



Shire of Tammin

Annual Budget

2014/15

SHIRE OF TAMMIN
BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

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SHIRE OF TAMMIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
REVENUE				
Rates	8.	823,500	765,642	771,427
Operating Grants, Subsidies and Contributions		1,091,560	614,328	608,343
Fees and Charges	11.	411,060	352,703	376,983
Interest Earnings	2(a)	33,000	32,734	45,270
Other Revenue		14,835	72,332	153,965
		<u>2,373,955</u>	<u>1,837,739</u>	<u>1,955,988</u>
EXPENSES				
Employee Costs		(900,257)	(916,755)	(1,117,635)
Materials and Contracts		(894,143)	(683,399)	(689,425)
Utility Charges		(107,775)	(101,507)	(110,596)
Depreciation	2(a)	(535,556)	(572,593)	(572,593)
Interest Expenses	2(a)	(10,105)	(25,423)	(17,744)
Insurance Expenses		(63,450)	(93,067)	(96,783)
Other Expenditure		(56,410)	(9,890)	(235,105)
		<u>(2,567,696)</u>	<u>(2,402,634)</u>	<u>(2,839,881)</u>
		(193,741)	(564,895)	(883,893)
Non-Operating Grants, Subsidies and Contributions		614,800	263,028	1,488,480
Profit on Asset Disposals	4	33,521	0	450,000
Loss on Asset Disposals	4	<u>(106,983)</u>	<u>(850,949)</u>	<u>(10,000)</u>
NET RESULT		347,597	(1,152,816)	1,044,587
Other Comprehensive Income				
Changes on Revaluation of non-current assets		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>347,597</u>	<u>(1,152,816)</u>	<u>1,044,587</u>

Notes:

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss and (if any) changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur, with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes in revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

Fair value adjustments will be assessed at the time they occur with compensating budget amendments made as necessary.

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

SHIRE OF TAMMIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
REVENUE (Refer Notes 1,2,8 to 13)				
print		6,000	18,272	6,009
print		1,917,565	1,332,620	1,367,944
print		1,450	9,634	55,300
print		650	1,317	830
print		61,650	71,623	60,858
print		37,460	75,667	76,265
print		42,355	50,503	63,042
print		64,500	68,945	68,290
print		700	11,001	10,823
print		241,625	198,157	246,628
		<u>2,373,955</u>	<u>1,837,739</u>	<u>1,955,989</u>
EXPENSES EXCLUDING				
FINANCE COSTS (Refer Notes 1,2 & 14)				
print		(365,880)	(371,994)	(393,750)
print		(79,376)	(86,803)	(102,310)
print		(25,642)	(22,665)	(72,710)
print		(25,528)	(27,306)	(39,770)
print		(106,511)	(82,989)	(104,040)
print		(161,073)	(135,892)	(135,051)
print		(554,302)	(426,756)	(607,893)
print		(857,076)	(843,735)	(993,095)
print		(117,361)	(112,890)	(133,793)
print		(264,842)	(271,181)	(239,724)
		<u>(2,557,591)</u>	<u>(2,382,211)</u>	<u>(2,822,136)</u>
FINANCE COSTS (Refer Notes 2 & 5)				
print		0	(4,864)	(1,837)
print		(6,539)	(12,739)	(10,805)
print		(3,566)	(2,820)	(5,103)
		<u>(10,105)</u>	<u>(20,423)</u>	<u>(17,745)</u>
NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS				
hide				
print		313,560	0	1,175,560
print		0	0	13,160
print		301,240	263,028	299,760
		<u>614,800</u>	<u>263,028</u>	<u>1,488,480</u>
PROFIT ON				
DISPOSAL OF ASSETS (Refer Note 4)				
print		3,521	0	0
print		30,000	0	450,000
		<u>33,521</u>	<u>0</u>	<u>450,000</u>
(LOSS) ON				
DISPOSAL OF ASSETS (Refer Note 4)				
print		0	(112)	(10,000)
print		(106,983)	0	0
print		0	(850,837)	0
		<u>(106,983)</u>	<u>(850,949)</u>	<u>(10,000)</u>
NET RESULT				
		347,597	(1,152,816)	1,044,588
Other Comprehensive Income				
		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
		347,597	(1,152,816)	1,044,588

Notes:

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss and (if any) changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur, with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes in revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

Fair value adjustments will be assessed at the time they occur with compensating budget amendments made as necessary.

