



Shire of Tammin

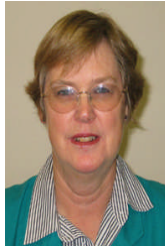
2006-07 Annual Report

COUNCIL MEMBERS



PRESIDENT
Cr. Barry Leslie

PO Box 58
KELLERBERRIN 6410
Tel: 9637 1162
Fax: 9637 1138
Originally Elected: 1999
Term Expires: 2007



DEPUTY PRESIDENT
Cr. Louise Caffell

PO Box 123
TAMMIN 6409
Tel: 9045 2035
Fax: 9045 2002
Originally Elected: 1998
Term Expires: 2007



Cr. Michael Greenwood

PO Box 24
TAMMIN 6409
Tel: 9637 1515
Fax: 9637 1515
Originally Elected: 2004
Term Expires: 2009



Cr. Stephen Jefferies

Barrack Road South
TAMMIN 6409
Tel: 9637 1112
Fax: 9045 4081
Originally Elected: 2005
Term Expires: 2009



Cr. Rodney Stokes

PO Box 52
TAMMIN 6409
Tel: 9637 1153
Fax: 9637 1153
Originally Elected: 2003
Term Expires: 2007

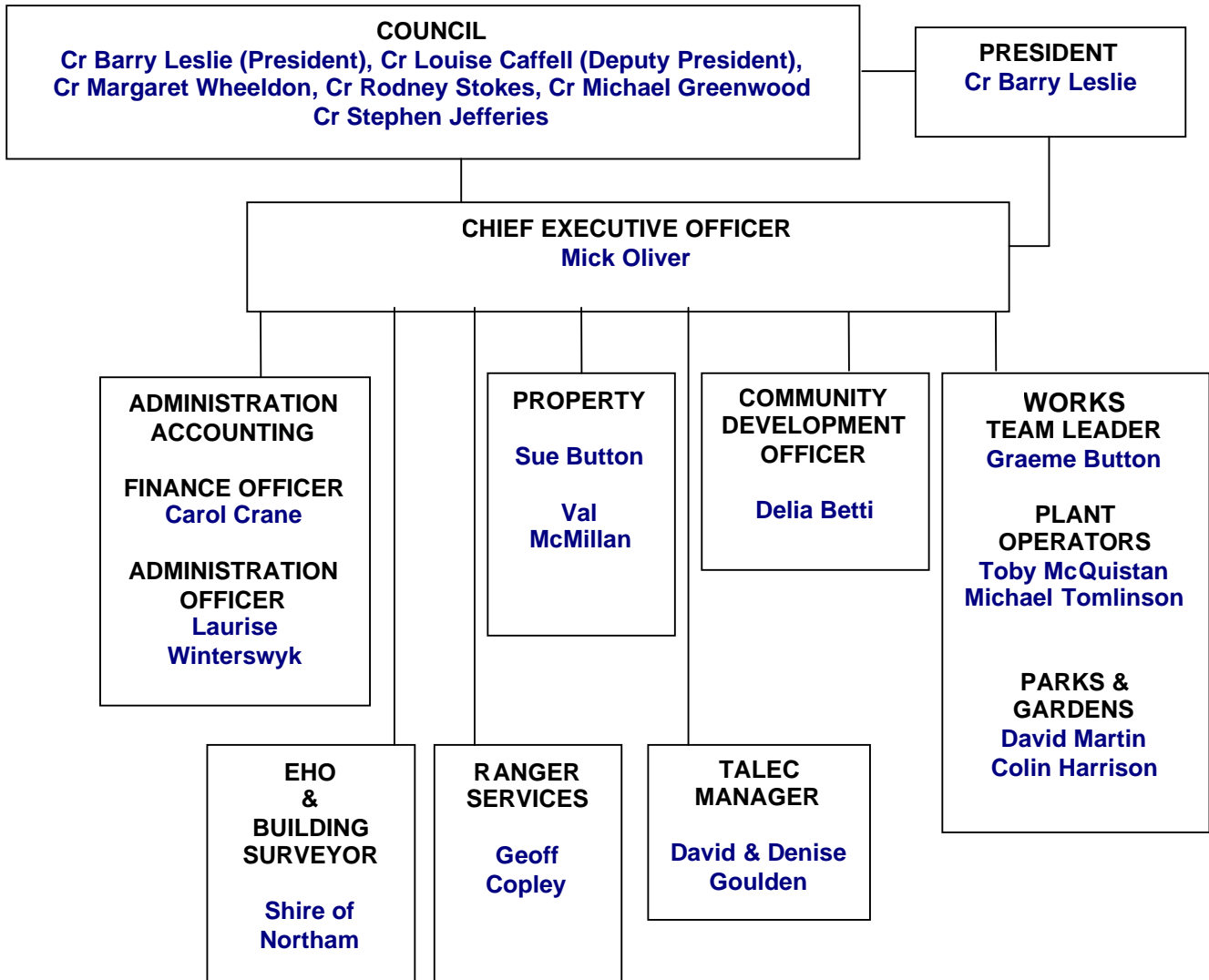


Cr. Margaret Wheeldon

26 Ridley Street
TAMMIN 6409
Tel : 9637 1041
Fax: 9637 1041
Originally Elected: 1999
Term Expires: 2009

ORGANISATIONAL STRUCTURE

June 2007



PRESIDENT'S REPORT

The 2006/07 year has come and gone without any major issues confronting us as a Shire. This is pleasing from Council's perspective as it vindicates the clear decision for the Shire of Tammin to return to autonomous management. Council has noted from ratepayer comments that there is a positive reaction to Council's direction.

Some of the highlights for the financial year have been:

- On 6 July 2006 at the Annual Awards Night, Bernice Repton received the inaugural honour of Freeman of the Shire of Tammin.
- In July 2006 the Shire of Tammin withdrew from the Central Wheatbelt Health Scheme (Shire of Bruce Rock, Kellerberrin and Tammin) which jointly employed health and building control services and contracted the services from the Shire of Northam.
- The western end of Shields Street (west of Booth Street) was gazetted as a road.
- Exploratory drilling around the Town Hall failed to find any underground streams which may be contributing to the high water table. Council has resolved to continue to monitor the ground water levels and to install ventilation to the floor cavity.
- In conjunction with the TALEC Management Committee, the roles and responsibilities of the Committee were defined.
- an overall plan was prepared for the completion of the surrounds of Kadjiny Kep.
- Council's support for the creation of sheep saleyards in Northam was not matched by the State Government – which ultimately rejected the proposal.
- Efforts were made to relocate the old red fire shed prior to the construction of the new Tammin Emergency Centre – unfortunately unsuccessfully.
- Cupboards were installed in the Office and kitchen areas.
- The first *community crop* was planted realizing some \$35,000 of which \$25,000 was disbursed to the community and the balance retained as seeding funds for the 2007 crop.
- Through WE-ROC, an emergency partnering agreement has been entered into.
- All local laws (by-laws) were reviewed with a number being repealed and several new local laws being enacted.
- A decision to refuse development approval for a vineyard was appealed to the State Administrative Tribunal. The appeal was defended by Council before it was ultimately withdrawn. A request for financial support from the Shire of Kellerberrin for the defence was unsuccessful.
- Following on from the decision at the March 2006 General Electors meeting, locality boundaries were simplified to North Tammin, South Tammin and Tammin.
- A survey of residents on the issue of structural reform resulted in an overwhelming majority of responses clearly supporting the Shire of Tammin remaining a separate identity.
- Tammin bought out the Shire of Kellerberrin's share in the CAT vibe roller and TORO self propelled mower.
- An auction of land for non-payment of rates on 19 April 2007 resulted in all properties being sold and the outstanding rates settled.
- A signage program has seen road name signs erected throughout the Shire.
- Successful Australia Day celebrations were held in Memorial Park.
- Council opposed local government being responsible for drainage governance indicating that the function should remain with the Department of Water and perhaps (in the Wheatbelt) the Avon Catchment Council.
- Council opposed the introduction of proportional-preferential voting system to local government elections expressing the view that the proposed changes would lead to factionalism and party politics in local government, would result in decreased voter turnout, increased informal votes and would impose substantially higher election costs on our community.
- Council supported the CBH Group's application for the continued use of 2,4-D High Volatile Esters in the Shire of Tammin.
- An amendment to the townsite boundary, to include all of the roadhouse and CBH into the townsite, was initiated.
- The design of entrance statements is still under discussion.

