



**Shire of Tammin**

**2007-08**  
**Annual Report**

# COUNCIL MEMBERS



**PRESIDENT**  
**Cr. Rodney Stokes**

10 Livesey North Rd  
PO Box 52  
TAMMIN 6409  
Tel: 9637 1153  
Fax: 9637 1153  
Originally Elected: 2003  
Term Expires: 2011  
Email: [connemara@bnet.com.au](mailto:connemara@bnet.com.au)



**DEPUTY PRESIDENT**  
**Cr. Louise Caffell**

790 Tammin South Rd  
PO Box 123  
TAMMIN 6409  
Tel: 9045 2035  
Fax: 9045 2002  
Originally Elected: 1998  
Term Expires: 2011  
Email: [caffell@hotmail.com](mailto:caffell@hotmail.com)



**Cr. Michael Greenwood**

1078 Nelson Rd  
PO Box 24  
TAMMIN 6409  
Tel: 9637 1515  
Fax: 9637 1515  
Originally Elected: 2004  
Term Expires: 2009  
Email: [mybert@westnet.com.au](mailto:mybert@westnet.com.au)



**Cr. Stephen Jefferies**

98 Barrack South Road  
TAMMIN 6409  
Tel: 9637 1112  
Fax: 9045 4081  
Originally Elected: 2005  
Term Expires: 2009  
Email: [gulltammin@westnet.com.au](mailto:gulltammin@westnet.com.au)



**Cr. Bernard Stokes**

148 Tammin South Rd  
PO Box 65  
TAMMIN 6409  
Tel: 9637 1282  
Fax: 9637 1282  
Originally Elected: 2008  
Term Expires: 2011  
Email: [stokesbc@bigpond.com](mailto:stokesbc@bigpond.com)

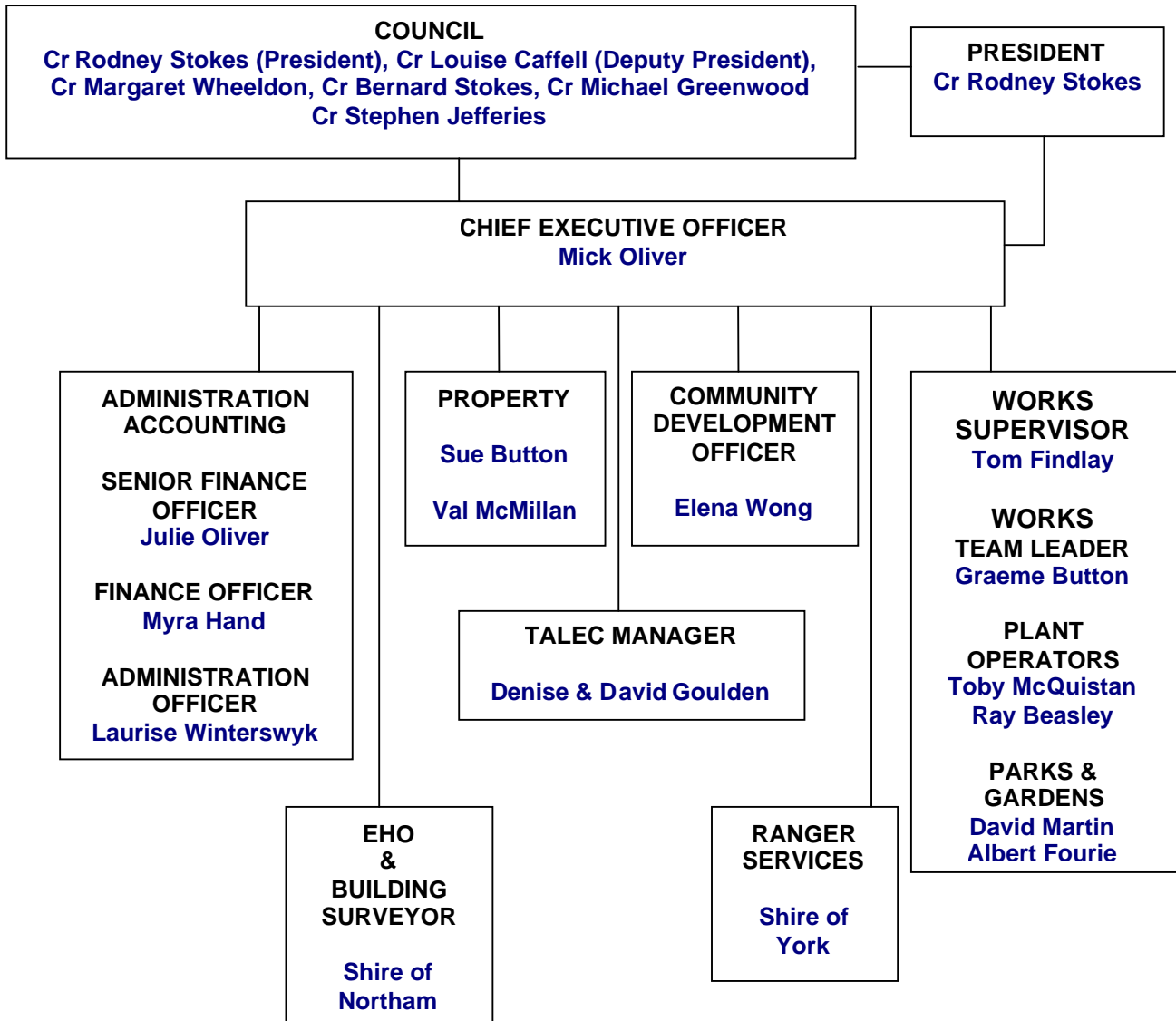


**Cr. Margaret Wheeldon**

26 Ridley Street  
TAMMIN 6409  
Tel : 9637 1041  
Fax: 9637 1041  
Originally Elected: 1999  
Term Expires: 2009  
Email: [margaretwheeldon@bigpond.com](mailto:margaretwheeldon@bigpond.com)

# ORGANISATIONAL STRUCTURE

June 2008



# PRESIDENT'S REPORT

The 2007 & 2008 year has come and gone and I have enjoyed my first year of being President.

We have had a number of projects that have been completed along with many achievements throughout the year.

- The community crop lease has now finished with the project being a fantastic success, with \$126,000 being distributed amongst sporting and community groups. I would personally like to thank all the people who helped to organise and supported the crop and especially those that supplied machinery and fertilizer. I feel really proud that the people of Tammin have such generosity and commitment to their community.
- The reticulation of the Donnan Park Oval has been completed. We have also started pumping water from the dam. The front catchment dam is now full and the back dam is 30% full. We are hoping to get through most of the summer without having to use scheme water. This would be a huge saving to the Shire's water bill.
- The *Tammin Volunteer Bushfire Brigade* and the *Tammin Fire and Rescue Brigade* have successfully been combined into the one *Tammin Volunteer Fire Service*.
- The ventilation system has now been installed in the Town Hall which is helping to dry out the rising damp problem therefore preventing further buckling of the floor boards.
- The Staff completed one of the biggest road works programmes for many years with gravel sheeting and bituminizing as the major focus.
- TALEC closure although regrettable, the financial burden was too great for a small community to support. ALCOA and the Tammin Shire are now in the process of organising a celebration dinner to acknowledge its achievement.
- The CEO's house is now completed which is an asset for the Shire.
- Tammin Entrance Statements have been designed and erected at all major roads into the town.
- The Shire hosted another successful community Awards night with the focus being on the volunteer.
- Street lighting has been upgraded on Donnan Street and Great Eastern Hwy – thank-you to Western Power and Main Roads for their financial support.
- The Tammin Art Prize was another great success for the community.
- The Shire is currently supporting Tammin Primary School by maintaining their new grassed area.
- I had great pleasure in conducting two citizenship ceremonies of the Reynders and Canova families.

There are many challenges ahead to do with structural reform within local government. As the recent report from WALGA illustrated, smaller communities like ours need to look to the future and work in conjunction with our neighbouring Shires.

Thanks to Cr Barry Leslie for his outstanding service and commitment over a number of years to the Tammin community.

Congratulations to Cr Bernard Stokes on his election.

Thank-you to all staff for their hard work and commitment thought out the year. A special welcome to all the new staff: Julie Oliver, Myra Hand, Elena Wong and Tom Findlay.

Thanks also to Mick Oliver and fellow Councillors for their continued support.

Rodney Stokes  
**President**

# CHIEF EXECUTIVE OFFICER'S REPORT

I have much pleasure in presenting the Chief Executive Officer's Report for the 2007/2008 Financial Year. This is my third Report for the Shire of Tammin.

## ELECTIONS

Congratulations to Crs L Caffell, B Leslie and R Stokes on their re-election (unopposed) in October 2007. Also, congratulations to Cr B Stokes on his election (unopposed) in June 2008 to the balance of Cr Leslie's 4 year term following his resignation.

## COMMUNITY SUPPORT

Council continues to support various community programs and projects via contributions and donations to the various clubs and organisations throughout the financial year. Funding is made following a submission for financial assistance to the annual Budget process during March. Financial support was provided to:

	2007/08	2006/07	2005/06
• Wheatbelt Agcare Contribution towards the operational expenses	\$900	\$1,800	\$1,760
• C.W.A. – Tammin Branch Donation towards WA Luncheon Week	\$375	\$375	\$350
• Central Group of Affiliated Agricultural Societies Contribution towards Perth Royal Show display	\$350	\$350	\$250
• Cooina Centre Contribution to operational wages	\$5,000	\$5,000	\$5,000
• Tammin Bowling Club Contribution to Green keeper costs	\$20,000	\$18,000	\$16,500
• Tammin Golf Club Contribution to building alterations		\$15,000	
• Tammin Arts Prize Annual Prize (cash and kind)	\$1,650	\$1,650	\$1,000
• Tammin Playgroup Uniting Church wheelchair ramp and gate repairs	\$900	\$2,420	
• Kellerberrin/Tammin Football Club 50% reduction in annual ground fees		\$518	\$518
• Tammin Catholic Guild Toilet block repairs (pans, cisterns and seats)		\$1,000	
• Tammin Primary School Community bus for swimming lessons	\$2,000		
• Royal Flying Doctor Service Donation	\$200	\$200	
• Lord Mayors Disaster Appeal Donation	\$500	\$500	

## EMERGENCY SERVICES BUILDING

The Tammin Volunteer Bushfire Brigade and the Tammin Fire and Rescue Brigade were wound up to form the Tammin Volunteer Fire Service. The change has been a success.

