



Shire of Tammin
ANNUAL REPORT
2010 - 2011

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Shire of Tammin

ANNUAL REPORT 2010/2011

CONTENTS

OUR PURPOSE.....	4
OBJECTIVES AND ACHIEVEMENTS.....	5
STATEMENT BY SHIRE PRESIDENT	8
THE COUNCIL.....	9
CHIEF EXECUTIVE OFFICER'S REPORT.....	10
ORGANISATIONAL STRUCTURE.....	11
LEGISLATIVE COMPLIANCE.....	12
ANNUAL FINANCIAL STATEMENT	16
AUDIT REPORT	51

PURPOSE, MISSION AND VALUES

OUR PURPOSE

Our mission

Together with the people of Tammin we will provide leadership, vision and progress to achieve stability and growth.

Our vision

To seek sustainability, retain our Tammin identity and promote growth.

We (Council and Community) have confidence in our future because of:

- * Our vision and eagerness to move forward;
- * Our friendly, supportive community;
- * Our Leaders in landcare, sporting and community groups, and Council, and
- * Our demonstrated capacity to tap into external funding, including corporate membership, Government grants and new revenue sources.

As an innovative and accountable organisation, The Shire of Tammin will promote vibrant democracy and provide high-quality services.

Our values

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

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

OBJECTIVES AND ACHIEVEMENTS

STRATEGIC OBJECTIVES

The Strategic Plan 2009-2014 which was adopted by the Council in May 2009 details the following outcomes.

Our Community

Outcomes:

This theme focuses on achieving the following outcomes:

- A cohesive, progressive community, working together with Council to achieve the vision for Tammin.
- Strong community spirit, community pride and sense of belonging.
- A safe community with facilities and services to meet community needs.
- Keeping our current population and attracting new people to live in the Shire.
- Overall quality of life for everyone in the Shire.

Our Economy

Outcomes:

This theme focuses on achieving the following outcomes:

- Sustainable growth in businesses, business activity, tourism and events.
- Increased population.
- Increased employment opportunities
- Prosperity for our community.

Our Environment

Outcomes:

This theme focuses on achieving the following outcomes:

- Halting or reducing salinity in the Shire of Tammin.
- Continuing growth and recognition, in WA and nationally, for Landcare and our Catchment Groups.
- An educated and aware community, caring for the natural environment.
- Best practice in environmental management in all Council activities, including waste management.
- Continuing capacity to achieve corporate sponsorship and grants for environmental activities.

Our Organisation

Outcomes:

This theme focuses on achieving the following outcomes:

- ❑ A well-resourced, well-managed, progressive and innovative organisation.
- ❑ Friendly, responsive customer service.
- ❑ Staff and Councillors with the knowledge and skills to undertake their roles.
- ❑ Leadership and teamwork.
- ❑ For Council to be well regarded by the community.

The Council's Plan For The Future and Annual Budget have identified a number of initiatives in order to achieve the above mentioned Strategic objectives.

ACHIEVEMENTS FOR 2010/2011

- (1) The Shire refurbished and upgraded the Town Hall kitchen to commercial kitchen standards including new plant and equipment. Additions, including an Alfresco area and paving, were also undertaken.
- (2) Community facilities were progressed in the following manner:
 - (a) Staff housing – tenders were called for the design and construct of a new residence, with the tender being awarded to a building company.
 - (b) Donnan Park upgrade and improvements.
 - (c) Electronic signage and entry statements were constructed.
 - (d) Road Infrastructure improvements and maintenance.
 - (e) Plant replacements - the purchase of a new Amman Multi-Tyred Roller and a new Luigong Front End Loader, without utilising funds from the Plant Reserve.
- (3) Asset Management - consultants have progressed the preparation of the Shire's Asset Management Plans, with a draft Buildings and Structures Asset Management Plan completed and the Transport Asset Management Plan in the final stages of completion.
- (4) The Shire recruited an Electrician to service the needs of the local and surrounding communities and will commence early in the 2011-12 financial year.

HIGHLIGHTS OF 2010/2011

During the 2010/2011 financial year, the Shire achieved the following:

- (1) No new loans to fund Capital works Programmes were raised.
- (2) Net surplus of \$0.52M, which included committed expenditure carried forward to 2011/2012.
- (3) Rate increases for 2010/2011 were limited to 3.5%. This level allowed us to maintain existing services, fund a number of new initiatives and continue to allocate funds to renew Shire infrastructure.

(4) \$1.89M was spent to maintain services at current levels.

(5) Expenditure on Capital Works is summarised as follows:

- Land and Buildings	\$0.09M
- Road Infrastructure	\$0.59M
- Recreation Facilities	\$0.01M
- Other Infrastructure	\$0.07M
- Plant and Equipment	\$0.37M
- Furniture and Equipment	\$0.03M

STRATEGIC OBJECTIVES FOR 2011/2012

This section provides a description of the activities to be funded in the Budget for the 2011/12 year which will contribute to achieving the strategic objectives specified in the Strategic Plan and Plan for the Future.

1. New Depot Construction, including land purchase

2. Staff Housing

3. Road Infrastructure Program

4. Plant Replacement Program

Shire of Tammin
STATEMENT BY SHIRE PRESIDENT



Cr S. A. (Scott) Uppill - Shire President

Our 2010/2011 financial year reflects the Shire's efficiency in maintaining rate levels. The Shire ended the year with a surplus of \$0.52M inclusive of committed capital works projects carried forward into 2011/2012.

The Shire continues to fulfil its commitment to residents and ratepayers with quality services and facilities. The Shire is currently developing a Strategic Community Plan to meet the new Integrated Planning and Reporting legislative requirements introduced by the State Government. The Strategic Community Plan is a visionary document, based on community input and our research, to ensure our future is sustainable. This Plan will be subject to public consultation and once adopted by the Council will guide our decisions over the next ten years.

The Shire is also developing Asset Management Plans and a Long Term Financial Plan. These strategic documents, along with Council's Forward Capital Works Plan will align with the Strategic Community Plan and form the basis of Council's financial management strategy for the future.

The town hall project was completed, inclusive of the commercial kitchen and the addition of a new alfresco area and paving, at a cost of \$93,327. \$10,954 was spent on Donnan Park grandstand refurbishment.

Expenditure on road works amounted to \$587,884.

The Shire with funds received through various grants and the Dry Seasons Support

Program held the following events:

- Fuse Festival
- Volunteer day
- Senior's Luncheon
- 6 Cultural Events

Over the last year the Shire has successfully provided opportunities for the youth of Tammin to become involved in a program of free holiday activities through the Active Kids Holiday Program, for children between the age of 5 and 15, facilitated by the Shire's Community Development Officer. This program has been well received and has highlighted the need for more activities to be provided in Tammin due to its distance from any cultural and recreational services. In furthering the Shire's commitment to providing activity programs for its youth, Council has supported the establishment of an afterschool program. The Shire was successful in receiving funding from Healthway towards the holiday program and from Viterra toward the purchase of equipment for the afterschool program.

The Shire continued to be a participant of the South East Avon Regional Transitional Group, along with the Shires of Beverley, Cunderdin, Quairading and York to progress structural reform in our region. The following projects were progressed by the Group:

- Regional Business Plan – draft of Current State component.
- Strategic Community Plan draft; and
- Asset Management Plans.

The Regional Business Plan will be completed early in the new year and will be subject to public consultation and will enable a decision to be made in progressing the amalgamation of the five Shires.

I extend my thanks to Council members, management and staff, who have worked tirelessly during the year and we will continue to operate on the basis of cooperation, honesty and integrity in all our decisions and work as a team for the progressive operation of the Shire.

Cr Scott Uppill: President

Shire of Tammin

THE COUNCIL



Your Council

Front (L to R): Graham Stanley (CEO) Cr Rodney Stokes
Cr Louise Caffell (Deputy President)

Back (L to R): Cr Scott Uppill (President), Cr Bernard Stokes, Cr Michael Greenwood,
Cr Stephen Jefferies

CHIEF EXECUTIVE OFFICER'S REPORT



Chief Executive Officer

During the year the Shire has progressed a number of initiatives that will bring about greater efficiencies and will ensure its long-term sustainability.

Strategic Community Plan - The Council, in conjunction with a consultant, conducted workshops with the community in order to establish the future direction and vision for the Shire.

The community consultation has revealed that the Tammin Community are closely aligned. Prior to formal adoption of the Plan the community will be requested to provide further input.

