTIVES, CONCESSIONS AND WRITE OFFS

Pursuant to Section 6.12 of the Local Government Act and Financial Management Regulation 42 the Shire of Tammin has granted the following discount for the payment of rates and rubbish charge to apply as follows:

(i) Discount on Rates and Service Charges

The Council offered a discount in 2011/2012 if rates and charges are paid within 35 days of the date of service (which appears on the rate notice). Entitled pensioners, under the Local Government (Rates, Rebates and Deferments) Act are eligible where 50% of the rates are paid in full.

GENERAL RATES	DISCOUNT	FOR EARLY PAYMENT OF RATES	%	VALUE \$
General Rate - GRV	Discount	For early payment of rates	5%	2,324
General Rate - UV	Discount	For early payment of rates	5%	25,672
		Total Discount		27,996

(ii) Incentive Scheme (Rates)

The Council in 2011/2012 offered the following rates incentives, if rates and charges were paid within 35 days of the date of service (which appears on the rate notice)

- 1.0 Esplanade Hotel Fremantle - One Night Breakaway for 2 people, including buffet breakfast in the Atrium Garden Restaurant.
- 2.0 Seasons of Perth - Two Nights for 2 People in a Deluxe King Room, including buffet breakfast in the Citro Restaurant.

15 INTEREST CHARGES FOR THE LATE PAYMENT OF RATES CHARGES

- (1) Pursuant to Section 6.51 of the Local Government Act and Financial Management Regulation 43(a) the Shire of Tammin has imposed the following rate of interest applicable for the late payment of rates and rubbish charge to apply as follows:

- (a) Where no election has been made to pay the rate and rubbish charge by instalments due

- (i) after it becomes due and payable;
- or
- (ii) 35 days after the date of issue of the rate notice which ever is the later.

- (b) Where an election has been made to pay the rate & rubbish charge by instalments and an instalment remains unpaid after its due and payable.

The rate of interest applied is 11% and the revenue derived from the imposition of the interest amounts to \$3,437 for the 2011/2012 financial year.

- (2) Pursuant to Section 6.45 of the Local Government Act and Financial Management Regulation 27(c) the due date of each instalment is as follows:

1st Instalment	Tuesday, 11 October 2011
2nd Instalment	Monday, 12 December 2011
3rd Instalment	Monday, 13 February 2012
4th Instalment	Thursday, 13 April 2012

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

15 INTEREST CHARGES FOR THE LATE PAYMENT OF RATES CHARGES (continued)

- (2) Administration charges on an instalment Plan is \$10.00 per instalment for instalments 2, 3 and 4 which derived \$1,290 in 2011/2012. Simple interest of 5.5% was charged on instalment plans, the revenue derived from the interest imposition amounted to \$2,896 for the 2011/2012 financial year.
- (3) No interest is charged under Section 6.13 of the Local Government 1995 for the late payment of money other than rates

16 FEES AND CHARGES INFORMATION

- (a) In accordance with Financial Management Regulation 41, the total revenue from Fees and Charges for each program is summarised as follows:

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
576	General Purpose Funding	1,700	2,205
2,363	Governance	2,363	2,409
759	Law, Order, Public Safety	720	672
8,508	Health	9,383	10,430
47,973	Education and Welfare	50,313	49,460
0	Housing	0	0
66,870	Community Amenities	69,692	64,967
11,610	Recreation and Culture	5,893	4,947
0	Transport	0	0
3,198	Economic Services	3,320	2,975
87,548	Other Property and Services	102,480	147,777
229,405	TOTAL FEES AND CHARGES	245,864	285,842

- (b) Fees and Charges amended during the financial year are as follows:

No amendments were made during the 2011/2012 financial year.

