

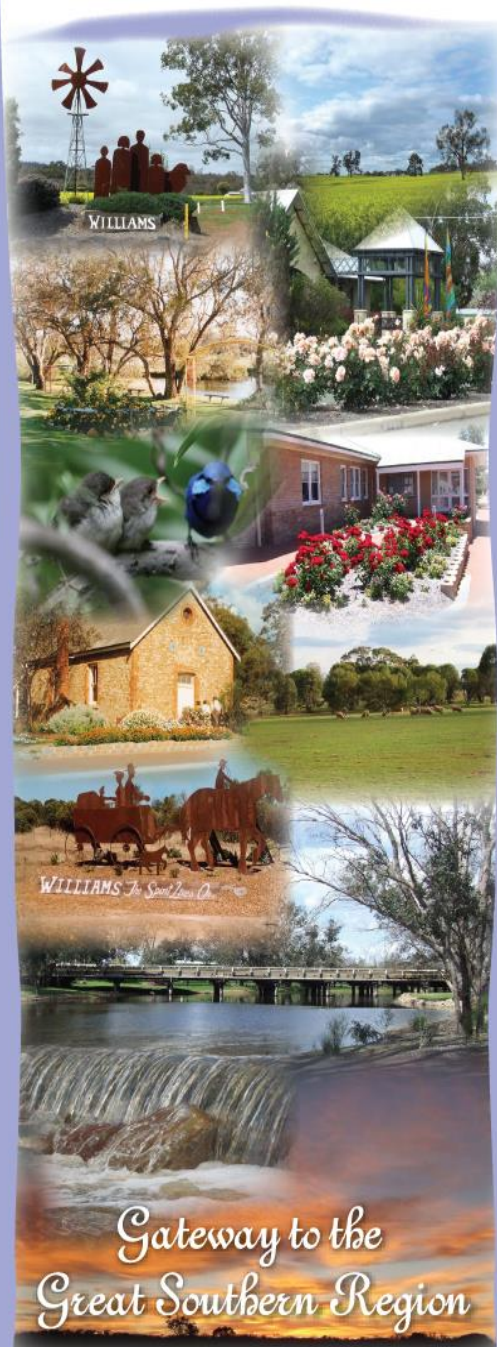
# SHIRE OF WILLIAMS

## ANNUAL REPORT

11 September 2015

2014/2015

### SHIRE OF WILLIAMS



9 Brooking St, Williams  
Ph: (08) 98851005  
Fax: (08) 98851020  
[www.williams.wa.gov.au](http://www.williams.wa.gov.au)  
Map Ref: E5



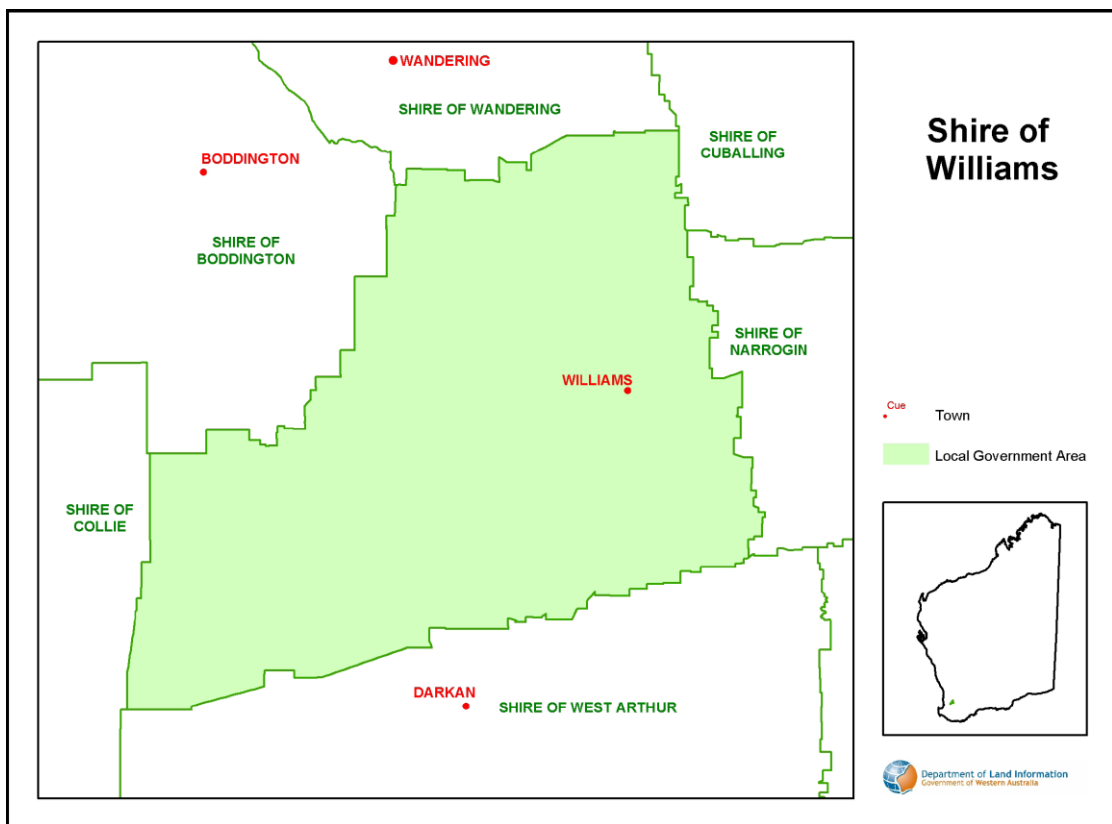
# SHIRE OF WILLIAMS

## Authority and Legislation

The Williams Shire Council is a statutory organisation responsible to the Minister for Local Government, the Hon. Tony Simpson, MLA. It operates under the provisions of the Local Government Act 1995 (as amended).

## Williams Shire Location

Shire Offices and Chambers: Brooking Street, WILLIAMS  
Postal Address: PO Box 96, WILLIAMS 6391  
Telephone: (08) 9885 1005  
Facsimile: (08) 9885 1020  
Email: [shire@williams.wa.gov.au](mailto:shire@williams.wa.gov.au)  
Website: [www.williams.wa.gov.au](http://www.williams.wa.gov.au)  
Office Hours: 8:00am – 5:00pm Monday to Friday



The Shire of Williams covers an area of 2295 square kilometres in the Great Southern Region of Western Australia. Williams is the administrative centre of the Shire and lies 161 kilometres south east of Perth on the Albany Highway.

The map above shows the location of the Williams Shire situated at latitude 33°10' South, longitude 116°70' East.

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# COMMUNITY STRATEGIC PLAN

## Vision and Values

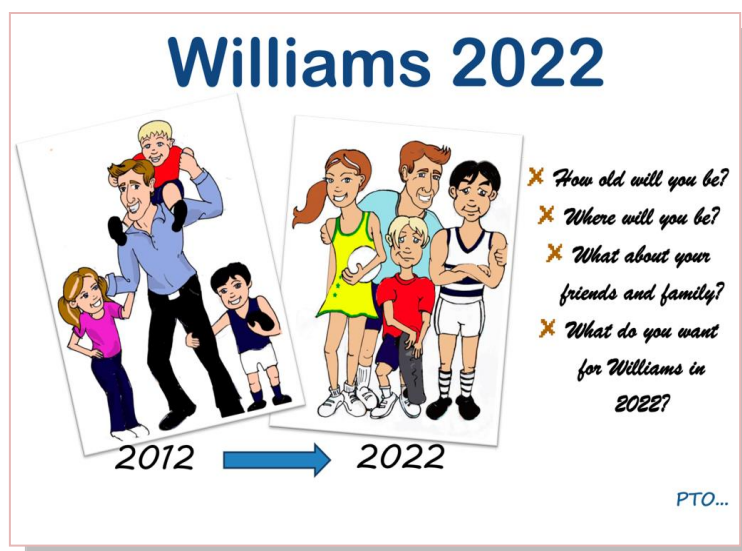
The Shire's Strategic Community Plan "Williams 2022" sets out the Community's vision, values and priorities. The corporate Business Plan aims to fulfill the strategic directions set by Council and progress the Council's vision while keeping with the community's aspirations and values.

### *Our Vision—*

*"In 2022 Williams is an independent, growing and vibrant community. This will be achieved by maintaining a balanced and caring approach to its people, economy and environment."*

### *Our Values:*

- Community connectedness and great lifestyle
- Friendly people
- Safety
- Location
- Relevant and well maintained facilities



# COUNCIL MEMBERS

JES (John) Cowcher – President

Elected to Office in 1993

Retiring 2015

Phone: 9885 6013

Fax: 9885 6067

DS (David) Earnshaw – Deputy President

Elected to Office in 2005

Retiring 2017

Phone: 9885 8070

Fax: 9885 8075

NA (Natalie) Major

Elected to Office in 2009

Retiring 2015

Phone: 9885 1021

Fax: 9885 1084

RF (Richard) Johnstone

Elected to Office in 2005

Retiring 2017

Phone: 9885 1113

Fax: 9885 1413

M (Moya) Carne

Elected to Office in 2003

Retiring 2015

Phone: 9885 1053

Fax: 9885 1053

JW (Jarrad) Logie

Elected to Office in 2009

Retiring 2017

Phone: 9885 1357

Fax: 9885 1357

GM (Greg) Cavanagh

Elected to Office in 2005

Retiring 2015

Phone: 9885 7092

Fax: 9885 7092

GH (Gilbert) Medlen

Elected to Office in 2007

Retiring 2015

Phone: 9885 8077

Fax: 9885 8077

PC (Peter) Paterson

Elected to Office in 2009

Retiring 2017

Phone: 9885 1130

Fax: 9885 1349

## COUNCIL STAFF

<b>NUMBER OF EMPLOYEES:</b>	23 (FTEs)
<b>CHIEF EXECUTIVE OFFICER:</b>	Ryan Duff
<b>MANAGER OF FINANCE :</b>	Cara Ryan
<b>WORKS SUPERVISOR:</b>	Tony Kett
<b>ADMINISTRATION OFFICER:</b>	Sharon Wilkie
<b>ADMINISTRATION OFFICER:</b>	Manuela Lenehan
<b>ADMINISTRATION OFFICER:</b>	Hazel Harris
<b>ENVIRONMENTAL HEALTH/BUILDING OFFICER:</b>	Steve Friend
<b>ECONOMIC DEVELOPMENT OFFICER:</b>	Heidi Cowcher
<b>CHILDCARE CO-ORDINATOR (Acting):</b>	Britt Logie
<b>SWIMMING POOL MANAGER:</b>	Contracted to Contract Aquatic Services

# SHIRE STATISTICS & INFORMATION

Distance from Perth (km)	161
Area (sq km)	2,295
Length sealed roads (km)	166
Length unsealed roads (km)	388
Population	953
Councillors	9
Electors	657
Dwellings	468
Employees (FTE's)	22
Rates (2015)	\$ 1,450,994
Revenue (2015)	\$ 3,816,461

## History of Shire:

The District of Williams was first explored in 1831 by Captain Bannister en route from Perth to King George III Sound (Albany). Williams has been a convenient stopping place for travellers on the same route since the 1850's. With the tendering of a reliable mail service around 1853, the road was upgraded and Williams became an important stop over point for passengers and changing of horses. It subsequently developed as the District Centre for Local Government, which was granted in 1877. The small town was subject to increasing floods due to the clearing of the land for intensive farming, therefore the town was relocated to the Perth side of the bridge. The town site was surveyed in 1905 and most of the buildings in the present town site were constructed after that time. Williams is still reliant on wool and coarse grains and caters for about 2,500 vehicles per day. The population has stabilised in the district to around 1,000 with about 400 in the town.