- Council supported the decision of the Tammin Volunteer Bushfire Brigade and Volunteer Fire and Rescue Brigade to change to the Tammin Volunteer Fire Service Brigade.
- The new Tammin Emergency Centre was opened on 19 April 2007.
- The contract for the reticulation of the Donnan Park oval was let to Water Dynamics Quinti & Co.

I would like to commend the Chief Executive Officer and Staff for their commitment to achieving the goals of Council to maintain and improve both the physical and social aspects of the Shire of Tammin.

Thanks also for the commitment of fellow Councillors to pursue a vision for our community.

Barry Leslie
President

CHIEF EXECUTIVE OFFICER'S REPORT

I have much pleasure in presenting the Chief Executive Officer's Report for the 2006/2007 Financial Year. This is my second Report for the Shire of Tammin and my first as Chief Executive Officer for the full year under review.

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:

	2006/07	2005/06
• Wheatbelt Agcare Contribution towards the operational expenses	\$1,800	\$1,760
• C.W.A. – Tammin Branch Donation towards WA Luncheon Week	\$375	\$350
• Central Group of Affiliated Agricultural Societies Contribution towards Perth Royal Show display	\$350	\$250
• Cooina Centre Contribution to operational wages	\$5,000	\$5,000
• Tammin Bowling Club Contribution to Green keeper costs	\$18,000	\$16,500
• Tammin Golf Club Contribution to building alterations	\$15,000	
• Tammin Arts Prize Annual Prize (cash and kind)	\$1,650	\$1,000
• Tammin Playgroup Donation	\$2,420	
• Kellerberrin/Tammin Football Club 50% reduction in annual ground fees	\$518	\$518
• Royal Flying Doctor Service Donation	\$200	
• Lord Mayors Disaster Appeal Donation	\$500	

COMMUNITY CROP

145ha of arable land was leased by the Shire of Tammin for a 2 year period (at a total cost of \$24,450 plus \$970 legal fees) to allow a community crop to be grown. In January 2007 the proceeds of the 2006 were distributed:

Club	Pro-Rata	Profit Share
Kellerberrin Tammin Football Club	20.0%	\$5,000
Tammin Golf Club	20.0%	\$5,000
Tammin Bowling Club	20.0%	\$5,000
Tammin P & C	15.0%	\$3,750
Tammin Cricket Club	10.0%	\$2,500
Tammin Hockey Club	10.0%	\$2,500
Tammin Play Group	2.5%	\$625
Tammin Senior Citizens	2.5%	<u>\$625</u>
		\$25,000

Additionally, a further \$10,776 was retained 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.

EMERGENCY SERVICES BUILDING

The Tammin Emergency Centre – the joint fire and ambulance storage facility – was completed in February 2007 with the formal opening carried out in April 2007.

KADJININY KEP

Tammin's *jewel in the Crown* continues to be developed with landscaping and Changeroom projects in the planning. During the year, additional children's play equipment was installed between Memorial Park and Kadjininy Kep.

HOUSING

A new 4 bedroom transportable house for the CEO is in the process of being erected on the corner of Old Yorkrakine Rd and Nottage Way.

The 3 bedroom house at 5 Strang Street was sold.

OTHER LAND

The acquisition of the land on Station Rd for the town dam and 4 ha on Lowles Road for the creation of a home for the Astronomical Society of WA Inc. is still in progress. A multitude of land transactions have been completed – putting much of the Shire of Tammin's vacant land back into private ownership – and rate income generation.

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:

- Melbourne Hotel Perth Assessment 137 – E J & E E Charlton
- Sorrento Beach Resort Assessment 49 – F G & J W Dixon
- Esplanade Hotel Fremantle Assessment 78 – Yorks Anameka P/L
- Best Western Emerald Hotel Perth Assessment 84 – Hay Holdings P/L
- WA Symphony Orchestra Assessment 167 – Arthur Rogers P/L
- WA Symphony Orchestra Assessment 212 – R J Wheeldon

WA LOCAL GOVERNMENT GRANTS COMMISSION

The 2006/2007 General Purpose Grant distributed by the Western Australian Grants Commission provided a 5.5% increase from the previous year with \$433,274 being provided to the Shire of Tammin. This compared with a 5.7% increase in 2005/06. The Local Road Funding Grant, also distributed by the Western Australian Grants Commission, provided a 2.9% increase from the previous year with \$219,647 being provided to the Shire of Tammin. This compared with a 4.2% increase in 2005/06.

LOAN BORROWING

No new borrowings were taken up in 2006/07. Loan principal repayments totalling \$77,127 were made resulting in a loan balance outstanding of \$541,688. Full details are disclosed in Note 21 of the Financial Report.

ROADWORKS

Utilising State grant funds (Regional Road Group) a further 2 kms of widening (to 7m width) was completed on the Tammin-Wyalkatchem Road together with the complete replacement of the culverts at the Mackin Creek crossing. Some 3.5 km of widening (to 7m width) was completed on the Goldfields Road.

Utilising Federal grant funds (*Roads to Recovery*) improvement works were carried out on:

- Barrack Rd – gravel sheeting \$13,187
- Cubbine Rd – gravel sheeting \$45,027
- Nottage Way – road realignment \$5,550
- Ralston Rd – gravel sheeting \$44,388
- Tammin South Rd – bitumen widening \$8,462
- Wyola North Rd – gravel sheeting \$13,113
- York Rd – gravel sheeting \$28,913

Utilising Federal grant funds (*Blackspot*) the Turon Rd / Leslie Rd was upgraded.

Gravel sheeting was carried out on a number of local roads utilising Shire of Tammin funds. However, maintenance grading proved difficult with the lack of moisture – a point well known to farmers.

The Jetpatcher, an efficient one man operation all on board truck, was again used in the 2006/07 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.

DONNAN PARK OVAL RETICULATION

Council has recognised that the current process of night time sprinkler watering is inappropriate. Planning is underway, and a grant application has been submitted, for funding to reticulate the Oval. Water is to be primarily sourced from the Storage Dam (58,000m³) and a Catchment Dam (11,000m³) constructed last year. Much work has been done to the collection drains whilst the Hunts Well bore has also been connected to the Dam.

Work will be carried out in 2007/08 to investigate storm water collection from the CBH facility.

ENVIRONMENTAL HEALTH & BUILDING CONTROL

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

Permits Issued	2006/07		2005/06		2004/05		2003/04	
	No	Value	No	Value	No	Value	No	Value
Carport/Pergola					3	\$12,000	11	\$31,701
Garages	1	\$12,000	1	\$10,000	3	\$8,000	5	\$48,500
Residences	3	\$572,546			1	\$135,000	1(6 Alt)	\$317,790
Industrial/ Commercial	1	\$70,507					5	\$22,559
TOTALS	5	\$655,053	1	\$10,000	7	\$155,000	28	\$420,550

SHIRE OFFICE

Council has recognised the inappropriate design of the car park sail shades and has provided funding in the 2007/08 Budget for their replacement by way of an extension of the roof line on the north side of the Shire Offices.