Asset Management – In conjunction with the member Councils of the South East Avon Regional Transitional Group, (SEARTG) the preparation of Asset Management Plan are being progressed. The aim of each Plan is to ensure that each class of Council's infrastructure is assessed along with its condition, replacement cost and identification of its estimated replacement date. The information will assist the Council in determining service levels and priorities in relation to capital works in future years. This will assist in the calculation of any funding gap, which will need to be addressed by the Council in ensuring that its infrastructure is

maintained for future generations. It is proposed that in 2011/12 that the Asset Management Plans will be finalized and in turn be linked to the Strategic Community Plan, Long Term Financial Plan, Forward Capital Works Plan and Annual Budget.

Other Initiatives:

- Water Tanks for Standpipes
- Golf Course Tee Boxes
- Officer Computers and Server Upgrade
- Next Event Signage
- Entry Statements

May I take this opportunity to thank the Shire President, Councillor Scott Uppill and the current members of Council for their valuable input and participation in a number of working groups and committees and also in supporting our staff.

The dedication of the Shire staff has continued through 2011/2012 with all employees showing their professionalism, hard work and commitment making them a credit to the organisation. I would personally like to extend my appreciation for their efforts.

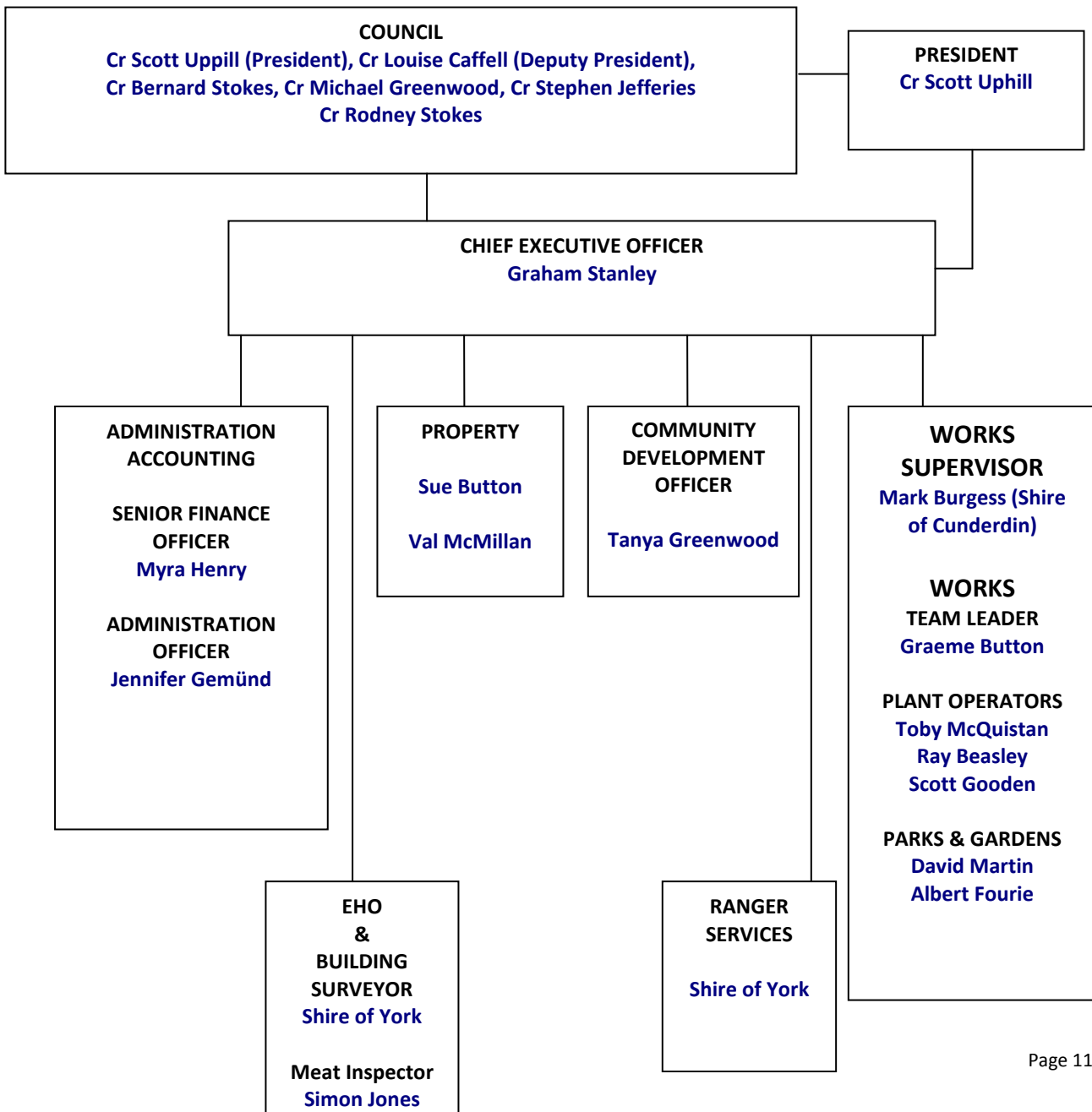
Graham Stanley, Chief Executive Officer

ORGANISATIONAL STRUCTURE

(At 30th June 2011)

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

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



LEGISLATIVE COMPLIANCE

National Competition Policy

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

The Structural Reform of Public Monopolies

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

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

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

Competitive Neutrality

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

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

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

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

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

Legislation Review

In accordance with the National Competition Policy all Local Laws have been reviewed and will be adopted in the 2011/12 financial year.

Disability Access and Inclusion Plan

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

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

1. Council is continually adapting our existing services to give people with disabilities the same opportunities as other people to access the services of, and any events organised by the Shire.
2. Council also continues with improvement to buildings and footpath infrastructure to assist both wheelchair and gopher access.
3. Wherever possible people with disabilities can receive information from the Shire in a format that will enable them to access the information as readily as other people are able to access it. This includes a comprehensive website and the ability to change documents to large font size.
4. The staff are always encouraged to be aware of the needs of people with disabilities to ensure they receive the same level and quality of service as other people receive. We are also working with contractors to ensure they are aware of their responsibilities.
5. People with disabilities have the same opportunities as other people to make complaints to the staff, this can be via written letters, e-mail, SMS or verbally.
6. Council provides many ways for people to participate in public consultation and we are more than happy to discuss any grievances community members may have regarding the services available to the disabled.

Public Interest Disclosure & Disclosure of Annual Salaries

Public Interest

The Public Interest Disclosure Act 2003 (the Act) aims to facilitate and encourage the disclosure of public interest information and to provide protection for those who have made disclosures and for those about whom disclosures are made.

The Shire of Tammin does not tolerate corrupt or other improper conduct, including mismanagement of public resources and the exercise of the public functions of the Shire and its officers, employees and contractors.

The Shire is committed to the aims and objectives of the Act and recognises the value and importance of contributions of staff to enhance administrative and management practices and supports disclosures being made by staff as to corrupt or other improper conduct.

During 2010/11 there were no disclosures made under the Act.

Annual Salaries

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

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

Record Keeping Plan

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

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

Rationale:

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

Minimum Compliance Requirements:

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

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

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

Register of Minor Complaints

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

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

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

In Accordance with these requirements, it is advised that no complaints of minor breaches under the Local Government Act 1995 were received during 2010/11.

