

SHIRE OF TAMMIN

ANNUAL BUDGET

2022/23



SHIRE OF TAMMIN
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

A place for people, a place for community.

SHIRE OF TAMMIN
STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Revenue				
Rates	2(a)	1,195,153	1,158,386	1,158,131
Operating grants, subsidies and contributions	9.	363,228	1,504,704	578,369
Fees and charges	12.	136,264	182,650	135,875
Interest earnings	10.(a)	35,746	11,076	38,405
Other revenue	10.(b)	57,905	100,657	41,298
		1,788,296	2,957,473	1,952,078
Expenses				
Employee costs		(1,025,872)	(827,891)	(785,698)
Materials and contracts		(753,136)	(742,880)	(752,731)
Utility charges		(110,161)	(69,759)	(106,934)
Depreciation on non-current assets	6.	(1,102,984)	(1,106,627)	(1,056,218)
Interest expenses	10.(d)	(3,247)	(5,562)	(4,539)
Insurance expenses		(90,291)	(116,189)	(94,223)
Other expenditure		(88,067)	(88,500)	(102,115)
		(3,173,758)	(2,957,408)	(2,902,458)
		(1,385,462)	65	(950,380)
Non-operating grants, subsidies and contributions	9.	2,039,235	559,937	1,830,967
Profit on asset disposals	5.(b)	28,686	20,219	18,512
Loss on asset disposals	5.(b)	0	(2,181)	(976)
		2,067,921	577,975	1,848,503
		682,459	578,040	898,123
Net result for the period				
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	0	0
		0	0	0
Total other comprehensive income for the period				
		682,459	578,040	898,123
Total comprehensive income for the period				

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

SHIRE OF TAMMIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,195,153	1,165,624	1,158,131
Operating grants, subsidies and contributions		363,228	2,040,504	578,369
Fees and charges		136,264	182,650	135,875
Interest received		35,746	11,076	38,405
Goods and services tax received		500,000	496,603	0
Other revenue		57,905	100,657	41,298
		2,288,296	3,997,114	1,952,078
Payments				
Employee costs		(1,025,872)	(828,346)	(788,698)
Materials and contracts		(753,136)	(709,403)	(749,327)
Utility charges		(110,161)	(69,759)	(106,934)
Interest expenses		(3,247)	(5,562)	(4,539)
Insurance paid		(90,291)	(116,189)	(94,223)
Goods and services tax paid		(500,000)	(500,000)	0
Other expenditure		(88,067)	(88,500)	(102,519)
		(2,570,774)	(2,317,759)	(1,846,240)
Net cash provided by (used in) operating activities	4.	(282,478)	1,679,355	105,838
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5.(a)	(1,156,600)	(289,731)	(623,887)
Payments for construction of infrastructure	5.(a)	(2,319,975)	(802,080)	(2,116,908)
Non-operating grants, subsidies and contributions		2,039,235	559,937	1,830,967
Proceeds from sale of property, plant and equipment	5.(b)	200,000	77,819	96,499
Proceeds on financial assets at amortised cost - self supporting loans		0	13,905	13,905
Net cash provided by (used in) investing activities		(1,237,340)	(440,150)	(799,424)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7.(a)	(41,681)	(56,363)	(56,079)
Net cash provided by (used in) financing activities		(41,681)	(56,363)	(56,079)
Net increase (decrease) in cash held		(1,561,499)	1,182,842	(749,665)
Cash at beginning of year		3,773,582	2,590,740	2,478,586
Cash and cash equivalents at the end of the year	4.	2,212,083	3,773,582	1,728,921