During the year the kitchen was upgraded and storage facilities created.

TALEC

A general downturn trend in bookings, the impending withdrawal of support from the Education Department in providing education services and cost increases has pressured a review of the Tammin Alcoa Land Education Centre. Continued support from Alcoa and strong local support has ensured the Centre's future and work is continuing, with the assistance of the Wheatbelt Development Commission, on how the finances can be turned around.

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 Plan was adopted by Council in February 2007. 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) in February 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 with a commitment to provide a number of documents to the State Records Commission by 31 March 2005 and 31 March 2006 and a fully revised Plan by 18 November 2007. Unfortunately, these documents were not provided. With the changes in the Shire of Tammin's administration and the outstanding items, the Plan is proposed to be reviewed and revised to comply with the 2007 deadline.

Staff's roles and responsibilities in regard to compliance are part of the induction process for all Administrative 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 2003.

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 encourages 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

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 it's 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.

	Council		Committee	
	<u>Eligible</u>	<u>Attended</u>	<u>Eligible</u>	<u>Attended</u>
Cr B. Leslie	11	5	0	0
Cr L. Caffell	11	11	9	9
Cr M. Greenwood	11	11	3	3
Cr S. Jefferies	11	6	2	0
Cr R. Stokes	11	11	5	3
Cr M. Wheeldon	11	11	3	3

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 Tammin Roads Board was formed in 1948. Previously, it was part of the Cunderdin Meckering Tammin Roads Board.

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 km², 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. It's postal address is PO Box 53, Tammin WA 6409 and it's WEB site address is: 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 upon 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 it's 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 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, Tammin Alcoa Landcare Education Committee, Uniting Church Guild, Cooina 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 on Fridays.

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

DEPARTMENT OF PLANNING & INFRASTRUCTURE AGENCY

The Shire of Tammin maintains an on-line agency for the Department of 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.

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 WA Fire and Rescue Fire Station is located at 5 Donnan Street (cnr Booth Street). Co-located is the Tammin Volunteer St John Ambulance service - a sub-branch of the Kellerberrin Volunteer St. Johns Ambulance Association.

**SHIRE OF TAMMIN
AUDIT REPORT TO SHIRE OF TAMMIN RATEPAYERS**

Chartered
Accountants



**BUTLER
SETTINERI**

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 2007.

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

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

Directors:
Colin Butler
FCA

Paul Chabrel
FCA

Lucy Gardner
CA

www.butlersettineri.com.au

B. Audit Opinion

In our opinion, 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 2007 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).

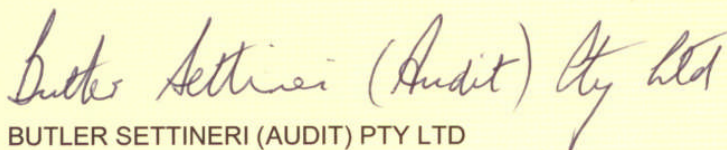
C. Statutory Compliance

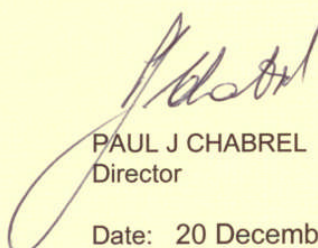
We did not, during the course of our audit, become aware of any instances where the Shire did not comply with the statutory requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

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) 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 December 2007

SHIRE OF TAMMIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007

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SHIRE OF TAMMIN

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

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 30 June 2007 are in my opinion properly drawn up to present fairly the financial position of the Shire of Tammin at 30 June 2007 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.



M.G. (Mick) Oliver
Chief Executive Officer

17 August 2007

SHIRE OF TAMMIN
INCOME STATEMENT
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	2006/07 \$	2006/07 Budget \$	2005/06 \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	22	527,684	517,973	480,521
Grants and Subsidies	28	743,225	493,686	497,599
Contributions Reimbursements and Donations		113,618	90,193	157,401
Service Charges	24	0	0	0
Fees and Charges	27	267,921	267,786	175,568
Interest Earnings	2(a)	41,635	28,956	24,156
Other Revenue		87,382	10,654	11,749
		<u>1,781,465</u>	<u>1,409,248</u>	<u>1,346,994</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(590,959)	(516,628)	(609,169)
Materials and Contracts		(502,076)	(702,700)	(459,477)
Utilities		(82,733)	(50,000)	(87,962)
Depreciation	2(a)	(436,023)	(397,300)	(295,471)
Interest Expenses	2(a)	(50,092)	(36,137)	(40,577)
Insurance		(51,313)	(62,388)	(77,611)
Other Expenditure		(70,280)	(98,785)	(45,063)
		<u>(1,783,476)</u>	<u>(1,863,938)</u>	<u>(1,615,330)</u>
Sub-Total		(2,011)	(454,690)	(268,336)
Grants and Subsidies - non-operating	28	134,858	487,637	564,578
Contributions Reimbursements and Donations - non-operating		0	0	0
Profit on Asset Disposals	20	70,702	8,840	14,694
Loss on Asset Disposals	20	(8,735)	0	(4,308)
NET RESULT		<u><u>194,814</u></u>	<u><u>41,787</u></u>	<u><u>306,628</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 2007

	NOTE	2006/07 \$	2006/07 Budget \$	2005/06 \$
REVENUES FROM ORDINARY ACTIVITIES				
Governance		8,519	56,852	16,161
General Purpose Funding		1,230,933	1,203,136	1,136,748
Law, Order, Public Safety		5,832	25,660	11,095
Health		82,002	80,837	67,155
Education and Welfare		52,845	62,950	66,404
Housing		0		0
Community Amenities		51,672	58,680	50,462
Recreation and Culture		136,648	30,628	55,159
Transport		180,119	263,586	375,468
Economic Services		2,372	50	2,093
Other Property and Services		236,082	123,346	136,809
		<u>1,987,024</u>	<u>1,905,725</u>	<u>1,917,554</u>
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		(272,925)	(232,008)	(233,019)
General Purpose Funding		(29,513)	(52,970)	(24,053)
Law, Order, Public Safety		(34,432)	(51,408)	(13,672)
Health		(76,337)	(87,347)	(82,378)
Education and Welfare		(129,937)	(182,939)	(128,862)
Housing		0	0	0
Community Amenities		(87,775)	(128,693)	(76,080)
Recreation & Culture		(363,685)	(367,165)	(221,354)
Transport		(521,616)	(548,958)	(688,801)
Economic Services		(49,867)	(53,234)	(67,023)
Other Property and Services		(189,956)	(123,079)	(35,107)
		<u>(1,756,043)</u>	<u>(1,827,801)</u>	<u>(1,570,349)</u>
BORROWING COSTS EXPENSE				
Governance		(231)	(232)	(824)
Recreation & Culture		(18,278)	(18,278)	(20,098)
Transport		(13,480)	(13,311)	(14,452)
Other Property and Services		(4,178)	(4,316)	(5,203)
		<u>(36,167)</u>	<u>(36,137)</u>	<u>(40,577)</u>
NET RESULT		<u><u>194,814</u></u>	<u><u>41,787</u></u>	<u><u>306,628</u></u>