17 INVESTMENTS

Earnings from Investments is summarised as follows:

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
37,062	General Account	36,000	26,586
21,115	Reserve Funds	20,000	21,912
5,283	Other Interest on Late Payment of Rates	5,200	6,333
63,460	TOTAL	61,200	54,831

18 COUNCIL MEMBERS - FEES, EXPENSES AND ALLOWANCES

In accordance with Financial Management Regulation 44 Fees, Expenses or Allowances paid to Council Members are

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
	- Annual Attendance Fee		
3,000	Councillor (5)	7,000	5,500
1,320	President	2,800	2,200
	- Telecommunication, Travel, and Information Technology Allowance		
0	- Telecommunication	0	0
0	- Information Technology	0	0
1,341	- Travel Expenses	1,800	3,773
	- Annual Local Government Allowance		
1,227	- President	2,000	2,000
0	- Deputy President	500	500

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

19 DEPRECIATION ON NON-CURRENT ASSETS

The Depreciation charge included in the Financial Statements are summarised as follows:

Actual		Adopted Budget	Actual
2010/2011		2011/2012	2011/2012
\$		\$	\$
0	General Purpose Funding	0	0
32,375	Governance	23,559	31,175
127	Law, Order, Public Safety	2,663	126
0	Health	0	0
3,566	Education and Welfare	3,533	9,645
0	Housing	0	0
10,593	Community Amenities	10,592	10,593
85,842	Recreation and Culture	76,936	83,639
323,586	Transport	292,448	331,277
230	Economic Services	480	480
21,758	Other Property and Services	19,269	24,310
478,077	TOTAL	429,480	491,245

20 MAJOR LAND TRANSACTIONS

Council did not participate in any major land transaction during the 2011/12 financial year.

21 JOINT VENTURE

Council did not participate in any joint venture during the 2011/12 financial year.

22 TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2011/12 financial year.

23 CAPITAL AND LEASING COMMITMENTS

(a) Finance and Operating Lease Commitment

Actual	Adopted Budget	Actual
2010/2011	2011/2012	2011/2012
\$	\$	\$

Council did not have any Leasing Commitments during the 2011/12 financial year.

(b) Capital Expenditure Commitments

Contracted for:	0	0	0
Payable:			
- not later than one year	0	0	0

24 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The following table details the Shire of Tammin's exposure to interest rate risks as at 30th June 2012.

	Carrying Value	Average Interest	Variable Interest	Less than 1 year	1 to 5 years	5 to 10 years	Non Interest Bearing	Carrying Value	Fair Value
	2010/2011	%	Rate					2011/2012	2011/2012
				\$	\$	\$	\$	\$	\$
Financial Assets									
Cash	954,341.00	4.90	4.90	1,150,408	0	0	550	1,150,958	1,150,958
Trade Receivables-Current	85,669				0	0	134,908	134,908	134,908
	1,040,010			1,150,408	0	0	135,458	1,285,866	1,285,866
Financial Liabilities									
Accounts Payable - Current	88,218			0	0	0	119,912	119,912	119,912
Employee entitlements - Current	58,147			0	0	0	75,541	75,541	75,541
Borrowings	249,926.00			92,745	206,450	126,559	0	425,754	425,754
	396,291			92,745	206,450	126,559	195,453	621,207	621,207

(b) Council does not have any material credit risk exposure to any single debtor under any financial instruments entered into.

(c) The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the notes to and forming part of the Annual Financial Statements.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

24 FINANCIAL INSTRUMENTS

(Continued)

(d) Investment of Council Funds:

The Local Government (Financial Management) Regulation 19C prohibits a local government from:

- Depositing funds with an unauthorised institution.
- Depositing funds for a fixed term or more than 12 months.
- Investing in bonds that are not guaranteed by the Commonwealth, Government or a State or Territory Government.
- Investing in bonds with a term to maturity or more than 3 years.
- Investing in a foreign currency

The Shire of Tammin has adopted a formal Investment Policy. Staff have been operating under this policy with regards to the risk of Shire funds and have restricted investment of funds to fixed interest term deposits with Australian Banks with preference being given to banks with branches located in Tammin. From time to time quotes are sought from banks without a presence in Tammin to ensure that competitive rates are achieved.