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

SHIRE OF TAMMIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	3	1,404,239	1,028,672	869,549
		1,404,239	1,028,672	869,549
Revenue from operating activities (excluding rates)				
Specified area and ex gratia rates	2.(a)(ii)	7,800	7,787	7,995
Operating grants, subsidies and contributions	9.	363,228	1,504,704	578,369
Fees and charges	12.	136,264	182,650	135,875
Interest earnings	10.(a)	35,746	11,076	38,405
Other revenue	10.(b)	57,905	100,657	41,298
Profit on asset disposals	5.(b)	28,686	20,219	18,512
		629,629	1,827,093	820,454
Expenditure from operating activities				
Employee costs		(1,025,872)	(827,891)	(785,698)
Materials and contracts		(753,136)	(742,880)	(752,731)
Utility charges		(110,161)	(69,759)	(106,934)
Depreciation on non-current assets	6.	(1,102,984)	(1,106,627)	(1,056,218)
Interest expenses	10.(d)	(3,247)	(5,562)	(4,539)
Insurance expenses		(90,291)	(116,189)	(94,223)
Other expenditure		(88,067)	(88,500)	(102,115)
Loss on asset disposals	5.(b)	0	(2,181)	(976)
		(3,173,758)	(2,959,589)	(2,903,434)
Non-cash amounts excluded from operating activities	3(b)	1,074,298	1,087,796	1,038,682
Amount attributable to operating activities		(65,592)	983,972	(174,749)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9.	2,039,235	559,937	1,830,967
Payments for property, plant and equipment	5.	(1,156,600)	(289,731)	(623,887)
Payments for construction of infrastructure	5.	(2,319,975)	(802,080)	(2,117,091)
Proceeds from disposal of assets	5.	200,000	77,819	96,499
Proceeds from financial assets at amortised cost - self supporting loans	7.(a)	0	13,905	13,905
Amount attributable to investing activities		(1,237,340)	(440,150)	(799,607)
Amount attributable to investing activities		(1,237,340)	(440,150)	(799,607)
FINANCING ACTIVITIES				
Repayment of borrowings	7.(a)	(41,681)	(56,363)	(56,079)
Transfers to cash backed reserves (restricted assets)	7.	(420,690)	(233,818)	(245,734)
Transfers from cash backed reserves (restricted assets)	7.	577,950	0	126,033
Amount attributable to financing activities		115,579	(290,182)	(175,780)
Budgeted deficiency before general rates		(1,187,353)	253,641	(1,150,136)
Estimated amount to be raised from general rates	2.	1,187,353	1,150,599	1,150,136
Net current assets at end of financial year - surplus/(deficit)	3	0	1,404,239	0

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

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SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

1 (a) BASIS OF PREPARATION

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

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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

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

Financial reporting disclosures in relation to assets and liabilities required by the Australian Accounting Standards have not been made unless considered important for the understanding of the budget or required by legislation.

The local government reporting entity

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

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

All monies held in the Trust Fund are excluded from the financial statements.
#NAME?

2021/22 actual balances

Balances shown in this budget as 2021/22 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

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

Comparative figures

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

Initial application of accounting standards

During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.

- *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- *AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date*

It is not expected these standards will have an impact on the annual budget.

New accounting standards for application in future years

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

- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*
- *AASB 2021-6 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*

It is not expected these standards will have an impact on the annual budget.

Judgements, estimates and assumptions

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

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

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

- estimated fair value of certain financial assets
- estimation of fair values of land and buildings and investment property
- impairment of financial assets
- estimation uncertainties and judgements made in relation to lease accounting
- estimated useful life of assets

Rounding off figures

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

1 (b) KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

SERVICE CHARGES

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

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

PROFIT ON ASSET DISPOSAL

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

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

1 (c) KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

ACTIVITIES

Governance

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

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

General purpose funding

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

Law, order, public safety

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

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

Health

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

Education and welfare

To provide services to disadvantaged persons, the elderly, children and youth.

Maintenance of Tamma Villege. Provision of senior and youth services.

Housing

To provide housing to staff.

Staff housing, provision of general rental accommodation when buildings not required by staff.

Community amenities

To provide services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

Recreation and culture

To establish and effectively manage infrastructure and resources which help the social well being of the community.

Maintenance of public halls, civic centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

Transport

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, streets, footpaths, depots, cycleways and parking facilities.

Economic services

To help promote the Shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.

Other property and services

To monitor and control Council's overhead operating accounts.