## Economy:

The economic activity of the Shire is dominated by agricultural pursuits, including the growing of barley, lupins, peas, canola, wheat, oats, export hay, olives, wine grapes and the rearing of sheep, pigs and cattle. Local industries include grain pellet production, hay processing, holiday farm stays, engineering, retailing and servicing of farm machinery. The average size of agricultural holdings is 800ha and the area of public parks, gardens and play area is 20ha.

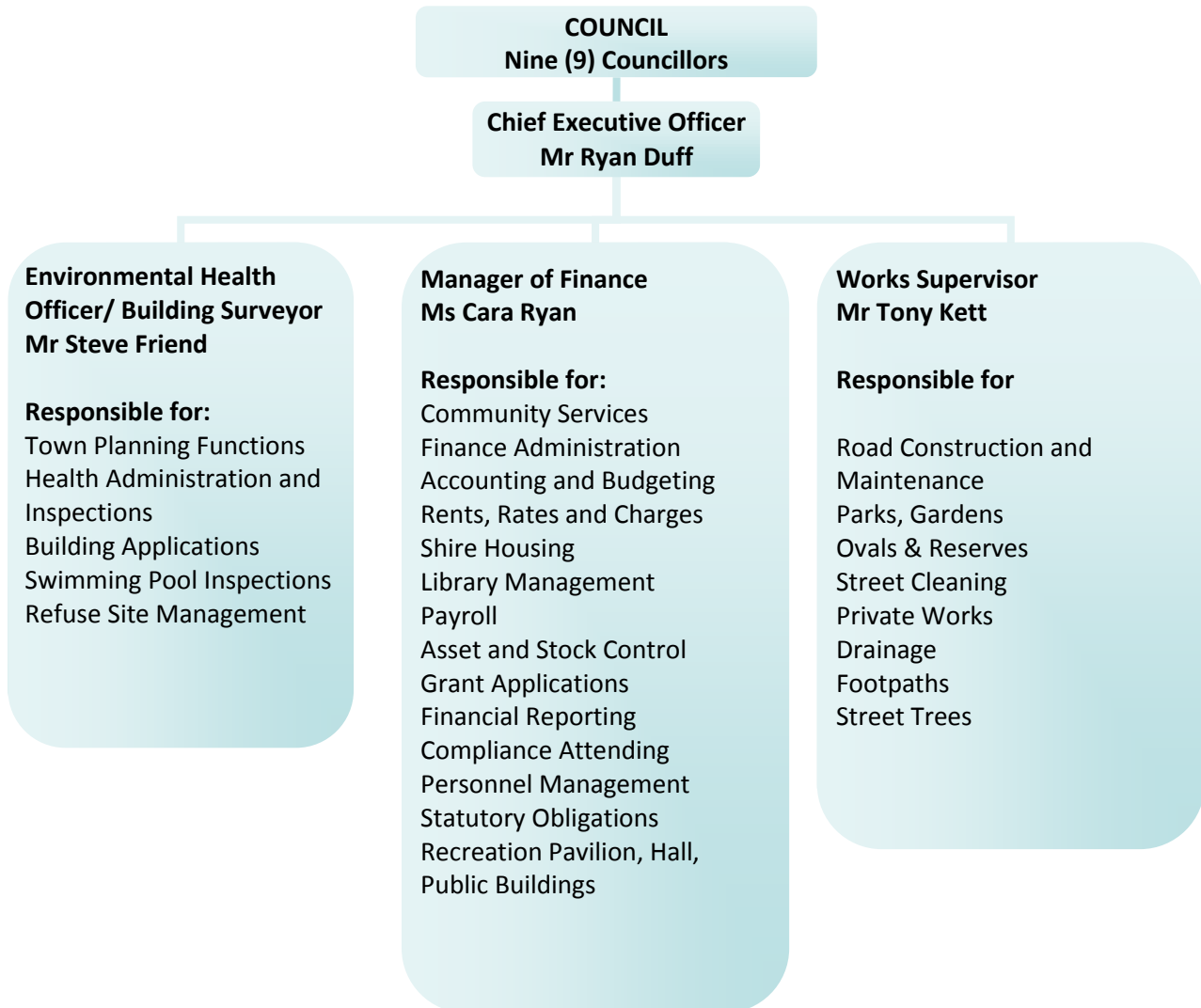
## Climate:

The district enjoys a moderate climate characterised by warm dry summers and cool wet winters with average temperatures ranging from a minimum of 3° to a maximum of 25° in winter and a minimum of 20° to a maximum of 35° in summer. The warmest month is January and the average annual rainfall for the Shire of Williams is 550mm.

# MANAGEMENT STRUCTURE

The Shire of Williams has developed its Management Structure to achieve greater efficiencies and to provide prompt and effective customer service.

The three line Managers have been vested with specific responsibilities, and enjoy a high level of autonomy in carrying out their functions. This is coupled with direct accountability for their respective areas of management. The Managers share a strong commitment towards ensuring efficient delivery of Local Government services.





# COUNCIL FACILITIES

**Public Library:**

The Library is open Monday to Friday from 9.00am to 5:00pm. The Library is situated in the Community Resource Centre, Brooking Street, Williams. Books may be returned during office hours.

**Childcare Centre:**

Willi Wag-Tails Childcare Centre is located at on Growse Street. The Centre is open Monday to Friday from 8am to 5.30pm. Offering full day care as well as half day sessions, morning or afternoon, and hourly care (minimum or 2hrs) if places are available.

**Sports Pavilion:**

Situated at the Williams sports ground. Bookings may be made through the Shire Office. This facility accommodates a variety of sports including basketball, tennis, netball, football, hockey, cricket, touch rugby and inter-school sports. The grassed oval is equipped with lighting. The centre also provides a venue for cabarets, discos, weddings, general meetings and a variety of social gatherings.

**Town Hall and RSL Hall:**

Situated on the corner of Brooking Street and Growse Street. Bookings may be made through the Shire Office. Trestles, chairs, cutlery and crockery are available for hire from this facility. The Hall is also used for concerts, theatre and music evenings.

**Aquatic Centre:**

Telephone No. (08) 9885 1096. Situated at the entrance to the Recreation Ground, Pinjarra-Williams Road. Open for general public use from approximately November to April when the Manager is in attendance. Season and family tickets are available and may be purchased from the Shire Office.

**Tourist Information Bay:**

Situated at the Lions Park near the bridge on Albany Highway. Information on the board includes Shire and town site maps.

**Williams Community Homes:**

(4 x 1 bedroom units in New St) Built in the 70s they are available to single persons and seniors.

**Sandalwood Court:**

(6 x 2 bedroom units in Growse Street) Built in 1998, two units are dedicated to seniors and the remaining four are available for other tenants.

**Wandoo Cottages:**

(2 x 2 bedroom units in Growse Street) Built in 2005, these are dedicated seniors' units.

**Jam Tree Lane:**

(5 x 2 bedroom units in Jam Tree Lane, off New Street) Built in 2014, these are dedicated seniors' units.

**Chemical Container Compound:**

Situated inside the Refuse Site compound in which approved chemical containers may be deposited when the refuse site is open. All chemical containers must be thoroughly washed and drained before leaving at the compound.

**Oil Recycling Depot:**

Situated near the entrance to the Works Depot compound in which used oil may be placed for collection and recycling.

**Recycling Depot:**

Collection site for aluminium cans, newspapers and glass containers situated near the entrance to the Works Depot and at the Refuse Disposal Site. Additional recycling facilities including Cardboard collections are located at the Refuse site.

**Refuse Disposal Site:**

Situated off Narrogin-Williams Road 2.5km east of town.

# COUNCIL SERVICES

## Private Works:

The Shire's range of modern plant and equipment, operated by trained staff, is available for private works hire. Current hire rates for graders, loaders, trucks, backhoe and other plant are available at the Shire Office.

## Rubbish Removals:

Williams town removals are carried out every Tuesday by a contractor. Kerbside recycling collections are carried out every 2<sup>nd</sup> Tuesday.

## Dog Registration:

Dog Registrations become due on 1<sup>st</sup> November each year.

Un-sterilised dog	1 year	3 years	Lifetime
	\$50.00	\$120.00	\$250

Sterilised dog or cat	1 year	3 years	Lifetime
	\$20.00	\$42.50	\$100

Dog used for tending stock: 25% of ordinary fee.

Dog or cat belonging to pensioner: 50% of ordinary fee.

## Dog Impoundments:

Dog owners have an obligation to keep their dogs under control at all times. Dogs wandering at large present a nuisance and a danger to the public. The Shire carries out dog patrols and responds to complaints. The Dog Act provides heavy penalties for owners whose dogs are impounded.

## Drivers, Motor Vehicle, Boat and Firearm Renewals:

Driver's licenses, vehicle licenses, boat licenses and firearm licenses may all be renewed at the Shire Office. Licensing staff are also able to assist with registration of new vehicles, motor vehicle transfers and ordering of personalised number plates.

## Health and Building Information:

The Environmental Health Officer incorporating Health, Building and Town Planning can be contacted at the Shire Office for any matters concerning Health and Building. The Environmental Health Officer is employed in a joint scheme with the Shires of Wagin and West Arthur. Williams' allocated day is Friday and alternate Wednesdays; however the EHO is available in special circumstances through arrangement with the Chief Executive Officer.

## Mosquito Control:

To assist in controlling mosquitos the following preventative measures should be taken:-

- Ensure that all educt vents to plumbing installations are fitted with a mosquito proof cowl.
- Remove all rubbish, which may hold water from around the yard eg. old drums, tyres and disused containers.
- Ensure that all water tanks have properly fitted lids and treat water with paraffin oil or kerosene in sufficient quantity to provide a film of oil across the surface.
- Council staff fogs the Williams Townsite on regular occasions when conditions are right and adult mosquitos are active.

# SHIRE PRESIDENT'S REPORT

## Shire President Report 2014/15

I have the honour of once again presenting my report to Council and electors reflecting on the year that was. Council continues to work hard to deliver on projects and outcomes for the community of Williams and its visitors, and ensure that the current and future needs of all are well planned for. 2014/15 has been a year of consolidation with many projects coming to fruition and finalisation.