## JUNIOR COUNCIL MEETING

On 5 June 2008 the Tammin Primary School students conducted a mock Council meeting with the Agenda item being the BMX track / skateboard park proposal under the guidance of Councillors and the Staff. The students resolved that the BMX track should be built but the skateboard park was not needed.

## RATES

Prizes were offered to ratepayers as part of the Early Payment of Rates competition to encourage rate payers to pay within the discount period. The prizes that were offered were at no cost to Council. Prize winners were:

- Sorrento Beach Resort                      Assessment 1503 – WT & PL Button
- Baileys Hotel Motel                         Assessment 171 – DeQuintal Property Holdings

## COMMUNITY CROP

145ha of arable land was leased by the Shire of Tammin for a 2 year period (at a total cost of \$25,420) in 2006 to allow a community crop to be grown. The final proceeds of the 2006 and 2007 crops were distributed in January 2008:

<b>Club</b>	<b>2007 Share</b>	<b>2006 Share</b>
Kellerberrin Tammin Football Club	\$17,309	\$5,000
Tammin Golf Club	\$17,309	\$5,000
Tammin Bowling Club	\$17,309	\$5,000
Tammin P & C	\$13,665	\$3,750
Tammin Cricket Club	\$9,110	\$2,500
Tammin Hockey Club	\$9,110	\$2,500
Tammin Play Group	\$2,278	\$625
Tammin Senior Citizens	\$2,278	\$625
Tammin CWA	<u>\$2,733</u>	<u>\$0</u>
	\$91,101	\$25,000

\$10,776 was retained from the 2006 crop in reserve for the 2007 crop.

Appreciation is expressed to all those who contributed in cash or kind to allow this community project to proceed.

## HOUSING

A new 4 bedroom transportable house for the CEO was completed on the corner of Russell Street and Nottage Way.

## OTHER LAND TRANSACTIONS

The acquisitions of Lot 51 Station Rd for the town dam and Lot 861 Lowles Road for the creation of a home for the Astronomical Society of WA Inc. were completed. The disposal of Lots 1-6 Donnan Street and Lot 11 Shields Street, commenced in 2004, was also completed.

## WA LOCAL GOVERNMENT GRANTS COMMISSION

The 2007/2008 General Purpose Grant distributed by the Western Australian Grants Commission provided a 7.0% increase from the previous year with \$463,948 being provided to the Shire of Tammin. This compared with a 5.7% increase in 2005/06 and 5.5% in 2006/07. The Local Road Funding Grant, also distributed by the Western Australian Grants Commission, provided a 5.5% increase from the previous year with \$231,767 being provided to the Shire of Tammin. This compared with a 4.2% increase in 2005/06 and 2.9% in 2006/07.

## LOAN BORROWING

No new borrowings were taken up in 2007/08. Loan principal repayments totalling \$75,280 were made resulting in a loan balance outstanding of \$466,408. Full details are disclosed in Note 22 of the Financial Report.

## DONNAN PARK OVAL RETICULATION

Underground automatic reticulation of the oval was completed at a cost of \$171,594 (ex GST). Water is to be primarily sourced from the storage dam (58,000m<sup>3</sup>) and a catchment dam (11,000m<sup>3</sup>) with the ability to also draw from the mains when there is insufficient water in the dams. Whilst Hunts Well bore has also been connected to the Dam, it has not proved able to deliver significant quantities. The partial damming of the drain on the south side of the railway now diverts the water through CBH's drainage system into the dams and has proved a huge success – extending the catchment significantly.

## SHIRE OFFICE

An extension of the roof line on the north side of the Shire Offices was created providing shaded car parking to replace the inappropriate sail shades – which are being removed as they wear out.

## ROADWORKS

Utilising State grant funds (Regional Road Group \$117,155) and contribution from the Shire of Tammin (\$55,656) a further 2 kms of widening (to 7m width) was completed on both the Tammin-Wyalkatchem Road and the Goldfields Road.

Utilising Federal grant funds (*Roads to Recovery* \$367,744) and contribution from the Shire of Tammin (\$27,358) improvement works were carried out on:

• Tammin South Rd - shoulders upgrade and gravel sheeting	\$33,123
• Ralston Rd – shoulders upgrade	\$13,957
• Bungulla North Rd - shoulders upgrade	\$223,321
• Nottage Way - remove trees, upgrade alignment, and gravel sheet	\$423
• Wyola North Rd – gravel sheet	\$798
• Turon Rd – gravel sheet	\$27,805
• Nelson Rd – gravel sheet	\$10,112
• Kitto-Rogers Rd – gravel sheet	\$7,981
• Nock Rd - gravel sheet	\$19,161
• Quinn-Rogers Rd - gravel sheet	\$18,531
• Yorkrakine Rd - gravel sheet	\$27,439
• Barrack Road - gravel sheet	\$12,451

The Jetpatcher, an efficient one man operation all on board truck, was again used in the 2007/08 year for bitumen pot hole and crack patching.

Thanks to all who allowed gravel to be taken to help improve the road network and to those who helped out in out of hours / emergency situations. Council has directed that property owners who make gravel available for roadworks are to receive, in addition to the royalty payable, priority in roadworks.

## ENVIRONMENTAL HEALTH & BUILDING CONTROL

The Shire of Tammin continues to contract environmental health and building control services from the Shire of Northam. Seven building licence was issued during the year.

Permits Issued	2007/08		2006/07		2005/06		2004/05	
	No	Value	No	Value	No	Value	No	Value
Carport/Pergola							3	\$12,000
Garages	3	\$9,300	1	\$12,000	1	\$10,000	3	\$8,000
Residences	3	\$401,779	3	\$572,546			1	\$135,000
Additions to Residence	1	\$2,000						
Industrial/Commercial			1	\$70,507				
TOTALS	7	\$413,079	5	\$655,053	1	\$10,000	7	\$155,000

The State Government has been requested to extend building control (Class 1-9 buildings) from the Tammin townsite to the whole of the Shire of Tammin with control of Class 10 buildings (outbuildings, sheds etc) remaining in the townsite only.

## TOWN PLANNING SCHEME NO 1

The Shire of Tammin's Town Planning Scheme No 1 was granted final approval by the Minister for Planning on 8 February 2001. Legislation requires Town Planning Schemes to be consolidated and reviewed every 5 years. Council resolved to amend the Scheme to address the various zoning issues and road realignments which have occurred.

## ROAD NAMES

The spelling of Dunne Road was corrected to Dunn Road – after the Dunn family which lived in the vicinity up to the 1950s.

Old Yorkrakine Road (Donnan Street through to Yorkrakine Road) was renamed Russell Street – after the Russell family.

## **LOCAL LAWS**

The review of the Shire of Tammin's local laws, which commenced in 2005, was completed this year. The Shire of Tammin now has the following local laws:

- Management and Control of Tammin Cemetery Local Law 2006
- Dogs Local Law 2006
- Fencing Local Law 2006
- Parking and Parking Facilities Local Law 2006
- Local Government Property Local Law 2006
- Activities on Thoroughfares and Public Places and Trading Local Law 2006
- Health Local Laws 1999

## **CUNDERDIN TAMMIN LANDCARE CONSERVATION DISTRICT**

The Committee was finally wound up and the surplus funds disbursed between the Shire of Cunderdin and the Shire of Tammin on the 60:40 ratio of contribution. The Shire of Tammin received \$8,562.

## **COMMUNITY CRIME & SAFETY PREVENTION PLAN**

Following public consultation and survey, a Plan was adopted entitling the Shire of Tammin to receive a \$20,000 grant.

The prime project determined by the consultation was the upgrade of street lighting in Donnan Street / Great Eastern Hwy. Western Power were commissioned to carry out these works with a 50% contribution from Main Roads WA (\$30,577 ex GST) and the Shire of Tammin contributing the balance (\$10,558 ex GST).

## **TALEC**

Following a variety of meetings, surveys and workshops, culminating in a report to the General Meeting of Electors, a decision was made to close the Tammin Alcoa Landcare Education Centre at the end of the 2008 calendar year.

## **STAFF APPRECIATION**

A number of Staff changes have occurred during the year. I wish the departed Staff all the best for their future and welcome the new Staff to the organisation.

To all Staff, I would like to recognise your commitment to achieve the programs set by the Council and thank you for your efforts.

## **CONCLUSION**

My appreciation is extended to Councillors and the Tammin community for your guidance and support.

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



# STATUTORY REPORTS

## PLAN FOR THE FUTURE

In 2005 the *Local Government Act* was changed to remove the requirement to annually prepare a 4 year Principal Activities Plan. In its place a requirement was inserted to prepare a bi-annual Plan For The Future. The 2007 Plan was reviewed and re-adopted by Council in February 2008. The major objectives relate to roadworks and plant replacement.

## DISABILITY ACCESS INCLUSION PLAN

A review of the Shire of Tammin's Disability Access Inclusion Plan (previously Disability Services Plan) required by Part 5 of the *Disability Services Act* was carried out in March 2007.