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

**SHIRE OF TAMMIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		823,500	765,642	771,427
Operating Grants, Subsidies and Contributions		1,135,960	741,470	608,343
Fees and Charges		411,060	352,703	388,525
Interest Earnings		33,000	32,734	45,270
Goods and Services Tax		233,225	132,914	90,000
Other		14,835	72,332	25,425
		<u>2,651,580</u>	<u>2,097,795</u>	<u>1,928,990</u>
Payments				
Employee Costs		(1,056,120)	(971,077)	(1,120,944)
Materials and Contracts		(894,143)	(660,944)	(708,130)
Utility Charges		(107,775)	(101,507)	(110,596)
Insurance Expenses		(63,450)	(93,067)	(96,783)
Interest Expenses		(10,105)	(25,423)	(17,744)
Goods and Services Tax		(233,225)	(132,914)	(90,000)
Other		(56,410)	(9,890)	(106,564)
		<u>(2,421,228)</u>	<u>(1,994,822)</u>	<u>(2,250,761)</u>
Net Cash Provided By Operating Activities	15(b)	<u>230,352</u>	<u>102,973</u>	<u>(321,771)</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment	3	(794,700)	(722,401)	(2,001,660)
Payments for Construction of Infrastructure	3	(586,993)	(536,743)	(704,480)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		614,800	263,028	1,488,480
Proceeds from Sale of Plant & Equipment	4	121,000	465,409	535,000
Net Cash Used in Investing Activities		<u>(645,893)</u>	<u>(530,707)</u>	<u>(682,660)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	(54,535)	(89,749)	(103,693)
Proceeds from New Debentures	5	100,000	0	0
Net Cash Provided By (Used In) Financing Activities		45,465	(89,749)	(103,693)
Net Increase (Decrease) in Cash Held		(370,076)	(517,483)	(1,108,124)
Cash at Beginning of Year		966,839	1,484,322	1,484,322
Cash and Cash Equivalents at the End of the Year	15(a)	<u>596,763</u>	<u>966,839</u>	<u>376,198</u>

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

SHIRE OF TAMMIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
REVENUES	1,2			
Governance		9,521	18,272	6,009
General Purpose Funding		1,407,625	566,978	1,772,077
Law, Order, Public Safety		1,450	9,634	55,300
Health		650	1,317	830
Education and Welfare		61,650	71,623	74,018
Community Amenities		37,460	75,667	76,265
Recreation and Culture		42,355	50,503	63,042
Transport		365,740	331,973	368,050
Economic Services		700	11,001	10,823
Other Property and Services		271,625	198,157	696,628
		<u>2,198,776</u>	<u>1,335,125</u>	<u>3,123,042</u>
EXPENSES	1,2			
Governance		(365,880)	(372,106)	(403,750)
General Purpose Funding		(79,376)	(86,803)	(102,310)
Law, Order, Public Safety		(25,642)	(22,665)	(72,710)
Health		(25,528)	(27,306)	(39,770)
Education and Welfare		(106,511)	(82,989)	(104,040)
Community Amenities		(161,073)	(135,892)	(135,051)
Recreation & Culture		(554,302)	(431,620)	(609,730)
Transport		(970,598)	(856,474)	(1,003,900)
Economic Services		(117,361)	(112,890)	(133,793)
Other Property and Services		(268,408)	(1,124,838)	(244,827)
		<u>(2,674,679)</u>	<u>(3,253,583)</u>	<u>(2,849,881)</u>
Net Operating Result Excluding Rates		(475,903)	(1,918,458)	273,161
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	4	73,462	850,949	(440,000)
Depreciation on Assets	2(a)	535,556	572,593	572,593
Movement in Non-Current Staff Leave Provisions		0	3,338	0
Movement in Non-Current Receivables				
Capital Expenditure and Revenue				
Purchase Land and Buildings	3	(427,000)	(636,118)	(1,863,960)
Purchase Infrastructure Assets - Roads	3	(586,993)	(498,084)	(572,480)
Purchase Infrastructure Assets - Other	3	0	(38,659)	(132,000)
Purchase Plant and Equipment	3	(325,000)	(78,731)	(114,800)
Purchase Furniture and Equipment	3	(42,700)	(7,552)	(22,900)
Proceeds from Disposal of Assets	4	121,000	465,409	535,000
Repayment of Debentures	5	(54,535)	(89,749)	(103,693)
Proceeds from New Debentures	5	100,000	0	0
Self-Supporting Loan Principal Income				
Transfers to Reserves (Restricted Assets)	6	(119,147)	(387,564)	(496,346)
Transfers from Reserves (Restricted Assets)	6	100,000	0	310,200
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	277,760	1,274,744	1,274,744
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	277,760	(9,055)
Total Amount Raised from General Rate	8	<u>(823,500)</u>	<u>(765,642)</u>	<u>(771,426)</u>

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also 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.

(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 budget.

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 16 to this budget document.

(c) 2013/14 Actual Balances

Balances shown in this budget as 2013/14 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(d) Rounding Off Figures

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

(e) 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.

(f) Goods and Services Tax

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.

(g) Superannuation

The Council contributes to a number of Superannuation Funds on behalf of employees.

All funds to which the Council contributes are defined contribution plans.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) 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

Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

(i) 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.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectibility of trade and other 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.

(j) 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.

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.

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

(k) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the budget as necessary.

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of state or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They are then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition is deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, 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 by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation Methodology*** section as detailed above.

Land Under Roads

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

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

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.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

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

Buildings	10 to 100 years
Furniture and Equipment	3 to 10 years
Plant and Equipment	3 to 15 years
Tools	1 to 10 years
Landcare Equipment	1 to 10 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 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 - Hot mix	15 years
Parks and Ovals	not depreciated

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.

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.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(l) Fair Value of Assets and Liabilities

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Fair Value of Assets and Liabilities (Continued)

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (ie the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Fair Value of Assets and Liabilities (Continued)

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(m) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Financial Instruments (Continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

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

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

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

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Financial Instruments (Continued)

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(n) Impairment of Assets

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 impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116) whereby any impairment loss of a revaluation decrease in accordance with that other standard.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Impairment of Assets (Continued)

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

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2015.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

(o) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council 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.