(e) Credit Risk

The Shire's receivables are classified as Rates and Annual Charges, Self Supporting Loans, Goods and Services Tax and General Debtors. Rates and Annual Charges are charges that are considered as charges against the property and as such are considered being secured by the Property to which they relate. The Shire accounts for Self Supporting Loans as part of its current receivables as and when payments fall due, amounts due in future years are shown non-current. Self Supporting Loans shown as debtors represent the repayments of a loan that the Shire has drawn on behalf of Community Groups. Good and Services Tax represents monies owed by the Australian Taxation Office to the Shire. The Shire's General Debtors include receivables for goods and services provided to members of the community, government departments and businesses. The Shire has exposure to credit risk in that debtors may not be able to meet their commitments to repay debts. The Shire reviews its outstanding debts regularly and commences a variety of recovery techniques in accordance with its Debt Recovery Procedures. The Shire reviews outstanding debts annually and provides a provision should debts become doubtful.

2010/2011			2011/2012	
Current	Non Current		Current	Non Current
\$	\$		\$	\$
24,128	4,866	Financial Assets	35,427	5,340
61,361	0	Rates and Annual Charges	99,481	0
85,489	4,866	General Debtors	134,908	5,340

(f) Market Risk

The Shire invests funds that are not required immediately in Financial Instruments such as Term Deposits. The Shire may be subject to interest rate risk in that future cash flows may fluctuate because of changes in market interest rate.

Actual 2010/2011 \$		Actual 2011/2012 \$
10,296	Impact of 1% Movement in Interest Rates on Investment Earnings (+/-)	11,509

(h) Liquidity Risk

The maturity analysis for the Shire's financial liabilities is detailed as follows;

	2010/2011	Less than 1 year	1 to 5 years	Greater than 5 years	2011/2012
		\$	\$	\$	\$
Financial Liabilities					
Accounts Payable - Current	88,218	119,912			119,912
Interest Bearing Liabilities	249,926	92,745	206,450	126,559	425,754
	338,144	212,657	206,450	126,559	545,666

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

25 POSITION AT COMMENCEMENT OF FINANCIAL YEAR

(a) DETERMINATION OF OPENING FUNDS		Adopted Budget	Actual
Actual		2011/2012	2011/2012
2010/2011			
\$		\$	\$
	Current Assets		
953,791	Cash at Bank	116,448	1,150,408
550	Cash Advances	550	550
90,355	Receivables	76,707	140,248
1,044,696		193,705	1,291,206
	Less Current Liabilities		
(88,218)	Accounts Payable	(80,467)	(119,912)
(58,147)	Employee Entitlements	(50,254)	(75,541)
(146,365)		(130,721)	(195,453)
898,331	SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES	62,984	1,095,753
	ADJUSTMENTS		
(372,968)	Less Cash Backed Reserves (excluding Provision for Leave and LSL Entitlements)	(62,984)	(218,954)
2	Rounding	0	(1)
525,365	OPENING/CLOSING FUNDS	0	876,798

(b) STATEMENT OF RECONCILIATION OF NET CURRENT ASSETS BROUGHT FORWARD

In accordance with Financial Management Regulation 36(1)(b) the following reconciliation is provided between the Net Current Asset detailed in the 2011/2012 Annual Budget	522,467
Net Current Assets Brought Forward as at 1st July 2011.	525,365

26 CAPITAL EXPENDITURE BY PROGRAM

Actual Capital Expenditure incurred by Program is summarised as follows:

Program	2010/2011	Furniture and Equipment	Land and Buildings	Plant and Equipment	Roads	Infrastructure Recreation Facilities	Other	2011/2012
		\$	\$	\$	\$	\$	\$	
Governance	59,091	10,399	0	87,187	0	0	0	97,586
Law, Order, Public Safety	0	0	0	0	0	0	0	0
Health	0	0	0	0	0	0	0	0
Education and Welfare	5,093	0	7,340	0	0	0	0	7,340
Housing	0	0	0	0	0	0	0	0
Community Amenities	0	0	0	0	0	0	0	0
Recreation and Culture	93,540	1,178	0	1,003	0	3,785	0	5,966
Transport	913,314	0	161,065	424,276	473,710	0	0	1,059,051
Economic Services	72,512	0	0	0	0	0	0	0
Other Property & Services	28,423	0	306,964	34,534	0	0	0	341,498
TOTAL	1,171,973	11,577	475,369	547,000	473,710	3,785	0	1,511,441

27 FINANCIAL INFORMATION BY RATIO

In accordance with Financial Management Regulation 50 the following Financial Information by Ratio is provided.