Strategies to address the 6 Outcomes:

- Outcome 1 - People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Shire of Tammin.
  - Outcome 2 – People with disabilities have the same opportunities as other people to access the buildings and other facilities of the Shire of Tammin.
  - Outcome 3 – People with disabilities receive information from the Shire of Tammin in a format that will enable them to access the information as readily as other people are able to access it.
  - Outcome 4 – People with disabilities have the same level and quality of service from the staff of the Shire of Tammin as other people receive from the staff of the Shire of Tammin.
  - Outcome 5 – People with disabilities have the same opportunities as other people to participate in any public consultation by the Shire of Tammin.
  - Outcome 6 – People with disabilities have the same opportunities as other people to make complaints to the Shire of Tammin
- have been developed and adopted.

## RECORDKEEPING PLAN

The *State Records Act* provides an obligation on local governments to adopt a Recordkeeping Plan which is an accurate reflection of its record keeping program. Further, an obligation on local governments exists to review its Plan periodically or when there is any significant change to its functions.

The Shire of Tammin adopted a Recordkeeping Plan in March 2004 and completed a review of the Plan in December 2007.

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

## PUBLIC INTEREST DISCLOSURE

The Public Interest Disclosure Code was established by the Commissioner for Public Sector Standards under Section 20 of the *Public Interest Disclosure Act*.

One of the principles of the Code is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also to encourage a system of transparency and accountability in the way government officials act and utilise public monies.

Matters that fall into the category of public interest include:

- Improper conduct (irregular or unauthorised use of public resources);
- An offence under State Law including corruption (substantial unauthorised or irregular use of, or substantial mismanagement of, public monies)
- Administration matters generally (conduct involving a substantial risk of injury to public health, prejudice to public safety or harm to the environment)

Matters that relate to the Shire of Tammin should be referred to the Shire of Tammin's Public Interest Disclosure Officer. Disclosures to the Public Interest Disclosure Officer can be made not just about officers of the Shire of Tammin but also about its elected officials.

There is an obligation of the Public Interest Disclosure Officer in the Public Interest Disclosure Act to ensure that the disclosure is confidential and that the person making a disclosure is provided adequate protection from reprisals, civil and criminal liability or breach of confidentiality.

The Shire of Tammin had no Public Interest Disclosures during the reporting period.

### **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 include 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 made during the reporting period.

### **NATIONAL COMPETITION POLICY**

In 1995 the Council of Australian Government entered into a number of agreements known as the National Competition Policy. The Policy is a whole of Government approach to bring about reform in the public sector to encourage Government to become more competitive.

Local Government will mainly be affected where it operates significant business activities (defined as one that generates an annual income from fees and charges exceeding \$200,000) that compete or could compete with private sector business. Local Government will also be impacted where its local laws unnecessarily affect competition.

The Shire of Tammin does not operate any significant business activities and has reviewed its local laws.

### **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.

	<b>Council</b>		<b>Committee</b>	
	<b>Eligible</b>	<b>Attended</b>	<b>Eligible</b>	<b>Attended</b>
Cr L. Caffell	11	11	3	2
Cr M. Greenwood	11	11		
Cr S. Jefferies	11	8		
Cr B. Leslie	11	5		
Cr B. Stokes	1	1		
Cr R. Stokes	11	11	3	3
Cr M. Wheeldon	11	9		

# TAMMIN AT A GLANCE

## LEGISLATIVE AUTHORITY

The State of Western Australia is divided into districts by the Governor, on recommendation of the Minister. When an area of the State becomes a district, a local government is established for the district.

The local government of the Shire of Tammin is a body corporate with perpetual succession and a common seal. The Shire of Tammin has the legal capacity of a natural person and has an elected Council as its governing body representing all electors within the Shire (there are no Wards).

## SHIRE LOCATION

Tammin is located 184 kms east of Perth on the Great Eastern Highway and the Shire of Tammin covers an area of 1,087 km<sup>2</sup>, bounded by the Shires of Kellerberrin, Quairading, Cunderdin and Wyalkatchem. The community appreciate a Mediterranean type climate with weather ranging from 0°C in winter to 40°C plus during the summer. The average yearly rainfall is 370 mm, which mainly falls in winter.

The Shire of Tammin Council Chamber and Administration Centre is located at 1 Donnan Street, Tammin. Its postal address is PO Box 53, Tammin WA 6409 and its WEB site address is: [www.tammin.wa.gov.au](http://www.tammin.wa.gov.au).

## HISTORY OF THE SHIRE

Tammin was first settled in 1893 by John Packham with the arrival of more settlers in the 1900's. The town of Tammin was gazetted in 1899.

The name "TAMMIN" means grand-mother or grandfather according to the "Descriptive Vocabulary of Aborigines of W.A." by G.F. Moore. Other theories are that Tammin was named after the Tamma, a small animal that once inhabited the area or the Tamma bush that grows throughout the district.

In 1948 Tammin became a Road Board in its own right, having previously been part of the Cunderdin Meckering Tammin Board. With the introduction of the *Local Government Act 1960* its name was changed to the Shire of Tammin in 1961.

## CREST & MOTTO

The Shire of Tammin's Crest was adopted in 1979 based on a design by Miss Jenny Lee Christison following a competition. The Competition selectors recognised that this Crest depicted the land on which most people in the district depend and the production of sheep and wheat from which their income is derived. The bar shows the town colours whilst the two black swans show that although Tammin has its own local government structure, it is also part of the State of Western Australia. The motto, *Our Aim Is Progress*, is not in Latin as is most common with mottos, as it was considered that very few people read Latin and the motto is one which is still very relevant and one which the district should still pursue today.



## ROADS AND AREA OF SHIRE

The Shire of Tammin has 461 kms of roads, of which 266 kms are sealed.

## POPULATION

The Shire of Tammin, with the settlements of Tammin, Bungulla and Yorkrakine, has a total population of 428. The Shire of Tammin has 266 electors, 301 dwellings and employs 16 people.

## **LOCAL INDUSTRIES**

The local industries in the Shire of Tammin include the farming of wheat, oats, lupins, barley, canola, chickpeas and faba beans. Sheep (wool and meat), cattle and pigs along with an abattoir, a metal fabrication business and a tree nursery are also local industries.

## **EDUCATION**

Located at 2 Ridley Street, Tammin's primary school was built in 1969. It caters for four year olds through to 12 year olds (year 7).

There is also an active playgroup for pre-schoolers.

Two school buses transport children in to the school from surrounding farms. Another school bus service transports year 8 to 10 students to Cunderdin District High School – 22 kilometres west of Tammin. There is also an Agricultural College in Cunderdin.

## **TOURIST INFORMATION BAY**

The Information Bay is located on Donnan Street in the centre of town opposite the Tammin Hotel. Further local information can be obtained from Staff at the Shire Office.

## **PUBLIC LIBRARY**

The Tammin Public Library is located in the Shire Office. An exchange is carried out every month to ensure books are being swapped over. Books, videos, sound recordings, DVD's and audio tapes are available. The Library also provides free Internet access.

## **RECREATION & SPORTING FACILITIES**

Tammin has a small number of sporting groups that are strongly supported. These include lawn bowling, football, hockey, cricket and golf.

## **COMMUNITY GROUPS & ORGANISATIONS**

Tammin has numerous organisations that are strongly supported. These include a Senior Citizens Committee, P & C Committee, Playgroup, Tidy Towns Committee, South Tammin Catchment Group, Tammin Christmas Tree, Uniting Church Guild, Coinda Centre Committee, Anglican Guild, Catholic Womens Fellowship Committee, C.W.A. – Tammin Branch, Care of the Aged (HACC), Volunteer Fire Service, Tammin Tabloid Newsletter and the Tammin Arts Prize Committee.

## **RECEPTION VENUES**

Several reception venues exist:

- Tammin Main Town Hall – situated at 3 Donnan Street next door to the Shire Office.
- Tammin Lesser Hall – situated at 3 Donnan Street next door to the Main Town Hall.
- Donnan Park Pavilion – situated at Donnan Park, Booth Street adjacent to the oval.
- Kadjiny Kep / Memorial Park – situated in Donnan Street next door to Lesser Hall.

Bookings for these facilities can be made through the Staff at the Shire Office.

## **AGED PERSONS FACILITIES**

The Senior Citizen Centre – Tamma Village – is located in Booth Street and has a total of 10 units, which are all self-contained. The Village is in easy walking distance to all town amenities.

## **COMMUNITY BUS**

A 22-seater bus is available for hire. For bookings, please contact the Staff at the Shire Office.

## **PRIVATE WORKS**

The Shire's range of plant and equipment operated by trained and experienced staff is available for private works hire when it can be fitted around the works program. Current hire rates for graders, loaders, trucks and other plant are available from the Staff at the Shire Office.

## **REFUSE DISPOSAL**

Avon Waste provides a weekly rubbish removal service under contract. Rubbish is collected each Friday.

The refuse disposal site is situated approximately 2½ kms south of Tammin on Hunt Road and is open on Saturday, Sunday and Monday.

## **DEPARTMENT FOR PLANNING & INFRASTRUCTURE AGENCY**

The Shire of Tammin maintains an on-line agency for the Department for Planning and Infrastructure and the following license renewals can be paid:

- Vehicle licence
- Driver's licence (including photo)
- Firearm (including Firearm Extract card)
- Boat

Staff are also able to assist with the issue of new vehicle licenses, vehicle transfers, personalised number plates and processing of learner's permits. Vehicle inspections are carried out in both Cunderdin and Kellerberrin where appointments are necessary.

## **CHURCHES**

Three churches exist in Tammin:

- St. Mark's Anglican Church – 28-30 McLaren Street (Cnr McLaren Street).
- Catholic Church – 36 Shields Street (Cnr Old Yorkrakine Road).
- Uniting Church – 46-48 Walston Street.

## **COMMUNITY HEALTH AND IMMUNISATIONS**

A Community Health Nurse visits Tammin every second week.