(p) Employee Benefits

Short-Term Employee Benefits

Provision is made for the Council'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 Council'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 Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) 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.

(r) Provisions

Provisions are recognised when the Council has a 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.

(r) Current and Non-Current Classification

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

(s) Comparative Figures

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

(t) Budget Comparative Figures

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result from Ordinary Activities was arrived at after:			
(i) Charging as Expenses:			
Auditors Remuneration			
Audit Services	10,400	9,986	10,000
Other Services	0	0	0
 Depreciation			
<u>By Program</u>			
Governance	24,476	32,633	32,633
Law, Order, Public Safety	4,928	126	126
Education and Welfare	23,746	4,602	4,602
Community Amenities	7,111	2,985	2,985
Recreation and Culture	160,496	95,086	95,086
Transport	262,389	404,624	404,624
Economic Services	4,684	4,486	4,486
Other Property and Services	47,726	28,051	28,051
	<u>535,556</u>	<u>572,593</u>	<u>572,593</u>
 <u>By Class</u>			
Land and Buildings	135,004	74,404	74,404
Furniture and Equipment	28,137	14,291	14,291
Plant and Equipment	32,405	172,508	172,508
Roads	205,000	205,000	205,000
Footpaths	40,546	40,546	40,546
Other	94,464	65,844	65,844
	<u>535,556</u>	<u>572,593</u>	<u>572,593</u>
 Borrowing Costs (Interest)			
- Debentures (refer note 5(a))	10,105	25,423	17,744
	<u>10,105</u>	<u>25,423</u>	<u>17,744</u>
(ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Reserve Funds	7,000	9,369	10,270
- Other Funds	22,000	21,763	35,000
Other Interest Revenue (refer note 13)	4,000	1,602	0
	<u>33,000</u>	<u>32,734</u>	<u>45,270</u>

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

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 services for its people through reasonable use of available resources.

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 and for each of its broad activities/programs.

Council operations as disclosed in this budget encompass the following service orientated activities/programs:

GOVERNANCE

Member of council allowances and reimbursements, civic functions, election expenses and administration expenses.

GENERAL PURPOSE FUNDING

Rates and their collection; General Purpose grants and interest received on investments.

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 seniors activities. Provision of seniors' accommodation.

HOUSING

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

COMMUNITY AMENITIES

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

RECREATION AND CULTURE

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

TRANSPORT

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

**SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

ECONOMIC SERVICES

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

OTHER PROPERTY & SERVICES

Private works operations; Electrical private works; plant repairs and operation costs; Salaries and Wages controls and other classified activities.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

3. ACQUISITION OF ASSETS	2014/15 Budget \$
The following assets are budgeted to be acquired during the year:	
<u>By Program</u>	
Governance	
IT Computer Program	F 30,000
1TN Sedan	P 46,000
Housing	
Duplex Construction	B 420,000
Community Amenities	
Chemical Toilet (Refuse Site)	F 1,500
Office Building (Refuse Site)	B 7,000
Rainwater Tank (Refuse Site)	F 1,200
Sundry Items (Refuse Site)	F 10,000
Fire Fighting Unit (Refuse Site)	P 4,000
Compactor/Dozer (Refuse Site)	P 10,000
Transport	
Truck	P 220,000
Dual Cab (Supervisor)	P 40,000
Sundry Plant	P 5,000
Road Construction Program	R 586,993
	1,381,693
<u>By Class</u>	
Land and Buildings	427,000
Infrastructure Assets - Roads	586,993
Plant and Equipment	325,000
Furniture and Equipment	42,700
	1,381,693

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

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

4. DISPOSALS OF ASSETS

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

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2014/15 BUDGET \$	2014/15 BUDGET \$	2014/15 BUDGET \$
1TN Sedan	37,479	41,000	3,521
Isuzu Truck	156,983	50,000	(106,983)
TN2	0	30,000	30,000
	194,462	121,000	(73,462)

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2014/15 BUDGET \$	2014/15 BUDGET \$	2014/15 BUDGET \$
Plant and Equipment	194,462	121,000	(73,462)
	194,462	121,000	(73,462)

Summary

	2014/15 BUDGET \$
Profit on Asset Disposals	33,521
Loss on Asset Disposals	(106,983)
	<u>(73,462)</u>

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-13	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2014/15 Budget \$	2013/14 Actual \$	2014/15 Budget \$	2013/14 Actual \$	2014/15 Budget \$	2013/14 Actual \$
Recreation & Culture								
Loan 76	0		0	43,722	0	0	0	4,864
Transport								
77 - Plant & Machinery	32,070		32,070	24,207	0	32,070	1,189	9,192
78 - Land New Shire Depot	118,347		13,479	13,092	104,868	118,347	5,350	8,547
Other Property & Services								
79 - Staff Housing	78,898		8,986	8,728	69,912	78,898	3,566	2,820
New - Duplex	0	100,000	0	0	100,000	0	0	0
	229,315	100,000	54,535	89,749	274,780	229,315	10,105	25,423

All debenture repayments are to be financed by general purpose revenue.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

5. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2014/15

Particulars/Purpose	Amount Borrowed Budget	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used Budget	Balance Unspent \$
Duplex	100,000	WATC	Debenture	10	Unknown	6	100,000	0

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2014 nor is it expected to have unspent debenture funds as at 30th June 2015.