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

SHIRE OF TAMMIN
BALANCE SHEET
AS AT 30 JUNE 2007

	NOTE	2006/07 \$	2005/06 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	625,753	674,604
Trade and Other Receivables	4	108,026	108,986
Inventories	5	<u>0</u>	<u>0</u>
TOTAL CURRENT ASSETS		<u>733,779</u>	<u>783,590</u>
NON-CURRENT ASSETS			
Other Receivables	4	0	0
Inventories	5	0	0
Property, Plant and Equipment	6	2,194,243	2,153,573
Infrastructure	7	<u>20,695,391</u>	<u>20,766,972</u>
TOTAL NON-CURRENT ASSETS		<u>22,889,634</u>	<u>22,920,545</u>
TOTAL ASSETS	17	<u>23,623,413</u>	<u>23,704,135</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	51,946	28,152
Long Term Borrowings	9	74,821	123,306
Provisions	10	<u>35,362</u>	<u>56,828</u>
TOTAL CURRENT LIABILITIES		<u>162,129</u>	<u>208,286</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	466,866	541,373
Provisions	10	<u>6,149</u>	<u>1,215</u>
TOTAL NON-CURRENT LIABILITIES		<u>473,015</u>	<u>542,588</u>
TOTAL LIABILITIES		<u>635,144</u>	<u>750,874</u>
NET ASSETS		<u>22,988,269</u>	<u>22,953,261</u>
EQUITY			
Retained Surplus		2,387,153	2,256,059
Reserves - Cash Backed	11	434,941	376,324
Reserves - Asset Revaluation	12	<u>20,166,175</u>	<u>20,320,878</u>
TOTAL EQUITY		<u>22,988,269</u>	<u>22,953,261</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 30 JUNE 2007

	NOTE	2006/07 \$	2005/06 \$
RETAINED SURPLUS			
Balance as at 1 July 2006		2,256,059	2,062,939
Net Result		194,814	306,628
2005/06 Adjustments		-5,103	
Transfer from/(to) Reserves		<u>(58,617)</u>	<u>(113,508)</u>
Balance as at 30 June 2007		<u>2,387,153</u>	<u>2,256,059</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2006		376,324	262,816
Amount Transferred (to)/from Retained Surplus		<u>58,617</u>	<u>113,508</u>
Balance as at 30 June 2007	11	<u>434,941</u>	<u>376,324</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2006		20,320,878	20,743,747
Revaluation Increment		0	0
Revaluation Decrement		<u>(154,703)</u>	<u>(422,869)</u>
Balance as at 30 June 2007	12	<u>20,166,175</u>	<u>20,320,878</u>
TOTAL EQUITY		<u><u>22,988,269</u></u>	<u><u>22,953,261</u></u>

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

SHIRE OF TAMMIN
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	2006/07 \$	2006/07 Budget \$	2005/06 \$
Cash Flows From Operating Activities				
Receipts				
Rates		536,015	517,973	471,954
Grants and Subsidies - operating		743,225	493,686	497,599
Contributions, Reimbursements & Donations		113,618	90,193	157,401
Service Charges		0	0	0
Fees and Charges		267,922	267,786	175,568
Interest Earnings		41,635	28,956	24,156
Goods and Services Tax		0	0	0
Other		80,010	10,654	80,172
		<u>1,782,425</u>	<u>1,409,248</u>	<u>1,406,850</u>
Payments				
Employee Costs		(607,491)	(516,628)	(619,628)
Materials and Contracts		(502,076)	(702,700)	(458,085)
Utilities (gas, electricity, water, etc)		(82,733)	(50,000)	(87,963)
Insurance		(51,313)	(62,388)	(77,611)
Interest		(46,805)	(36,136)	(44,918)
Goods and Services Tax		0	0	0
Other		(49,772)	(115,404)	(456,283)
		<u>(1,340,190)</u>	<u>(1,483,256)</u>	<u>(1,744,488)</u>
Net Cash Provided By (Used In)				
Operating Activities	13(b)	<u>442,235</u>	<u>(74,008)</u>	<u>(337,638)</u>
Cash Flows from Investing Activities				
Payments for Development of				
Land Held for Resale		0	0	0
Payments for Purchase of				
Property, Plant & Equipment		(316,556)	(446,738)	(267,397)
Payments for Construction of Infrastructure		(345,470)	(352,785)	(121,595)
Advances to Community Groups		0	0	0
Grants/Contributions for				
the Development of Assets		134,858	487,637	564,578
Proceeds from Sale of				
Plant & Equipment		164,177	128,840	246,324
Proceeds from Advances		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In)				
Investing Activities		(362,991)	(183,046)	421,910
Cash Flows from Financing Activities				
Repayment of Debentures		(77,128)	(77,158)	(76,104)
Repayment of Finance Leases		(45,864)	0	0
Proceeds from Self Supporting Loans		0	0	4,400
Proceeds from New Debentures		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In)				
Financing Activities		(122,992)	(77,158)	(71,704)
Previous Years Debtors Written Off				
		(2,566)	0	0
Previous Years Creditor Adjustment				
		(2,537)	0	0
Net Increase (Decrease) in Cash Held		<u>(48,851)</u>	<u>(334,212)</u>	<u>12,568</u>
Cash at Beginning of Year		674,604	674,604	662,036
Cash and Cash Equivalents				
at the End of the Year	13(a)	<u>625,753</u>	<u>340,392</u>	<u>674,604</u>

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

SHIRE OF TAMMIN

RATE SETTING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	2006/07 \$	2006/07 Budget \$	2005/06 \$
REVENUES				
Governance		8,519	56,852	16,161
General Purpose Funding		703,249	685,163	656,227
Law, Order, Public Safety		5,832	25,660	11,095
Health		82,002	80,837	67,155
Education and Welfare		52,845	62,950	66,404
Housing			0	0
Community Amenities		51,672	58,680	50,462
Recreation and Culture		136,648	30,628	55,159
Transport		180,119	263,586	375,468
Economic Services		2,372	50	2,093
Other Property and Services		236,082	123,346	136,809
		1,459,340	1,387,752	1,437,033
EXPENSES				
Governance		(273,156)	(232,240)	(233,018)
General Purpose Funding		(29,513)	(52,970)	(24,877)
Law, Order, Public Safety		(34,432)	(51,408)	(13,672)
Health		(76,337)	(87,347)	(82,378)
Education and Welfare		(129,937)	(182,939)	(128,862)
Housing			0	0
Community Amenities		(87,775)	(128,693)	(76,080)
Recreation & Culture		(381,962)	(385,443)	(241,452)
Transport		(535,096)	(562,269)	(703,254)
Economic Services		(49,867)	(53,234)	(67,023)
Other Property and Services		(194,135)	(127,395)	(40,310)
		(1,792,210)	(1,863,938)	(1,610,926)
ADJUSTMENTS FOR CASH BUDGET REQUIREMENTS:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals		(61,967)	(8,840)	(10,386)
Movement in Accrued Interest		0	0	0
Movement in Accrued Salaries and Wages		0	0	0
Movement in Employee Benefit Provisions		7,553	0	(23,638)
Depreciation and Amortisation on Assets		436,024	397,300	295,471
Capital Expenditure and Revenue				
Purchase Land Held for Resale		0	0	0
Purchase Land and Buildings, Plant & Equipment		(211,064)	(210,000)	(72,036)
Purchase Infrastructure Assets - Roads		(345,470)	(352,785)	(121,595)
Purchase Plant and Equipment		(97,162)	(217,900)	(248,103)
Purchase Furniture and Equipment		(8,330)	(18,838)	(12,258)
Proceeds from Disposal of Assets		164,177	128,840	246,324
Repayment of Debentures		(77,127)	(74,537)	(76,503)
Proceeds from New Debentures		0	0	0
Self-Supporting Loan Principal Income		0	0	4,400
Transfers to Reserves (Restricted Assets)		(82,479)	(18,816)	(113,508)
Transfers from Reserves (Restricted Assets)		23,861	142,446	0
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		198,981	244,845	24,185
LESS Previous Years Balances Adjustments		5,103	0	0
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		136,708	53,501	198,981
Amount Required to be Raised from Rates	22	(527,684)	(517,972)	(480,521)

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 30 JUNE 2007

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 applicable Australian Accounting Standards, the Local Government Act 1995 (as amended and accompanying regulations (as amended)). The report has also been prepared on the accrual basis under the convention of historical cost accounting.