## **HOME AND COMMUNITY CARE**

HACC services are available ranging from home help, gardening and home handy services as well as transport to hospital and visits to dentists, doctors and specialists.

## **HOSPITALS**

Hospitals are located in Cunderdin and Kellerberrin.

## **HACC MEALS ON WHEELS**

A local Home and Community Care *meals on wheels* service is administered by Mary Harrison. For more information, please telephone 9637 1345.

## **LOCAL NEWSPAPER**

The *Tammin Tabloid* is produced twice per month by a voluntary organisation. For more information, please contact Pat Bell on telephone / facsimile 9637 1055 or email [tabloid@tammin.wa.gov.au](mailto:tabloid@tammin.wa.gov.au).

## **POLICE**

A Police service is provided through the Kellerberrin Police Station. Backup service is provided by the Cunderdin Police Station.

## **TRANSPORT**

Bookings for the Prospector and Greyhound Bus can be made at the Tammin Postal Agency.

## **TAMMIN EMERGENCY CENTRE**

The Tammin Emergency Centre, located at 5 Donnan Street (cnr Booth Street) houses the Tammin Volunteer Fire Service tender and the Tammin Volunteer St John Ambulance Service ambulance.

**SHIRE OF TAMMIN**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Income Statement by Nature or Type	3
Income Statement by Program	4
Balance Sheet	5
Statement of Changes in Equity	6
Cash Flow Statement	7
Rate Setting Statement	8
Notes to and Forming Part of the Financial Report	9 to 43
Independent Audit Report	44 & 45

**SHIRE OF TAMMIN**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**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 2008 are in my opinion properly drawn up to present fairly the financial position of the Shire of Tammin at 30th June 2008 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the *Local Government Act 1995* and regulations under that Act.

Signed on the 5th day of September 2008.



---

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

**SHIRE OF TAMMIN  
INCOME STATEMENT  
BY NATURE OR TYPE**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	NOTE	2007/08 \$	2007/08 Budget \$	2006/07 \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Rates	23	561,236	564,120	527,684
Grants and Subsidies	29	737,609	737,060	743,225
Contributions Reimbursements and Donations		180,801	171,840	113,618
Service Charges	25	0	0	0
Fees and Charges	28	294,331	180,010	267,921
Interest Earnings	2(a)	37,506	28,100	41,635
Other Revenue		<u>(7,711)</u>	<u>55,610</u>	<u>87,382</u>
		1,803,772	1,736,740	1,781,465
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs		(695,338)	(715,530)	(590,959)
Materials and Contracts		(174,563)	(455,120)	(502,076)
Utilities		(76,203)	(82,900)	(82,733)
Depreciation	2(a)	(431,431)	(240,185)	(436,023)
Interest Expenses	2(a)	(30,192)	(31,281)	(50,092)
Insurance		(45,833)	(43,144)	(51,313)
Other Expenditure		<u>(426,698)</u>	<u>(126,513)</u>	<u>(70,280)</u>
		<u>(1,880,258)</u>	<u>(1,694,673)</u>	<u>(1,783,476)</u>
		(76,486)	42,067	(2,011)
Grants and Subsidies - non-operating	29	368,198	338,600	134,858
Contributions Reimbursements and Donations - non-operating		0	0	0
Fair value adjustments to financial assets at fair value through profit or loss		0	0	0
Profit on Asset Disposals	21	52,617	0	70,702
Loss on Asset Disposals	21	<u>(6,028)</u>	<u>0</u>	<u>(8,735)</u>
<b>NET RESULT</b>		<u><u>338,301</u></u>	<u><u>380,667</u></u>	<u><u>194,814</u></u>

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



**SHIRE OF TAMMIN  
INCOME STATEMENT  
BY PROGRAM**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	NOTE	2007/08 \$	2007/08 Budget \$	2006/07 \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Governance		14,223	4,780	8,519
General Purpose Funding		1,303,850	1,298,450	1,230,933
Law, Order, Public Safety		24,976	21,190	5,832
Health		74,430	84,720	82,002
Education and Welfare		95,328	81,950	52,845
Housing		0	0	0
Community Amenities		65,580	56,350	51,672
Recreation and Culture		112,344	121,300	136,648
Transport		452,071	368,060	180,119
Economic Services		913	100	2,372
Other Property and Services		81,133	38,440	236,082
		<u>2,224,848</u>	<u>2,075,340</u>	<u>1,987,024</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE</b>				
Governance		(155,391)	(220,060)	(272,925)
General Purpose Funding		(74,174)	(76,400)	(29,513)
Law, Order, Public Safety		(41,381)	(41,370)	(34,432)
Health		(88,526)	(108,235)	(76,337)
Education and Welfare		(202,187)	(202,670)	(129,937)
Housing		0	0	0
Community Amenities		(90,962)	(90,840)	(87,775)
Recreation & Culture		(455,768)	(477,379)	(363,685)
Transport		(621,030)	(377,169)	(521,616)
Economic Services		(53,547)	(75,118)	(49,867)
Other Property and Services		(73,391)	5,850	(189,956)
		<u>(1,856,357)</u>	<u>(1,663,391)</u>	<u>(1,756,043)</u>
<b>BORROWING COSTS EXPENSE</b>				
Governance		0	0	(231)
Recreation & Culture		(16,262)	(16,341)	(18,278)
Transport		(11,663)	(12,101)	(13,480)
Other Property and Services		(2,267)	(2,840)	(4,178)
		<u>(30,192)</u>	<u>(31,282)</u>	<u>(36,167)</u>
<b>NET RESULT</b>		<u><u>338,299</u></u>	<u><u>380,667</u></u>	<u><u>194,814</u></u>

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

**SHIRE OF TAMMIN  
BALANCE SHEET**

**AS AT 30TH JUNE 2008**

	NOTE	2007/08 \$	2007/08 Budget \$	2006/07 \$
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	3	359,127	230,725	625,753
Investments	4	0	0	0
Trade and Other Receivables	5	38,087	89,006	108,026
Inventories	6	0	0	0
<b>TOTAL CURRENT ASSETS</b>		<u>397,214</u>	<u>319,731</u>	<u>733,779</u>
<b>NON-CURRENT ASSETS</b>				
Other Receivables	5	0	0	0
Inventories	6	0	0	0
Property, Plant and Equipment	7	2,374,301	2,357,808	2,194,243
Infrastructure	8	21,163,666	21,196,264	20,695,391
<b>TOTAL NON-CURRENT ASSETS</b>		<u>23,537,967</u>	<u>23,554,072</u>	<u>22,889,634</u>
<b>TOTAL ASSETS</b>		<u>23,935,181</u>	<u>23,873,803</u>	<u>23,623,413</u>
<b>CURRENT LIABILITIES</b>				
Trade and Other Payables	9	88,806	48,232	51,946
Long Term Borrowings	10	79,408	79,408	74,821
Provisions	11	34,896	35,362	35,362
<b>TOTAL CURRENT LIABILITIES</b>		<u>203,110</u>	<u>163,002</u>	<u>162,129</u>
<b>NON-CURRENT LIABILITIES</b>				
Long Term Borrowings	10	386,998	387,337	466,866
Provisions	11	18,505	11,009	6,149
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>405,503</u>	<u>398,346</u>	<u>473,015</u>
<b>TOTAL LIABILITIES</b>		<u>608,613</u>	<u>561,348</u>	<u>635,144</u>
<b>NET ASSETS</b>		<u>23,326,568</u>	<u>23,312,455</u>	<u>22,988,269</u>
<b>EQUITY</b>				
Retained Surplus		2,910,895	2,653,074	2,387,153
Reserves - Cash/Investment Backed	12	249,498	338,503	434,941
Reserves - Asset Revaluation	13	20,166,175	20,320,878	20,166,175
<b>TOTAL EQUITY</b>		<u>23,326,568</u>	<u>23,312,455</u>	<u>22,988,269</u>

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

**SHIRE OF TAMMIN**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

	NOTE	2007/08 \$	2006/07 \$
<b>RETAINED SURPLUS</b>			
Balance as at 1 July 2007		2,387,153	2,256,059
Net Result		338,299	194,814
2005/06 Adjustments		0	(5,103)
Transfer from/(to) Reserves		<u>185,443</u>	<u>(58,617)</u>
Balance as at 30 June 2008		<u>2,910,895</u>	<u>2,387,153</u>
 <b>RESERVES - CASH/INVESTMENT BACKED</b>			
Balance as at 1 July 2007		434,941	376,324
Amount Transferred (to)/from Retained Surplus		<u>(185,443)</u>	<u>58,617</u>
Balance as at 30 June 2008	12	<u>249,498</u>	<u>434,941</u>
 <b>RESERVES - ASSET REVALUATION</b>			
Balance as at 1 July 2007		20,166,175	20,320,878
Revaluation Increment		0	0
Revaluation Decrement		<u>0</u>	<u>(154,703)</u>
Balance as at 30 June 2008	13	<u>20,166,175</u>	<u>20,166,175</u>
<b>TOTAL EQUITY</b>		<u><u>23,326,568</u></u>	<u><u>22,988,269</u></u>