Freedom of Information

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

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

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

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

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

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

Councillor Meeting Attendance

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

	Council		Committee	
	<u>Eligible</u>	<u>Attended</u>	<u>Eligible</u>	<u>Attended</u>
Cr L. Caffell	13	12	0	0
Cr M. Greenwood	13	12	0	0
Cr S. Jefferies	13	10	0	0
Cr B. Stokes	13	13	0	0
Cr R. Stokes	13	12	0	0
Cr S Uppill	13	13	0	0



Shire of Tammin

ANNUAL FINANCIAL STATEMENT

2010 - 2011

Shire of Tammin

ANNUAL FINANCIAL STATEMENTS FOR YEAR ENDED 30th JUNE 2011

Statement of Chief Executive Officer	18
Statement of Comprehensive Income	19
Statement of Change in Equity	20
Statement of Financial Position	21
Statement of Cash Flows	22
Rate Setting Statement	24
Statement of Rating Information	25
Notes	
1. Significant accounting policies	26
2. Revenues and expenses	35
3. Description of functions and expenses	35
4. Revenues and expenses by nature and type	36
5. Cash and cash equivalents	36
6. Fixed assets	37
7. Borrowing information	39
8. Reserves	39
9. Cash flow information	41
10. Trust Fund information	42
11. Comparison with rate setting statement	42
12. Rating information	43
13. Service charges	43
14. Information about discounts, incentives, concessions and write offs	43
15. Interest charges for the late payment of rate charges	43
16. Fees and charges information	44
17. Investments	44
18. Council members – fees, expenses and allowances	44
19. Depreciation on non-current assets	45
20. Major land transactions	45
21. Joint venture	45
22. Trading undertakings and major trading undertakings	45
23. Capital and leasing commitments	45
24. Financial instruments	45
25. Position at commencement of financial year	46
26. Capital expenditure by program	47
27. Financial information by ratio	47
28. Trade and other receivables	48
29. Inventories	48
30. Trade and other payables	49
31. Long-term borrowings	49
32. Provisions	49
33. Employee numbers and remuneration	49
34. Economic dependency	49
35. Contingent liabilities	50
Audit Report	51

SHIRE OF TAMMIN
FINANCIAL REPORT

FOR THE YEAR ENDED 30 TH JUNE 2011

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Tammin being the annual financial report and other information for the financial year ended 30th June 2011 are in my opinion are properly drawn up to present fairly the financial position of the Shire of Tammin as at 30 th June 2011 and the results of the operations for the financial year ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the Regulations under the Act.

Signed on the 16th day of November 2011



Graham Stanley
Chief Executive Officer

SHIRE OF TAMMIN
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

2009/10 ACTUAL		Note	2010/11 ADOPTED BUDGET	2010/11 ACTUAL
\$	EXPENSES	2,3,4	\$	\$
(76,676)	General Purpose Funding		(80,901)	(78,564)
(195,048)	Governance		(247,284)	(211,206)
(12,270)	Law, Order, Public Safety		(19,287)	(9,556)
(43,835)	Health		(76,057)	(73,815)
(66,720)	Education and Welfare		(100,601)	(92,120)
0	Housing		0	0
(96,941)	Community Amenities		(114,102)	(103,967)
(348,376)	Recreation and Culture		(422,711)	(430,568)
(557,802)	Transport		(732,778)	(722,908)
(62,467)	Economic Services		(95,023)	(102,220)
(136,046)	Other Property and Services		(63,706)	(70,461)
(1,596,182)			(1,952,450)	(1,895,385)
	REVENUE	2,3,4		
1,782,509	General Purpose Funding		1,731,276	1,593,446
55,301	Governance		8,563	34,940
1,781	Law, Order, Public Safety		2,320	2,317
7,237	Health		46,118	46,132
50,163	Education and Welfare		73,770	78,489
0	Housing		0	0
65,357	Community Amenities		69,800	66,824
33,456	Recreation and Culture		81,188	52,441
299,065	Transport		324,065	336,292
1,522	Economic Services		9,955	21,305
69,718	Other Property & Services		59,950	100,610
2,366,109			2,407,005	2,332,797
769,927	<i>Increase(Decrease)</i>		454,555	437,411
	DISPOSAL OF ASSETS	6,11		
0	Land		0	0
21841	Plant and Equipment		(13,760)	9,162
0	Furniture and Equipment		0	0
21841	<i>Gain (Loss) on Disposal</i>		(13,760)	9,162
	FINANCE COSTS	7,11		
(12,046)	Recreation and Culture		(9,603)	(9,713)
(9,207)	Transport		(7,876)	(7,751)
(230)	Other Property & Services		0	0
(21,483)	<i>Increase(Decrease)</i>		(17,479)	(17,464)
770,285	NET RESULT		423,316	429,109
	Other Comprehensive Income			
(4)	Rounding		0	0
770,281	TOTAL COMPREHENSIVE INCOME		423,316	429,109

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

SHIRE OF TAMMIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2009/10 ACTUAL \$	2010/11 ACTUAL \$
Retained surplus			
Balance as at 1 July 2010		3,597,908	4,352,112
Total comprehensive Income		770,281	429,107
Sundry Adjustments - Early Loan Principal Repayment		132	0
Transfer from /(to) reserves	8	(16,209)	(21,253)
Balance as at 30 June 2011		4,352,112	4,759,966
Reserves - cash backed			
Balance as at 1 July 2010		353,822	370,031
Transfer from /(to) retained surplus	8	16,209	21,253
Balance as at 30 June 2011		370,031	391,284
Reserves - asset revaluation			
Balance as at 1 July 2010		20,039,816	20,039,816
Revaluation increment		0	0
Revaluation decrement	6	0	0
Balance as at 30 June 2011		20,039,816	20,039,816
Total equity		24,761,959	25,191,066

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

SHIRE OF TAMMIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2009/10 ACTUAL \$	2010/11 ACTUAL \$
Current assets			
Cash and cash equivalents	5	1,147,827	954,341
Trade and other receivables	28	148,955	85,489
Inventories	29	0	0
Other assets		0	0
Total current assets		1,296,782	1,039,830
Non-current assets			
Trade and other receivables	28	4,800	4,866
Property, infrastructure, plant and equipment	6	23,912,311	24,564,096
Total non-current assets		23,917,111	24,568,962
Total assets		25,213,892	25,608,792
Current liabilities			
Trade and other payables	30	82,662	88,218
Interest-bearing loans and borrowings	7	64,264	68,272
Provisions	32	26,919	58,147
Total current liabilities		173,845	214,637
Non-current liabilities			
Interest-bearing loans and borrowings	7	249,927	181,654
Provisions	32	28,161	21,435
Total non-current liabilities		278,088	203,089
Total liabilities		451,933	417,726
Net assets		24,761,959	25,191,066
Equity			
Retained surplus		4,352,112	4,759,966
Reserve - asset revaluation	8	20,039,816	20,039,816
Reserves - other (cash/investment backed)	8,11	370,031	391,284
Total equity		24,761,959	25,191,066

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 2011

2009/10 ACTUAL		Note	2010/11 ADOPTED BUDGET	2010/11 ACTUAL
\$			\$	\$
	Cash Flows from operating activities			
	EXPENDITURE			
(603,906)	Employee Costs		(732,569)	(666,315)
(391,923)	Materials & Contracts		(597,227)	(556,374)
(100,577)	Utilities		(110,842)	(97,002)
(52,342)	Insurance		(66,518)	(61,897)
(21,949)	Interest Expenses		(17,479)	(17,778)
(10,779)	Other		(47,018)	(5,342)
(\$1,181,477)			(\$1,571,653)	(\$1,404,708)
	REVENUE			
634,730	Rates		663,510	659,635
878,499	Subsidies Reimburements and Contributions		142,963	145,796
109,539	Fees and Charges		194,484	229,405
59,762	Interest Received		57,342	63,460
13,540	Other		300	29,654
\$1,696,070			\$1,058,599	\$1,127,950
\$514,593	Net Cash flows from Operating Activities	9	(\$513,054)	(\$276,758)
	Cash flows from investing activities			
	Payments			
0	Purchase Tools		0	0
(253,319)	Purchase Land and Buildings		(649,108)	(93,327)
(715,098)	Purchase Infrastructure Assets- Roads		(635,208)	(587,884)
0	Purchase Infrastructure Assets - Recreational Facilities		(18,905)	(11,692)
(7,920)	Purchase Infrastructure Assets - Other		(55,360)	(72,512)
(602)	Purchase Plant and Equipment		(510,460)	(370,595)
(1,576)	Purchase Furniture and Equipment		(40,443)	(36,963)
(978,515)			(1,909,484)	(1,172,973)
	Receipts			
0	Disposal of Land		0	0
0	Disposal of Furniture and Equipment		0	0
21,841	Disposal of Plant and Equipment		81,000	52,273
0	Contributions from Other Parties		0	0
21,841			81,000	52,273
(\$956,674)	Net cash flows from investing activities		(\$1,828,484)	(\$1,120,700)
	Cash flows from financing activities			
(72,596)	Loan Repayments -Principal		(64,263)	(64,265)
0	Loan Borrowings		0	0
0	Principal Repayments Received		0	0
(\$72,596)	Net cash flows from financing activities		(\$64,263)	(\$64,265)
	Cash flows from government			
0	Receipts from appropriate grants			
0	Recurrent		656,603	954,901
559,885	Capital		705,558	313,336
\$559,885	Net cash Provided By Government		\$1,362,161	\$1,268,237
\$45,208	Net (decrease)/increase in cash held		(\$1,043,640)	(\$193,486)
1,102,619	Cash at the Beginning of Reporting Period		1,136,763	1,147,827
0	Rounding		0	0
\$1,147,827	Cash at the End of Reporting Period	9	\$93,123	\$954,341