The Shire continues to play a lead role in managing the 4WD/Lakes Regional Aged Housing Project. This project has involved up to 7 local governments (Williams, West Arthur, Wagin, Woodanilling, Dumbleyung, Lake Grace and Kent), in the construction of at least 45 dedicated aged persons independent living units across the 7 shires. Up until this year, the project had secured \$10million in funding to construct up to 31 units. In early 2015, the project presented to the WA State Government's Royalties for Region's Southern Investment Initiative for a further \$5million to construct the final 14 units to complete the project. This funding request has been successful and the Shires are now preparing for the implementation of the final stage of the project. The Shire of Williams has funding for the construction of 2 units, and these are to be built in the same subdivision as the recently completed units. The Shire manages the overall project on behalf of the 7 local governments involved; including all the reporting required on the expenditure of the funding which is a significant workload on our administration team, but congruently also demonstrates the capacity for smaller local councils to manage significant regional priority projects. The project has received much attention and accolades, and this is testament to the collaboration of the regional group working to achieving a common goal.

This collaborative approach extends to other regional projects including the Shire's continued involvement in the Upper Great Southern Regional Refuse Group, an alliance that is planning for the regional disposal of waste at a site identified in the Shire of Cuballing which will lead to the Williams Refuse site being downgraded to a transfer station. The Shire is also involved in the Hotham Williams Economic Alliance project which is a collaboration between Williams, Wandering and Boddington and continues to plan for and deliver on economic development opportunities for the sub-region. This economic development alliance should eventually lead to benefits for all three shires as projects and initiatives are developed further.

Council partnered with Landcorp to undertake the development of the first 6 blocks in the new light industrial subdivision on the Williams-Narrogin Road. Council purchased Lot 440 Marjidin Way with the intention to build a rental industrial shed. The construction of the shed commenced during 2014, with the lessee now confirmed as Prime Ag following a call for expressions of interest from potential lessees interested in relocating their business to our new industrial estate. The Shire secured Country Local Government Funding to construct the unit. Council has also committed to borrowing additional funds to complete the project. It is hoped that in the future, additional funds may be sourced to build further units on this lot for other tenants who desire to be in this area. This exciting new initiative also resulted in the Business Incentive Policy which was adopted during the year, which will be the basis of further investment and economic development opportunities for the Shire.

During the last year the Shire has completed work on the upgrade of the Williams Sport and Recreation precinct, including the refurbishment of the pavilion kitchen, re-sealing and multi-marking for tennis and netball of the 3 bottom tennis courts, lighting of the top 3 tennis courts, re-sealing and multi-marking of the ram shed for netball and basketball and the construction of a new rectangular field (for hockey) between the ram shed and tennis courts. It is the most significant upgrade that the precinct has seen in quite some time and will serve the community well into the future. During 2014/15 the final component, the hockey oval, was completed, with the official opening held in June. Whilst there are some minor drainage issues to be sorted, the hockey club have enjoyed playing on their new field for the first time. Overall it is a fantastic facility, which will serve the community well into the future.

Council completed the construction of the new Williams War Memorial earlier this year with funding secured from the Department of Veterans Affairs Saluting their Service Grants, Anzac Centenary Local Community Grants and Lotterywest. The memorial has been established in the courtyard of the Williams RSL Hall, a fitting and appropriate tribute to our fallen heroes. The 2015 Anzac Day service was held at the new memorial and was attended by a good sized crowd. Thank you to Council staff and the community who provided invaluable input into the development and implementation of this worthy community based project.

Your Councillors continue to provide a significant time commitment to their duties to the Shire of Williams, of which the community should be proud. They take the time to commit to so much more than attending the once a month meeting commitment. Many of the Councillors also represent the Shire on local and regional committees and attend these meetings as part of their commitment to serving the community. I thank them for their efforts and extend my appreciation to their service to our community, which is often above and beyond. Our team is a strong team and one that works hard to serve the community to the best of their ability.

In early 2015, the Shire and extended community was an active participant in the management of the Lower Hotham Bushfires. This placed considerable pressure on all sectors of our community, from bush fire brigade members, to emergency service volunteers, shire staff and the shire works crew. It was a long week for all, and has highlighted a number of areas of bushfire management that perhaps needs additional scrutiny and consideration as to 'common sense' prevailing, rather than some of the current models of management. The shire has provided feedback on behalf of our bushfire volunteers to the relevant government departments, and hopefully this may make a difference for the future bushfire management.

All staff across all areas, from the works crew to the administration staff are a credit to themselves and our community, and are our strongest asset. They work hard to implement the decisions of Council and to ensure that they deliver exceptional work standards and ethics at all times. The works crew, led by Works Supervisor Tony Kett, continue to deliver a significant workload and work hard to achieve this in a timely and efficient manner.

I appreciate the hard work and commitment to serving their community that our small administration team demonstrates continually, and this rivals many larger Councils. Ryan Duff as CEO, leads a strong, dedicated team of Cara Ryan as Manager of Finance, Sharon Wilkie as Senior Administration Officer, Manuela Lenehan & Hazel Harris as Administration Officers, Heidi Cowcher as Economic Development Officer and Steve Friend as Environmental Health/Building Officer.

It is with regret that Council has accepted the resignation of Ryan recently, and in the next couple of months will farewell him as he and his family embark on their next adventure. On behalf of Council and the staff I would like to take this opportunity to extend appreciation to Ryan and his commitment to making a real, tangible difference to Williams and he leaves his mark well and truly after his almost 7 years of service.

Finally, on behalf of Council, I would also like to extend our appreciation to all staff and thank them for providing our community with excellent commitment and dedication to their jobs.

**Cr John Cowcher**  
**Shire President**

# CHIEF EXECUTIVE OFFICER'S REPORT

The Shire of Williams has enjoyed another successful year in 2014/15 with the completion of several important community projects and the continued implementation of services and projects included in our Corporate Business Plan.

From an organisational perspective our end of year turnover of staff was at very minimal. Senior Management are committed to ensuring the Shire of Williams is an environment which is supportive, rewarding and family friendly as it is recognised that having a stable and committed workforce is paramount to organisational success and community satisfaction.

## **Financial Sustainability**

The Shire has finished the 2014-15 financial year in a good financial position. This is an indication of the sound fiscal management applied by the Council and staff during the financial year. A further explanation is provided in the financial statements that follow in this report.

## **Planning for the future**

Continued good progress has been made on the Integrated Planning Framework – a requirement for all local councils introduced by Local Government Minister John Castrilli in 2010. Council has formulated 10 year Capital Works, Financial, Asset Management, and Workforce Plans which feed into a Corporate Business Plan which in turn informs Council's peak document, the Strategic Community Plan.

## **Financial Assistance Grants**

The Shire of Williams is progressing towards receiving its full entitlement under the new methodology used by the Western Australian Local Grants Commission. The new methodology has been in place for two years and this has seen our grant go from \$74,260 in 2012 to \$116,071 in 2014/15. The unfortunate part of the current situation is the Grants Commission has capped increases/decrease of a local government's grant which means the Shire of Williams is not receiving its full entitlement which was assessed at \$229,865 (four year average). The Shire's actual assessment for 2014/15 was \$287,745 but because there is a system of four year averaging this amount it will be even longer before the Shire of Williams would receive a decent financial assistance grant.

Outside of Western Australia the Federal Government has also put a freeze on Financial Assistance Grants and therefore the grant pool is not subject to natural CPI increases.

Our Council is under increasing financial pressures with increases to utility charges and wages which are out of our control and therefore it is imperative that we continue to lobby the Grants Commission to receive our natural entitlement and keep rate increases to an acceptable level.

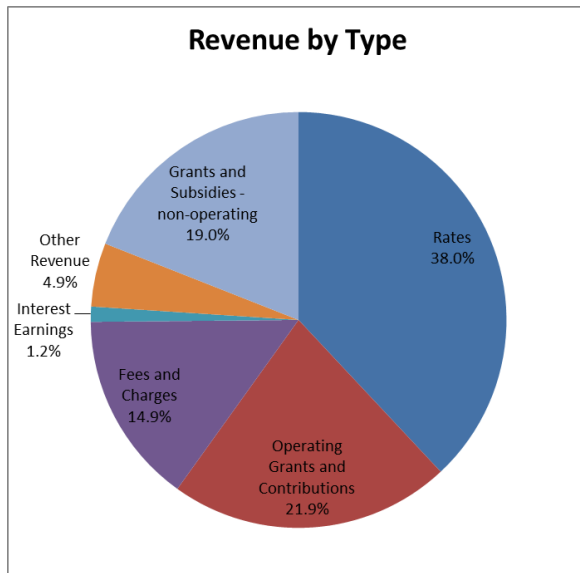
### At a glance

- The operating expenditure for 2014/15 was \$3.21 million (including depreciation).
- Staff costs for 23 permanent and casual employees were \$1.46 million.
- Rates and charges comprised \$2.02 million of total income received (46%).
- Council's grant funding for the year was \$1.56 million.
- A \$2.11 million capital works program was delivered.
- Cash and investments totalled \$1.13 million.
- Council borrowings are \$706,554 at the end of the year.

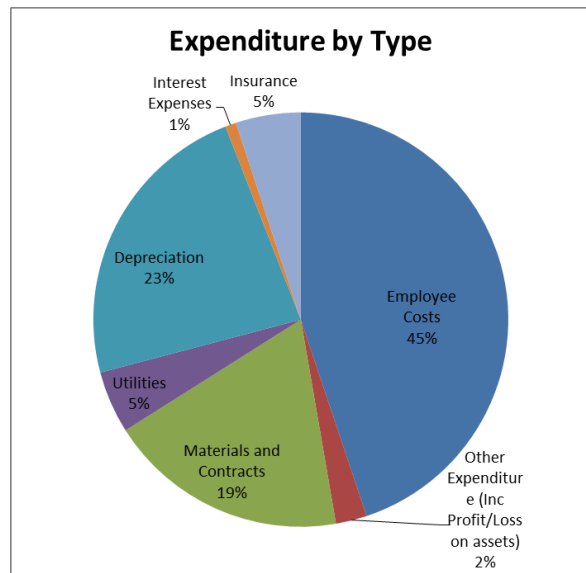
### Operating Result

The operating surplus reported for 2014/2015 is \$109,404,589 which included a major revaluation of the road networks assets legislated under the Local Government Financial Management Regulations 1996. Without this revaluation the actual surplus would be \$543,815. The diagrams below show the break up of revenue and expenditure:

**Operating Revenue**



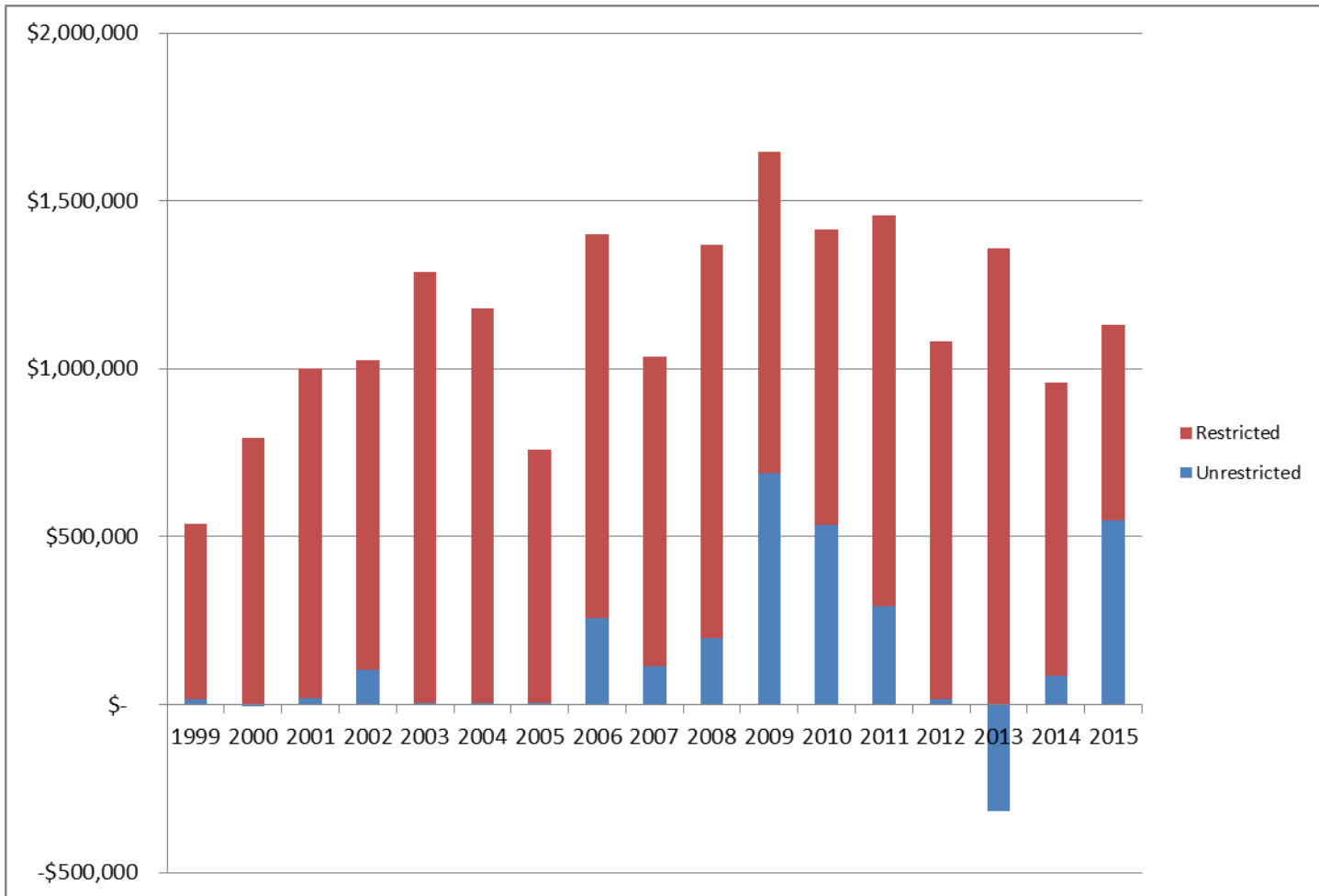
**Operating Expenditure**



Summary	Actual	Actual	Actual
	2014/2015	2013/2014	2012/2013
Total Operating Revenues	\$ 3,816,461	\$ 5,055,430	\$ 3,921,628
Total Operating Expenditure	\$ 3,272,646	\$ 3,903,870	\$ 3,055,635
<b>Net Result</b>	<b>\$ 543,815</b>	<b>\$ 1,151,560</b>	<b>\$ 865,993</b>
Revaluation of Assets	\$ 108,860,774	\$ 13,913,234	\$ (341,865)
<b>Net Operating Result</b>	<b>\$ 109,404,589</b>	<b>\$ 15,064,794</b>	<b>\$ 524,128</b>

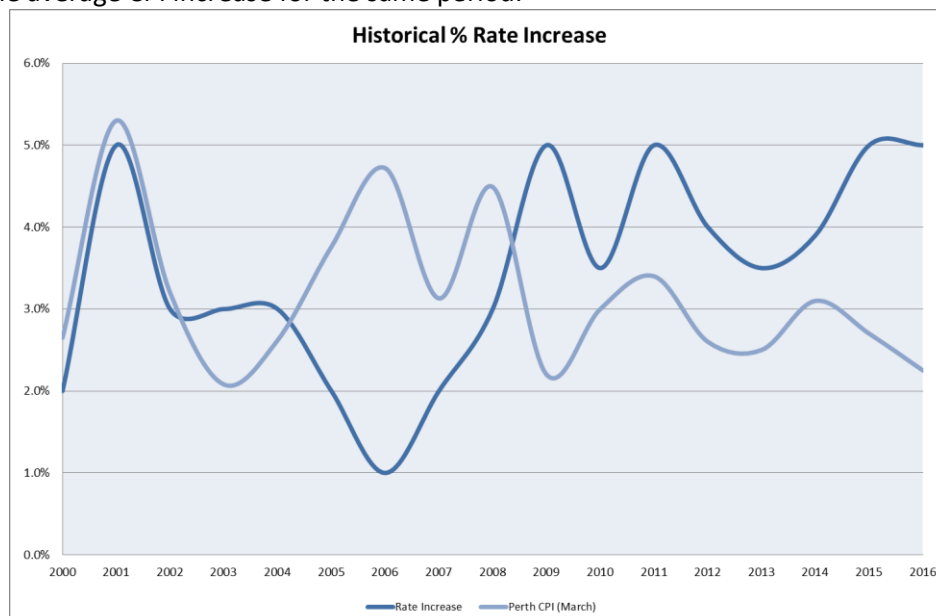
## Cash and Reserves

Council had cash holdings of \$1,130,875 as at the 30<sup>th</sup> June 2015.



## Rates

Council adopted a 5% general rate increase in 2014/15. This resulted in a total rate collection of \$1,450,994 compared to \$1,392,688 the previous year. The average rate increase since 2000 has been 3.46% which is slightly above the average CPI increase for the same period.



## Capital Expenditure

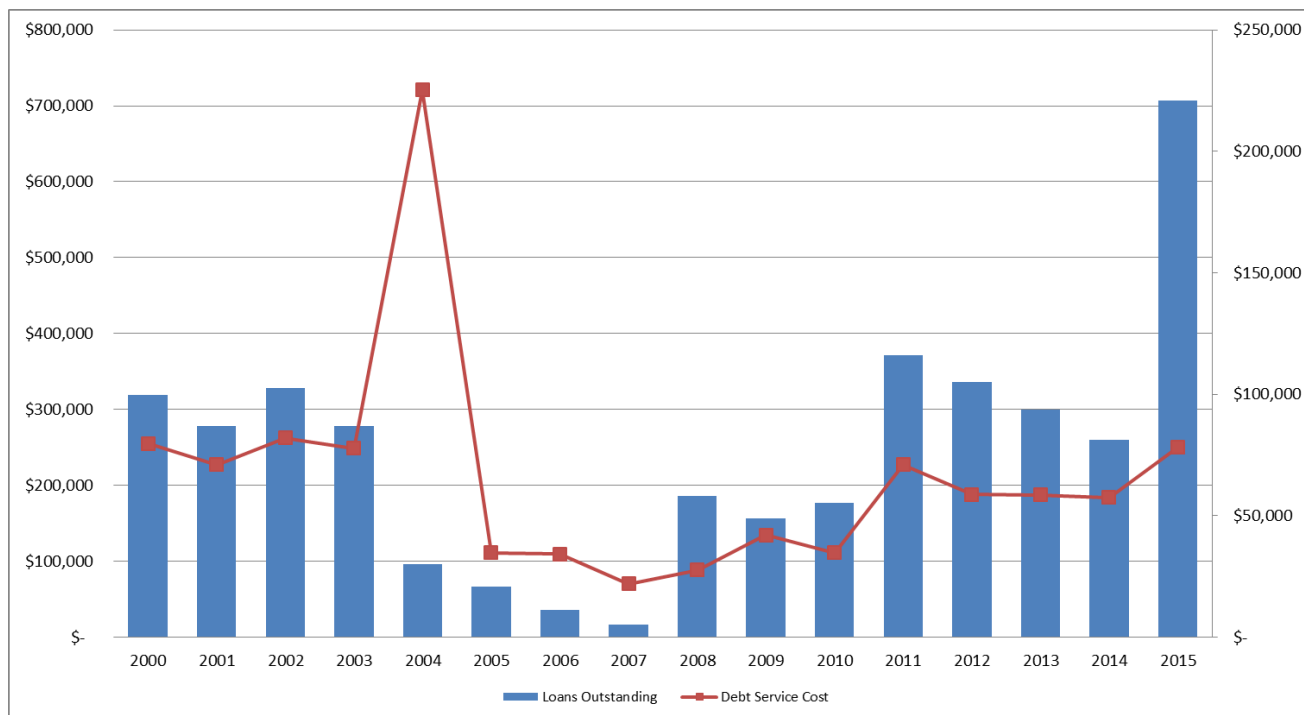
Council capital expenditure for 2014/15 is listed below:

<b>Land &amp; Buildings</b>	
Regional Housing Project - Jam Tree Lane	\$ 335,349
Industrial Shed - Marjidin Way	\$ 470,927
Pavilion - Air Conditioning	\$ 12,335
<b>Plant &amp; Machinery</b>	
CAT Grader	\$ 328,400
Toyota Kluger - 16WL	\$ 46,127
Isuzu DMAX - Crew Cab Utility - WL19	\$ 36,695
<b>Furniture &amp; Equipment</b>	
IT - Server	\$ 34,175
<b>Roads</b>	
York Williams Road - Shoulder Widening	\$ 463,728
Brooking Street - Right of Way	\$ 13,660
Culbin Boranning Road - Gravel Sheeting	\$ 21,288
Dardadine Road - Gravel Sheeting	\$ 59,484
Dardadine Road - Bridge	\$ 56,000
Jam Tree Lane - Road	\$ 75,104
<b>Infrastructure</b>	
War Memorial	\$ 18,188
Bowling Club - Car Park	\$ 15,705
Hockey Field	\$ 126,494
<b>TOTAL ASSET PURCHASES</b>	<b>\$ 2,113,659</b>



## Loans

Council's loan liability for the year ended 30<sup>th</sup> June 2014 was \$706,554 repayable at a weighted average interest rate of 4.6% to the Western Australian Treasury Corporation. The Shire of Williams has reasonable debt and has additional scope for appropriate borrowings to finance long-lived infrastructure assets and plans to do so as indicated in the Shire of Williams Corporate Business Plan.



## Twelve months ahead

The next 12 months is going to be particularly busy with a massive road works program which is being undertaken by the Shire Works Crew after increased investment by the Federal Government through the Roads to Recovery Program.

Other upcoming projects are:

- Construction of 2 x Aged Housing Unit (Continuing Project)
- Regional Waste site project investigations (Continuing Project)
- Continuing the Road Infrastructure Improvement Program

The Council will continue to plan for projects in readiness for the appropriate funding program becoming available. It is particularly planning for the redevelopment of the Williams Lions Park or similar project will be undertaken in the first half of the financial year.