Compliance with IFRSs

International Financial Reporting Standards ("IFRSs") form the basis of Australian Accounting Standards adopted by the AASB, being AIFRSs. The financial report of the Shire complies with IFRSs and interpretations adopted by the International Accounting Standards Board except as follows:

- AIFRSs include specific provisions relating to not-for-profit entities. These are not included in IFRSs.
- Australian Accounting Standard AAS27 'Financial Reporting by Local Governments' also applies and there is no equivalent standard in IFRSs.

The principal areas of non-compliance with IFRSs include:

- the recognition of non-reciprocal revenue;
- the definition of value in use for the purposes of estimating the recoverable amount of impaired assets; and
- the offsetting of asset revaluation increments and decrements on a class of asset basis rather than individual asset basis.

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 2007.

Council is of the view the new standards or amendments will have no direct impact on the amounts included in the financial report although the changes may impact upon the way in which some financial information is disclosed.

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.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 19 to this financial report.

(c) Goods and Services Tax

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

(d) Cash and Cash Equivalents

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

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

(e) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are 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.

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.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

Other

As of 1 July 2004, Council elected to revert to the cost basis for measuring land and buildings and all infrastructure assets (other than roads) that were being carried at a revalued amount at the immediately preceding reporting date being 30 June, 2004.

This was achieved by deeming the carrying amount of the non-current assets comprising the particular class to be their cost and complied with the requirements on application of AASB 1 *First Time Adoption of Australian Equivalents to International Financial Reporting Standards*.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007

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	30 to 50 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
Sewerage piping	100 years
Water supply piping & drainage systems	75 years
Other Infrastructure	10 to 50 years

(i) Investments and Other Financial Assets

Financial Assets in the scope of AASB 139 *'Financial Instruments: Recognition and Measurement'* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Council determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

(j) 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.

(k) 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.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) 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) Annual Leave and Long Service Leave (Long-term Benefits)

The provision for employees' benefits for annual leave and long service leave expected to be settled more than 12 months from the reporting date represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees service to balance date.

(m) 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.

(n) 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.

(o) 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 16.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) 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.

(q) Superannuation

The Shire of Tammin contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

(r) Interest Rate Risk

Information on interest rate risk as it applies to financial instruments is disclosed in Note 34.

(s) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial report.

The one major concentration of credit risk within the municipality is in relation to its cash and cash equivalent deposits which are all with the one financial institution.

(t) Liquidity Risk

The Council's liquidity risk is managed via the use of its cash and cash equivalent balances, other financial assets and borrowing policy.

(u) Fair Value

All assets and liabilities recognised in the balance sheet, whether they are carried at cost or at fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

(v) Comparative Figures

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

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

2. REVENUES AND EXPENSES

2006/07
\$

2005/06
\$

(a) Result from Ordinary Activities

The Result from Ordinary Activities includes:

(i) Charging as an Expense:

Auditors Remuneration

- Audit	4,640	4,950
- Other Services	0	1,350
	4,640	6,300
	4,640	6,300

Depreciation

Buildings	58,601	16,052
Furniture and Equipment	4,473	7,319
Plant and Equipment	107,450	38,415
Tools	0	0
Landcare Centre Equipment	3,151	1,291
Roads	181,599	232,394
Footpaths	31,889	0
Other	48,860	0
	436,023	295,471
	436,023	295,471

Interest Expenses

Finance Lease Charges	0	0
GST Penalty Interest	13,925	0
Debentures (<i>refer Note 21(a)</i>)	36,167	40,577
	50,092	40,577
	50,092	40,577

Rental Charges

- Operating Leases	0	0
	0	0
	0	0

(ii) Crediting as Revenue:

2006/07
\$

2006/07
Budget
\$

2005/06
\$

Interest Earnings

Investments		
- Reserve Funds	21,958	18,816
- Other Funds	18,978	10,000
Other Interest Revenue (<i>refer note 26</i>)	699	140
	41,635	28,956
	41,635	28,956

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of Tammin is a local authority providing a representative government for its residents and ratepayers. The Shire of Tammin delivers needed services and facilities to maintain and enhance the quality of life and ensures equity in service provision for its people through responsible use of available resources.

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

The Shire of Tammin operations as disclosed in this Financial Report encompass the following service orientated activities/programs:

GOVERNANCE

Members expenses and other costs of the Shire that relate to the tasks of assisting Councillors and the public on matters which do not concern specific Council services.

In accordance with legislative changes effective from 1 July 1997 administration costs have been allocated to the various programs of the Shire of Tammin to reflect the true costs of the services and facilities provided. Directly attributable costs have been recorded in the relevant program while indirect costs have been allocated on the basis of administration staff time.

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.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

TRANSPORT

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

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.

	2006/07	2005/06
	\$	\$
(c) Conditions Over Contributions		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Nil	0	0
	0	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	126,139	0
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.		
Nil	0	0
Closing balances of unexpended grants	126,139	0
Comprises:		
Roads to Recovery Supplementary Grant	126,139	0
	126,139	0

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

	2006/07	2005/06
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	190,812	298,280
Restricted	434,941	376,324
	<u>625,753</u>	<u>674,604</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Information & Technology Reserve	11,069	10,495
Plant Reserve	176,719	167,567
Long Service Leave Reserve	12,332	25,048
Aged Pensioner Units Reserve	35,845	24,420
Entitlements Reserve	12,083	21,335
Housing Reserve	<u>186,894</u>	<u>127,459</u>
Cash Sub-Total	434,942	376,324
Unspent Grants	126,139	0
Unspent Loans	0	0
	<u>561,081</u>	<u>376,324</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Sundry Debtors - Rates	23,971	32,303
Sundry Debtors - Other	84,055	76,776
GST Receivable	0	0
Less Doubtful Debts	0	(93)
	<u>108,026</u>	<u>108,986</u>
Non-Current		
Rates Outstanding - Pensioners	0	0
Loans - Clubs/Institutions	0	0
	<u>0</u>	<u>0</u>
5. INVENTORIES		
Current		
Fuel and Materials	0	0
Land Held for Resale - Cost		
Cost of Acquisition	0	0
Development Costs	0	0
	<u>0</u>	<u>0</u>
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	0	0
Development Costs	0	0
	<u>0</u>	<u>0</u>

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

	2006/07	2005/06
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	2,112,293	1,974,719
Less Accumulated Depreciation	<u>(419,338)</u>	<u>(374,826)</u>
	1,692,955	1,599,893
Furniture and Equipment - Cost	127,196	180,917
Less Accumulated Depreciation	<u>(113,140)</u>	<u>(170,717)</u>
	14,056	10,200
Plant and Equipment - Cost	1,377,341	1,354,064
Less Accumulated Depreciation	<u>(890,109)</u>	<u>(813,735)</u>
	487,232	540,329
Tools	2,794	4,225
Less Accumulated Amortisation	<u>(2,794)</u>	<u>(4,225)</u>
	0	0
Landcare Centre Equipment	71,624	76,076
Less Accumulated Amortisation	<u>(71,624)</u>	<u>(72,925)</u>
	0	3,151
	<u>2,194,243</u>	<u>2,153,573</u>

Effective from 1 July 2004, Council deemed the carrying amount of land and buildings previously carried at a revalued amount to be their cost.