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 2011

Notes

	2009/10 ACTUAL \$	2010/11 ACTUAL \$
RECONCILIATION OF CASH		
Cash at Bank	1,147,277	953,791
Cash on Hand	550	550
TOTAL CASH	1,147,827	954,341
RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO OPERATING RESULT		
Operating Result (As per Comprehensive Income Statement)	964,869	429,109
Depreciation	240,822	478,077
(Profit)/Loss on Disposal of Assets	(21,841)	(9,162)
Government Revenue for the Development of Assets	(559,885)	(1,268,237)
Change in Provisions	0	(6,726)
Changes in Assets and Liabilities		
(Increase)/Decrease in Inventory	0	0
(Increase)/Decrease in Receivables	(110,154)	63,400
Increase/(Decrease) in Accounts Payable	8,577	1,049
Increase/(Decrease) in Accrued Interest	(466)	(314)
Increase/(Decrease) in Provisions - Employees Entitlements	(7,329)	31,228
Increase/(Decrease) in Accrued Salaries and Wages	0	4,109
Increase/(Decrease) in Accrued Uniform Expenses	0	712
Rounding	1	(3)
NET CASH USED IN OPERATING ACTIVITIES	514,593	(276,758)

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

SHIRE OF TAMMIN
RATE SETTING STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

2009/10 ACTUAL		NOTES	2010/11 ADOPTED BUDGET	2010/11 ACTUAL
\$	REVENUE	2,3,4	\$	\$
1,145,864	General Purpose Funding		1,068,765	933,811
55,301	Governance		8,563	34,940
1,781	Law, Order Public Safety		2,320	2,317
7,237	Health		46,118	46,132
50,163	Education and Welfare		73,770	78,489
0	Housing		0	0
65,357	Community Amenities		69,800	66,824
33,456	Recreation and Culture		81,188	52,441
299,065	Transport		324,065	336,292
1,522	Economic Services		9,955	21,305
69,718	Other Property and Services		59,950	100,610
\$1,729,464			\$1,744,494	\$1,673,162
	LESS EXPENDITURE	2,3,4		
(76,676)	General Purpose Funding		(80,901)	(78,564)
(195,048)	Governance		(247,284)	(211,206)
(12,270)	Law, Order, Public Safety		(19,287)	(9,556)
(43,835)	Health		(76,057)	(73,815)
(66,720)	Education and Welfare		(100,601)	(92,120)
0	Housing		0	0
(96,941)	Community Amenities		(114,102)	(103,967)
(360,422)	Recreation and Culture		(432,314)	(440,281)
(567,009)	Transport		(740,654)	(730,659)
(62,467)	Economic Services		(95,023)	(102,220)
(136,276)	Other Property & Services		(63,706)	(70,461)
(1,617,665)			(1,969,929)	(1,912,849)
111,799	<i>Increase(Decrease)</i>		(225,435)	(239,688)
	ADD			
(133)	Early Loan Payment		0	0
12,729	Provisions Employee Entitlements Accrued		0	(6,726)
21,841	Profit/(Loss) on the disposal of assets	6,11	(13,760)	9,162
435,410	Depreciation Written Back	6	430,820	478,077
0	Proceeds from Sale of Assets	6	94,760	43,111
\$469,847			\$511,820	\$523,624
\$581,646	<i>Sub Total</i>		\$286,385	\$283,936
	LESS CAPITAL PROGRAMME			
0	Purchase Tools		0	0
(253,319)	Purchase Land & Buildings	6,26	(649,108)	(93,327)
(715,098)	Infrastructure Assets - Roads	6,26	(635,208)	(587,884)
0	Infrastructure Assets - Recreation Facilities	6,26	(18,905)	(11,692)
0	Infrastructure Assets - Other	6,26	(55,360)	(72,512)
(602)	Purchase Plant and Equipment	6,26	(510,460)	(370,595)
(1,576)	Purchase Furniture and Equipment	6,26	(40,443)	(36,963)
(72,596)	Repayment of Debt - Loan Principal	7,11	(64,263)	(64,265)
(16,209)	Transfer to Reserves	8,11	(21,092)	(21,253)
(1,059,400)			(1,994,839)	(1,258,492)
0	ABNORMAL ITEMS		0	0
\$0			\$0	\$0
0	Plus Rounding		0	(3)
(1,059,400)			(1,994,839)	(1,258,495)
(477,753)	<i>Sub Total</i>		(1,708,454)	(974,558)
	LESS FUNDING FROM			
0	Loans	7,11	0	0
0	Reserves	8,11	289,500	0
605,471	Opening Funds - July 1 B/Fwd	25	756,443	840,288
(764,363)	Closing Funds - June 30 C/Fwd	25	0	(525,365)
(158,892)			1,045,943	314,923
(636,645)	AMOUNT TO BE MADE UP FROM RATES		(662,511)	(659,635)

SHIRE OF TAMMIN
STATEMENT OF RATING INFORMATION
FOR THE YEAR ENDED 30 JUNE 2011

	CURRENT YEAR ESTIMATED 2010/11										CURRENT YEAR ACTUAL 2010/11										
	GENERAL RATE					MINIMUM RATE					GENERAL RATE					MINIMUM RATE					
	No. of Prop.	Rateable value \$	U.V. Rate in \$	Rate Yield \$	Total Yield \$	No.	Rateable value \$	U.V. Rate in \$	Rate Yield \$	Total Yield \$	No. of Prop.	Rateable value \$	U.V. Rate in \$	Rate Yield \$	Total Yield \$	No.	Rateable value \$	U.V. Rate in \$	Rate Yield \$	Total Yield \$	
General Rate GRV - Rural	77	403,020	0.142500	57,430	20,440	56	31,132	0.142500	57,430	20,440	77	403,020	0.142500	57,430	20,440	56	31,132	0.142500	57,430	20,440	
	169	62,212,000	0.009600	597,235	603,805	18	335,978	0.009600	597,235	6,570	169	62,212,000	0.009600	597,235	6,570	18	335,978	0.009600	597,235	6,570	
SUB TOTAL GENERAL RATE	246	62,615,020		654,666	27,010	74	367,110		654,666	27,010	246	62,615,020		654,666	27,010	74	367,110		654,666	27,010	
Interim Rates																					
Ex-Gratia Rates																					
Discount/Allowed																					
SUB TOTAL																					
GRAND TOTAL	246	62,615,020		654,666	27,010	74	367,110		654,666	27,010	246	62,615,020		654,666	27,010	74	367,110		654,666	27,010	

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

Council has imposed a general rate of 0.142500 GRV and 0.009600 U.V. and a minimum rate of \$365.00 pa. as Council perceives it to be a "reasonable" minimum level of rates which all ratepayers in its district should pay. The minimum rate reflects the basic cost incurred by the Council in servicing each lot or dwelling in its district.

(2) RATES LEVIED IF NO MINIMUM RATE OF \$365 PA WAS IMPOSED

Total GRV & U.V. Applicable to Properties that Minimum rate applies		General Rate in Dollar		Rates Levied on Properties that the Minimum Rate Applies
	434,152	X	0.142500	= \$ 61,867
	62,547,878	X	0.009600	= \$ 600,461

SHIRE OF TAMMIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1 SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax

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

(d) Cash and Cash Equivalents

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

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

(e) Trade and Other Receivables

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

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

General

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

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

Land Held for Resale

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

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

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

(g) Fixed Assets

Initial Recognition

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

Revaluation

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

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

Land under Roads

In Western Australia, all land under roads is crown land, the responsibility for managing which is Effective as at 1 July 2008, Council elected not to recognise any value for land under roads

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Whilst such treatment is inconsistent with the requirements of AASB1051, Local Government

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

(h) Depreciation of Non-Current Assets

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

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(i) Investments and Other Financial Assets

Classification

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

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

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

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

Recognition and derecognition

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

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Investments and Other Financial Assets (Continued)

Recognition and derecognition

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

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

Subsequent measurement

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

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

Impairment

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

(j) Estimation of Fair Value

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

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

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

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

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Quoted market prices or dealer quotes for similar instruments are used for long-term

The nominal value less estimated credit adjustments of trade receivables and

(k) Impairment

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 *'Impairment of Assets'* and appropriate adjustments made.