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$100,000 with the National Australia Bank does exist. It is not anticipated that this facility will be required to be utilised during 2014/15.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
6. RESERVES			
(a) Information and Technology Reserve			
Opening Balance	10,545	5,337	5,337
Amount Set Aside / Transfer to Reserve	422	5,208	5,303
Amount Used / Transfer from Reserve	0	0	0
	<u>10,967</u>	<u>10,545</u>	<u>10,640</u>
(b) Plant Reserve			
Opening Balance	149,970	125,075	125,075
Amount Set Aside / Transfer to Reserve	3,399	24,895	27,129
Amount Used / Transfer from Reserve	(100,000)	0	0
	<u>53,369</u>	<u>149,970</u>	<u>152,204</u>
(c) Long Service Leave Reserve			
Opening Balance	17,759	14,203	14,203
Amount Set Aside / Transfer to Reserve	29,353	3,556	3,310
Amount Used / Transfer from Reserve	0	0	0
	<u>47,112</u>	<u>17,759</u>	<u>17,513</u>
(d) Aged Pensioner Units Reserve			
Opening Balance	25,440	19,671	19,671
Amount Set Aside / Transfer to Reserve	1,018	5,769	6,121
Amount Used / Transfer from Reserve	0	0	0
	<u>26,458</u>	<u>25,440</u>	<u>25,792</u>
(e) Entitlements Reserve			
Opening Balance	6,151	5,919	5,919
Amount Set Aside / Transfer to Reserve	245	232	2,837
Amount Used / Transfer from Reserve	0	0	0
	<u>6,396</u>	<u>6,151</u>	<u>8,756</u>
(f) Building Reserve			
Opening Balance	365,631	17,807	17,807
Amount Set Aside / Transfer to Reserve	84,625	347,824	450,714
Amount Used / Transfer from Reserve	0	0	(310,200)
	<u>450,256</u>	<u>365,631</u>	<u>158,321</u>
(g) Community Development Reserve			
Opening Balance	2,120	2,040	2,040
Amount Set Aside / Transfer to Reserve	85	80	932
Amount Used / Transfer from Reserve	0	0	0
	<u>2,205</u>	<u>2,120</u>	<u>2,972</u>
Total Reserves	<u>596,763</u>	<u>577,616</u>	<u>376,198</u>

All of the above reserve accounts are to be supported by money held in financial institutions.

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

6. RESERVES (Continued)	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
Summary of Transfers To Cash Backed Reserves			
Transfers to Reserves			
Information and Technology Reserve	422	5,208	5,303
Plant Reserve	3,399	24,895	27,129
Long Service Leave Reserve	29,353	3,556	3,310
Aged Pensioner Units Reserve	1,018	5,769	6,121
Entitlements Reserve	245	232	2,837
Building Reserve	84,625	347,824	450,714
Community Development Reserve	85	80	932
	<u>119,147</u>	<u>387,564</u>	<u>496,346</u>
Transfers from Reserves			
Information and Technology Reserve	0	0	0
Plant Reserve	(100,000)	0	0
Long Service Leave Reserve	0	0	0
Aged Pensioner Units Reserve	0	0	0
Entitlements Reserve	0	0	0
Building Reserve	0	0	(310,200)
Community Development Reserve	0	0	0
	<u>(100,000)</u>	<u>0</u>	<u>(310,200)</u>
Total Transfer to/(from) Reserves	<u>19,147</u>	<u>387,564</u>	<u>186,146</u>

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

Information and Technology Reserve

- to fund IT requirements.

Plant Reserve

- For the purchase of major plant and machinery.

Long Service Leave Reserve

- To fund staff long service leave liabilities.

Aged Pensioner Units Reserve

- For the maintenance Tamma Village Units.

Entitlements Reserve

- To fund staff leave entitlement liabilities.

Building Reserve

- For the provision of Council buildings.

Community Development Reserve

- To fund community development projects.

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

SHIRE OF TAMMIN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

	Note	2014/15 Budget \$	2013/14 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
 CURRENT ASSETS			
Cash - Unrestricted	15(a)	0	389,223
Cash - Restricted Reserves	15(a)	596,763	577,616
Receivables		40,000	84,400
Inventories		0	0
		636,763	1,051,239
 LESS: CURRENT LIABILITIES			
Payables and Provisions		(69,779)	(213,622)
NET CURRENT ASSET POSITION		566,984	837,617
Less: Cash - Restricted Reserves	15(a)	(596,763)	(577,616)
Plus Cash Backed Leave Reserve	6	29,779	17,759
ESTIMATED SURPLUS C/FWD		0	277,760

The estimated surplus c/fwd in the 2013/14 actual column represents the surplus brought forward as at 1 July 2014.