Private works operation, plant repair and operation costs, housing and engineering operation costs.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Actual total revenue	2021/22 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) Differential general rates or general rates										
Gross Rental Valuation	GRV	0.13076	89	812,240	106,210	0	0	106,210	103,180	103,183
Unimproved value	UV	0.01240	150	84,143,500	1,042,959	0	0	1,042,959	1,012,710	1,012,093
Sub-Total			239	84,955,740	1,149,169	0	0	1,149,169	1,115,890	1,115,276
Minimum payment										
		\$								
Gross Rental Valuation	GRV	608	50	29,850	30,400	0	0	30,400	28,320	28,320
Unimproved value	UV	608	41	1,110,300	24,928	0	0	24,928	24,190	24,190
Mining	UV	608	7	106,389	4,256	0	0	4,256	2,950	2,950
Sub-Total			98	1,246,539	59,584	0	0	59,584	55,460	55,460
			337	86,202,279	1,208,753	0	0	1,208,753	1,171,350	1,170,736
Discounts on general rates (Refer note 2.(e))								(21,400)	(20,751)	(20,600)
Total amount raised from general rates								1,187,353	1,150,599	1,150,136
(ii) Specified area and ex gratia rates										
Ex-gratia rates										
					7,800	0	0	7,800	7,787	7,995
Total specified area and ex gratia rates								7,800	7,787	7,995
Total rates								1,195,153	1,158,386	1,158,131

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

The general rates detailed for the 2022/23 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

2. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	12/09/2022			7.0%
Option two				
First instalment	12/09/2022			
Second instalment	21/11/2022	5	5.5%	7.0%
Third instalment	23/01/2023	5	5.5%	7.0%
Fourth instalment	3/04/2023	5	5.5%	7.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	3,730	3,630	1,144
Instalment plan interest earned	1,300	1,262	1,238
Unpaid rates and service charge interest earned	5,400	5,344	7,376
	10,430	10,236	9,758

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

The Shire did not raise a specified area rate for the year ended 30th June 2023.

(d) Service Charges

The Shire did not raise service charges for the year ended 30th June 2023.

(e) Early payment discounts

Rate, fee or charge to which discount is granted	Discount %	2022/23 Budget	2021/22 Actual	2021/22 Budget	Circumstances in which discount is granted
Rates discount for prompt payment	2.0%	\$ 21,400	\$ 20,751	\$ 20,600	If all rates and charges appearing on the rates notice (including arrears) are paid in full within 35 days of issue of the rate assessment notice.
		21,400	20,751	20,600	

(f) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2023.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

3. NET CURRENT ASSETS

Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022	
	\$	\$	\$	
(a) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents - unrestricted	4.	28,576	2,097,576	229,415
Cash and cash equivalents - restricted	4.	2,183,507	1,676,006	1,499,506
Receivables		137,723	137,723	118,398
		2,349,806	3,911,305	1,847,319
Less: current liabilities				
Trade and other payables		(166,299)	(166,299)	(129,185)
Contract liabilities		(664,761)	(664,761)	(59,719)
Long term borrowings	7.	41,439	(242)	49,116
Employee provisions		(59,139)	(59,139)	(65,448)
		(848,760)	(890,441)	(205,236)
Net current assets		1,501,046	3,020,864	1,642,083
Less: Total adjustments to net current assets	3.(c)	(1,501,046)	(1,616,625)	(1,642,083)
Net current assets used in the Rate Setting Statement		0	1,404,239	0

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

Items excluded from calculation of budgeted deficiency

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

(b) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022	
	\$	\$	\$	
Less: Profit on asset disposals	5.(b)	(28,686)	(20,219)	(18,512)
Add: Loss on disposal of assets	5.(b)	0	2,181	976
Add: Depreciation on assets	6.	1,102,984	1,106,627	1,056,218
Movement in current employee provisions associated with restricted cash		0	(793)	0
Non cash amounts excluded from operating activities		1,074,298	1,087,796	1,038,682