This was in accordance with the exemptions on application of Australian Accounting Standard AASB 1 '*First-time Adoption of Australian Equivalents to International Financial Reporting Standards*'. These assets, along with all other plant and equipment asset classes, are now being carried at cost. Whilst they are not subject to a policy of regular revaluation, they are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 '*Impairment of Assets*'.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

6. 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 2006	1,599,893	10,200	540,329	0	3,151	2,153,573
Additions	211,064	8,330	97,162	0	0	316,556
(Disposals inc Depreciation Written Back)	(59,401)	0	(42,809)	0	0	(102,210)
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)	(58,601)	(4,474)	(107,450)	0	(3,151)	(173,676)
Other Movements	0	0	0	0	0	0
Balance as at 30 June 2007	<u>1,692,955</u>	<u>14,056</u>	<u>487,232</u>	<u>0</u>	<u>0</u>	<u>2,194,243</u>

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

	2006/07	2005/06
	\$	\$
7. INFRASTRUCTURE		
Roads - management valuation 2007	29,294,345	0
Roads - management valuation 2006	0	29,237,774
Roads - Cost	0	121,595
Less Accumulated Depreciation	<u>(9,564,110)</u>	<u>(9,638,302)</u>
	19,730,235	19,721,067
Footpaths - management valuation 2004		
Footpaths - Cost	455,558	455,558
Less Accumulated Depreciation	<u>(218,742)</u>	<u>(186,853)</u>
	236,816	268,705
Other	803,984	803,984
Less Accumulated Depreciation	<u>(75,644)</u>	<u>(26,784)</u>
	728,340	777,200
	<u>20,695,391</u>	<u>20,766,972</u>

Effective from 1 July 2004, Council deemed the carrying amount of all infrastructure assets, other than roads, carried at a revalued amount, to be their cost.

This was in accordance with the exemptions on application of Australian Accounting Standard AASB 1 *'First-time Adoption of Australian Equivalents to International Financial Reporting Standards'*. These assets, along with all other infrastructure asset classes (other than roads), are now being carried at cost. Whilst they are not subject to a policy of regular revaluation, they are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 *'Impairment of Assets'*.

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.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

7. INFRASTRUCTURE (Continued)

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.

	Roads \$	Footpaths \$	Other \$	Total \$
Balance as at 1 July 2006	19,721,067	268,705	777,200	20,766,972
Additions	345,470	0	0	345,470
(Disposals)	0	0	0	0
Revaluation - Increments	0	0	0	0
- (Decrements)	(154,703)	0	0	(154,703)
Impairment - (losses)	0	0	0	0
- reversals	0	0	0	0
Depreciation (Expense)	(181,599)	(31,889)	(48,860)	(262,348)
Other Movements	0	0	0	0
Balance as at 30 June 2007	<u>19,730,235</u>	<u>236,816</u>	<u>728,340</u>	<u>20,695,391</u>

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

	2006/07	2005/06
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	38,052	24,367
ATO	1,523	0
Other Agencies	3,292	0
Accrued Interest on Debentures	3,287	0
Accrued Salaries and Wages	5,792	3,785
	<u>51,946</u>	<u>28,152</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	74,821	77,442
Lease Liability	0	45,864
	<u>74,821</u>	<u>123,306</u>
Non-Current		
Secured by Floating Charge		
Debentures	466,866	541,373
Lease Liability	0	0
	<u>466,866</u>	<u>541,373</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	35,362	37,130
Provision for Long Service Leave	0	19,698
	<u>35,362</u>	<u>56,828</u>
Non-Current		
Provision for Annual Leave	0	0
Provision for Long Service Leave	6,149	1,215
	<u>6,149</u>	<u>1,215</u>

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

	2006/07 \$	2006/07 Budget \$	2005/06 \$
11. RESERVES - CASH BACKED			
(a) Information & Technology Reserve			
Opening Balance	10,496	10,495	10,094
Amount Set Aside / Transfer to Reserve	573	525	401
Amount Used / Transfer from Reserve	0	0	0
	11,069	11,020	10,495
(b) Plant Reserve			
Opening Balance	167,567	167,567	159,338
Amount Set Aside / Transfer to Reserve	9,152	8,378	8,229
Amount Used / Transfer from Reserve	0	0	0
	176,719	175,945	167,567
(c) Long Service Leave Reserve			
Opening Balance	25,048	25,048	19,149
Amount Set Aside / Transfer to Reserve	822	1,252	5,899
Amount Used / Transfer from Reserve	-13,538	-8,614	0
	12,332	17,686	25,048
(d) Aged Pensioner Units Reserve			
Opening Balance	24,420	24,420	18,563
Amount Set Aside / Transfer to Reserve	11,425	1,221	5,857
Amount Used / Transfer from Reserve	0	0	0
	35,845	25,641	24,420
(e) Entitlements Reserve			
Opening Balance	21,335	21,335	20,530
Amount Set Aside / Transfer to Reserve	1,071	1,067	805
Amount Used / Transfer from Reserve	-10,323	0	0
	12,083	22,402	21,335
(f) Housing Reserve			
Opening Balance	127,459	127,459	35,142
Amount Set Aside / Transfer to Reserve	59,434	6,373	92,317
Amount Used / Transfer from Reserve	0	-133,832	0
	186,893	0	127,459
TOTAL CASH BACKED RESERVES	434,941	252,694	376,324

All of the cash backed reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

11. RESERVES - CASH 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 Tamma Village units.

Entitlements Reserve

- to be used for fund Staff leave entitlement liabilities.

Housing Reserve

- to be used for the provision of housing.

The Housing Reserve is expected to be utilised in 2007/08.

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

12. RESERVES - ASSET REVALUATION

2006/07
\$

2005/06
\$

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

(a) **Land and Buildings**

Balance as at 1 July 2006	0	0
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2007	0	0

(b) **Roads**

Balance as at 1 July 2006	20,320,878	20,743,747
Revaluation Increment	0	0
Revaluation Decrement	(154,703)	(422,869)
Balance as at 30 June 2007	20,166,175	20,320,878

TOTAL ASSET REVALUATION RESERVES	20,166,175	20,320,878
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SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

13. 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:

	2006/07 \$	2006/07 Budget \$	2005/06 \$
Cash and Cash Equivalents	<u>625,753</u>	<u>340,392</u>	<u>674,604</u>

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

Net Result	194,814	41,787	306,628
Amortisation	0	0	0
Depreciation	436,023	397,300	295,471
Impairment (Loss)/Reversal	0	0	0
(Increase)/Decrease in Receivables	961	0	59,856
(Profit)/Loss on Sale of Asset	(61,968)	(8,840)	(10,386)
(Increase)/Decrease in Inventories	0	0	1,392
Increase/(Decrease) in Payables	18,501	(16,618)	(411,786)
Increase/(Decrease) in Employee Provisions	(11,238)	0	(14,235)
Grants/Contributions for the Development of Assets	<u>(134,858)</u>	<u>(487,637)</u>	<u>(564,578)</u>
Net Cash from Operating Activities	<u><u>442,235</u></u>	<u><u>(74,008)</u></u>	<u><u>(337,638)</u></u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

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

Loan Facilities

Loan Facilities - Current	74,821		77,442
Loan Facilities - Non-Current	466,866		541,373
Total Facilities in Use at Balance Date	<u><u>541,687</u></u>		<u><u>618,815</u></u>

Unused Loan Facilities at Balance Date	<u><u>0</u></u>		<u><u>0</u></u>
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SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

	2006/07	2005/06
	\$	\$
14. CAPITAL AND LEASING COMMITMENTS		
(a) Finance Lease Commitments		
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
Minimum Lease Payments	0	0
Less Future Finance Charges	0	0
Total Lease Liability	0	0
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	0	45,864
- later than one year but not later than five years	0	0
- later than five years	0	0
	0	45,864
(c) Capital Expenditure Commitments		
Contracted for:		
- Dwelling - 14 Old Yorkrakine Rd	146,005	0
	146,005	0
Payable:		
- not later than one year	146,005	0
	146,005	0