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

**SHIRE OF TAMMIN  
CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	NOTE	2007/08 \$	2007/08 Budget \$	2006/07 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		573,349	564,120	536,015
Grants and Subsidies - operating		737,609	737,060	743,225
Contributions, Reimbursements & Donations		180,800	171,840	113,618
Service Charges		0	0	0
Fees and Charges		294,331	180,010	267,922
Interest Earnings	2(a)	37,506	28,100	41,635
Goods and Services Tax		0	0	0
Other		50,114	55,610	80,010
		<u>1,873,709</u>	<u>1,736,740</u>	<u>1,782,425</u>
<b>Payments</b>				
Employee Costs		(691,611)	(710,670)	(607,491)
Materials and Contracts		(174,563)	(455,120)	(502,076)
Utilities (gas, electricity, water, etc)		(76,203)	(82,900)	(82,733)
Insurance		(45,833)	(43,144)	(51,313)
Interest		(30,822)	(31,280)	(46,805)
Goods and Services Tax		0	0	0
Other		(381,045)	(140,182)	(49,772)
		<u>(1,400,077)</u>	<u>(1,463,296)</u>	<u>(1,340,190)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	14(b)	<u>473,632</u>	<u>273,444</u>	<u>442,235</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Land & Buildings		(290,268)	(263,001)	(211,064)
Payments for Purchase of Property, Plant & Equipment		(95,332)	(60,000)	(105,492)
Payments for Construction of Infrastructure		(739,511)	(590,790)	(345,470)
Grants/Contributions for the development of Assets		368,198	338,600	134,858
Proceeds from Sale of Plant & Equipment		91,936	0	164,177
<b>Net Cash Provided By (Used In) Investing Activities</b>		<u>(664,977)</u>	<u>(575,191)</u>	<u>(362,991)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(75,281)	(74,821)	(77,128)
Repayment of Finance Leases		0	0	(45,864)
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures		0	0	0
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>(75,281)</u>	<u>(74,821)</u>	<u>(122,992)</u>
Previous Years Debtors Written Off		0	0	(2,566)
Previous Years Creditors Adjustments		0	0	(2,537)
<b>Net Increase (Decrease) in Cash Held</b>		<u>(266,626)</u>	<u>(376,568)</u>	<u>(48,851)</u>
Cash at Beginning of Year		625,753	607,293	674,604
<b>Cash and Cash Equivalents at the End of the Year</b>	14(a)	<u><u>359,127</u></u>	<u><u>230,725</u></u>	<u><u>625,753</u></u>

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

**SHIRE OF TAMMIN  
RATE SETTING STATEMENT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	NOTE	2007/08 \$	2007/08 Budget \$	2006/07 \$
<b>REVENUES</b>				
Governance		14,223	4,780	8,519
General Purpose Funding		742,614	734,330	703,249
Law, Order, Public Safety		24,976	21,190	5,832
Health		74,430	84,720	82,002
Education and Welfare		95,328	81,950	52,845
Housing		0	0	0
Community Amenities		65,580	56,350	51,672
Recreation and Culture		112,344	121,300	136,648
Transport		452,071	368,060	180,119
Economic Services		913	100	2,372
Other Property and Services		81,133	38,440	236,082
		<u>1,663,612</u>	<u>1,511,220</u>	<u>1,459,340</u>
<b>EXPENSES</b>				
Governance		(155,391)	(220,060)	(273,156)
General Purpose Funding		(74,175)	(76,400)	(29,513)
Law, Order, Public Safety		(41,381)	(41,370)	(34,432)
Health		(88,526)	(108,235)	(76,337)
Education and Welfare		(202,187)	(202,670)	(129,937)
Housing		0	0	0
Community Amenities		(90,962)	(90,840)	(87,775)
Recreation & Culture		(472,030)	(493,720)	(381,962)
Transport		(632,693)	(389,270)	(535,096)
Economic Services		(53,547)	(75,118)	(49,867)
Other Property and Services		(75,657)	3,010	(194,135)
		<u>(1,886,549)</u>	<u>(1,694,673)</u>	<u>(1,792,210)</u>
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals		(46,590)	0	(61,967)
Movement in Accrued Interest		0	0	0
Movement in Accrued Salaries and Wages		0	0	0
Movement in Employee Benefit Provisions		12,356	(13,397)	7,553
Depreciation and Amortisation on Assets		431,433	240,185	436,024
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale		0	0	0
Purchase Land and Buildings		(290,269)	(323,001)	(211,064)
Purchase Furniture and Equipment		(13,349)	0	(8,330)
Purchase Plant and Equipment		(81,982)	0	(97,162)
Purchase Infrastructure Assets - Roads		(567,918)	(590,790)	(345,470)
Purchase Infrastructure Assets - Other		(171,593)	0	0
Proceeds from Disposal of Investments		0	0	0
Proceeds from Disposal of Assets		91,935	0	164,177
Repayment of Debentures		(79,867)	(74,821)	(77,127)
Proceeds from New Debentures				0
Transfers to Reserves (Restricted Assets)		(17,589)	(102,902)	(82,479)
Transfers from Reserves (Restricted Assets)		203,032	199,340	23,861
Add Estimated Surplus/(Deficit) July 1 B/Fwd		136,708	104,045	198,981
Less Previous Years Balance Adjustments		0	0	5,103
Less Estimated Surplus/(Deficit) June 30 C/Fwd		(55,393)	(180,674)	136,708
<b>Amount Required to be Raised from Rates</b>	<b>23</b>	<u><u>(561,237)</u></u>	<u><u>(564,120)</u></u>	<u><u>(527,684)</u></u>

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

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**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 Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the *Local Government Act 1995* 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 fair value through profit and loss and certain classes of non-current assets.

**Critical Accounting Estimates**

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

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

**(b) The Local Government Reporting Entity**

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 20 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.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Trade and Other Receivables**

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

Collectibility 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.

**(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 recognised as expenses.

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

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 recognised 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.

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***

Land under roads is excluded from infrastructure in accordance with the transition arrangements available under AASB 1045 and in accordance with legislative requirements.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(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 recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	50 to 100 years
Furniture and Equipment	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



**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Investments and Other Financial Assets**

***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. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

*(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. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

***Recognition and derecognition***

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Investments and Other Financial Assets (Continued)**

***Subsequent measurement***

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

***Impairment***

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

**(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.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**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 estimate of the recoverable amount of the asset is made in accordance with AASB 136 *'Impairment of Assets'* and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

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 recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(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 recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

**(o) Provisions**

Provisions are recognised 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 recognised 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 recognised 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 lessor, 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 Income Statement. Information about the joint venture is set out in Note 17.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(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 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

**(s) Superannuation**

The Shire of Tammin contributes to various superannuation schemes - all of which are defined contribution plans.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised 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.

**(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.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(w) New Accounting Standards and Interpretations**

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 ending 30 June 2008.

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

<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(i) AASB-I 12 Service Concession Arrangements, AASB 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 12, revised UIG 4 Determining whether an Arrangement contains a Lease and revised UIG 129 Service Concession Arrangements: Disclosures	February 2007	1 January 2008	Nil – Council is not party to any Service Concession Arrangements.
(ii) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(iii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007	1 January 2009	Nil – The revised Standard has removed the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Council as the Council already capitalises borrowing costs relating to qualifying assets.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(w) New Accounting Standards and Interpretations (Continued)**

<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(iv) AASB-I 13 Customer Loyalty Programmes	August 2007	1 July 2008	Nil – Council has no Customer Loyalty Programmes.
(v) AASB-I 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	August 2007	1 January 2008	Nil – The Interpretation provides guidance on the maximum amount that may be recognised as an asset in defined benefit plans. Council does not currently contribute to any defined benefit plans. Consequently, there is not expected to be any impact on the financial statements.
(vi) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements.
(vii) Government and General Government Sector Financial Reporting	October 2007	1 July 2008(+)	Nil – The Standard is not applicable to Local Governments.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(viii) AASB 1050 Administered Items: AASB 1051 Land Under Roads, AASB 1052 Disaggregated Disclosures, revised AASB 1004 Contributions, AASB 2007-9 Amendments to Australian Accounting Standards arising from the review of AAS 27, AAS 29 and AAS 31 and revised interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities	December 2007	1 July 2008(+)	<ul style="list-style-type: none"> <li>• AASB 1050 is only applicable to Government departments and will have no impact on Council.</li> <li>• AASB 1051 will allow Council to recognise or not recognise land under roads acquired before 30 June 2008. Land under roads acquired after 30 June 2008 must be recognised.</li> <li>• AASB 1052 requires disclosure of financial information by function or activity. Council already provides this information so there will be no additional impact on the financial statements.</li> <li>• This Standard will have a significant impact on the Council's financial statements.</li> <li>• AASB 1004 requires contributions made to Council to be recognised at fair value when they are controlled and to be appropriately disclosed. Council already accounts for contributions in this manner so there will be no additional impact on the financial statements.</li> </ul>



**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

2. REVENUES AND EXPENSES	2007/08 \$	2007/08 Budget \$	2006/07 \$
<b>(a) Result from Ordinary Activities</b>			
The Result from Ordinary Activities includes:			
(i) Charging as an Expense:			
<b>Amortisation</b>			
Capitalised Leased Assets	0	0	0
<b>Auditors Remuneration</b>			
- Audit	3,560	5,150	4,640
- Other Services	0	0	0
<b>Depreciation</b>			
Buildings	57,967	57,405	58,601
Furniture and Equipment	5,805	5,306	4,473
Plant and Equipment	96,423	96,725	107,450
Tools	0	0	0
Landcare Centre Equipment	0	0	3,151
Roads	190,492	0	181,599
Footpaths	31,889	31,889	31,889
Other	48,855	48,860	48,860
	<u>431,431</u>	<u>240,185</u>	<u>436,023</u>
<b>Interest Expenses</b>			
Finance Lease Charges	0	0	0
GST Penalty Interest	0	0	13,925
Debentures ( <i>refer Note 22(a)</i> )	30,192	31,281	36,167
	<u>30,192</u>	<u>31,281</u>	<u>50,092</u>
<b>Rental Charges</b>			
- Operating Leases	<u>0</u>	<u>0</u>	<u>0</u>
(ii) Crediting as Revenue:			
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	17,590	12,400	21,958
- Other Funds	19,559	15,000	18,978
Other Interest Revenue ( <i>refer note 27</i> )	357	700	699
	<u>37,506</u>	<u>28,100</u>	<u>41,635</u>

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**2. REVENUES AND EXPENSES (Continued)**

**(b) Statement of Objective**

The Shire of Tammin is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

**GOVERNANCE**

General administration and support for Council.