(c) Current assets and liabilities excluded from budgeted deficiency

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

Adjustments to net current assets

Less: Cash - restricted reserves	7.	(1,518,746)	(1,676,006)	(1,559,225)
Less: Current assets not expected to be received at end of year				
- Current portion of self supporting loans receivable		0	0	(13,905)
- Other liabilities - Contract		0	0	(59,719)
- Other liabilities - Bonds and deposits		0	0	(25,566)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		(41,439)	242	(49,116)
- Current portion of employee benefit provisions		59,139	59,139	65,448
Total adjustments to net current assets		(1,501,046)	(1,616,625)	(1,642,083)

3. NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

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

PREPAID RATES

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

INVENTORIES

General

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

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

Superannuation

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

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

LAND HELD FOR RESALE

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

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

GOODS AND SERVICES TAX (GST)

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

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

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

CONTRACT LIABILITIES

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

CONTRACT ASSETS

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

4. RECONCILIATION OF CASH

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

Note	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Cash at bank and on hand	2,212,083	3,773,582	1,728,921
Total cash and cash equivalents	2,212,083	3,773,582	1,728,921
Held as			
- Unrestricted cash and cash equivalents	3.(a) 28,576	1,432,815	229,415
- Restricted cash and cash equivalents	3.(a) 2,183,507	2,340,767	1,499,506
	2,212,083	3,773,582	1,728,921
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	2,183,507	1,676,006	1,499,506
	2,183,507	1,676,006	1,499,506
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Financially backed reserves	7. 1,518,746	1,676,006	1,559,225
Contract liabilities	664,761	664,761	(59,719)
	2,183,507	2,340,767	1,499,506
Reconciliation of net cash provided by operating activities to net result			
Net result	682,459	578,040	898,123
Depreciation	6. 1,102,984	1,106,627	1,056,218
(Profit)/loss on sale of asset	5.(b) (28,686)	(18,038)	(17,536)
Share of profit or (loss) of associates accounted for using the equity method	0	0	0
(Increase)/decrease in receivables	0	(65,401)	0
Increase/(decrease) in payables	0	33,815	0
Increase/(decrease) in contract liabilities	0	605,042	0
Increase/(decrease) in employee provisions	0	(793)	0
Non-operating grants, subsidies and contributions	(2,039,235)	(559,937)	(1,830,967)
Net cash from operating activities	(282,478)	1,679,355	105,838

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

FINANCIAL ASSETS AT AMORTISED COST

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

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

SHIRE OF TAMMIN
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2023

5. FIXED ASSETS

(a) Acquisition of Assets

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

Reporting program

Asset class	Housing	Community amenities	Recreation and culture	Transport	Other property and services	2022/23 Budget total	2021/22 Actual total	2021/22 Budget total
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>								
Buildings - non-specialised	15,000	0	394,700	20,000	0	429,700	39,910	371,743
Furniture and equipment	0	0	0	0	18,950	18,950	18,191	11,764
Plant and equipment	0	0	0	65,650	642,300	707,950	231,630	240,380
	15,000	0	394,700	85,650	661,250	1,156,600	289,731	623,887
<i>Infrastructure</i>								
Infrastructure - roads	0	0	0	2,083,546	0	2,083,546	750,325	1,841,058
Infrastructure - footpaths	0	0	0	152,229	0	152,229	22,608	80,000
Other infrastructure other	0	84,200	0	0	0	84,200	29,147	196,033
	0	84,200	0	2,235,775	0	2,319,975	802,080	2,117,091
Total acquisitions	15,000	84,200	394,700	2,321,425	661,250	3,476,575	1,091,811	2,740,978