The estimated zero balance c/fwd in the 2014/15 budget column represents a balanced budget as at 30 June 2015.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

8. RATING INFORMATION - 2014/15 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2014/15 Budgeted Rate Revenue \$	2014/15 Budgeted Interim Rates \$	2014/15 Budgeted Back Rates \$	2014/15 Budgeted Total Revenue \$	2013/14 Actual \$
General Rate								
Gross Rental Value	9.69560	80	747,448	72,470	0	0	72,470	67,265
Unimproved Value	1.60112	171	47,012,500	752,727	504	0	753,231	701,889
Sub-Totals		251	47,759,948	825,196	504	0	825,700	769,154
Minimum Payments	Minimum \$							
Gross Rental Value	465	51	38,769	23,715	0	0	23,715	22,620
Unimproved Value	465	19	298,800	8,835	0	0	8,835	8,729
Sub-Totals		70	337,569	32,550	0	0	32,550	31,349
Discounts (Note 12)							(34,750)	(34,861)
Total Amount of General Rates							823,500	765,642
Total Rates							823,500	765,642

All land except 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.

The general rates detailed above for the 2014/15 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 the Local Government services/facilities.

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

9. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

The Shire of Tammin did not levy a Specified Area Rate for 2014/15.

10. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

The Shire of Tammin did not levy any Service Charges for 2014/15.

11. FEES & CHARGES REVENUE	2014/15 Budget \$	2013/14 Actual \$
Governance	4,000	27
General Purpose Funding	7,500	1,302
Law, Order, Public Safety	1,450	1,021
Health	650	1,317
Education and Welfare	58,800	54,187
Housing	0	0
Community Amenities	37,210	69,860
Recreation & Culture	37,955	45,437
Transport	10,500	8,695
Economic Services	600	786
Other Property & Services	252,395	170,071
	<u>411,060</u>	<u>352,703</u>

**12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2014/15 FINANCIAL YEAR**

Offer a discount of 5% of the value of current rates (rates levied in 2014/15) if all rates and charges appearing on the rate notice, including arrears are paid in full within 35 days of issue of the rates assessment notice.

13. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR

Four instalments at intervals of approximately 2 months is offered to ratepayers for the payment of rates and charges, with an additional administration charge of \$10 per instalment for the last three instalments being levied, with a simple interest of 5.5% being charged. \$1,500 is the budget amount for Instalment interest, and \$1,000 has been budgeted to be raised from Instalment Administration Fees.

Simple interest of 11% is charged and accrues daily on outstanding rates and charges. The amount budgeted for penalty interest on overdue rates is \$2,500.

No interest is charged under Section 6.13 of the Local Government Act 1995 for the late payment of other general debtors.

Instalment dates for the payment of rates are as follows:

- Instalment One - Thursday 11th September 2014
- Instalment Two - Wednesday 12th November 2014
- Instalment Three - Tuesday 13th January 2015
- Instalment Four - Monday 16th March 2015

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

	2014/15 Budget \$	2013/14 Actual \$
14. ELECTED MEMBERS REMUNERATION		
The following fees, expenses and allowances were paid to council members, president, or deputy president.		
Meeting Fees	10,800	9,600
President's Allowance	2,400	1,309
Deputy President's Allowance	600	330
Travelling Expenses	2,500	2,424
	16,300	13,663

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) 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:

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
Cash - Unrestricted	0	389,223	0
Cash - Restricted	596,763	577,616	376,198
	596,763	966,839	376,198

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

Information and Technology Reserve	10,967	10,545	10,640
Plant Reserve	53,369	149,970	152,204
Long Service Leave Reserve	47,112	17,759	17,513
Aged Pensioner Units Reserve	26,458	25,440	25,792
Entitlements Reserve	6,396	6,151	8,756
Building Reserve	450,256	365,631	158,321
Community Development Reserve	2,205	2,120	2,972
	596,763	577,616	376,198

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

Net Result	347,597	(1,152,816)	1,044,588
Depreciation	535,556	572,593	572,593
(Profit)/Loss on Sale of Asset	73,462	850,949	(440,000)
(Increase)/Decrease in Receivables	44,400	127,142	11,542
Increase/(Decrease) in Payables	(143,843)	22,455	(18,705)
Increase/(Decrease) in Employee Provisions	(12,020)	(54,322)	(3,309)
Grants/Contributions for the Development of Assets	(614,800)	(263,028)	(1,488,480)
Net Cash from Operating Activities	230,352	102,973	(321,771)

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

15. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(c) 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	0	0	0
Total Amount of Credit Unused	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>

Loan Facilities

Loan Facilities in use at Balance Date	<u>274,780</u>	<u>229,315</u>	<u>229,315</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

16. TRUST FUNDS

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

Detail	Balance 1-Jul-14 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-15 \$
Housing Bonds	1,500	0	(500)	1,000
Best Memorial Trust	932	0	(500)	432
Tammin LC	10,824	0	(10,824)	0
Visitors Centre	1,365	1,500	(2,000)	865
	<u>14,621</u>			<u>2,297</u>

17. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transactions will occur in 2014/15.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2014/15.