15. CONTINGENT LIABILITIES

There are no known Contingent Liabilities at balance date.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

16. JOINT VENTURE

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

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2006/07	2005/06
	\$	\$
Governance	460,770	287,397
General Purpose Funding	0	0
Law, Order, Public Safety	19,848	33,090
Health	0	0
Education and Welfare	244,373	260,585
Housing	0	0
Community Amenities	86,727	98,138
Recreation and Culture	1,203,966	467,059
Transport	20,345,049	21,789,507
Economic Services	6,828	7,308
Other Property and Services	522,072	586,857
Unallocated	733,780	128,330
	<u>23,623,413</u>	<u>23,658,271</u>

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

	2006/07	2005/06	2004/05
18. FINANCIAL RATIOS			
Current Ratio	1.843	1.955	1.087
Untied Cash to Trade Creditors Ratio	3.673	12.241	0.958
Debt Ratio	0.027	0.032	0.046
Debt Service Ratio	0.057	0.085	0.057
Gross Debt to Revenue Ratio	0.272	0.378	0.421
Gross Debt to			
Economically Realisable Assets Ratio	0.185	0.225	0.234
Rate Coverage Ratio	0.266	0.251	0.229
Outstanding Rates Ratio	0.045	0.067	0.050

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 2007

19. 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-06 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-07 \$
Nomination Deposits	400.00	0.00	-400.00	0.00
DPI Licensing	269.60	0.00	-269.60	0.00
Builders Registration Levy	88.61	0.00	-88.61	0.00
Housing Bonds	3,816.00	440.00	-2,796.00	1,460.00
Tammin Tourist Promotion	2,226.29	0.00	-2,218.00	8.29
TALEC Booking Deposits	2,900.00	3,747.04	-2,900.00	3,747.04
Senior Citizen Unit Bonds	500.00	0.00	-500.00	0.00
Alcoa Area Promotion	6,000.00	0.00	0.00	6,000.00
Tammin Arts Prize	231.00	0.00	-231.00	0.00
Best Memorial Trust	700.00	0.00	-450.00	250.00
Agricultural Society	3,197.00	0.00	-3,197.00	0.00
Sale of Land - Non Payment Rates	0.00	11,963.71	0.00	11,963.71
Unknown (rounding)	1.67	0.00	-1.67	0.00
	20,330.17	16,150.75	-13,051.88	23,429.04

20. DISPOSALS OF ASSETS

The following assets were disposed of during the year.

Asset Description	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Lot 90 Vol 1035 Folio 796 (5 Strang St)	500.00	0	500.00	0	0.00	0
Lot 119 Vol 1252 Folio 895 (43 Draper S	500.00	0	909.09	0	409.09	0
Lot 35 Vol 151 Folio 195A (15-17 Dreyer	500.00	0	4,545.45	0	4,045.45	0
Lot 150 Vol 1316 Folio 189 (8 McLaren S	500.00	0	1,818.18	0	1,318.18	0
Lot 10 Vol 2142 Folio 892 (13 Nottage V	500.00	0	1,818.18	0	1,318.18	0
Lot 11 Vol 2142 Folio 890 (15 Nottage V	500.00	0	1,818.18	0	1,318.18	0
Lot 12 Vol 2142 Folio 891 (17 Nottage V	500.00	0	1,818.18	0	1,318.18	0
Lot 13 Vol 2142 Folio 892 (19 Nottage V	500.00	0	1,818.18	0	1,318.18	0
Lot 18 Vol 150 Folio 45A (8 Old Yorkrak	500.00	0		0	(500.00)	0
Lot 17 Vol 150 Folio 45A (10 Old Yorkra	500.00	0		0	(500.00)	0
Loc 29291 Vol 2210 Folio 201 (Loc 2929	0.00	0	2,750.00	0	2,750.00	0
5 Strang St (Residence)	51,265.23	0	97,681.82	0	46,416.59	0
5 Strang St (Shed)	3,135.58	0	0.00	0	(3,135.58)	0
Chamber Whiteboard	0.00	0	0.00	0	0.00	0
Canon AP350 Electric typewriter	0.00	0	0.00	0	0.00	0
Fax/Typewriter Stand	0.00	0	0.00	0	0.00	0
Sterling Office Desk	0.00	0	0.00	0	0.00	0
Leonard Refrigerator	0.00	0	0.00	0	0.00	0
Sharp CS1635 Calculator	0.00	0	0.00	0	0.00	0
Jenson Chair	0.00	0	0.00	0	0.00	0
2 x Office Chairs	0.00	0	0.00	0	0.00	0

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

20. DISPOSALS OF ASSETS (Continued)

Asset Description	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Vax Vacuum Cleaner	0.00	0	0.00	0	0.00	0
Student Chair	0.00	0	0.00	0	0.00	0
Modular Screen	0.00	0	0.00	0	0.00	0
Office Desk	0.00	0	0.00	0	0.00	0
TL132 student Chair	0.00	0	0.00	0	0.00	0
Computer & Printer	0.00	0	0.00	0	0.00	0
Canon L280 Fax Machine	0.00	0	50.00	0	50.00	0
Tang Pentium 166mmx & 15" monitor	0.00	0	50.00	0	50.00	0
Tang Pentium 166mmx & 15" monitor	0.00	0	0.00	0	0.00	0
Epson Stylis 600 ColourPrinter	0.00	0	0.00	0	0.00	0
Epson Stylis 600 ColourPrinter	0.00	0	0.00	0	0.00	0
2 Jarrah Pinup Boards	0.00	0	0.00	0	0.00	0
Braemar RPC 250 Airconditioner (2 Red	0.00	0	0.00	0	0.00	0
2 Multiplexors & 2 Banksia Modems	0.00	0	0.00	0	0.00	0
Computer cabling & setup costs	0.00	0	0.00	0	0.00	0
Epson LQ 2070 Printer	0.00	0	136.36	0	136.36	0
Air Control Chairs X 2	0.00	0	0.00	0	0.00	0
Acer Extensia laptop	0.00	0	0.00	0	0.00	0
Office Counter and Alarm	0.00	0	0.00	0	0.00	0
Nokia Mobile Telephone (Telstra)	0.00	0	50.00	0	50.00	0
Acer 521T Notebook (Coles Computers)	0.00	0	0.00	0	0.00	0
Acer TravelMate 4002SLMi (Coles Com	0.00	0	0.00	0	0.00	0
Tabloid Acer S Series computer & monit	0.00	0	0.00	0	0.00	0
Tabloid Netcomm Mega Modem	0.00	0	0.00	0	0.00	0
Acer Laptop	0.00	0	0.00	0	0.00	0
Washing Machine	0.00	0	0.00	0	0.00	0
Nagel Foldnak Booket	0.00	0	0.00	0	0.00	0
Tammin Database	0.00	0	0.00	0	0.00	0
PA System	0.00	0	0.00	0	0.00	0
Coin operated washing machine	0.00	0	0.00	0	0.00	0
TN.1 Ford Fairlane G8 (White) (Donovan	42,548.00	0	38,209.64	0	(4,338.36)	0
TEGAL Fertiliser Spreader	0.00	0	0.00	0	0.00	0
Rover Scott Bonnar Mower	0.00	0	0.00	0	0.00	0
John Deere Mower	0.00	0	0.00	0	0.00	0
MT640 6 speed ride on Mower	0.00	0	0.00	0	0.00	0
Victa 550 Mower	0.00	0	0.00	0	0.00	0
ROM3 lawn mower	0.00	0	0.00	0	0.00	0
2 Tonne Vibrating Roller	0.00	0	0.00	0	0.00	0
Power supply unit for system	0.00	0	0.00	0	0.00	0
2 x Metal Spreaders	0.00	0	0.00	0	0.00	0
Sand Spreader	0.00	0	0.00	0	0.00	0
Weed Spray Unit	0.00	0	0.00	0	0.00	0
Mobile Weed Spray	0.00	0	0.00	0	0.00	0
Onga Fire Pump	0.00	0	0.00	0	0.00	0
Trip Meter	0.00	0	0.00	0	0.00	0
Power Chainsaw	0.00	0	0.00	0	0.00	0
Briggs & Stratton 3.5HP	0.00	0	0.00	0	0.00	0
Husqvarna 350 Chainsaw	260.92	0	0.00	0	(260.92)	0
Husqvarna 45 Chainsaw	0.00	0	0.00	0	0.00	0