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

SHIRE OF TAMMIN
SUPPORTING SCHEDULE 3 - PROPOSED CAPITAL EXPENDITURE

Asset Class	Program	Project Manager	Project Location	Project Description	FY22/23 Proposed Budget	Proposed Funding					Reserve Fund / Comment	
						Reserves	Non-Operating Grant Funding	Grants funds received in FY22	Proceeds on Sale	Own Sources		
Buildings - non-specialised	Housing	MWS	Admin Office	Disabled Carpark and access at Administration Office	\$16,000						\$16,000	
Buildings - non-specialised	Recreation and culture	MWS/CEO	Golf Club	Golf Club Project	\$267,500	\$70,000	\$36,300	\$73,700			\$77,500	LRGI Phase 3 Funding
Buildings - non-specialised	Recreation and culture	MWS/CEO/CDO	Keo	KEP - Stage 2	\$102,200		\$34,112	\$68,088			\$0	LRGI Phase 3 Funding
Buildings - non-specialised	Recreation and culture	MWS/MFA	Pavilion	Trophy Cabinets & Memorabilia	\$5,000						\$5,000	
Buildings - non-specialised	Recreation and culture	MWS	Pavilion	Disabled Access (at front of building and concrete)	\$7,500						\$7,500	
Buildings - non-specialised	Recreation and culture	MWS	Pavilion	Outdoor BBQ area (Double BBQ, Electric, Built in stainless steel)	\$14,000						\$14,000	
Buildings - non-specialised	Recreation and culture	MWS	Depot	Airconditioning for Depot	\$8,500						\$8,500	
Furniture and equipment	Other property and services	MFA	IT Upgrade	IT Upgrade	\$18,950						\$18,950	
Infrastructure - Roads	Transport	MWS	Roads	Cubbine Road - Floodway construction	\$57,000						\$57,000	
Infrastructure - Roads	Transport	MWS	Roads	Yorkalunga Road - Floodway construction	\$57,000						\$57,000	
Infrastructure - Roads	Transport	MWS	Roads	Tammin Southern Link R/R	\$746,588		\$535,628	\$34,220			\$176,740	
Infrastructure - Roads	Transport	MWS	Roads	Tammin Southern Link R/R	\$186,771		\$186,771				\$0	
Infrastructure - Roads	Transport	MWS	Roads	Tammin Southern Link M/S	\$938,187		\$600,000	\$338,187			\$0	
Infrastructure - Roads	Transport	MWS	Roads	Council Road Resheet - Tunin Road SLK 2.0 to 4.0	\$49,000						\$49,000	
Infrastructure - Roads	Transport	MWS	Roads	Council Road Resheet - Youving Road SLK 5.0 to 7.0	\$49,000						\$49,000	
Plant and equipment	Other property and services	CEO	Admin Office	CEO Vehicle Replacement	\$56,500	\$24,500				\$32,000	\$0	
Plant and equipment	Other property and services	MWS	Depot	Copier	\$383,800	\$279,500				\$110,000	\$0	
Plant and equipment	Other property and services	MWS	Depot	Multi Wheel Roller	\$202,000	\$152,000				\$50,000	\$0	
Plant and equipment	Transport	MWS	Depot	Toro Reel Mower	\$65,650	\$57,650				\$8,000	\$0	
Buildings - non-specialised	Transport	CEO	Admin Office	Solar Panels on Admin Office	\$20,000						\$20,000	
Infrastructure - Footpaths	Transport	MWS	Townsite	Town Footpath	\$20,000						\$20,000	
Infrastructure - Footpaths	Transport	MWS	Townsite	Town Footpath - Walston, Rolley & Shields St - LRGI Phase 3	\$132,228		\$41,382	\$90,847			\$0	LRGI Phase 3 Funding
Infrastructure - Other	Community amenities	MWS/CDO/MFA	Main Street	Information Bay Refurb & Fenced Area	\$28,000						\$28,000	Rollled over from 21/22 FY
Infrastructure - Other	Community amenities	MWS/CEO/CDO	Main Street	New Information Bay Acquisition / Viewing Area & Information Stand	\$56,200						\$56,200	Rollled over from 21/22 FY
					\$3,476,575	\$577,950	\$1,434,193	\$605,042	\$200,000	\$610,390		

Summary of Proposed Capital Expenditure (by Asset Class)

Land	\$0	0%		
Buildings - non-specialised	\$420,700	12%	LRGI	\$344,420
Plant and equipment	\$707,950	20%	RRG	\$609,848
Furniture and equipment	\$18,950	1%	R/R	\$186,771
Infrastructure - Roads	\$2,083,548	60%	Southern Link	\$638,187
Infrastructure - Footpaths	\$152,228	4%		\$2,039,235
Infrastructure - Other	\$84,200	2%		
	\$3,476,575			