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

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

(l) Trade and Other Payables

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

(m) Employee Benefits

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

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

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

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

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

(n) Interest-bearing Loans and Borrowings

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

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

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing Costs

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

(o) Provisions

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

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

(p) Leases

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

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

(q) Joint Venture

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

(r) Rates, Grants, Donations and Other Contributions

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

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

(s) Superannuation

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

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Current and Non-Current Classification

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

(w) Budget Comparative Figures

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

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ended 30 June 2011.

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

Title and topic	Issued	Applicable	Impact
(i) AASB 9 – Financial Instruments	Dec-09	1-Jan-13	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated that the standard will have any material effect.
(ii) AASB 124 – Related Party Disclosures	Dec-09	1-Jan-11	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.
(iii) AASB 1053 – Application of Tiers of Australian Accounting Standards	Jun-10	1-Jul-13	Nil – Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iv) AASB 2009-12 Amendments to Australian Accounting Standard [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	Dec-09	1-Jan-11	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB 8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and interpretations 10 & 12]	Dec-09	1-Jan-13	Nil – The revisions embodied in this standard give effect to consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(vi) AASB 2010 – 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	Jun-10	1-Jul-13	Nil – None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(vii) AASB 2010 – 4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB134 and Interpretation 13]	Jun-10	1-Jan-11	Nil – The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.
(viii) AASB 2010 – 5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	Oct-10	1-Jan-11	Nil – The revisions embodied in this standard are largely editorial in nature or relate to standards not applicable to the Council and will have minimal effect (if any) on the accounting practices of the Council.
(ix) AASB 2010 – 6 Amendments to Australian Accounting Standards – Disclosure on Transfer of Financial Assets [AASB 1 & AASB 7]	Nov-10	1-Jul-11	Nil – The revisions embodied in this standard amend disclosures required on transfer of financial assets. The Council is not expected to have any qualifying transfer.
(x) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	Dec-10	1-Jan-13	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xi) AASB 2010 – 8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	Dec-10	1-Jan-12	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2010 – 9 Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]	Dec-10	1-Jul-11	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2009 – 14 Amendments to Australian Interpretations – Prepayments of a minimum Funding Requirement [AASB Interpretation 14]	Dec-09	1-Jan-11	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2010 – 10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]	Dec-10	1-Jan-13	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

(y) Adoption of New and Revised Accounting Standards

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 2009 – 5
AASB 2009 – 8
AASB 2009 –10
AASB 2009 –13
AASB 2010 – 1
AASB 2010 – 3
Interpretation 19

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature and were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

2 REVENUES AND EXPENSES

The Net Result includes:

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
	Charging as Expenses		
435,410	Depreciation on Non-Current Assets	430,820	478,077
7,000	Auditors Remuneration	7,250	7,571
21,483	Interest Expenses	17,776	17,464
	Crediting as Revenue		
	Interest on Earnings		
16,209	Reserve Funds	21,092	21,115
39,351	Other Funds	32,500	37,062
4,202	Other Interest Revenue	3,750	5,283
59,762		57,342	63,460
	Profit/(Loss) on Sale of Non-Current Assets		
0	Land	0	0
0	Buildings	0	0
21,841	Plant and Equipment	(13,760)	9,162
0	Furniture and Equipment	0	0
21,841		(13,760)	9,162

3 DESCRIPTION OF FUNCTIONS/ACTIVITIES

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

Description of Programs

General Purpose Funding

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

Governance

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

Law, Order, Public Safety

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

Health

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

Education and Welfare

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

Housing

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

Community Amenities

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

Recreation and Culture

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

Transport

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

Economic Services

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

Other Property and Services

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

4 REVENUES AND EXPENSES BY NATURE AND TYPE

Expenses and revenues classified according to nature and type.

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
	Operating Expenses		
(599,756)	Employee Costs	(748,872)	(695,638)
(386,844)	Materials and Contracts	(548,380)	(557,423)
(100,577)	Utility Charges (Gas, Electricity, Water, etc)	(110,842)	(97,002)
(435,410)	Depreciation on Non-Current Assets	(430,820)	(478,077)
0	Loss on Asset Disposals	(13,760)	(15,838)
(21,483)	Interest Expenses	(17,479)	(17,464)
(52,342)	Insurance Expenses	(66,518)	(61,897)
(21,257)	Other Expenses	(47,018)	(5,339)
(1,617,669)	Agrees with Comprehensive Income Statement	(1,983,689)	(1,928,678)
	Operating Revenues		
636,646	Rates	663,510	659,635
878,499	Operating Grants, Subsidies and Contributions	785,811	1,037,297
559,885	Non - Operating Grants, Subsidies and Contributions	705,558	313,336
21,841	Profit on Asset Disposals	0	25,000
217,777	Fees and Charges	194,484	229,405
59,762	Interest Earnings	57,342	63,460
13,540	Other Revenue	300	29,654
2,387,949	Agrees with Comprehensive Income Statement	2,407,005	2,357,787
0	Rounding	0	0
\$770,281	Net Result	\$423,316	\$429,109

5 CASH AND CASH EQUIVALENTS

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
550	Cash on Hand	550	550
21,713	Cash at Bank	(9,050)	19,585
1,125,564	Investments	101,623	934,206
1,147,827	Represented by:-	93,123	954,341
683,493	Restricted	101,623	412,313
464,334	Unrestricted	(8,500)	542,028
1,147,827		93,123	954,341

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$

(a) Restricted Funds

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

13,203	Information and Technology Reserve	6,456	13,961
296,746	Plant Reserve	38,661	313,791
12,227	Long Service Leave Reserve	12,924	12,929
42,760	Aged Pensioners Units Reserve	38,197	45,216
5,095	Entitlements Reserve	5,385	5,387
0	Housing Reserve	0	0
	Funds held on behalf of the Department of Transport (Licensing)	0	4,171
313,462	Unexpended Grants	35,000	16,858
683,493		136,623	412,313

5 CASH AND CASH EQUIVALENTS (Continued)

(b) Conditions over contributions

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

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

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

0	-Govt Grant - Country Local Government Fund Capital Works Plan	35,000	16,858
<u>313,462</u>		<u>35,000</u>	<u>16,858</u>

6 FIXED ASSETS

(a) Disposal of Assets

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

Asset by Class	Proceeds Sale of Assets		Written Down Value		Gain(Loss) on Disposal	
	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011
	Adopted Budget	Actual	Adopted Budget	Actual	Adopted Budget	Actual
	\$	\$	\$	\$	\$	\$
Plant and Equipment	81,000	52,273	94,760	43,111	(13,760)	9,162
TOTAL BY CLASS OF ASSET	81,000	52,273	94,760	43,111	-13,760	9,162

Asset by Program	Proceeds	Written	Gain/(Loss)
	Sale of Assets	Down Value	on Disposal
	\$	\$	\$
Governance	27,273	43,111	(15,838)
Law, Order, Public Safety	0	0	0
Health	0	0	0
Education and Welfare	0	0	0
Housing	0	0	0
Community Amenities	0	0	0
Recreation and Culture	0	0	0
Transport	25,000	0	25,000
Economic Services	0	0	0
Other Property and Services	0	0	0
TOTAL BY PROGRAM	52,273	43,111	9,162

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

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

(c) Fixed Assets Classified according to Class

Actual 2009/2010			Actual 2010/2011	
\$	\$		\$	\$
2,634,282		Land and Buildings (at cost)	2,727,610	
(569,881)	2,064,401	Less Accumulated Depreciation	(645,153)	2,082,457
201,445		Furniture and Equipment (at cost)	238,409	
(190,617)	10,828	Less Accumulated Depreciation	(201,997)	36,412

6 FIXED ASSETS (Continued)

(c) Fixed Assets Classified according to Class

1,365,667		Plant and Equipment (at cost)	1,536,247	
(1,010,410)	355,257	Less Accumulated Depreciation	(965,439)	570,808
2,796		Tools (at cost)	2,796	
(2,796)	0	Less Accumulated Depreciation	(2,796)	0
		Infrastructure Assets		
29,735,903		Roads (at valuation)	29,735,903	
853,694		Roads (at cost)	1,441,578	
(10,143,778)	20,445,819	Less Accumulated Depreciation	(10,333,778)	20,843,703
579,231		Footpaths (at cost)	579,231	
(316,235)	262,996	Less Accumulated Depreciation	(356,781)	222,450
992,749		Other Structures (at cost)	1,076,953	
(219,740)	773,009	Less Accumulated Depreciation	(268,687)	808,266
		Rounding		
<u>23,912,311</u>		TOTAL FIXED ASSETS		<u>24,564,096</u>