FEES AND CHARGES 2014 / 15

GENERAL PURPOSE INCOME			
Rate Enquiry Fee (including orders & requisitions)		\$34.10	*
Debit Card transactions		1.05%	*
Credit Card transactions		2.00%	*
Minimum charge		\$1.10	*
GOVERNANCE			
Electoral rolls		\$11.00	*
Owners and Occupiers rolls		\$11.00	*
Freedom of Information Application (FOI Regulations Sched 1) fee		\$33.00	*
Internal review of FOI determination		\$11.00	*
LAW, ORDER AND PUBLIC SAFETY – Fire Prevention			
Sale of maps		\$11.00	*

LAW, ORDER AND PUBLIC SAFETY – Animal Control			
General			
Wandering at large infringement	Section 30(2)	\$100.00	
Unlicensed infringement	Section 7(1)	\$100.00	
Impounding fee	Section 29(4)	\$20.00	
Release fee (including feeding fee)	Section 29(4)	\$50.00	
Release fee - Outside Hours Call out		\$189.00	
Destruction of Dog/Cat - by ranger	Section 33(g)	\$50.00	*
Destruction of Dog/Cat - Euthanasia by Vet		At Cost	*
Destruction of Dog/Cat - Vet Euthanasia and disposal		At Cost	*
Animal Traps	Security deposit	\$33.00	*
Animal Traps – weekly (minimum)		\$11.00	*
Tag Replacement	Council Administration fee	\$5.50	*
Dogs			
Dog Registrations (as per the Second Schedule of the Dog Regulations)			
Dogs kept on owners premises	Unsterilised – 1 Year	\$50.00	
	Unsterilised – 3 Years	\$120.00	
	Unsterilised – Lifetime	\$250.00	
	Sterilised – 1 Year	\$20.00	
	Sterilised – 3 Years	\$42.50	
	Sterilised – Lifetime	\$100.00	
Dogs used for droving	Unsterilised – 1 Year	\$12.50	
(Working - 25% of ordinary fee)	Unsterilised – 3 Years	\$30.00	
	Unsterilised – Lifetime	\$62.50	
	Sterilised – 1 Year	\$5.00	
	Sterilised – 3 Years	\$10.60	
	Sterilised – Lifetime	\$25.00	
Dogs owned by Pensioners	Unsterilised – 1 Year	\$25.00	
(50% of ordinary fee)	Unsterilised – 3 Years	\$60.00	
	Unsterilised – Lifetime	\$125.00	
	Sterilised – 1 Year	\$10.00	
	Sterilised – 3 Years	\$21.25	
	Sterilised – Lifetime	\$50.00	
Dogs kept in an approved kennel establishment (licensed under section 27 of the Act, where not otherwise registered)	per establishment	\$200.00	
Cats			
Cat Registrations (as per Schedule of the Cat Regulations)			
Annual registration of a cat (unless concessional fees are applicable)		\$20.00	
Concessional Registration			
	Sterilised – 3 Years	\$42.50	
Cats owned by Pensioners	Sterilised – 3 Years	\$21.25	
	Sterilised – Lifetime	\$100.00	
Cats owned by Pensioners	Sterilised – Lifetime	\$50.00	
Registrations after 31 may in any year, for that registration year	50% of fee payable otherwise		
Annual application for approval or renewal of approval to breed cats	per cat	\$100.00	

HEALTH – Preventative Services – Health Administration & Inspection			
Septic Tank Application Fees			
Application fee & grant of a permit to use an apparatus (Health Act)			
Septic Tank Application Fee – Local Government		\$113.00	
Application for Approval –EDHP			
(a) with Local Government Report		\$35.00	
(b) without Local Government Report		\$113.00	
(c) Provision of LG Report by Council EHO Reg. 4A		\$75.00	
Issue of a "Permit to Use an Apparatus" by EHO		\$113.00	
Fee for any compliance inspection of an apparatus after corrective works have been issued by an EHO before or after the issue of a Permit to use an Apparatus. Minimum fee or after one hour plus part thereof.		\$84.70	*
Health (Offensive Trades Fees) Regulations 1976			
Slaughterhouses		\$285.00	
Piggeries		\$285.00	
Artificial Manure Depots		\$202.00	
Bone Mills		\$163.00	
Places for storing, drying or preserving bones		\$163.00	
Fat melting, fat extracting or tallow melting establishments		\$163.00	
Butcher shop and similar		\$163.00	
Larger Establishments		\$285.00	
Blood Drying		\$163.00	
Gut scraping, preparation of sausage skins		\$163.00	
Fellmongeries		\$163.00	
Manure works		\$202.00	
Fish curing establishments		\$202.00	
Laundries, dry-cleaning establishments		\$140.00	
Bone merchant premises		\$163.00	
Flock Factories		\$163.00	
Knackeries		\$285.00	
Poultry Processing establishments		\$285.00	
Poultry Farming		\$285.00	
Rabbit Farming		\$285.00	
Fish processing establishments in which whole fish are cleaned & prepared		\$285.00	
Shellfish and Crustacean processing establishments		\$285.00	
Any other offensive trade not specified.		\$285.00	
Other Health Licences and Fees			
Lodging House Licence – Renewal (per year)		\$200.00	
Registered Premises			
Street stalls/vendors/hawkers – one off registration fee		\$200.00	
Food Vehicles All Classes Inspection Fee		\$63.80	
Food Act 2008 Notification and Registration s110(3)		\$140.00	
Food Act 2008 Notification s107(3(c))		\$50.00	
Food Act 2008 Approval of Laboratories s82 (3(b))		\$140.00	
Food Act 2008 Approval of Analysts s88 (3(b))		\$140.00	
Food Act 2008 Approval of Safety Auditors s94 (3(b))		\$140.00	
Food Act 2008 Approval for Food Premises Alteration and/or shop fit out		\$140.00	