## Councillors, Staff and Community

As this will be my last opportunity to express my appreciation I would like to thank the Councillors for allowing me to come back to the Community as CEO and for being a Council that is united in their actions and always have the Community's best interest at heart. The Shire staff are a committed group of people and through their dedication have made my job a lot easier. They do not always get the recognition they deserve, but without them our community would not be as good as it is. Our community is a great place and the people within it make the place. The many volunteers also contribute greatly to our community and I thank all the people I have dealt with over the last six and a half years. I look forward to watching Williams to continue to grow and with some foresight, a bit of risk and keeping on doing what we have done Williams will continue to thrive.

**RN Duff**

**Chief Executive Officer**

**9<sup>th</sup> September 2015**

# STATUTORY REPORTING

## Report on disability access and inclusion plan

### Access and Inclusion Plan

The Shire of Williams is committed to ensuring that the community is accessible for and inclusive of people with disabilities, their families and carers.

The Shire of Williams interprets an accessible and inclusive community as one in which all council functions, facilities and services (both in-house and contracted) are open, available and accessible to people with disabilities, providing them with the same opportunities, rights and responsibilities as other people in the community.

The Shire of Williams believes that people with disabilities, their families and carers who live in country areas should be supported to remain in the community of their choice.

The Shire of Williams is committed to consulting with people with disabilities, their families and carers and where required disability organisations to ensure that barriers to access are addressed appropriately.

The Shire of Williams is committed to achieving the following outcomes:

**Outcome 1:** People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Shire of Williams.

Strategy	Timeline
Ensure that people with disabilities are consulted on their needs for services and the accessibility of current services.	As needed
Monitor Shire services to ensure equitable access and inclusion for all.	Ongoing
Develop the links between the DAIP and other Shire plans and strategies.	December 2015
Ensure that events, whether organised or funded, are accessible to people with disabilities. Use of, or reference to, the <i>Accessible Events Guide</i> is encouraged.	As needed

**Outcome 2:** People with disabilities have the same opportunities as other people to access the buildings and other facilities of the Shire of Williams.

Strategy	Timeline
Ensure that all public buildings and facilities meet the standards for access and any demonstrated additional need.	Ongoing
Ensure that all new or redevelopment works provide access to people with disabilities, where practicable.	Ongoing

Ensure that ACROD parking meets the needs of people with disabilities in terms of quantity and location.	Ongoing
Advocate to local businesses and tourist venues the requirements for and benefits flowing from the provision of accessible venues.	Ongoing
Planning for access needs for the Williams Lions Park	December 2015
Ensure that all recreational areas are accessible.	June 2017

**Outcome 3:** People with disabilities receive information from the Shire of Williams in a format that will enable them to access the information as readily as other people are able to access it.

Strategy	Timeline
Improve staff awareness of accessible information needs and how to provide information in other formats.	December 2015
Ensure that the Shire's website meets contemporary good practice.	Ongoing
Ensuring that information on the Shire's website is available in an alternative format upon request.	December 2015

**Outcome 4:** People with disabilities receive the same level and quality of service from the employees of the Shire of Williams as other people receive.

Strategy	Timeline
Ensure that all employees, existing and new, and Elected Members are aware of disability and access issues and have the skills to provide appropriate services.	December 2015
Offer opportunities for training to those employees who deal direct with the public.	As required
Improve community awareness about disability and access issues.	Ongoing

**Outcome 5:** People with disabilities have the same opportunities as other people to make complaints to the Shire of Williams.

Strategy	Timeline
Ensure that grievance mechanisms are accessible for people with disabilities and are acted upon in a timely manner.	Ongoing

**Outcome 6:** People with disabilities have the same opportunities as other people to participate in any public consultation by the Shire of Williams.

Strategy	Timeline
Ensure that people with disabilities are actively consulted about the DAIP and any other significant planning processes.	As required

Ensure that people with disabilities are aware of, and can access, other established consultative processes.	As required
Offering alternative ways people can provide input into community consultation, including via online means.	As required
The provision of Auslan interpreters should the need arise	As required

**Outcome 7:** People with disability have the same opportunities as other people to obtain and maintain employment with the Shire of Williams.

Strategy	Timeline
Use inclusive recruitment practices	Ongoing
Improve methods of attracting, recruiting and retaining people with disability	December 2015
Work with key disability employment support provider(s) to employ a person with a disability.	As required

### Equal Opportunity

The Shire of Williams is committed to providing a workplace where every individual is treated with respect in an environment free from discrimination and harassment.

During 2013-14 the Shire reviewed its obligations under the *Western Australian Equal Opportunity Act 1984*. In addition, the Shire's processes for resolving EEO grievances and complaints were reviewed.

### National Competition Policy

The Competition Principles Agreement (CPA) is a contractual agreement between Federal Government and all States and Territory Governments. The CPA aims to ensure that all public enterprises operate in a transparent manner in the best interests of the public. Under the CPA, public enterprises are required to review their operations to ensure that they have no competitive advantage or disadvantages as a result of their public status.

### Competitive Neutrality (under the CPA)

During the financial year the Shire met its obligations under the National Competition Policy, competitive neutrality addresses potential advantages and disadvantages that public enterprises may have compared to businesses operating within the private sector. Local Government is only required to implement these principles to the extent that the benefits to be realised from implementation far outweigh the costs in respect of individual activities exceeding \$500,000 in income. The Shire of Williams did not have any major undertakings reportable under CPA in the 2013/14 Financial Year.

### Complaints of Minor Breaches

In accordance with Sections 5.53(2) and 5.121 of the *Local Government Act 1995*, the Annual Report is required to disclose the number of complaints of minor breaches received each year.

<b>No. of complaints 2014-15</b>	<b>Outcome</b>	<b>Action taken</b>
Nil.		

## Report on record keeping plan

As required under the *State Records Act 2000* Council adopted a Record Keeping Plan in February 2004. Principle 6 requires Council to ensure that employees comply with the Record Keeping Plan. The following activities have been undertaken to ensure staff awareness and compliance:

1. Presentations of the record keeping program to staff on a regular basis.
2. In house and external training has been conducted for staff.
3. Staff information sessions have been held as required.
4. No induction programs were required as there was no staff turnover.

A new Record Keeping Plan was adopted and approved in February 2011.

## Employees Remuneration

The *Local Government (Administration) Regulation 19B* requires the annual report to contain details of the number of employees of the local government entitled to an annual salary of \$100,000 or more in bands of \$10,000 for each such band over \$100,000.

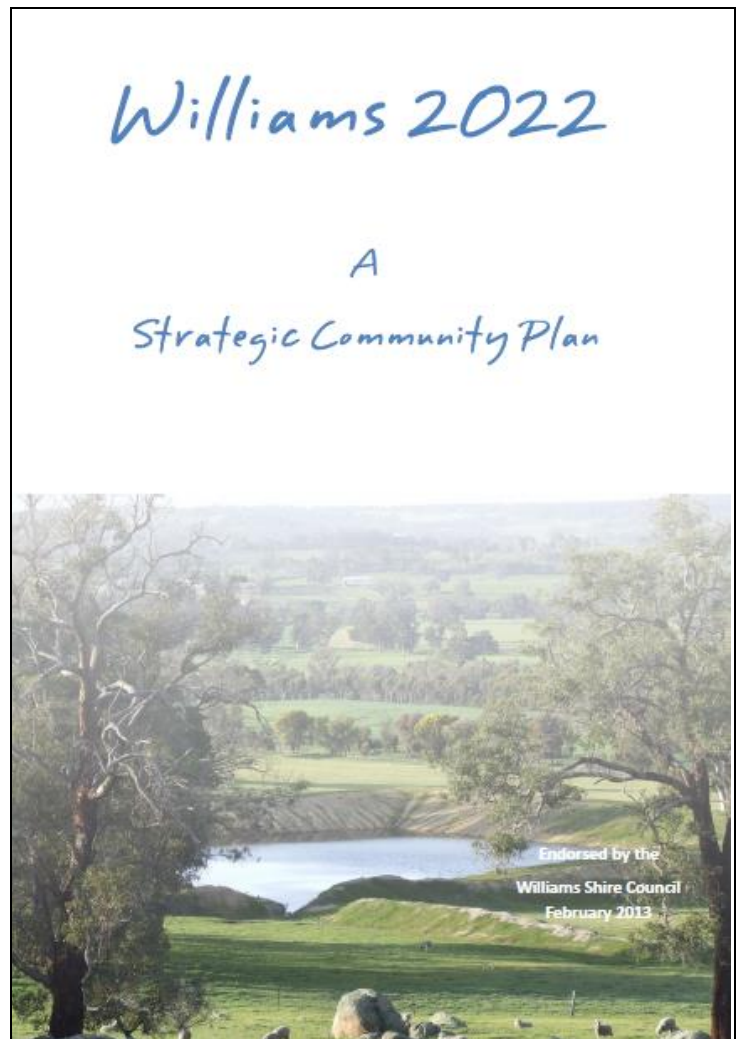
Salary Range	2014	2015
\$100,000 - \$110,000	1	1

**RN Duff**  
**Chief Executive Officer**  
**9<sup>th</sup> September 2015**

# COMMUNITY PLAN STRATEGIES & OUTCOMES

Community engagement is a term relatively new for local government where consulting citizens in the past has meant surveying opinion and running the odd community meeting. Engagement is more – it means involving citizens in meaningful conversations that leads to democratic decision making and planning for all.

Development of the Strategic Community Plan (“Williams 2022”) was based on that principle and as the outcomes of this plan unfold and people within our community witness the power of these conversations, they will further realise the potential of planning and working collaboratively with local government to achieve what matters.



Objective: To support industry and business development success towards 2022.		
Strategy Ref	Proposed Strategy	Proposed Outcome
ED 1.1	<b>Develop</b> the industrial estate to offer affordable and appropriately serviced allotments.	Affordable and serviced industrial blocks available incrementally over the next ten years.
ED 1.2	<b>Market</b> Williams as an attractive place to do business for new investment and encourage existing businesses to invest in improving their businesses for the future sustainability of our town.	New investment in the town and existing business investing in their own improvement and future.
ED 1.3	<b>Alleviate</b> any shortcomings the building of the by-pass may bring to our businesses by <b>developing and investing</b> in a playground attraction that encourages travellers to pull off the Albany Highway and visit our town.	Numbers of visitors increase and using businesses in the town during their stay.
ED 1.4	<b>Establish</b> a Chamber of Commerce that creates a network of support for business in the town. The Chamber can meet with the Shire on a regular basis.	Businesses supporting each other developing innovative business solutions.