TOTAL Non OP Gr: \$2,039,235

Summary of Proposed Capital Expenditure (by Asset Type)

Purchase property, plant and equipment	\$1,156,600	33%
Purchase and construction of infrastructure	\$2,319,975	67%
	\$3,476,575	

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

5. FIXED ASSETS

(b) Disposals of Assets

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

	2022/23 Budget Net Book Value	2022/23 Budget Sale Proceeds	2022/23 Budget Profit	2022/23 Budget Loss	2021/22 Actual Net Book Value	2021/22 Actual Sale Proceeds	2021/22 Actual Profit	2021/22 Actual Loss	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Asset												
CEO Vehicle Replacement	13,238	32,000	18,762	0	0	0	0	0	0	0	0	0
Grader	102,076	110,000	7,924	0	0	0	0	0	0	0	0	0
Multi Wheel Roller	50,000	50,000	0	0	0	0	0	0	0	0	0	0
Toro Reel Mower	6,000	8,000	2,000	0	0	0	0	0	0	0	0	0
4.5 Tonne Tip Truck	0	0	0	0	32,932	45,455	12,523	0	35,398	45,000	9,602	0
Manager of Finance & Admin Vehicle	0	0	0	0	16,849	24,545	7,696	0	19,475	18,499	0	(976)
Utility TN3 Gardeners Tip Tray	0	0	0	0	10,000	7,819	0	(2,181)	10,894	15,000	4,106	0
Utility TN4 Spray Mower Tray	0	0	0	0	0	0	0	0	13,196	18,000	4,804	0
	171,314	200,000	28,686	0	59,781	77,819	20,219	(2,181)	78,963	96,499	18,512	(976)
By Program												
Transport	171,314	200,000	28,686	0	32,932	43,274	12,523	(2,181)	35,398	45,000	9,602	0
Other property and services	0	0	0	0	16,849	24,545	7,696	0	43,566	51,500	8,910	(976)
	171,314	200,000	28,686	0	49,781	67,819	20,219	(2,181)	78,964	96,500	18,512	(976)
By Class												
<u>Property, Plant and Equipment</u>												
Plant and equipment	171,314	200,000	28,686	0	59,781	77,819	20,219	(2,181)	78,963	96,499	18,512	(976)
	171,314	200,000	28,686	0	59,781	77,819	20,219	(2,181)	78,963	96,499	18,512	(976)

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

6. ASSET DEPRECIATION

By Program

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

By Class

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

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
280	280	0
31,781	31,781	29,189
14,990	14,990	15,004
21,026	21,425	21,046
190,612	192,738	189,498
730,806	728,157	714,278
7,030	7,030	7,036
106,459	110,226	80,167
1,102,984	1,106,627	1,056,218
123,686	125,054	113,105
9,881	6,341	8,384
110,142	113,562	93,152
686,051	686,051	669,482
16,976	18,214	16,992
156,248	157,405	155,103
1,102,984	1,106,627	1,056,218

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Asset Class	Useful life
Buildings	20 - 90 years
Furniture and Equipment	5 years
Plant and Equipment	4 - 50 years
Footpaths	40 - 80 years
Other Infrastructure	10 - 90 years

DEPRECIATION (Continued)

Asset Class	Useful life
Sealed roads and streets	
- clearing and earthworks	not depreciated
- construction/road base	24 years
- kerbing	60 years
original surfacing and major re-surfacing	
- bituminous seals	14 years
- asphalt surfaces	14 years
Gravel roads	
- clearing and earthworks	not depreciated
- construction/road base	24 years
- gravel sheet	12 years
Formed roads (unsealed)	
- clearing and earthworks	not depreciated
- construction/road base	24 years

AMORTISATION

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

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

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income, end of each financial year.