HOUSING			
Private housing – weekly 2 bedroom type		\$150.00	
Private housing – weekly 3 bedroom type		\$170.00	
Private housing – weekly 4 bedroom type		\$190.00	
Seniors Units (Tamma Village)	single tenant weekly	\$99.00	
	couple tenant weekly	\$136.00	
	Caravan parking bay weekly	\$3.00	
Bond (as per Tenancies Act – except Seniors Units) – 4 weeks rental			
Water consumption – tenants to pay			
Electricity consumption – tenants to pay			
Gas consumption – tenants to pay			
COMMUNITY AMENITIES – Sanitation			
Household Refuse			
Rubbish service – per bin per year (50% discount for entitled pensioners)		\$154	
Commercial rate (putrescibles)		\$45/tonne	*
Bulk Rubbish		\$40/m ³	*
Grain disposal		\$20/m ³	*
Car bodies		\$22	*
Car bodies collected from Tammin Townsite		Free	
Truck/Plant bodies		\$165	*
Truck/Plant bodies collected from Tammin Townsite		Free	
Asbestos waste (commercial)		\$115/m ³	*
Asbestos waste (residential less than 1m ³)		\$88/m ³	*
Single axle trailer load (car towed)		\$15	*
Tandem axle trailer load (car towed)		\$25	*
Car boot waste – minimum fee		\$11	*
Special burial inc animal, fibreglass etc		\$55/ m ³	*
Waste Oil		\$0.20 litre	
Undefined Waste – receipt at discretion of contractor		\$55/m ³	*
Green waste		free	
Clean fill		free	
COMMUNITY AMENITIES – Town Planning & Regional Development			
Fees as provided by the Town Planning (Local Government Planning Fees) Regulations			

COMMUNITY AMENITIES – Other Community Amenities		
Photocopying (black) A4/Foolscap – single sided		\$0.30 *
Photocopying (black) A4/Foolscap – double sided		\$0.35 *
Photocopying (black) A3 – single sided		\$0.45 *
Photocopying (black) A3 – double sided		\$0.55 *
Photocopying (colour) A4/Foolscap – single sided		\$1.10 *
Photocopying (colour) A4/Foolscap – double sided		\$2.20 *
Photocopying (colour) A3 – single sided		\$2.20 *
Photocopying (colour) A3 – double sided		\$4.40 *
Facsimile receiving – per page		\$0.50 *
Facsimile transmitting – first page		\$1.50 *
Facsimile transmitting – each page thereafter		\$1.00 *
Spiral binding – each		\$5.50 *
Laminating A3		\$3.50
Laminating A4		\$2.50 *
Hire of Projector		\$25.00 *
Projector Bond		\$100.00 *
Tammin Tabloid		
Local commercial business – 9cm x 9cm		\$5.00 *
Local community organisations (size at Editors discretion)		no charge
Local personal – 9cm x 9cm		\$3.50 *
Outside Shire	Full page	\$15.50 *
	Half page	\$9.90 *
	Quarter page	\$6.60 *
Political Flyer		\$15.00
Annual Subscriptions	Local residents pa	\$12.50
	Outside pa	\$25.00
Cooinda		
Rental – lot 15 Donnan St (Cooinda) per week		\$33.00 *

Cemetery Fees		
<i>Form of Grant of Right of Burial for Land</i>		
2.4 metres x 1.2 metres	\$42.00	*
Land 2.4 metres x 2.4	\$63.00	*
Land 2.4 metres x 3.6	\$75.00	*
<i>Interment in all Ground</i>		
Grave 1.8 metres deep	\$555.00	*
Any child under 12 years in grave 1.8 metres deep	\$555.00	*
Any stillborn child	\$555.00	*
If graves are required to be sunk deeper than 1.8 metres, the following additional charges shall be payable:		
For an additional 300 millimetres	\$125.00	*
For second additional 300 millimetres	\$125.00	*
For third additional 300 millimetres	\$125.00	*
...and so on in proportion for each additional 300 millimetres		
<i>Re-opening any grave</i>		
For each interment	\$555.00	*
For each internment of a child under 12 years of age	\$555.00	*
For each internment of a stillborn child	\$555.00	*
For removal of edging tiles, plants, grass, shrubs, etc. according to time required per man per hour at	\$60.00	*
<i>Extra charges</i>		
Interment without due notice (all graves)	\$80.00	*
Internment not in usual hours Monday – Friday	\$80.00	*
Weekends and Public Holidays	\$160.00	*
For late arrival at cemetery gates of funeral	\$60.00	*
Fee for exhumation (additional charges)	\$860.00	*
Re-opening grave for exhumation	\$860.00	*
Re-opening grave for exhumation of child under 12 years of age	\$860.00	*
Re-internment in new grave after exhumation	\$860.00	*
Re-internment in new grave after exhumation of child under 12	\$380.00	*
<i>Miscellaneous Charges</i>		
Registration of Transfer of Right of Burial	\$10.00	*
For copy of Right of Burial	\$10.00	*
For grave no. plate	\$15.00	*
Special Permit fee for a single internment	\$30.00	*
Grave reservation fee	\$15.00	*
Making a search in register	\$10.00	*
Permission to erect a headstone	\$25.00	*
Permission to erect kerbing	\$25.00	*
Permission to erect monument	\$50.00	*
Permission to erect name plate	\$25.00	*
<i>Niche Wall</i>		
Cost for Council to inter ashes and place plaque	\$100.00	*
Cost if internment is not performed by Council	\$50.00	*