ED 1.5	<b>Develop and promote</b> tourism in Williams to ensure ongoing visitors to our town.	Number of visitors increase. Business turnover improves.
ED 1.6	<b>Develop</b> a strategy as a community to encourage employees (short and long term) to work and stay in Williams.	Larger labour pool for work.
<b>Objective: To have appropriate levels of housing to attract people to stay and or work in Williams</b>		
ED 2.1	<b>Offer</b> land for residential development at a reasonable cost and consider the development of housing for professionals and trades people needed to service Williams.	Land is affordable for development, plans for or completed project housing for visiting professionals or trades people.
ED 2.2	<b>Plan and deliver</b> relevant aged housing for our ageing population ( <b>linked to SCD 1.1</b> ).	Our aged community is staying in Williams and are satisfied with the outcome.
ED 2.3	<b>Seek out investors</b> to develop accommodation for young people and casual workers to encourage them to stay and work in our town. ( <b>Linked to ED 1.5</b> ).	Investors purchasing land and accommodation units built.
ED 2.4	<b>Encourage</b> the use of sustainable practices in housing development.	New builds are in a sustainable style and construction.
<b>Objective: To ensure people who choose to spend their senior years in our community are supported in a caring and productive manner</b>		
Strategy Ref	Proposed Strategy	Proposed Outcome
SCD 1.1	<b>Ensure</b> development of aged housing plans take into consideration the numbers of people wanting to personally invest and <b>ensure</b> that they are planned and constructed with the needs of these people in mind. ( <b>Linked with ED 2.2</b> ).	Relevant planning and construction of aged housing.
SCD 1.2	<b>Oversee</b> the support service needs of our aging community to ensure that these services are appropriate. <b>Act</b> where these are under threat.	Seniors feel supported and their wellbeing needs are understood.
SCD 1.3	<b>Continue</b> the Community Resource Centres involvement in senior activities to create an environment where our aging community can remain connected with each other and the community at large.	The people in this demographic feel stimulated from events and activities run by the CRC, feel they are contributing and consider themselves connected with each other.
SCD 1.4	<b>Investigate</b> the opportunities for employment to attract people in the care of our aging community.	More people employed and possibly living in Williams as a consequence.
<b>Objective: To have appropriate medical services in Williams to support our aging demographic and the growing number of young families who choose to work and live in our community</b>		
Strategy Ref	Proposed Strategy	Proposed Outcome
SCD 2.1	<b>Retain and expand</b> our current medical and health services to meet the needs of our community by developing a new and relevant medical and health facility in a location that is multipurpose, accessible and central. ( <b>Linked to SCD 4.3</b> ).	Medical and Health Services meeting the needs of our community.
SCD 2.2	<b>Attract and sponsor</b> a long term family doctor to visit the town on a more regular basis.	Contract signed and a family doctor service available in the community for a minimum of 2 days per week.
SCD 2.3	<b>Expand</b> our allied health services at the medical facility ( <b>SCD 2.1</b> ) to include pathology, pharmacy, dental services and health education services.	Expanded services available to the community.
SCD 2.4	<b>Collectively develop</b> a strategy to ensure suitable resourcing (staffing) for our health and medical needs (including volunteers).	Suitable numbers of employed and volunteer resources supporting the health of our community.
SCD 2.5	<b>Investigate</b> the plausibility of establishing a pharmacy or pharmacy services for Williams	Pharmacy service available in the interim as an external service and then as part of the possible new medical centre.



Objective: To have our children and youth engaged with the community		
Strategy Ref	Proposed Strategy	Proposed Outcome
SCD 3.1	<b>Provide</b> development opportunities for our children and youth that teaches life skills, leadership and a community consciousness to support their own future and the future of our town.	Well adjusted, skilled young leaders and volunteers learning new skills and supporting the longevity of our community.
SCD 3.2	<b>Create relevant activities</b> for youth by asking them what they want.	Activities match what is asked for.
SCD 3.3	<b>Create</b> a space for youth to meet in town.	A place is made available for youth to meet and undertake meaningful activities. The place should be part of a multi-purpose arrangement.
SCD 3.4	<b>Continue to engage</b> with our youth via various mediums to foster a sense of belonging and a sense that they are being heard and understood.	Communication mediums are established such as Face Book, Twitter ... to keep them informed.
SCD 3.5	<b>Continue to maintain and upgrade</b> facilities for use by young families and children (e.g. Willi Wag Tails to remain open and by upgrading the baby pool).	A planned approach to the upgrade of facilities is known to the community, it is happening and they are able to contribute to the plans.
SCD 3.6	<b>Encourage</b> the bringing together of young people of both genders into the town (balancing the genders).	Equalising of genders living in the town particularly younger people.
SCD 3.7	<b>Increase the level</b> of community policing in the town so that there is a partnership developed between the police and the community in keeping our town safe and secure.	Increased level of partnering with police at events and in the development of community information and campaigns.
SCD 3.8	<b>Partner</b> with the school to introduce programs for children of primary school age.	More partnering in health, leadership development, community policing, emergency volunteers etc.
SCD 3.9	<b>Invest</b> in a community bus for use by the various groups in town (particularly the young and the aged).	A community bus purchased and used in the community.
Objective: To have a high level facilities that service our growing community's needs and social wellbeing.		
Strategy Ref	Proposed Strategy	Proposed Outcome
SCD 4.1	<b>Add to or expand</b> on current facilities that are relevant to community needs and to make them attractive for the majority to use.	Shire is aware of people's suggestions and where appropriate including as part of the asset management plan.
SCD 4.2	<b>Create</b> an attraction to encourage people into the town after the Bypass has been established ( <a href="#">linked to ED 1.3 and LU&amp;E 2.1</a> ).	Number of people visiting the town is increased and attraction benefits the social wellbeing of our community.
SCD 4.3	<b>Investigate and create</b> a Medical and Aged facility that is appropriate for the needs of our community, is multipurpose and centrally located ( <a href="#">Linked to SCD 1.1 and SCD 2.1</a> ).	Medical and aged facility appropriate to needs, centrally located and multi- purpose.
SCD 4.4	<b>Build</b> a facility to promote Williams – cultural centre/tourism.	A facility is in place that guides visitors about our town.
SCD 4.5	<b>Enhance</b> the shopping precinct in our town to attract more investment by our community and visitors.	Shopping precinct in centre of Williams is enhanced, functional and has more people using the facilities.
Objective: To enhance our community connectedness		
Strategy Ref	Proposed Strategy	Proposed Outcome
SCD 5.1	<b>Keep people informed</b> and communicating with each other through a sound communications strategy for the community – expand the frontiers of “The Williams”. ( <a href="#">Linked to SCD 3.1</a> )	People feel connected and informed.
SCD 5.2	<b>Create a connection</b> with other communities to help develop our arts appreciation in Williams.	Road trips and cross town exhibitions and activities.



<b>SCD 5.3</b>	<b>Encourage</b> people to stay in touch with those that are working or studying away from Williams to expand our community definition and to make them feel a part of it.	A flexible community that stays in touch and cares wherever community members might be.
<b>Objective: To have a sustainable environment that is cared for in a balanced way by those that live within it</b>		
<b>Strategy Ref</b>	<b>Proposed Strategy</b>	<b>Proposed Outcome</b>
<b>LU&amp;E 1.1</b>	<b>Educate and share</b> ideas on how to care for our Williams environment.	Community have a higher appreciation of how to live amongst and care for the unique Williams environment.
<b>LU&amp;E 1.2</b>	<b>Maintain a program to ensure</b> our town is clean and tidy, free of unnecessary pollution and rubbish, particularly our townscape and the river.	Town (including the river, road verges and townscape) is clean and free of pollution and rubbish.
<b>LU&amp;E 1.3</b>	<b>Maintain</b> a vigilant control over pests and weeds in our town (feral animals, noxious weeds and a balanced insect control).	Pests and weeds are kept to an acceptable level.
<b>LU&amp;E 1.4</b>	<b>Reintroduce</b> NRMO to the District.	Coordinated approach to land care
<b>LU&amp;E 1.5</b>	<b>Introduce</b> the most appropriate way to maintain our verges so that there is a balance of safety and care for the natural vegetation and fauna.	Shire investigates the challenge and new processes introduced.
<b>LU&amp;E 1.6</b>	<b>Develop</b> programs that focus on the sustainability of our water in the town including its quality for the benefit of all (town water supply, shire planting programs and the river).	Program developed and in place.
<b>LU&amp;E 1.7</b>	<b>Ensure</b> that burning and clearing is conscious of future environmental effects.	Burning and clearing is conducted with sustainability in mind.
<b>LU&amp;E 1.8</b>	<b>Maintain</b> a well vegetated landscape for environmental and aesthetic purposes.	Our community is well vegetated for environmental, social and aesthetic reasons.
<b>LU&amp;E 1.9</b>	<b>Continue</b> to be aware of sustainability in agriculture.	Continued awareness and practice.
<b>Objective: To have safe and well maintained roads that support our economy and our wellbeing</b>		
<b>Strategy Ref</b>	<b>Proposed Strategy</b>	<b>Proposed Outcome</b>
<b>LU&amp;E 2.1</b>	<b>Keep</b> people informed on the progress of the By Pass construction and facilitate a project with the shire, community and Main Roads in partnership to establish an attraction that compensates and value adds to the Lion Park having to be moved. <b>(Linked to ED 1.3 and SCD 4.2).</b>	People are informed and know what to expect and can contribute to the construction of a new attraction to encourage people to visit our town once the By-Pass is in place.
<b>LU&amp;E 2.2</b>	<b>Construct and maintain</b> our local roads to ensure their safety and lobby Main Roads in partnership with other Albany Highway communities to upgrade the Albany Highway to be either dual carriageway or to have more over taking lanes.	Our roads both locally and regionally are safe.
<b>LU&amp;E 2.3</b>	<b>Continue to audit and maintain</b> roads throughout the whole of the shire to ensure they are maintained in a skilled manner with quality resources.	Safe and well maintained roads throughout the whole of the Shire.
<b>LU&amp;E 2.4</b>	<b>Maintain</b> verges conscious of a balanced safety, flora and fauna approach.(Linked to LU&E 1.5)	Verges maintained well.
<b>LU&amp;E 2.5</b>	<b>Update</b> research on the safety aspects of the Albany Highway to assist in lobbying for dual carriageways or more passing lane s <b>(Linked to LU&amp;E 2.2).</b>	Those lobbying have up to date knowledge.
<b>LU&amp;E 2.6</b>	<b>Improve</b> footpaths in the town.	Footpaths are safe and accessible.
<b>LU&amp;E 2.7</b>	<b>Develop and maintain</b> cycle and walker friendly roads.	Cyclists and walkers feel safe – no incidents.
<b>Objective: To have visionary leadership within our elected members and to have continued quality service delivery from our Shire staff.</b>		
<b>Strategy Ref</b>	<b>Proposed Strategy</b>	<b>Proposed Outcome</b>
<b>OP 1.1</b>	<b>Monitor</b> feedback from community on service delivery.	Feedback received and analysed for the purpose of quality improvement.

OP 1.2	<b>Keep</b> the community engaged on subjects or decisions that directly impact.	Community engagement follows policy and community members are actively involved.
OP 1.3	<b>Have</b> a communication plan that works for the majority.	Community and Shire have an infrastructure that works in a timely way.
OP 1.4	Retain and develop skilled staff.	Well skilled and knowledgeable staff happy in their jobs.
<b>Objective: To ultimately not be amalgamated</b>		
<b>Strategy Ref</b>	<b>Proposed Strategy</b>	<b>Proposed Outcome</b>
OP 2.1	<b>Continue to keep updated on</b> the amalgamation subject, keep community informed and do whatever we can to avoid it.	Council, shire administration and community informed and actively working towards remaining independent.
OP 2.2	Have a <b>contingency plan</b> if we do amalgamate.	Contingency plan in place.