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

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

(d) Movements in Carrying Amounts

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

Program	Land and Buildings	Furniture and Equip.	Plant and Equip.	Tools	Footpaths	Roads	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Asset Balance at the beginning of the year	2,634,282	201,445	1,365,667	2,796	579,231	30,589,597	992,748	36,365,766
Assets Acquired during the year	93,328	36,964	370,595	0	0	587,884	84,205	1,172,976
Assets Disposed during the year	0	0	(200,015)	0	0	0	0	(200,015)
Revaluation Increments/ (decrements)	0	0	0	0	0	0	0	0
Asset Balance at the end of the year	2,727,610	238,409	1,536,247	2,796	579,231	31,177,481	1,076,953	37,338,727
Depreciation at the beginning of the year	(569,882)	(190,617)	(1,010,410)	(2,796)	(316,235)	(10,143,778)	(219,740)	(12,453,458)
Depreciation Expense Raised	(75,271)	(11,380)	(111,933)	0	(40,546)	(190,000)	(48,947)	(478,077)
Depreciation Expense Written Back on Disposals	0	0	156,904	0	0	0	0	156,904
Revaluation Increments/ (decrements)	0	0	0	0	0	0	0	0
Depreciation at the end of Year	(645,153)	(201,997)	(965,439)	(2,796)	(356,781)	(10,333,778)	(268,687)	(12,774,631)
Net Asset Values at the end of the year	2,082,457	36,412	570,808	0	222,450	20,843,703	808,266	24,564,096

7 BORROWINGS INFORMATION

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

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
0	Loans Unspent	0	0
0	Amount Expended	0	0
Nil	CLOSING BALANCE	Nil	Nil

- (b) Loans Raised in Financial Year

No new Loans were raised during the 2010/2011 financial year.

- (c) Loan Repayments

Program	Loan No.	Principal 01.07.10	Loans Raised		Interest		Loan Repayment		Principal 30.6.2011
			Budget	Actual	Budget	Actual	Budget	Actual	
			2010/2011	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011	
		\$	\$	\$	\$	\$	\$	\$	
Recreation	76	171,048	0	0	9,603	9,760	38,881	38,882	132,166
Transport	77	143,143	0	0	7,876	8,018	25,382	25,383	117,760
Other									
Property	75	0	0	0	0	0	0	0	0
		314,191	0	0	17,479	17,778	64,263	64,265	249,926
Change in Net Accrual					0	(314)	0	0	
TOTAL		314,191	0	0	17,479	17,464	64,263	64,265	249,926
Loan Repayments to be financed by the Shire					17,479	17,464	64,263	64,265	
Loan Repayments reimbursed from external sources					0	0	0	0	
TOTAL					17,479	17,464	64,263	64,265	

8 RESERVES

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

- (a) Information Technology Reserve (Cash Backed)

Purpose - to fund information technology acquisitions

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
12,624	Opening Balance	13,203	13,203
579	Plus Transfer from Accumulated Surplus		
0	- Interest Received	753	758
0	- Transfer	0	0
0	Less Transfer to Accumulated Surplus		
	- Purchases Computer Equipment	(7,500)	0
13,203	CLOSING BALANCE	6,456	13,961

8 RESERVES (Continued)

(b) Plant Reserve (Cash Backed)

Purpose - Acquisition of Major Plant & Equipment.

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
283,748	Opening Balance	296,746	296,746
12,998	Plus Transfer from Accumulated Surplus		
	- Interest Received	16,915	17,045
0	Less Transfer to Accumulated Surplus		
	- Plant Purchases	(275,000)	0
296,746	CLOSING BALANCE	38,661	313,791

(c) Long Service Leave Reserve (Cash Backed)

Purpose - To fund staff long service leave entitlements.

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
11,691	Opening Balance	12,227	12,227
536	Plus Transfer from Accumulated Surplus		
	- Interest Received	697	702
	Less Transfer to Accumulated Surplus		
12,227	CLOSING BALANCE	12,924	12,929

(d) Aged Pensioner Units Reserve (Cash Backed)

Purpose - Fund the maintenance of the Tamma Village Senior Units

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
40,887	Opening Balance	42,760	42,760
1,873	Plus Transfer from Accumulated Surplus		
0	- Interest Received	2,437	2,456
0	- Other	0	0
0	Less Transfer to Accumulated Surplus		
	- Tamma Village Painting and Carpet	(7,000)	0
42,760	CLOSING BALANCE	38,197	45,216

(e) Entitlements Reserve (Cash Backed)

Purpose - Fund staff leave entitlement liabilities

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
4,872	Opening Balance	5,095	5,095
223	Plus Transfer from Accumulated Surplus		
0	- Interest Received	290	292
0	- Other	0	0
0	Less Transfer to Accumulated Surplus		
	- Staff Leave entitlements paid	0	0
5,095	CLOSING BALANCE	5,385	5,387

8 RESERVES (Continued)

(f) Housing Reserve (Cash Backed)

Purpose - Fund the provision of housing

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
0	Opening Balance	0	0
0	Plus Transfer from Accumulated Surplus		
	- Interest Received	0	0
0	Less: Transfer to Accumulated Surplus		
	- Other	0	0
<u>0</u>	CLOSING BALANCE	<u>0</u>	<u>0</u>
<u>370,031</u>	TOTAL	<u>101,623</u>	<u>391,284</u>

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

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

(k) Reserves - Asset Revaluation

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

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

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
20,039,816	Asset Revaluation Reserve (Roads)		
	Balance brought forward 1st July	0	20,039,816
0	Revaluation increment/(decrement) of Assets during current financial year	0	0
<u>20,039,816</u>	CLOSING BALANCE	<u>0</u>	<u>20,039,816</u>

9 CASH FLOW INFORMATION

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

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

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
	Change in net equity from operations		
770,281	Net Result	423,316	429,109
435,410	Depreciation	430,820	478,077
(21,841)	(Profit)/Loss on sale of Fixed Assets	13,760	(9,162)
0	Changes to Provisions	16,303	(6,726)
(559,885)	Government Revenue	(1,362,161)	(1,268,237)
	Change in Assets and Liabilities		
0	(Increase)/Decrease in Inventory	0	0
(7,329)	(Increase)/Decrease in Employee Provisions	0	31,228
(466)	(Increase)/Decrease in Accrued Expenses	0	4,507
(110,154)	(Increase)/Decrease in Debtors	13,755	63,400
8,577	(Increase)/Decrease in Creditors	(48,847)	1,049
0	Rounding	0	(3)
<u>514,593</u>	Cash flows from Operations	<u>(513,054)</u>	<u>(276,758)</u>

9 CASH FLOW INFORMATION (Continued)

20,000	Credit Card Facility	20,000	20,000
100,000	Bank Overdraft limit	100,000	100,000
<u>0</u>	Amount Utilised	<u>0</u>	<u>0</u>
<u>120,000</u>	Unused Facility available	<u>120,000</u>	<u>120,000</u>
RECONCILIATION OF CASH			
777,796	Cash at Bank - Operating	(8,500)	563,057
370,031	Restricted Reserves	101,623	391,284
<u>1,147,827</u>	TOTAL CASH	<u>93,123</u>	<u>391,284</u>

10 TRUST FUND INFORMATION

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

**TRUST FUND
FOR THE PERIOD ENDED 30 JUNE 2011**

PARTICULARS	OPENING BALANCE 1/07/2010	RECEIPTS		PAYMENTS		CLOSING BALANCE	
		ADOPTED BUDGET	ACTUAL	ADOPTED BUDGET	ACTUAL	ADOPTED BUDGET	ACTUAL
		2010/2011	2010/2011	2010/2011	2010/2011	2010/2011	30/06/2011
	\$	\$	\$	\$	\$	\$	\$
DEPOSITS							
Nominations Deposits	0	0	0	0	0	0	0
Security Deposits	0	0	0	0	0	0	0
House Bonds	1,480	1,680	1,760	560	1,160	2,600	2,080
Tamma Village Bonds	0	0	0	0	0	0	0
Best Memorial Trust	544	100	98	500	0	144	642
Pre-Paid Rates	14,000	14,000	0	14,000	14,000	14,000	0
Abattoir Security Deposit	0	11,000	11,000	0	0	11,000	11,000
TOTAL	16,024	26,780	12,858	15,060	15,160	27,744	13,722