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

20. DISPOSALS OF ASSETS (Continued)

Asset Description	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Sidchrome Tool Chest	0.00	0	0.00	0	0.00	0
3x Tool Kits	0.00	0	0.00	0	0.00	0
Bosch P120S Electric Hand Drill	0.00	0	0.00	0	0.00	0
Makita 900B Power Saw	0.00	0	0.00	0	0.00	0
Makita 14" Drop Saw	0.00	0	0.00	0	0.00	0
TALEC Unknown	0.00	0	0.00	0	0.00	0
Condensors	0.00	0	0.00	0	0.00	0
SYXRRL 4B JR160 Traffic Counter	0.00	0	0.00	0	0.00	0
Electric	0.00	0	0.00	0	0.00	0
Honda 5 KVA Generator	0.00	0	0.00	0	0.00	0
Viking 640 Ride-On Mower	0.00	0	1,363.64	0	1,363.64	0
Health Vehicle Quarter Share	0.00	0	8,840.31	0	8,840.31	8,840
	102,209.73	0	164,177.21	0	61,967.48	8,840

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

21. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Final Payment	Interest	Principal 1-Jul-06 \$	New Loans \$	Principal Repayments		Outstanding Principal 30-Jun-07		Interest Repayments		
					Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	
Governance											
- 73-Chamber/Office	3/10/2006		6,422	0	6,422	6,422	0	0	231	232	
Recreation & Culture											
- 76-Kadjinini Kep	23/06/2014	6.23%	304,623	0	30,364	30,364	274,259	274,259	18,278	18,278	
Transport											
- 77-Plant & Machinery	27/04/2015	5.89%	231,052	0	19,937	20,089	211,115	210,963	13,462	13,311	
Other Property & Services											
- 35-Housing	12/12/2006		521	0	521	521	0	0	18	18	
- 75-Housing	12/01/2010	5.74%	76,197	0	19,883	19,763	56,314	56,434	4,178	4,298	
			618,815	0	77,127	77,159	541,688	541,656	36,167	36,137	

All loan repayments were financed by general purpose revenue.

(b) New Debentures

No new Debenture loans were taken out in the 2006/07 financial year.

(c) Unspent Debentures

The Shire of Tammin did not have unspent Debentures in the 2006/07 financial year.

(d) Overdraft

The Shire of Tammin did not conduct an overdraft facility in the 2006/07 financial year.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

22. RATING INFORMATION

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 \$
General Rate											
GRV	0.132392	81	277,940	36,797	11,563	0	48,360	37,150	0	0	37,150
UV	0.015576	160	32,216,900	501,810	(858)	(278)	500,674	506,643	(8,000)	0	498,643
Sub-Totals		241		538,607	10,705	(278)	549,034	543,793	(8,000)	0	535,793
Minimum Rates											
GRV	140.00	30	7,970	4,200	998	(4,786)	412	4,200	0	0	4,200
UV	140.00	7	32,700	980	(59)	0	921	980	0	0	980
Sub-Totals		37		5,180	939	(4,786)	1,333	5,180	0	0	5,180
Specified Area Rate (refer note 23)							550,367				540,973
Discounts (refer note 25)							0				0
Totals							550,367				540,973
							(22,683)				(23,000)
							527,684				517,973

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

23. SPECIFIED AREA RATE

The Shire of Tammin did not raise Specified Area Rates in 2006/07.

24. SERVICE CHARGES - 2006/07 FINANCIAL YEAR

The Shire of Tammin did not raise Service Charges in 2006/07.

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	5.00%	22,578	23,000
Minimum Rate	Discount	5.00%	105	
			22,683	23,000

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.

Photocopy Charges are waived for certain community groups such as the local newsletter, St John Ambulance and Volunteer Bush Fire Brigade. Council considers its support of these groups necessary for the overall benefit of the community.

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.

26. INTEREST CHARGES AND INSTALMENTS

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00		2,163	2,000
Interest on Instalments Plan	5.50		699	140
Charges on Instalment Plan		10.00	467	300
			3,329	2,440

Ratepayers had the option of paying rates in four equal instalments, due on 25 September 2006, 24 November 2006, 23 January 2007 and 23 March 2007. 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 30 JUNE 2007

27. FEES & CHARGES	2006/07	2005/06
	\$	\$
Governance	2,769	5,567
General Purpose Funding	1,578	10,886
Law, Order, Public Safety	371	624
Health	5,497	0
Housing	0	0
Education & Welfare	49,794	46,858
Community Amenities	48,325	42,882
Recreation & Culture	13,518	15,663
Transport	0	0
Economic Services	149	159
Other Property & Services	145,920	52,929
	<u>267,921</u>	<u>175,568</u>

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

28. GRANT REVENUE	2006/07	2005/06
	\$	\$
By Nature and Type:		
Grants and Subsidies - operating	743,225	497,599
Grants and Subsidies - non-operating	134,858	564,578
	<u>878,083</u>	<u>1,062,177</u>
By Program:		
Governance	0	3,822
General Purpose Funding	652,921	624,104
Law, Order, Public Sector	3,982	10,421
Community Amenities	0	0
Recreation and Culture	48,509	35,955
Transport	172,671	367,875
Economic Services	0	0
Other Property	0	20,000
	<u>878,083</u>	<u>1,062,177</u>

29. COUNCILLORS' REMUNERATION	2006/07	2006/07	2005/06
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	3,540	6,040	5,965
President's Allowance	2,000	2,000	0
Deputy President's Allowance	0	0	0
Travelling Expenses	651	1,800	1,691
Telecommunications Allowance	0	0	0
	<u>6,191</u>	<u>9,840</u>	<u>7,656</u>

30. EMPLOYEES' REMUNERATION

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

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

31. EMPLOYEE NUMBERS	2006/07	2005/06
The number of full-time equivalent Employees at balance date	<u>10.9</u>	<u>10</u>

32. MAJOR LAND TRANSACTIONS

The Shire of Tammin did not undertake any major land transactions during the 2006/07 financial year.

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire of Tammin did not participate in any trading undertakings or major trading undertakings during the 2006/07 financial year.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

34. 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 2007	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
FINANCIAL ASSETS								
Fixed Rate								
Other Financial Assets							0	
Weighted Average Effective Interest Rate								
Floating Rate								
Cash and Cash Equivalents							0	
Weighted Average Effective Interest Rate								
FINANCIAL LIABILITIES								
Fixed Rate								
Debentures			56,193			485,297	541,490	6.05%
Weighted Average Effective Interest Rate			5.74%			6.08%		

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

34. INTEREST RATE RISK (Continued)

	Year Ended 30 June 2006	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	\$	%
FINANCIAL ASSETS									
Fixed Rate									
Other Financial Assets								0	
Weighted Average Effective Interest Rate									
Floating Rate									
Cash and Cash Equivalents								0	
Weighted Average Effective Interest Rate									
FINANCIAL LIABILITIES									
Fixed Rate									
Debentures	6,943			76,197			535,675	618,815	0
Weighted Average Effective Interest Rate	7.78%		5.74%			6.08%			