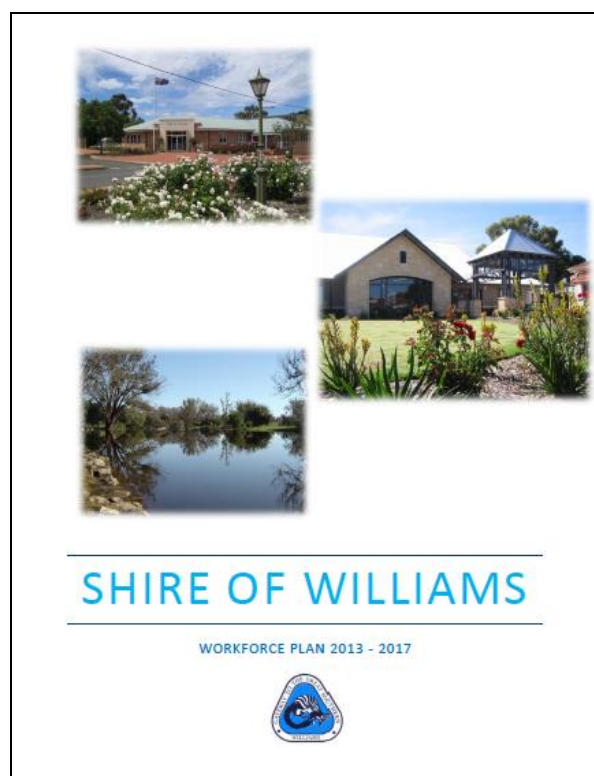
## Corporate Business Plan

The Shire of Williams Corporate Business Plan 2013 - 2017 is part of a network of plans that outlines the shire's activities over the next four years. The plan not only identifies our immediate and longer term operational needs, and services provided, but also provides information on the major projects identified by the community.



## Workforce Plan

The makeup of the workforce in both the public and private sectors have taken on greater importance. It requires greater attention and planning to achieve the necessary and appropriate knowledge and skills to ensure the delivery of efficient and effective quality services. Organisations must now plan to shape their workforce recognising the current and future organisation goals, objectives and direction. This workforce plan is an informing strategy to the Shire of Williams Corporate Business Plan and is integral to the continuous improvement program the Shire is undertaking to plan for our future.



**SHIRE OF WILLIAMS**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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Principal place of business: 9 Brooking Street Williams WA 6391	


**SHIRE OF WILLIAMS  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2015**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire being the annual financial report and other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2015 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 11 day of September 2015



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Ryan Duff  
Chief Executive Officer

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

	NOTE	2015 \$	2015 Budget \$	2014 \$
<b>Revenue</b>				
Rates	22	1,450,994	1,461,677	1,392,689
Operating grants, subsidies and contributions	28	835,445	677,083	996,942
Fees and charges	27	570,359	557,546	634,833
Service charges	24	0	0	0
Interest earnings	2(a)	44,900	87,000	82,101
Other revenue		186,239	27,200	129,286
		<u>3,087,937</u>	<u>2,810,506</u>	<u>3,235,851</u>
<b>Expenses</b>				
Employee costs		(1,463,309)	(1,321,436)	(1,426,810)
Materials and contracts		(614,911)	(638,413)	(1,252,584)
Utility charges		(159,491)	(156,950)	(171,868)
Depreciation on non-current assets	2(a)	(761,075)	(552,240)	(548,129)
Interest expenses	2(a)	(28,044)	(17,155)	(17,892)
Insurance expenses		(166,215)	(161,835)	(150,851)
Other expenditure		(11,797)	0	(14,908)
		<u>(3,204,842)</u>	<u>(2,848,029)</u>	<u>(3,583,042)</u>
		(116,905)	(37,523)	(347,191)
Non-operating grants, subsidies and contributions	28	725,855	689,511	1,674,925
Profit on asset disposals	20	2,669	132,700	144,654
Loss on asset disposals	20	<u>(67,804)</u>	<u>(42,117)</u>	<u>(320,828)</u>
<b>Net result</b>		<b>543,815</b>	<b>742,571</b>	<b>1,151,560</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets	12	108,860,774	0	13,913,234
<b>Total other comprehensive income</b>		<u><b>108,860,774</b></u>	<u><b>0</b></u>	<u><b>13,913,234</b></u>
<b>Total comprehensive income</b>		<u><u><b>109,404,589</b></u></u>	<u><u><b>742,571</b></u></u>	<u><u><b>15,064,794</b></u></u>

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

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

	NOTE	2015 \$	2015 Budget \$	2014 \$
<b>Revenue</b>	2(a)			
Governance		82,766	49,250	60,614
General purpose funding		2,133,787	1,963,755	1,667,230
Law, order, public safety		31,996	29,850	37,849
Health		1,593	100	1,363
Education and welfare		285,493	258,452	255,936
Housing		82,496	91,728	70,776
Community amenities		115,888	117,285	118,250
Recreation and culture		108,529	119,090	49,856
Transport		60,247	63,846	704,454
Economic services		33,862	30,450	30,137
Other property and services		151,280	86,700	239,386
		<u>3,087,937</u>	<u>2,810,506</u>	<u>3,235,851</u>
<b>Expenses</b>	2(a)			
Governance		(283,213)	(246,335)	(236,369)
General purpose funding		(24,113)	(24,050)	(11,022)
Law, order, public safety		(57,957)	(59,521)	(68,244)
Health		(75,234)	(65,591)	(69,772)
Education and welfare		(337,073)	(333,928)	(347,915)
Housing		(145,090)	(82,922)	(70,700)
Community amenities		(182,899)	(197,930)	(189,272)
Recreation and culture		(752,902)	(639,056)	(632,261)
Transport		(1,048,151)	(976,053)	(1,614,471)
Economic services		(99,872)	(88,106)	(105,584)
Other property and services		(170,294)	(117,382)	(219,540)
		<u>(3,176,798)</u>	<u>(2,830,874)</u>	<u>(3,565,150)</u>
<b>Finance costs</b>	2(a)			
Governance		(845)	0	0
General purpose funding		(10)	(1,000)	0
Transport		(5,817)	(636)	(1,852)
Economic services		(6,085)	0	0
Other property and services		(15,287)	(15,519)	(16,040)
		<u>(28,044)</u>	<u>(17,155)</u>	<u>(17,892)</u>
<b>Non-operating grants, subsidies and contributions</b>				
Education and welfare		0	0	19,915
Housing		138,407	150,920	1,068,273
Recreation and culture		107,452	0	159,251
Transport		479,996	538,591	427,486
	28	<u>725,855</u>	<u>689,511</u>	<u>1,674,925</u>
<b>Profit/(Loss) on disposal of assets</b>				
Governance		(5,452)	(1,500)	0
Education and welfare		0	0	(986)
Recreation and culture		0	0	(18,620)
Transport		(59,683)	92,083	144,654
Economic services		0	0	(301,222)
	20	<u>(65,135)</u>	<u>90,583</u>	<u>(176,174)</u>
<b>Net result</b>		<u>543,815</u>	<u>742,571</u>	<u>1,151,560</u>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets	12	108,860,774	0	13,913,234
<b>Total other comprehensive income</b>		<u>108,860,774</u>	<u>0</u>	<u>13,913,234</u>
<b>Total comprehensive income</b>		<u>109,404,589</u>	<u>742,571</u>	<u>15,064,794</u>

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

**SHIRE OF WILLIAMS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2015**

	NOTE	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,130,875	957,763
Trade and other receivables	4	47,785	445,371
Inventories	5	11,488	12,488
<b>TOTAL CURRENT ASSETS</b>		<b>1,190,148</b>	<b>1,415,622</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	4	0	4,244
Property, plant and equipment	6	19,490,325	18,988,950
Infrastructure	7	122,537,682	13,132,361
<b>TOTAL NON-CURRENT ASSETS</b>		<b>142,028,007</b>	<b>32,125,555</b>
<b>TOTAL ASSETS</b>		<b>143,218,155</b>	<b>33,541,177</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	270,228	459,763
Current portion of long term borrowings	9	59,815	25,040
Provisions	10	235,232	216,591
<b>TOTAL CURRENT LIABILITIES</b>		<b>565,275</b>	<b>701,394</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	9	646,739	234,960
Provisions	10	20,269	23,540
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>667,008</b>	<b>258,500</b>
<b>TOTAL LIABILITIES</b>		<b>1,232,283</b>	<b>959,894</b>
<b>NET ASSETS</b>		<b>141,985,872</b>	<b>32,581,283</b>
<b>EQUITY</b>			
Retained surplus		17,801,277	17,272,810
Reserves - cash backed	11	497,000	481,652
Revaluation surplus	12	123,687,595	14,826,821
<b>TOTAL EQUITY</b>		<b>141,985,872</b>	<b>32,581,283</b>

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



**SHIRE OF WILLIAMS  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2013</b>		<b>15,877,699</b>	<b>725,203</b>	<b>913,587</b>	<b>17,516,489</b>
Comprehensive income					
Net result		1,151,560	0	0	1,151,560
Changes on revaluation of non-current assets	12	0	0	13,913,234	13,913,234
Total comprehensive income		1,151,560	0	13,913,234	15,064,794
Transfers from/(to) reserves		243,551	(243,551)	0	0
<b>Balance as at 30 June 2014</b>		<b>17,272,810</b>	<b>481,652</b>	<b>14,826,821</b>	<b>32,581,283</b>
Comprehensive income					
Net result		543,815	0	0	543,815
Changes on revaluation of non-current assets	12	0	0	108,860,774	108,860,774
Total comprehensive income		543,815	0	108,860,774	109,404,589
Transfers from/(to) reserves		(15,348)	15,348	0	0
<b>Balance as at 30 June 2015</b>		<b>17,801,277</b>	<b>497,000</b>	<b>123,687,595</b>	<b>141,985,872</b>