2009/2010	2010/2011		2011/2012
Percent	Percent		Percent
3.73	2.92	(a) Current Ratio	3.53
		(Current Assets Minus Restricted Assets)	
		(Current Liabilities-Liabilities Associated with Restricted Assets)	
0.02	0.02	(b) Debt Ratio	0.02
		Total Liabilities	
		Total Assets	
0.05	0.04	(c) Debt Service Ratio	0.04
		Debt Service Cost	
		Available Operating Revenue	

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

27 FINANCIAL INFORMATION BY RATIO (Continued)

0.35	0.33	(d)	Rate Coverage Ratio <u>Net Rate Revenue</u> Available Operating Revenue	0.30
0.03	0.04	(e)	Outstanding Rates Ratio <u>Rates Outstanding</u> Rates Collectable	0.06
0.18	0.12	(f)	Gross Debt to Revenue Ratio <u>Gross Debt</u> Total Revenue	0.16
5.62	6.14	(g)	Untied Cash to Trade Creditors Ratio <u>Untied Cash</u> Unpaid Trade Creditors	7.36
0.24	0.24	(h)	Gross Debt to Economically Realisable Assets Ratio <u>Gross Debt</u> Economically Realisable Assets	0.33

DEFINITIONS

“available operating revenue” means the operating revenue-

(a) plus any contributions towards the repayment of money borrowed which have not been included in the operating revenue; and

(b) minus specific purpose grants, contributions and donations of a capital nature;

“current assets” means the total current assets as shown in the statement of financial position;

“debt service cost” means all principal and interest expenses for borrowings under Section 6.20 of the Local Government Government Act 1995;

“economically realisable assets” means total assets other than infrastructure assets;

“gross debt” includes all borrowings under section 6.20 and all utilised bank overdrafts;

“infrastructure assets” means all tangible assets of economic value that are not economically realisable, and

“net rate revenue” means the revenue from all rates and money paid in lieu of rates on non-rateable land -

(a) plus interest for late payment and interest and additional charges on instalments;

(b) minus discounts and concessions granted and money written off;

“rates collectable” means the amount of-

(a) all rates, interim rates, back rates, interim minimum payments, back minimum payments;

(b) interest and additional charges payable on rates and payments referred to in paragraphs (a) and (b);

(c) arrears brought forward from a previous financial year of the amounts referred to in paragraphs (a) and (b);

“rates outstanding” means unpaid rates collectable;

“restricted assets” has the same meaning as in Australian Accounting Standard 27 (AAS27);

“total assets” means all current and non-current assets as shown in the Statement of Financial Position;

“total liabilities” means all current and non-current liabilities as shown in the Statement of Financial Position;

“total revenue” means the total operating revenue excluding all specific purpose grants;

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

28 TRADE AND OTHER RECEIVABLES

Receivables due to the Shire include the following:

ACTUAL 2010/2011 \$		ACTUAL 2011/2012 \$
	Current	
24,128	Rates	35,427
70,806	Sundry Debtors	109,000
(9,445)	Less Provision for Doubtful Debts	(9,519)
<u>85,489</u>		<u>134,908</u>
	Non Current	
4,866	Rates Outstanding-Pensioner Deferred	4,966
0	ESL Outstanding-Pensioner Deferred	374
<u>4,866</u>		<u>5,340</u>

Deferred pensioners rates represent amounts owing by pensioners who have chosen to defer the payment of their rates in accordance with the Rates and Charges (Rebates and Deferments) Act 1992.