**GENERAL PURPOSE FUNDING**

Rates and their collection; Financial Assistance Grants from Grants Commission; Interest.

**LAW, ORDER, PUBLIC SAFETY**

Supervision of various local laws; fire prevention; and animal control.

**HEALTH**

Food and water quality control; meat inspection and septic system inspection.

**EDUCATION AND WELFARE**

Support of school activities and landcare education. Provision of senior's accommodation.

**HOUSING**

Provision of general rental accommodation when buildings not required by Staff.

**COMMUNITY AMENITIES**

Rubbish collection services; operation of tip; administration of the town planning scheme; landcare; maintenance of cemeteries; and public conveniences.

**RECREATION AND CULTURE**

Maintenance of halls; tennis/netball courts; oval and reserves; operation of library; heritage and history.

**TRANSPORT**

Construction and maintenance of streets, roads, bridges; street lighting; traffic and directional signs; depot maintenance; motor vehicle licence agency.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**2. REVENUES AND EXPENSES (Continued)**

**(b) Statement of Objective (Continued)**

**ECONOMIC SERVICES**

Tourism; implementation of building controls; Community Development Officer; noxious weeds and vermin control.

**OTHER PROPERTY & SERVICES**

Private works operations, plant repairs and operation costs.

	<b>2007/08</b>	<b>2006/07</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Conditions Over Contributions</b>		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Roads to Recovery Supplementary Grant	126,139	0
	126,139	0
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Roads to Recovery Supplementary Grant	0	126,139
Less:		
Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
Roads to Recovery Supplementary Grant	(126,139)	0
Closing balances of unexpended grants	0	126,139
Comprises:		
Roads to Recovery Supplementary Grant	0	126,139
	0	126,139

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	<b>2007/08</b>	<b>2007/08</b>	<b>2006/07</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
<b>3. CASH AND CASH EQUIVALENTS</b>		<b>\$</b>	
Unrestricted	109,629	(107,779)	190,812
Restricted	249,498	338,504	434,941
	<u>359,127</u>	<u>230,725</u>	<u>625,753</u>

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

Information & Technology Reserve	11,863	11,622	11,069
Plant Reserve	175,280	265,555	176,719
Long Service Leave Reserve	10,984	11,003	12,332
Aged Pensioner Units Reserve	38,420	37,637	35,845
Entitlements Reserve	12,951	12,687	12,083
Housing Reserve	0	0	186,893
	<u>249,498</u>	<u>338,504</u>	<u>434,941</u>

**4. INVESTMENTS**

Financial assets at fair value through profit or loss

**Financial assets at fair value through profit or loss**

At beginning of the year	0	0	0
Revaluation to Income Statement	0	0	0
Additions	0	0	0
Disposals	0	0	0
At end of the year	<u>0</u>	<u>0</u>	<u>0</u>

**Held for trading**

- FRNs	0	0	0
- CDOs	0	0	0
- Managed Funds	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	<b>2007/08</b>	<b>2007/08</b>	<b>2006/07</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
<b>5. TRADE AND OTHER RECEIVABLES</b>			
<b>Current</b>			
Sundry Debtors - Rates	11,857	23,971	23,971
Sundry Debtors - Other	26,230	65,035	84,055
	<u>38,087</u>	<u>89,006</u>	<u>108,026</u>
<b>Non-Current</b>			
Sundry Debtors - Other	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>6. INVENTORIES</b>			
<b>Current</b>			
Nil	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>Non-Current</b>			
Nil	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Land and Buildings - Cost	2,354,014	2,375,294	2,112,293
Less Accumulated Depreciation	<u>(431,258)</u>	<u>(476,743)</u>	<u>(419,338)</u>
	1,922,756	1,898,551	1,692,955
Furniture and Equipment - Cost	139,050	145,196	127,196
Less Accumulated Depreciation	<u>(117,450)</u>	<u>(118,446)</u>	<u>(113,140)</u>
	21,600	26,750	14,056
Plant and Equipment - Cost	1,412,477	1,417,341	1,377,341
Less Accumulated Depreciation	<u>(982,532)</u>	<u>(986,834)</u>	<u>(890,109)</u>
	429,945	430,507	487,232
Tools	2,796	2,796	2,794
Less Accumulated Amortisation	<u>(2,796)</u>	<u>(2,796)</u>	<u>(2,794)</u>
	0	0	0
Landcare Centre Equipment	63,228	73,624	71,624
Less Accumulated Amortisation	<u>(63,228)</u>	<u>(71,624)</u>	<u>(71,624)</u>
	0	2,000	0
	<u>2,374,301</u>	<u>2,357,808</u>	<u>2,194,243</u>

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Movements in Carrying Amounts**

The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Tools \$	Landcare Centre Equipment \$	Total \$
Balance as at 1 July 2007	1,692,955	14,056	487,232	0	0	2,194,243
Additions	290,268	13,349	81,982	0	0	385,599
(Disposals)	(2,500)	0	(42,846)	0	(8,396)	(53,742)
Revaluation - Increments	0	0	0	0	0	0
- (Decrements)	0	0	0	0	0	0
Impairment - (losses)	0	0	0	0	0	0
- reversals	0	0	0	0	0	0
Depreciation (Expense)	(57,967)	(5,805)	(96,423)	0	0	(160,195)
Other Movements	0	0	0	0	8,396	8,396
Balance as at 30 June 2008	<u>1,922,756</u>	<u>21,600</u>	<u>429,945</u>	<u>0</u>	<u>0</u>	<u>2,374,301</u>

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	<b>2007/08</b>	<b>2006/07</b>
	<b>\$</b>	<b>\$</b>
<b>8. INFRASTRUCTURE</b>		
Roads - management valuation 30/6/2008	29,294,345	
Roads - management valuation 30/6/2007		29,294,345
Roads - Cost	567,918	
Less Accumulated Depreciation	<u>(9,754,602)</u>	<u>(9,564,110)</u>
	20,107,661	19,730,235
Footpaths - Cost	455,558	455,558
Less Accumulated Depreciation	<u>(250,631)</u>	<u>(218,742)</u>
	204,927	236,816
Other - Cost	975,577	803,984
Less Accumulated Depreciation	<u>(124,499)</u>	<u>(75,644)</u>
	851,078	728,340
	<u>21,163,666</u>	<u>20,695,391</u>

Council have adopted a policy of re-valuing roads with sufficient regularity to ensure the carrying amount of each road asset is fairly stated at reporting date. This policy accords with the requirements of AASB 116.

**Movements in Carrying Amounts**

The following represents the movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	<b>Roads</b>	<b>Footpaths</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance as at 1 July 2007	19,730,235	236,816	728,340	20,695,391
Additions	567,918	0	171,593	739,511
(Disposals)	0	0	0	0
Revaluation - Increments	0	0	0	0
- (Decrements)	0	0	0	0
Impairment - (losses)	0	0	0	0
- reversals	0	0	0	0
Depreciation (Expense)	(190,492)	(31,889)	(48,855)	(271,236)
Other Movements	0	0	0	0
Balance as at 30 June 2008	<u>20,107,661</u>	<u>204,927</u>	<u>851,078</u>	<u>21,163,666</u>

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	2007/08 \$	2007/08 Budget \$	2006/07 \$
<b>9. TRADE AND OTHER PAYABLES</b>			
<b>Current</b>			
Sundry Creditors	67,594	38,052	38,052
ATO	0	0	1,523
Other Agencies	8,572	1,101	3,292
Accrued Interest on Debentures	2,656	3,287	3,287
Accrued Salaries and Wages	9,984	5,792	5,792
	88,806	48,232	51,946
<b>10. LONG-TERM BORROWINGS</b>			
<b>Current</b>			
Secured by Floating Charge			
Debentures	79,408	79,408	74,821
Lease Liability	0	0	0
	79,408	79,408	74,821
<b>Non-Current</b>			
Secured by Floating Charge			
Debentures	386,998	387,337	466,866
Lease Liability	0	0	0
	386,998	387,337	466,866
Additional detail on borrowings is provided in Note 22.			
<b>11. PROVISIONS</b>			
<b>Current</b>			
Provision for Annual Leave	34,896	35,362	35,362
Provision for Long Service Leave	0	0	0
	34,896	35,362	35,362
<b>Non-Current</b>			
Provision for Annual Leave	0	0	0
Provision for Long Service Leave	18,505	11,009	6,149
	18,505	11,009	6,149



**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	2007/08 \$	2007/08 Budget \$	2006/07 \$
<b>12. RESERVES - CASH/INVESTMENT BACKED</b>			
<b>(a) Information &amp; Technology Reserve</b>			
Opening Balance	11,069	11,069	10,496
Amount Set Aside / Transfer to Reserve	794	553	573
Amount Used / Transfer from Reserve	0	0	0
	<u>11,863</u>	<u>11,622</u>	<u>11,069</u>
<b>(b) Plant Reserve</b>			
Opening Balance	176,719	176,719	167,567
Amount Set Aside / Transfer to Reserve	12,508	88,836	9,152
Amount Used / Transfer from Reserve	(13,947)	0	0
	<u>175,280</u>	<u>265,555</u>	<u>176,719</u>
<b>(c) Long Service Leave Reserve</b>			
Opening Balance	12,332	12,332	25,048
Amount Set Aside / Transfer to Reserve	844	11,117	822
Amount Used / Transfer from Reserve	(2,192)	(12,447)	(13,538)
	<u>10,984</u>	<u>11,002</u>	<u>12,332</u>
<b>(d) Aged Pensioner Units Reserve</b>			
Opening Balance	35,845	35,845	24,420
Amount Set Aside / Transfer to Reserve	2,575	1,792	11,425
Amount Used / Transfer from Reserve	0	0	0
	<u>38,420</u>	<u>37,637</u>	<u>35,845</u>
<b>(e) Entitlements Reserve</b>			
Opening Balance	12,083	12,083	21,335
Amount Set Aside / Transfer to Reserve	868	604	1,071
Amount Used / Transfer from Reserve	0	0	(10,323)
	<u>12,951</u>	<u>12,687</u>	<u>12,083</u>
<b>(f) Housing Reserve</b>			
Opening Balance	186,893	186,894	127,459
Amount Set Aside / Transfer to Reserve	0	0	59,434
Amount Used / Transfer from Reserve	(186,893)	(186,894)	0
	<u>0</u>	<u>0</u>	<u>186,893</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u><u>249,498</u></u>	<u><u>338,503</u></u>	<u><u>434,941</u></u>

All of the cash backed reserve accounts are supported by money held in financial institutions or in separate investments and match the amounts shown as restricted cash and restricted investments in Notes 3 and 4 to this report.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**12. RESERVES - CASH/INVESTMENT BACKED (continued)**

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

**Information & Technology Reserve**

- to be used to fund IT requirements.