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

7. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2022/23	2022/23	Budget	2022/23	Actual	2021/22	2021/22	Actual	2021/22	Budget	2021/22	2021/22	Budget	2021/22
				Principal	Budget	Budget	Principal	Principal		Actual	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Principal
				1 July 2022	New Loans	Repayments	outstanding 30 June 2023	Repayments	1 July 2021	New Loans	Repayments	Principal outstanding 30 June 2022	Interest Repayments	1 July 2021	New Loans	Repayments	outstanding 30 June 2022	Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing																		
12 Russell Street	79	WATC	4.72%	0	0	0	0	0	6,300		(6,167)	133	(109)	9,196		(6,166)	3,030	(110)
3 & 5 Nottage Way	80	WATC	3.47%	43,903	0	(14,009)	29,895	(1,308)	57,525		(13,622)	43,903	(1,875)	64,052		(13,622)	50,430	(1,875)
Recreation and culture																		
Synthetic Bowling Green	81	WATC	2.69%	56,283	0	(13,462)	42,791	(1,422)	69,419		(13,136)	56,283	(3,084)	75,774		(13,136)	62,638	(1,778)
Transport																		
Depot	78	WATC	4.72%	0	0	0	0	0	9,450		(9,250)	200	(164)	13,784		(9,250)	4,544	(164)
				100,186	0	(27,500)	72,686	(2,820)	142,694	0	(42,175)	100,519	(5,233)	162,816	0	(42,174)	120,642	(3,927)
Self Supporting Loans																		
Recreation and culture																		
Bowling Green Surface	82	WATC	1.33%	35,297	0	(14,091)	21,206	(427)	49,485	0	(14,188)	35,297	(329)	49,485	0	(13,905)	35,580	(612)
				35,297	0	(14,091)	21,206	(427)	49,485	0	(14,188)	35,297	(329)	49,485	0	(13,905)	35,580	(612)
				135,483	0	(41,681)	93,802	(3,247)	192,179	0	(56,363)	135,816	(5,562)	212,301	0	(56,079)	156,222	(4,539)

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

7. INFORMATION ON BORROWINGS

(a) New borrowings - 2022/23

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2023

(b) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2022 nor is it expected to have unspent borrowing funds as at 30th June 2023.

(c) Credit Facilities

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	100,000	100,000	100,000
Bank overdraft at balance date	0	0	0
Credit card limit	20,000	20,000	20,000
Credit card balance at balance date	(1,500)	(654)	(1,500)
Total amount of credit unused	118,500	119,346	118,500
Loan facilities			
Loan facilities in use at balance date	93,802	135,816	156,222

Overdraft details	Purpose overdraft was established	Amount b/fwd 1 July 2022	2022/23 Budgeted Increase/ (Decrease)	Amount as at 30th June 2023
NAB	Cashflow	\$ 100,000	\$ 0	\$ 100,000
		100,000	0	100,000

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

7. FINANCIALLY BACKED RESERVES

(a) Financially Backed Reserves - Movement

	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance	2021/22 Actual Opening Balance	2021/22 Actual Transfer to	2021/22 Actual Transfer (from)	2021/22 Actual Closing Balance	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation	0	0	0	0	0	0	0	0	0	0	0	0
Restricted by council												
(a) Leave reserve	85,276	0	0	85,276	85,071	205	0	85,276	84,989	6,278	0	91,267
(b) Plant reserve	467,228	188,450	(507,950)	147,728	326,384	140,844	0	467,228	325,854	136,039	0	461,893
(c) Reserves Information & Technology	12,346	0	0	12,346	12,313	33	0	12,346	12,288	5,185	0	17,473
(d) Reserves Tamma Village Upgrade & Improvements	20,842	0	0	20,842	20,786	56	0	20,842	20,745	5,313	0	26,058
(e) Reserves Sports, Recreation Facilities Upgrades	941,479	0	(70,000)	871,479	879,118	62,361	0	941,479	877,368	62,888	(126,033)	814,223
(f) Reserves Bowling Green Replacement Reserve	2,084	0	0	2,084	2,078	6	0	2,084	2,074	31	0	2,105
(g) Reserves Property & Building Reserve	146,751	232,240	0	378,991	116,438	30,313	0	146,751	116,206	30,000	0	146,206
	1,676,006	420,690	(577,950)	1,518,746	1,442,188	233,818	0	1,676,006	1,439,524	245,734	(126,033)	1,559,225
	1,676,006	420,690	(577,950)	1,518,746	1,442,188	233,818	0	1,676,006	1,439,524	245,734	(126,033)	1,559,225