11 COMPARISON WITH RATE SETTING STATEMENT

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

Actual 2009/2010 \$		Adopted Budget 2010/2011 \$	Actual 2010/2011 \$
	Non Operating Income		
	Proceeds From Disposal of Assets		
0	Furniture and Equipment	0	0
21,841	Plant and Equipment	81,000	52,273
0	Transfer from Reserves	289,500	0
0	Loan Borrowings	0	0
<u>21,841</u>	TOTAL	<u>370,500</u>	<u>52,273</u>
	Non Operating Expenditure		
253,319	Purchase Land and Buildings	649,108	93,327
602	Purchase Plant and Equipment	510,460	370,595
1,576	Purchase Furniture and Equipment	40,443	36,963
715,098	Infrastructure Assets-Roads	635,208	587,884
0	Infrastructure Assets-Recreation	18,905	11,692
0	Purchase Tools	0	0
7,920	Infrastructure Assets-Other	55,360	72,512
72,596	Repayments of Debt-Principal	64,263	64,265
16,209	Transfer to Reserves	21,092	21,253
0	Accrued Employee Entitlements	0	6,726
<u>1,067,320</u>	TOTAL	<u>1,994,839</u>	<u>1,265,217</u>

12 RATING INFORMATION

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

(A) General and Minimum Rate

Actual 2009/2010		Actual 2010/2011
\$0.137565	- General Rate	\$0.14250
Rate in \$	(The basis for the rate is Gross Rental Value)	Rate in \$
\$0.0094430	- General Rate Rural	\$0.009600
Rate in \$	(The basis for the rate is Unimproved Value)	Rate in \$
\$350 pa	- Minimum Rate	\$365 pa

The Objects and Reasons for General and Minimum Rate

Council has imposed a general rate of \$0.14250 GRV and \$0.009600 UV and a minimum rate of \$365.00 pa, as Council perceives it to be a "reasonable" minimum level of rates which all ratepayers in its district should pay. The minimum rate reflects the basic cost incurred by the Council in servicing each lot or dwelling in its district.

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

(B) Specified Area Rates

No specified area rates will be levied during the year 2010/11

13 SERVICE CHARGES

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

14 INFORMATION ABOUT DISCOUNTS, INCENTIVES, CONCESSIONS AND WRITE OFFS

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

(i) Discount on Rates and Service Charges

The Council offered a discount in 2010/2011 if rates and charges are paid within 35 days of the date of service (which appears on the rate notice). Entitled pensioners, under the Local Government (Rates, Rebates and Deferments) Act are eligible where 50% of the rates are paid in full.

GENERAL RATES	DISCOUNT	FOR EARLY PAYMENT OF RATES	%	VALUE \$
General Rate - GRV	Discount	For early payment of rates	5%	2,281
General Rate - UV	Discount	For early payment of rates	5%	24,032
		Total Discount		26,313

(ii) Incentive Scheme (Rates)

The Council did not offer an incentive scheme operates for the early payment of rates.

15 INTEREST CHARGES FOR THE LATE PAYMENT OF RATES CHARGES

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

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

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

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

The rate of interest applied is 11% and the revenue derived from the imposition of the interest amounts to \$3,131 for the 2010/2011 financial year.

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

1st Instalment	12 October 2010
2nd Instalment	13 December 2010
3rd Instalment	14 February 2011
4th Instalment	14 April 2011

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

- (2) Administration charges on an instalment Plan is \$10.00 per instalment for instalments 2, 3 and 4 which derived \$1,080 in 2010/2011. Simple interest of 5.5% was charged on instalment plans, the revenue derived from the interest imposition amounted to \$2,152 for the 2010/2011 financial year.
- (3) No interest is charged under Section 6.13 of the Local Government 1995 for the late payment of money other than rates

16 FEES AND CHARGES INFORMATION

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

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
1,806	General Purpose Funding	1,250	576
10,301	Governance	6,063	2,363
581	Law, Order, Public Safety	620	759
7,237	Health	5,843	8,508
50,163	Education and Welfare	48,120	47,973
0	Housing	0	0
65,357	Community Amenities	69,800	66,870
12,288	Recreation and Culture	5,143	11,610
2,048	Transport	0	0
1,522	Economic Services	4,140	3,198
66,474	Other Property and Services	53,505	87,548
217,778	TOTAL FEES AND CHARGES	194,484	229,405

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

No amendments were made during the 2010/2011 financial year.

17 INVESTMENTS

Earnings from Investments is summarised as follows:

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
39,351	General Account	32,500	37,062
16,209	Reserve Funds	21,092	21,115
4,202	Other Interest on Late Payment of Rates	3,750	5,283
59,762	TOTAL	57,342	63,460

18 COUNCIL MEMBERS - FEES, EXPENSES AND ALLOWANCES

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

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
	- Annual Attendance Fee		
3,120	Councillor (5)	4,320	3,000
1,320	President	1,560	1,320
	- Telecommunication, Travel, and Information Technology Allowance		
	- Telecommunication	0	0
	- Information Technology	0	0
2,755	- Travel Expenses	1,800	1,341
	- Annual Local Government Allowance		
1,000	- President	1,000	1,227
0	- Deputy President	0	0

19 DEPRECIATION ON NON-CURRENT ASSETS

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

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
0	General Purpose Funding	0	0
23,559	Governance	23,559	32,375
2,664	Law, Order, Public Safety	2,663	127
0	Health	0	0
3,523	Education and Welfare	3,523	3,566
0	Housing	0	0
10,593	Community Amenities	10,592	10,593
76,937	Recreation and Culture	77,186	85,842
297,037	Transport	292,448	323,586
480	Economic Services	230	230
20,617	Other Property and Services	20,619	21,758
435,410	TOTAL	430,820	478,077

20 MAJOR LAND TRANSACTIONS

Council did not participate in any major land transaction during the 2010/11 financial year.

21 JOINT VENTURE

Council did not participate in any joint venture during the 2010/11 financial year.

22 TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2010/11 financial year.

23 CAPITAL AND LEASING COMMITMENTS

(a) Finance and Operating Lease Commitment

Council did not have any Leasing Commitments during the 2010/11 financial year.

(b) Capital Expenditure Commitments

Contracted for: The Shire of Tammin entered into a contract with W.A. Country Builders Pty Ltd for the construction of a new staff house located at 12 Russell Street, Tammin for the sum of \$284,231. A deposit of \$28423 was paid in June 2011

Payable:
- not later than one year 28,423
255,808

24 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The following table details the Shire of Tammin's exposure to interest rate risks as at 30th June 2011.

	Average Interest %	Variable Interest Rate	Less than 1 year	1 to 5 years	5 to 10 years	Non Interest Bearing	Total
		\$	\$	\$	\$	\$	\$
Financial Assets							
Cash	5.65	5.65	953,791	0	0	550	954,341
Trade Receivables-Current				0	0	85,669	85,669
			953,791	0	0	86,219	1,040,010
Financial Liabilities							
Accounts Payable - Current			0	0	0	88,218	88,218
Employee entitlements - Current			0	0	0	58,147	58,147
Borrowings			68,272	181,654	0	0	249,926
			68,272	181,654	0	146,365	396,291

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

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

24 FINANCIAL INSTRUMENTS

(Continued)

(d) Investment of Council Funds:

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

(e) Credit Risk

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

2009/2010			2010/2011	
Current	Non Current		Current	Non Current
\$	\$		\$	\$
16,231		Financial Assets		
0		Rates and Annual Charges	24,128	4,866
0		Self Supporting Loans	0	0
132,725		Goods and Services Tax	0	0
<u>148,955</u>	0	General Debtors	<u>61,361</u>	<u>0</u>
			<u>85,489</u>	<u>4,866</u>

(f) Market Risk

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

Actual 2009/2010		Actual 2010/2011
\$		\$
11,256	Impact of 1% Movement in Interest Rates on Investment Earnings (+/-)	10,296