**Plant Reserve**

- to be used for the purchase of major plant and machinery.

**Long Service Leave Reserve**

- to be used to fund Staff long service leave liabilities.

**Aged Pensioner Units Reserve**

- to be used for the maintenance of the Tamma Village senior units.

**Entitlements Reserve**

- to be used to fund Staff leave entitlement liabilities.

**Housing Reserve**

- to be used for the provision of housing.

The Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

**13. RESERVES - ASSET REVALUATION**

**2007/08**

**2006/07**

\$

\$

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

(a) **Land and Buildings**

Balance as at 1 July 2007	0	0
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2008	0	0

(b) **Roads**

Balance as at 1 July 2007	20,166,175	20,320,878
Revaluation Increment	0	0
Revaluation Decrement	0	(154,703)
Balance as at 30 June 2008	20,166,175	20,166,175

**TOTAL ASSET REVALUATION RESERVES**

	20,166,175	20,166,175
--	------------	------------

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**14. NOTES TO THE CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

For the purposes of the cash flow statement, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the balance sheet as follows:

	2007/08 \$	2007/08 Budget \$	2006/07 \$
Cash and Cash Equivalents	<u>359,127</u>	<u>230,725</u>	<u>625,753</u>

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

Net Result	338,299	380,667	194,814
Amortisation	0	0	0
Depreciation	431,431	240,185	436,023
(Profit)/Loss on Sale of Asset	(46,589)	0	(61,968)
(Increase)/Decrease in Receivables	69,938	0	961
(Increase)/Decrease in Inventories	0	0	0
Increase/(Decrease) in Payables	33,298	(13,669)	18,501
Increase/(Decrease) in Accrued Interest	(631)		
Increase/(Decrease) in Employee Provisions	16,082	4,861	(11,238)
Grants/Contributions for the Development of Assets	<u>(368,198)</u>	<u>(338,600)</u>	<u>(134,858)</u>
<b>Net Cash from Operating Activities</b>	<u>473,630</u>	<u>273,444</u>	<u>442,235</u>

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

Bank Overdraft limit	100,000	0	0
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	20,000	10,000	10,000
Credit Card Balance at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Amount of Credit Unused</b>	<u>120,000</u>	<u>10,000</u>	<u>10,000</u>

**Loan Facilities**

Loan Facilities - Current	79,408	79,408	74,821
Loan Facilities - Non-Current	<u>386,998</u>	<u>387,337</u>	<u>466,866</u>
<b>Total Facilities in Use at Balance Date</b>	<u>466,406</u>	<u>466,745</u>	<u>541,687</u>

<b>Unused Loan Facilities at Balance Date</b>	<u>0</u>	<u>0</u>	<u>0</u>
---	----------	----------	----------

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**15. CONTINGENT LIABILITIES**

There are no known Contingent Liabilities at balance date.

<b>16. CAPITAL AND LEASING COMMITMENTS</b>	<b>2007/08</b>	<b>2006/07</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Finance Lease Commitments</b>		
Payable:		
- not later than one year	0	0
- later than one year but not later than five years	0	0
- later than five years	0	0
	<u>0</u>	<u>0</u>
Minimum Lease Payments	0	0
Less Future Finance Charges	0	0
Total Lease Liability	<u><u>0</u></u>	<u><u>0</u></u>
<b>(b) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	0	0
- later than one year but not later than five years	0	0
- later than five years	0	0
	<u>0</u>	<u>0</u>
	<u><u>0</u></u>	<u><u>0</u></u>
<b>(c) Capital Expenditure Commitments</b>		
Contracted for:		
- capital expenditure projects	0	146,005
Payable:		
- not later than one year	0	146,005

**17. JOINT VENTURE**

The Shire of Tammin is not involved in any joint venture arrangements as at balance date.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2007/08</b>	<b>2006/07</b>
	<b>\$</b>	<b>\$</b>
Governance	721,136	460,770
General Purpose Funding		0
Law, Order, Public Safety	9,290	19,848
Health		0
Education and Welfare	243,372	244,373
Housing		0
Community Amenities	76,867	86,727
Recreation and Culture	1,288,301	1,203,966
Transport	20,665,252	20,345,049
Economic Services	6,348	6,828
Other Property and Services	527,401	522,072
Unallocated	397,214	733,780
	<u>23,935,181</u>	<u>23,623,413</u>

**19. FINANCIAL RATIOS**

	<b>2007/08</b>	<b>2006/07</b>	<b>2005/06</b>
Current Ratio	0.727	1.843	1.955
Untied Cash to Trade Creditors Ratio	1.234	3.673	12.241
Debt Ratio	0.025	0.027	0.032
Debt Service Ratio	0.052	0.057	0.085
Gross Debt to Revenue Ratio	0.247	0.272	0.378
Gross Debt to Economically Realisable Assets Ratio	0.168	0.185	0.225
Rate Coverage Ratio	0.252	0.266	0.251
Outstanding Rates Ratio	0.021	0.045	0.067

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Trade Creditors Ratio	$\frac{\text{Untied cash}}{\text{Unpaid trade creditors}}$
Debt Ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$
Debt Service Ratio	$\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{Gross debt}}{\text{Total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{Gross debt}}{\text{Economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{Net rate revenue}}{\text{Operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{Rates outstanding}}{\text{Rates collectable}}$

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**20. TRUST FUNDS**

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

	Balance 1-Jul-07 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-08 \$
Nomination Deposits	0.00	320.00	(320.00)	0.00
Housing Bonds	1,460.00	0.00	0.00	1,460.00
Tammin Tourist Promotion	8.29	0.00	(8.29)	0.00
TALEC Booking Deposits	3,747.04	0.00	(3,747.04)	0.00
Tamma Village Bonds	0.00	200.00	0.00	200.00
Alcoa Area Promotion	6,000.00	0.00	(6,000.00)	0.00
Best Memorial Trust	250.00	91.27	0.00	341.27
Sale of Land - Non Payment of Rates	11,963.71	974.71	(12,938.42)	0.00
Pre-Paid Rates	0.00	12,000.00	0.00	12,000.00
	<u>23,429.04</u>	<u>13,585.98</u>	<u>(23,013.75)</u>	<u>14,001.27</u>

**21. DISPOSALS OF ASSETS - 2007/08 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
5 Dreyer St	500	0	908	0	408	
47-49 Donnan St	1,500	1,500	1,818	0	318	
4 McLaren St	500	500	909	0	409	
35-37 Donnan St	0	0	51,200	0	51,200	
MYOB Software	0	0	100	0	100	
Ford Fairlane G8 sedan	42,846	42,846	36,818	32,846	(6,028)	(10,000)
Squirrel Cherry Picker	0	0	0	0	0	
KDS Computer	0	0	182	0	182	
	<u>45,346</u>	<u>44,846</u>	<u>91,935</u>	<u>32,846</u>	<u>46,589</u>	<u>(10,000)</u>

Profit	52,617
Loss	<u>(6,028)</u>
	46,589

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**22. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Principal 1-Jul-07 \$	New Loans \$	Principal Repayments		Principal 30-Jun-08		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Recreation &amp; Culture</b>								
- 76 Kadjinyiny Kep (hydrology model)	274,259	0	32,299	32,300	241,960	241,959	16,262	16,341
<b>Transport</b>								
- 77 Plant & Machinery (side tipping truck & trailer and other plant)	211,115	0	21,450	21,299	189,665	189,816	11,663	12,101
<b>Other Property &amp; Services</b>								
- 75 Housing	56,314	0	21,531	21,223	34,783	35,091	2,267	2,839
	541,688	0	75,280	74,822	466,408	466,866	30,192	31,281

All loan repayments were financed by general purpose revenue.

(b) New Debentures - 2007/08

No new Debenture loans were taken out in the 2007/08 financial year.

(c) Unspent Debentures

The Shire of Tammin did not have unspent Debentures in the 2007/08 financial year.

(d) Overdraft

Council established an overdraft facility of \$100,000 in 2008 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2007 and 30 June 2008 was \$Nil.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

23. RATING INFORMATION - 2007/08 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>General Rate</b>											
Gross Rental Value	12.6000	85	404,916	51,466	0	0	51,466	51,020	0	0	51,020
Unimproved Value	1.5173	166	34,815,500	528,529	982	10	529,521	528,300	1,000	0	529,300
<b>Sub-Totals</b>		251		579,995	982	10	580,987	579,320	1,000	0	580,320
	<b>Minimum \$</b>										
<b>Minimum Rates</b>											
Gross Rental Value	\$150	39	9,330	5,850	0	0	5,850	5,850	0	0	5,850
Unimproved Value	\$150	9	47,800	1,350	0	0	1,350	1,350	0	0	1,350
<b>Sub-Totals</b>		48		7,200	0	0	7,200	7,200	0	0	7,200
Specified Area Rate (refer note 24)							588,187				587,520
Discounts (refer note 26)							0				0
<b>Totals</b>							588,187				587,520
							(26,951)				(23,400)
							561,236				564,120



**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**24. SPECIFIED AREA RATE - 2007/08 FINANCIAL YEAR**

The Shire of Tammin did not levy a Specified Area Rate in 2007/08.