29 INVENTORIES

ACTUAL 2010/2011 \$		ACTUAL 2011/2012 \$
<u>0</u>	Comprises of Fuels and Consumables	<u>0</u>

All inventories at balance date have been valued at cost.

30 TRADE AND OTHER PAYABLES

ACTUAL 2010/2011 \$		ACTUAL 2011/2012 \$
62,504	Trade Creditors	69,776
0	Goods and Services Tax	656
6192	Other Agencies	14475
1422	Accrued interest on Debentures	3854
17388	Accrued Salaries and Wages	31151
712	Accrued Uniform Expenses	0
<u>88,218</u>	Total	<u>119,912</u>

31 LONG - TERM BORROWINGS

ACTUAL 2010/2011 \$		ACTUAL 2011/2012 \$
<u>68,272</u>	Current - secured by a floating charge debenture	<u>92,745</u>
ACTUAL 2010/2011 \$		ACTUAL 2011/2012 \$
<u>181,654</u>	Non - Current - secured by a floating charge debenture	<u>333,009</u>

32 PROVISIONS

Provision for Employees' entitlements at balance date are as follows:

ACTUAL 2010/2011 \$		ACTUAL 2011/2012 \$
	Current	
37,045	Provision for Annual Leave	52,432
21,102	Provision for Long Service Leave	23,109
<u>58,147</u>		<u>75,541</u>
	Non - Current	
21,435	Provision for Long Service Leave	26,610
<u>21,435</u>		<u>26,610</u>

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

33 EMPLOYEE NUMBERS AND REMUNERATION

In accordance with the Local Government (Administration) Regulation 19B the following information is provided in relation to annual salaries

<u>ACTUAL</u> <u>2010/2011</u>	<u>ACTUAL</u> <u>2011/2012</u>
1	1
Annual Salary Range	
\$110,000 or more per annum	
Total Number of Employees	
10.75	13.68
The number of full time equivalent employees at 30 June	

34 ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of grants from the State and Federal Government
The total of grant revenue from government sources is as follows:

<u>ACTUAL</u> <u>2010/2011</u>		<u>ACTUAL</u> <u>2011/2012</u>
\$		\$
	By Nature and Type:	
954,901	Operating Grants	1,151,465
313,336	Non-Operating Grants	265,748
<u>1,438,384</u>	Total	<u>1,417,213</u>
\$		\$
	By Program:	
0	Governance	0
868,695	General Purpose Funding	747,393
0	Law, Order, Public Safety	750
0	Health	0
24,818	Education and Welfare	12,500
0	Housing	0
0	Community Amenities	0
34,215	Recreation and Culture	0
325,338	Transport	656,570
15,171	Economic Services	0
0	Other Property and Services	0
<u>1,268,237</u>	Total	<u>1,417,213</u>

35 CONTINGENT LIABILITIES

Council does not have any known contingent liabilities at 30th June 2012

SHIRE OF TAMMIN

INDEPENDENT AUDIT REPORT

TO THE ELECTORS OF THE SHIRE OF TAMMIN

I have audited the accompanying financial report of the **Shire of Tammin** which comprises the balance sheet, income statements, cash flow statement, rate setting statement and supporting notes for the year ended **30 June 2012**.

Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) (**the Act**) and the Local Government (Financial Management) Regulations 1996 (as amended) (**the Regulations**). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain evidence about amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial report whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council and the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit I have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In my opinion the financial report of the **Shire of Tammin** is in accordance with the Act and the Regulations including giving a true and fair view of the shire's financial position as at **30 June 2012** and the results of its operations for the year ended on that date and complying with Australian Accounting Standards.

Other Matters

In accordance with the Regulations I report that in my opinion,

- (a) There were no matters that indicated a significant adverse trend in the financial position or the financial management practices of the shire,
- (b) There were no material matters noted by me indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls in any other written law,
- (c) All necessary information and explanations were obtained by me and
- (d) All audit procedures were satisfactorily completed in conducting my audit.



Gregory Froomes Wyllie CPA

Perth, Western Australia

2 November 2012