(b) Financially Backed Reserves - Purposes

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

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

8. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

9. PROGRAM INFORMATION

Income and expenses	2022/23 Budget	2021/22 Actual	2021/22 Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	100	100	0
General purpose funding	1,238,202	1,172,481	1,201,230
Law, order, public safety	5,983	5,123	4,027
Health	1,172	593	1,097
Education and welfare	51,479	60,558	54,914
Housing	23,032	15,338	14,986
Community amenities	32,867	40,904	35,436
Recreation and culture	12,432	8,753	12,602
Transport	38,159	24,495	17,002
Economic services	3,210	345	1,365
Other property and services	47,118	144,298	49,562
	1,453,754	1,472,988	1,392,221
Operating grants, subsidies and contributions			
General purpose funding	238,161	1,377,055	481,629
Law, order, public safety	22,000	15,477	2,000
Housing	300	314	0
Recreation and culture	20,000	3,614	20,000
Transport	81,267	79,519	73,110
Economic services	1,500	25,316	1,530
Other property and services	0	3,408	100
	363,228	1,504,703	578,369
Non-operating grants, subsidies and contributions			
General purpose funding	344,429	0	0
Recreation and culture	0	0	70,000
Transport	1,694,806	559,937	1,760,967
	2,039,235	559,937	1,830,967
Total Income	3,856,217	3,537,628	3,801,557
Expenses			
Governance	(437,025)	(324,946)	(371,443)
General purpose funding	(107,188)	(76,809)	(86,568)
Law, order, public safety	(77,489)	(57,434)	(39,112)
Health	(16,463)	(8,722)	(10,312)
Education and welfare	(116,636)	(109,590)	(96,109)
Housing	(54,285)	(48,024)	(40,986)
Community amenities	(240,382)	(213,540)	(261,930)
Recreation and culture	(633,720)	(475,749)	(550,131)
Transport	(1,425,026)	(1,503,983)	(1,365,524)
Economic services	(83,815)	(44,497)	(42,821)
Other property and services	18,271	(96,294)	(38,498)
Total expenses	(3,173,758)	(2,959,588)	(2,903,434)
Net result for the period	682,459	578,040	898,123

10. OTHER INFORMATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	28,570	3,818	25,245
- Other funds	49	41	3,934
SSL -Interest Reimbursement	427	612	612
Other interest revenue (refer note 1b)	6,700	6,606	8,614
	35,746	11,076	38,405
(b) Other revenue			
Reimbursements and recoveries	57,905	100,657	41,298
	57,905	100,657	41,298
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	44,000	32,400	35,000
	44,000	32,400	35,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 7.(a))	3,247	5,562	4,539
	3,247	5,562	4,539
(e) Write offs			
General rate	308	569	308
Fees and charges	1,800	0	2,010
	2,108	569	2,318

11. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
President's allowance	3,000	2,800	2,800
Deputy President's allowance	1,500	700	700
Meeting attendance fees	12,500	8,760	8,263
Child care expenses	0	0	0
Other expenses	12,000	6,092	12,321
Training	10,000	2,962	10,251
Annual allowance for ICT expenses	0	0	0
Travel and accommodation expenses	3,000	2,425	2,548
Annual allowance for travel and accommodation expenses	0	0	0
	42,000	23,739	36,883

12. FEES AND CHARGES

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
By Program:			
Governance	100	100	0
Law, order, public safety	4,783	5,123	2,310
Health	1,172	593	1,097
Education and welfare	51,279	60,558	54,706
Housing	20,632	13,483	13,741
Community amenities	30,367	28,292	32,886
Recreation and culture	11,521	8,095	11,210
Transport	3,200	5,900	2,810
Economic services	3,210	345	1,365
Other property and services	10,000	60,162	15,750
	136,264	182,650	135,875

The subsequent pages detail the fees and charges proposed to be imposed by the local government.