**25. SERVICE CHARGES - 2007/08 FINANCIAL YEAR**

The Shire of Tammin did not levy Service Charges in 2007/08.

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2007/08 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	5.00%	26,741	23,400
Minimum Rate	Discount	5.00%	210	0
			26,951	23,400

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.

Rates were waived on sporting facilities and community organisation properties to encourage community development. 3 properties (Tammin Bowling Club, Tammin Golf Club and Tammin CWA) were involved.

**27. INTEREST CHARGES AND INSTALMENTS - 2007/08 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		1,252	2,160
Interest on Instalments Plan	5.50%		357	700
Charges on Instalments Plan		10.00	600	470
			2,209	3,330

Ratepayers had the option of paying rates in four equal instalments, due on 27th September 2007, 29th November 2007, 31st January 2008 and 27th March 2008. Administration charges and interest applied for the final three instalments.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

<b>28. FEES &amp; CHARGES</b>	<b>2007/08</b> <b>\$</b>	<b>2007/08</b> <b>Budget</b> <b>\$</b>	<b>2006/07</b> <b>\$</b>
Governance	3,288	2,780	2,769
General Purpose Funding	7,973	3,470	1,578
Law, Order, Public Safety	530	340	371
Health	6,140	6,000	5,497
Housing	0	49,700	0
Education & Welfare	62,350	0	49,794
Community Amenities	60,561	51,350	48,325
Recreation & Culture	90,939	30,380	13,518
Transport	8,802	0	0
Economic Services	867	100	149
Other Property & Services	52,881	35,890	145,920
	<u>294,331</u>	<u>180,010</u>	<u>267,921</u>

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

<b>29. GRANT REVENUE</b>	<b>2007/08</b> <b>\$</b>	<b>2006/07</b> <b>\$</b>
<b>By Nature and Type:</b>		
Grants and Subsidies - operating	737,609	743,225
Grants and Subsidies - non-operating	368,198	134,858
	<u>1,105,807</u>	<u>878,083</u>
<b>By Program:</b>		
General Purpose Funding	696,455	652,921
Law, Order, Public Safety	1,350	3,982
Recreation and Culture	0	48,509
Transport	408,002	172,671
	<u>1,105,807</u>	<u>878,083</u>

<b>30. COUNCILLORS' REMUNERATION</b>	<b>2007/08</b> <b>\$</b>	<b>2007/08</b> <b>Budget</b> <b>\$</b>	<b>2006/07</b> <b>\$</b>
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	4,020	5,120	3,540
President's Allowance	833	1,000	2,000
Deputy President's Allowance	0	0	0
Travelling Expenses	924	900	651
Telecommunications Allowance	0	0	0
	<u>5,777</u>	<u>7,020</u>	<u>6,191</u>

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**31. EMPLOYEES' REMUNERATION**

No employees were entitled to an annual salary of \$100,000 or more.

<b>32. EMPLOYEE NUMBERS</b>	<b>2008</b>	<b>2007</b>
The number of full-time equivalent employees at balance date	<u>13</u>	<u>11</u>

**33. MAJOR LAND TRANSACTIONS**

The Shire of Tammin did not undertake any major land transactions during the 2007/08 financial year.

**34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire of Tammin did not participate in any trading undertakings or major trading undertakings during the 2007/08 financial year.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**35. FINANCIAL RISK MANAGEMENT**

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

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

Financial risk management is carried out by the finance area under policies approved by the Council. The Council held the following financial instruments at balance date:

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Cash and cash equivalents	359,127	625,753	359,127	625,753
Receivables	38,087	108,026	38,087	108,026
Financial assets at fair value through profit or loss	0	0	0	0
	<u>397,214</u>	<u>733,779</u>	<u>397,214</u>	<u>733,779</u>
<b>Financial Liabilities</b>				
Payables	88,806	51,946	88,806	51,946
Borrowings	466,406	541,687	466,406	541,687
	<u>555,212</u>	<u>593,633</u>	<u>555,212</u>	<u>593,633</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings, Held-to-Maturity Investments – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial Assets at Fair Value through profit and loss, Available for Sale Financial Assets – based on quoted market prices at the reporting date or independent valuation.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**35. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Receivables**

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

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

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

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**35. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Borrowings**

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

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<b><u>2007/08</u></b>					
- Payables	88,806	0	0	88,806	88,806
- Borrowings	79,408	279,189	107,809	466,406	466,406
	<u>168,214</u>	<u>279,189</u>	<u>107,809</u>	<u>555,212</u>	<u>555,212</u>
<b><u>2006/07</u></b>					
- Payables	51,946	0	0	51,946	51,946
- Borrowings	74,821	286,067	180,799	541,687	541,687
	<u>126,767</u>	<u>286,067</u>	<u>180,799</u>	<u>593,633</u>	<u>593,633</u>

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**35. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Interest Rate Risk**

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

Year Ended 30 June 2008	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<b>FINANCIAL ASSETS</b>								
<b>Fixed Rate</b>								
Other Financial Assets							0	
Weighted Average Effective Interest Rate								
<b>Floating Rate</b>								
Cash and Cash Equivalents							0	
Weighted Average Effective Interest Rate								
<b>FINANCIAL LIABILITIES</b>								
<b>Fixed Rate</b>								
Debentures		34,783				431,623	466,406	
Weighted Average Effective Interest Rate		5.74%				6.08%		6.02%

**SHIRE OF TAMMIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**35. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Interest Rate Risk**

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
Year Ended 30 June 2007	\$	\$	\$	\$	\$	\$	\$	%
<b>FINANCIAL ASSETS</b>								
<b>Fixed Rate</b>								
Other Financial Assets							0	
Weighted Average Effective Interest Rate								
<b>Floating Rate</b>								
Cash and Cash Equivalents							0	
Weighted Average Effective Interest Rate								
<b>FINANCIAL LIABILITIES</b>								
<b>Fixed Rate</b>								
Debentures			56,314			485,373	541,687	
Weighted Average Effective Interest Rate			5.74%			6.08%		6.01%



PJC : LG  
SHIR02

Chartered  
Accountants



20 November 2008

The Chief Executive Officer  
Shire of Tammin  
PO Box 53  
TAMMIN WA 6409

Dear Sir

**2007 - 2008 AUDIT REPORT**

We enclose one copy of our audit report to the Shire for the year ended 30 June 2008.

Yours faithfully  
BUTLER SETTINERI (AUDIT) PTY LTD

PAUL J CHABREL  
Director

Enc

**BUTLER  
SETTINERI**

Unit 16, First Floor  
Spectrum Offices  
100 Railway Road  
(Cnr Hay Street)  
Subiaco WA 6008

**Locked Bag 18  
Subiaco WA 6904  
Australia**

Phone: **(08) 6389 5222**  
Fax: **(08) 6389 5255**  
Email: [mail@butlersettineri.com.au](mailto:mail@butlersettineri.com.au)

Directors:

**Colin Butler**  
FCA

**Paul Chabrel**  
FCA

**Lucy Gardner**  
CA

**Butler Settineri (Audit) Pty Ltd**

A.C.N. 112 942 373

Registered Company Auditor Number 289109

*Liability limited by a scheme approved under Professional Standards Legislation*

[www.butlersettineri.com.au](http://www.butlersettineri.com.au)



## **A. Scope**

We have audited the accompanying financial report, being a general purpose financial report of the Shire of Tammin for the financial year ended 30 June 2008.

### **Council's Responsibility for the Financial Report**

Council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

This responsibility also includes establishing and maintaining internal control 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**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we 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 audit evidence about the 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 Shire's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

**Butler Settineri (Audit) Pty Ltd**

A.C.N. 112 942 373

Registered Company Auditor Number 289109

*Liability limited by a scheme approved under Professional Standards Legislation*

**BUTLER  
SETTINERI**

Unit 16, First Floor  
Spectrum Offices  
100 Railway Road  
(Cnr Hay Street)  
Subiaco WA 6008

**Locked Bag 18  
Subiaco WA 6904  
Australia**

Phone: **(08) 6389 5222**  
Fax: **(08) 6389 5255**  
Email: [mai@butlersettineri.com.au](mailto:mai@butlersettineri.com.au)

Directors:

**Colin Butler**  
FCA

**Paul Chabrel**  
FCA

**Lucy Gardner**  
CA

## **B. Audit Opinion**

### **Qualification**

During the course of our audit procedures we noted that several balances within the Income Statement by Nature appeared to be misstated and that the accounting records were not sufficient to enable us to determine the quantum of any adjustment which may be required to obtain all the information and explanations we require in order to form an unmodified opinion on the financial report.

### **Qualified Audit Opinion**

In our opinion, except for the effects of such adjustments as might have been determined had we been able to satisfy ourselves as to the correct presentation of certain items within the financial report, the financial report of the Shire of Tammin is drawn up in accordance with the books of the Council, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

## **C. Statutory Compliance**

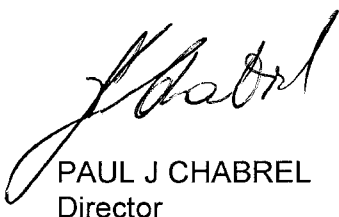
We did not, during the course of our audit, become aware of any instances where the Shire did not comply with the statutory requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

## **D. Other Matters**

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

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

BUTLER SETTINERI (AUDIT) PTY LTD



PAUL J CHABREL  
Director

Date: 20 November 2008