Community Bus Hire			
All Tammin locals	per km + fuel	\$0.85	*
All NON- locals	per km + fuel	\$1.00	*
Tammin Seniors	per km + fuel	\$0.45	*
Daily fee (from 2. day onwards, 1. day free)		\$33.00	*
Bond Tammin locals (except TN seniors)		\$200.00	
Bond non - locals		\$500.00	
Plus cleaning at cost			
RECREATION AND CULTURE – Town Hall/Donnan Park Pavillion/Kadjiny Kep			
Local people/organisations - per day	with liquor	\$220.00	*
	with out liquor	\$110.00	*
Outside people/organisations - per day	with liquor	\$440.00	*
	without liquor	\$330.00	*
Meetings – Local Groups	half day	\$11.00	*
	full day	\$22.00	*
Lesser Hall – Local people/orgs - per day	with liquor	\$110.00	*
	with out liquor	\$55.00	*
Lesser Hall – Outside people/orgs - per day	with liquor	\$220.00	*
	with out liquor	\$110.00	*
Town Hall Kitchen Only	half day	\$55.00	*
	full day	\$77.00	*
Local Seniors Group	50% Local charge		
(where "local" refers to Shire of Tammin residents and electors)			
Employment Agency – Lesser Hall - half day		\$27.50	*
Hire of individual tables	per table per day	\$5.50	*
Hire of chairs	per stack 10 (minimum)	\$11.00	*
RECREATION AND CULTURE – Other Recreation & Sport			
Camping at Donnan Park	per week (2 people)	\$65.00	*
	per night (2 people)	\$10.00	
	plus extra person	\$10.00	*
Camping Bond (Key)		\$100.00	*
Charge for Community Groups wishing to fundraise at Shire run events			
Licensed Bar		\$50.00	*
Food Stalls		\$20.00	*
Food Stalls - Private Business		\$33.00	*
Bonds (When Hiring Halls, Donnan Park Pavillion and Kadjiny Kep)			
General		\$300.00	
Chairs and tables		\$150.00	
Note 1:	Rehearsals and decorating may take place free of		
Note 2:	Hirers are responsible for setting up, repacking chairs		
Note 3:	A bond of \$300.00 must be charged to all hirers based		
Note 4:	Tammin Primary School – 50% of cost (no bond).		
Annual Rentals			
Tammin Cricket Club		\$495.00	*
Kellerberrin/Tammin Football Club		\$525.00	*
Tammin Hockey Club		\$235.00	*
Tammin School		\$110.00	*
Oval - per day			
Local Commercial/Organisations		\$65.00	*
Commercial/Organisations other than local		\$130.00	*
Circus – With Power		\$130.00	*

Circus – Without Power		\$65.00	*
Deposit		\$100.00	
Master Keys (Donnan Park)			
Sporting Bodies / Community Groups - deposit		\$50.00	
RECREATION & CULTURE – Library			
Lost and/or damaged item	Processing fee	\$6.50	*
	Plus actual replacement/repair cost		
TRANSPORT – Traffic Control			
Removal of abandoned vehicles		\$130.00	*
Tammin Special Series Number Plates		\$300.00	
ECONOMIC SERVICES – Other Economic Services			
Standpipe Water Charges (all users)	per kilolitre cost price + 10% administration		*
OTHER PROPERTY & SERVICES – Private Works			
Labour/Operator – Outside Staff	per hour	\$60.00	*
Labour – Works Supervisor	per hour	\$65.00	*
Labour –Electrician	per hour	\$110.00	*
Labour –Apprentice Electrician	per hour	\$46.50	*
Grader	per hour incl. operator	\$180.00	*
Loader	per hour incl. operator	\$165.00	*
Truck (6 wheeler)	per hour incl. operator	\$140.00	*
Truck & Trailer Combo	per hour incl. operator	\$190.00	*
Self Prop. Roller (multi tyred)	per hour incl. operator	\$140.00	*
Tractor 3380/JXU95	per hour incl. operator	\$110.00	*
Mini Excavator	per hour incl. operator	\$130.00	*
Broom/Slasher/Mowers	per hour incl. operator	\$110.00	*
TN15 HINO truck	per hour incl. operator	\$135.00	
Dont Dry Hire			
Materials Charge			
Sand (yellow/white/soil)	per load 12 Tonne	\$118.00	*
Sand (yellow/white/soil)	per load 1 Tonne	\$45.00	*
Gravel	per load 12 Tonne	\$120.00	*
Gravel	per load 1 Tonne	\$45.00	*
Blue metal	per tonne	Cost+10%	*
Blue metal (B-Grade)	per tonne	\$33.00	*
Metal dust	per tonne	Cost+10%	*
All in one	per tonne	Cost+10%	*
Mulch	trailer load self pick-up	\$20.00	*
Mulch	truck load	\$100.00	*
Electrical Materials		Cost+25%	*
OTHER PROPERTY & SERVICES – Rental			
Hunts Well Repeater Tower	Wireless broadband repeater	\$500.00	