(h) Liquidity Risk

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

	Less than 1 year	1 to 5 years	Greater than 5 years	Total
	\$	\$	\$	\$
Financial Liabilities				
Accounts Payable - Current	88,218	0	0	88,218
Interest Bearing Liabilities	68,272	181,654	0	249,926
	<u>156,490</u>	<u>181,654</u>	<u>0</u>	<u>338,144</u>

25 POSITION AT COMMENCEMENT OF FINANCIAL YEAR

(a) DETERMINATION OF OPENING FUNDS

Actual 2009/2010		Adopted Budget 2010/2011	Actual 2010/2011
\$		\$	\$
1,147,827	Current Assets		
0	Cash at Bank	92,573	953,791
148,955	Cash Advances	550	550
0	Receivables	140,000	90,355
<u>1,296,782</u>	Stock on Hand	<u>0</u>	<u>0</u>
		233,123	1,044,696
(135,864)	Less Current Liabilities		
(26,919)	Accounts Payable	(75,000)	(88,218)
(162,783)	Employee Entitlements	(56,500)	(58,147)
		(131,500)	(146,365)
1,133,999	SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES	101,623	898,331
	ADJUSTMENTS		
(370,031)	Less Cash Backed Reserves (excluding Provision for Leave and LSL Entitlements)	(101,623)	(372,968)
0	Rounding	0	2
<u>763,968</u>	OPENING/CLOSING FUNDS	<u>0</u>	<u>525,365</u>

25 POSITION AT COMMENCEMENT OF FINANCIAL YEAR

(Continued)

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

In accordance with Financial Management Regulation 36(1)(b) the following reconciliation is provided between the Net Current Asset detailed in the 2010/2011 Annual Budget	<u>756,443</u>
Net Current Assets Brought Forward as at 1st July 2010.	<u>756,443</u>

26 CAPITAL EXPENDITURE BY PROGRAM

Actual Capital Expenditure incurred by Program is summarised as follows:

Program	Furniture and Equipment	Land and Buildings	Plant and Equipment	Roads	Infrastructure Recreation Facilities	Other	Total
	\$	\$	\$	\$	\$	\$	\$
Governance	15,711	0	43,380	0	0	0	59,091
Law, Order, Public Safety	0	0	0	0	0	0	0
Health	0	0	0	0	0	0	0
Education and Welfare	0	6,093	0	0	0	0	6,093
Housing	0	0	0	0	0	0	0
Community Amenities	0	0	0	0	0	0	0
Recreation and Culture	21,252	58,811	1,785	0	11,692	0	93,540
Transport	0	0	325,430	587,884	0	0	913,314
Economic Services	0	0	0	0	0	72,512	72,512
Other Property & Services	0	28,423	0	0	0	0	28,423
TOTAL	36,963	93,327	370,595	587,884	11,692	72,512	1,172,973

27 FINANCIAL INFORMATION BY RATIO

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

2008/2009 Percent	2009/2010 Percent		2010/2011 Percent
1.47	3.73	(a) Current Ratio $\frac{\text{(Current Assets Minus Restricted Assets)}}{\text{(Current Liabilities-Liabilities Associated with Restricted Assets)}}$	3.20
0.02	0.02	(b) Debt Ratio $\frac{\text{Total Liabilities}}{\text{Total Assets}}$	0.02
0.04	0.05	(c) Debt Service Ratio $\frac{\text{Debt Service Cost}}{\text{Available Operating Revenue}}$	0.04
0.25	0.35	(d) Rate Coverage Ratio $\frac{\text{Net Rate Revenue}}{\text{Available Operating Revenue}}$	0.33
0.03	0.03	(e) Outstanding Rates Ratio $\frac{\text{Rates Outstanding}}{\text{Rates Collectable}}$	0.04
0.16	0.18	(f) Gross Debt to Revenue Ratio $\frac{\text{Gross Debt}}{\text{Total Revenue}}$	0.12
3.11	5.62	(g) Untied Cash to Trade Creditors Ratio $\frac{\text{Untied Cash}}{\text{Unpaid Trade Creditors}}$	6.14
0.11	0.24	(h) Gross Debt to Economically Realisable Assets Ratio $\frac{\text{Gross Debt}}{\text{Economically Realisable Assets}}$	0.24

DEFINITIONS

"available operating revenue" means the operating revenue-

- (a) plus any contributions towards the repayment of money borrowed which have not been included in the operating revenue; and
- (b) minus specific purpose grants, contributions and donations of a capital nature;

27 FINANCIAL INFORMATION BY RATIO**(Continued)**

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

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

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

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

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

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

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

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

“rates collectable” means the amount of-

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

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

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

“rates outstanding” means unpaid rates collectable;

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

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

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

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

28 TRADE AND OTHER RECEIVABLES

Receivables due to the Shire include the following:

ACTUAL 2009/2010 \$		ACTUAL 2010/2011 \$
16,231	Current	
132,725	Rates	24,128
0	Sundry Debtors	70,806
0	Less Provision for Doubtful Debts	(9,445)
0	Loan Receivable	0
0	Goods and Services Tax	0
<u>148,955</u>		<u>85,489</u>
	Non Current	
4,800	Rates Outstanding-Pensioner Deferred	4,866
0	Long Term Loans-Clubs/Institutions	0
<u>4,800</u>		<u>4,866</u>

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

29 INVENTORIES

ACTUAL 2009/2010 \$		ACTUAL 2010/2011 \$
0	Comprises of Fuels and Consumables	0

All inventories at balance date have been valued at cost.

30 TRADE AND OTHER PAYABLES

ACTUAL 2009/2010		ACTUAL 2010/2011
\$		\$
54,976	Trade Creditors	62,504
0	Goods and Services Tax	0
12671	Other Agencies	6192
1736	Accrued interest on Debentures	1422
13279	Accrued Salaries and Wages	17388
0	Accrued Uniform Expenses	712
<u>82,662</u>	Total	<u>88,218</u>

31 LONG - TERM BORROWINGS

ACTUAL 2009/2010		ACTUAL 2010/2011
\$		\$
<u>64,264</u>	Current - secured by a floating charge debenture	<u>68,272</u>
\$		\$
<u>249,927</u>	Non - Current - secured by a floating charge debenture	<u>181,654</u>

32 PROVISIONS

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

ACTUAL 2009/2010		ACTUAL 2010/2011
\$		\$
	Current	
26,919	Provision for Annual Leave	37,045
0	Provision for Long Service Leave	21,102
<u>26,919</u>		<u>58,147</u>
	Non - Current	
28,161	Provision for Long Service Leave	21,435
<u>28,161</u>		<u>21,435</u>

33 EMPLOYEE NUMBERS AND REMUNERATION

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

ACTUAL 2009/2010		ACTUAL 2010/2011
0	Annual Salary Range \$100,000 or more per annum	1
10.75	Total Number of Employees The number of full time equivalent employees at 30 June	10.75

34 ECONOMIC DEPENDENCY

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

ACTUAL 2009/2010		ACTUAL 2010/2011
\$		\$
	By Nature and Type:	
878,499	Operating Grants	954,901
559,885	Non-Operating Grants	313,336
<u>1,438,384</u>	Total	<u>1,268,237</u>

34 ECONOMIC DEPENDENCY**(Continued)**

ACTUAL 2009/2010		ACTUAL 2010/2011
\$		\$
	By Program:	
45,000	Governance	0
1,084,295	General Purpose Funding	868,695
1,200	Law, Order, Public Safety	0
0	Health	0
0	Education and Welfare	24,818
0	Housing	0
0	Community Amenities	0
20,000	Recreation and Culture	34,215
287,889	Transport	325,338
0	Economic Services	15,171
0	Other Property and Services	0
<u>1,438,384</u>	Total	<u>1,268,237</u>

35 CONTINGENT LIABILITIES

Council does not have any known contingent liabilities at 30th June 2011

AUDIT REPORT

SHIRE OF TAMMIN

INDEPENDENT AUDIT REPORT

TO THE ELECTORS OF THE SHIRE OF TAMMIN

I have audited the accompanying financial report of the **Shire of Tammin** which comprises the balance sheet, income statements, cash flow statement, rate setting statement and supporting notes for the year ended **30 June 2011**.

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

In my opinion the financial report of the **Shire of Tammin** is in accordance with the Act and the Regulations including giving a true and fair view of the shire's financial position as at **30 June 2011** and the results of its operations for the year ended on that date and complying with Australian Accounting Standards.

Other Matters

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

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



Gregory Froomes Wyllie CPA
Perth, Western Australia
5 December 2011