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

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

	NOTE	2015 \$	2015 Budget \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,482,569	1,461,677	1,376,936
Operating grants, subsidies and contributions		1,172,655	877,083	996,942
Fees and charges		603,518	557,546	731,970
Interest earnings		44,900	87,000	82,101
Goods and services tax		350,920	126,100	285,017
Other revenue		186,239	27,200	129,286
		<u>3,840,801</u>	<u>3,136,606</u>	<u>3,602,252</u>
<b>Payments</b>				
Employee costs		(1,447,939)	(1,538,027)	(1,395,701)
Materials and contracts		(806,096)	(644,559)	(1,177,650)
Utility charges		(159,491)	(156,950)	(171,868)
Interest expenses		(25,394)	(18,045)	(19,082)
Insurance expenses		(166,215)	(161,835)	(150,851)
Goods and services tax		(351,034)	(126,100)	(281,875)
Other expenditure		(11,797)	0	(14,908)
		<u>(2,967,966)</u>	<u>(2,645,516)</u>	<u>(3,211,935)</u>
<b>Net cash provided by (used in) operating activities</b>	13(b)	<u>872,835</u>	<u>491,090</u>	<u>390,317</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(1,265,448)	(1,269,710)	(1,563,591)
Payments for construction of infrastructure		(849,652)	(906,334)	(712,641)
Non-operating grants, Subsidies and contributions		725,855	689,511	1,674,925
Proceeds from sale of fixed assets		242,968	310,000	167,000
<b>Net cash provided by (used in) investment activities</b>		<u>(1,146,277)</u>	<u>(1,176,533)</u>	<u>(434,307)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(50,005)	(25,040)	(39,526)
Proceeds from new debentures		496,559	476,159	0
<b>Net cash provided by (used in) financing activities</b>		<u>446,554</u>	<u>451,119</u>	<u>(39,526)</u>
<b>Net increase (decrease) in cash held</b>		173,112	(234,324)	(83,516)
Cash at beginning of year		957,763	920,664	1,041,279
<b>Cash and cash equivalents at the end of the year</b>	13(a)	<u>1,130,875</u>	<u>686,340</u>	<u>957,763</u>

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

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

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
<b>Revenue</b>				
Governance		82,766	47,750	60,614
General purpose funding		682,793	502,078	274,541
Law, order, public safety		31,996	29,850	37,849
Health		1,593	100	1,363
Education and welfare		285,493	258,452	275,851
Housing		220,903	242,648	1,139,049
Community amenities		115,888	117,285	118,250
Recreation and culture		215,981	119,090	209,107
Transport		542,912	602,437	1,276,594
Economic services		33,862	30,450	30,137
Other property and services		151,280	86,700	239,386
		<u>2,365,467</u>	<u>2,036,840</u>	<u>3,662,741</u>
<b>Expenses</b>				
Governance		(289,510)	(246,335)	(236,369)
General purpose funding		(24,123)	(25,050)	(11,022)
Law, order, public safety		(57,957)	(59,521)	(68,244)
Health		(75,234)	(65,591)	(69,772)
Education and welfare		(337,073)	(333,928)	(348,901)
Housing		(145,090)	(82,922)	(70,700)
Community amenities		(182,899)	(197,930)	(189,272)
Recreation and culture		(752,902)	(639,056)	(650,881)
Transport		(1,116,320)	(884,606)	(1,616,323)
Economic services		(105,957)	(88,106)	(406,806)
Other property and services		(185,581)	(132,901)	(235,580)
		<u>(3,272,646)</u>	<u>(2,755,946)</u>	<u>(3,903,870)</u>
<b>Net result excluding rates</b>		(907,179)	(719,106)	(241,129)
<b>Adjustments for cash budget requirements:</b>				
<b>Non-cash expenditure and revenue</b>				
(Profit)/Loss on asset disposals	20	65,135	(90,583)	176,174
Movement in deferred pensioner rates (non-current)		4,244	0	(832)
Movement in employee benefit provisions (non-current)		(3,271)	0	(18,998)
Depreciation and amortisation on assets	2(a)	761,075	552,240	548,129
<b>Capital Expenditure and Revenue</b>				
Purchase of Land and Buildings	6(b)	(820,050)	(803,551)	(297,471)
Purchase Furniture and Equipment	6(b)	(34,175)	(36,159)	(17,521)
Purchase Plant and Equipment	6(b)	(411,223)	(430,000)	(12,898)
Purchase Work in Progress - Non Specialised Buildings		0	0	(1,235,701)
Purchase Roads	7(b)	(633,265)	(648,820)	(372,960)
Purchase Bridges	7(b)	(56,000)	0	0
Purchase Infrastructure - Parks & Gardens	7(b)	(160,387)	(257,514)	(178,725)
Purchase Work in Progress - Infrastructure Parks & Gardens		0	0	(160,956)
Proceeds from disposal of fixed assets	20	242,968	310,000	167,000
Repayment of debentures	21(a)	(50,005)	(25,040)	(39,526)
Proceeds from new debentures	21(a)	496,559	476,159	0
Transfers to reserves (restricted assets)	11	(15,348)	(320,000)	(26,449)
Transfers from reserves (restricted assets)	11	0	220,000	270,000
ADD Estimated surplus/(deficit) July 1 b/fwd	22(b)	257,736	272,457	306,911
LESS Estimated surplus/(deficit) June 30 c/fwd	22(b)	187,808	(38,240)	257,736
<b>Total amount raised from general rate</b>	22(a)	<u>(1,450,994)</u>	<u>(1,461,677)</u>	<u>(1,392,688)</u>

This statement is to be read in conjunction with the accompanying notes. 0

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The financial report comprises general purpose financial statements which have been prepared in accordance with 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 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise. All amounts are stated in Australian dollars.

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**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 which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**The local government reporting entity**

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 19 to these financial statements.

**(b) Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

**(c) Cash and Cash Equivalents**

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

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

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(d) Trade and Other Receivables**

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

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

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

**(e) Inventories**

***General***

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

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

***Land held for sale***

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

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

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

**(f) Fixed Assets**

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

***Mandatory requirement to revalue non-current assets***

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

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

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
  - (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
    - (i) that are plant and equipment; and
    - (ii) that are -
      - (I) land and buildings; or-
      - (II) Infrastructure;
- and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

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

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

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

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(f) Fixed Assets (Continued)**

***Land under control***

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

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

***Initial recognition and measurement between mandatory revaluation dates***

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

***Revaluation***

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

***Land under roads***

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

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

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

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

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

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(f) Fixed Assets (Continued)**

***Depreciation***

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

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

***Capitalisation threshold***

Expenditure purchase below the following thresholds are not capitalised. Rather, it is recorded on a asset inventory listing.

Land	\$1
Buildings	\$10,000
Furniture & Equipment / Plant & Equipment	\$2,000
Infrastructure	\$5,000

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(g) Fair Value of Assets and Liabilities**

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

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

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

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

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

***Fair value hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

***Valuation techniques***

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

**Market approach**

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



**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(g) Fair Value of Assets and Liabilities (Continued)**

**Income approach**

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

**Cost approach**

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

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

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

**(h) Financial Instruments**

***Initial recognition and measurement***

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

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

***Classification and subsequent measurement***

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

Amortised cost is calculated as:

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

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

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(h) Financial Instruments (Continued)**

***Classification and subsequent measurement (continued)***

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. 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 and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

*(iii) Held-to-maturity investments*

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

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

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

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

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

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

*(v) Financial liabilities*

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

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(h) Financial Instruments (Continued)**

***Impairment***

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

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

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

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

***Derecognition***

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

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

**(i) Impairment of Assets**

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

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

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

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.

**(j) Trade and Other Payables**

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

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(k) Employee Benefits**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**(l) Borrowing Costs**

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

**(m) Provisions**

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

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

**(n) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for 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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(o) Investment in Associates**

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

**(p) Interests in Joint Arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

**(q) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

**(r) Superannuation**

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

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

**(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.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**(v) 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.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

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

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Shire.

Management's assessment of the new and amended pronouncements that are relevant to the Shire, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	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 Shire, it is not anticipated the Standard will have any material effect.
(ii) 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]	September 2012	1 January 2018	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 Shire (refer (i) above).
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.  The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)**

	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
(iv)	AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments  [Operative date: Part C Financial Instruments - 1 January 2015]	December 2013	Refer title column	Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.  As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.
(v)	AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations  [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.  Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.
(vi)	AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation  [AASB 116 & 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.  Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.



**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)**

<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
(vii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15.  It will require changes to reflect the impact of AASB 15.
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101  [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.  This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.  It is not anticipated it will have any significant impact on disclosures.
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.  It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)**

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(x) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities  [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.  The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

**(x) Adoption of New and Revised Accounting Standards**

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

These new and revised Standards were:

AASB 2011-7  
AASB 2012-3  
AASB 2013-3  
AASB 2013-8  
AASB 2013-9 Parts A & B

Most of the Standards adopted had a minimal effect on the accounting and reporting practices of the Shire as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**2. REVENUE AND EXPENSES**

**2015**  
**\$**

**2014**  
**\$**

**(a) Net Result**

The Net result includes:

(i) Charging as an expense:

**Auditors remuneration**

- Audit of the annual financial report	8,222	9,250
- Financial Management Review	3,000	2,900
- Other services	750	0

**Depreciation**

Non-specialised buildings	41,589	26,370
Specialised buildings	251,013	97,230
Furniture and Equipment	8,353	6,814
Plant and Equipment	155,015	146,256
Roads	229,994	230,000
Footpaths	9,861	9,861
Infrastructure - Parks & Gardens	65,250	31,598
	<u>761,075</u>	<u>548,129</u>

**Interest expenses (finance costs)**

Debentures (refer Note 21 (a))	28,034	17,892
Overdraft Interest	10	
	<u>28,044</u>	<u>17,892</u>

(ii) Crediting as revenue:

**Other revenue**

Reimbursements and recoveries	176,690	129,286
Other	9,549	0
	<u>186,239</u>	<u>129,286</u>

**2015**  
**Actual**  
**\$**

**2015**  
**Budget**  
**\$**

**2014**  
**Actual**  
**\$**

**Interest earnings**

- Reserve funds	16,847	25,000	26,448
- Other funds	13,937	50,000	43,238
Other interest revenue (refer note 26)	14,116	12,000	12,415
	<u>44,900</u>	<u>87,000</u>	<u>82,101</u>

**SHIRE OF WILLIAMS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(b) Statement of Objective**

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

**COMMUNITY VISION**

In 2022 Williams is an independent, growing and vibrant community. This will be achieved by maintaining a balanced and caring approach to its people, economy and environment.

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

**GOVERNANCE**

**Objective:**

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

**Activities:**

Administration and operation of facilities and service to member of Council; other costs that relate to the tasks of assisting elected member and ratepayers on matter which do not concern specific Council services.

**GENERAL PURPOSE FUNDING**

**Objective:**

To collect revenue to allow for the provision of services.

**Activities:**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

To provide services to help ensure a safer community.

**Activities:**

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

**HEALTH**

**Objective:**

To provide an operational framework for environmental and community health.

**Activities:**

Health inspection and advisory services, analytical services, mosquito control and collection agent for Williams St John Ambulance subscriptions.

**EDUCATION AND WELFARE**

**Objective:**

To provide a framework that enables community needs in these areas to be met.

**Activities:**

Provision and maintenance of premises for Williams Community Resource Centre and Willi Wagtails Childcare centre. Provide payroll administration for Williams Community Resource Centre and full administration services for Willi Wagtails Childcare Centre.

**HOUSING**

**Objective:**

To help ensure the availability of adequate housing for community needs

**Activities:**

Management, administration and maintenance of Williams Community Homes, Sandalwood Crt, Wandoo Crt and Jamtree Lane.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

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

**COMMUNITY AMENITIES**

**Objective:**

To provide services required by the community.

**Activities:**

Rubbish collection services, refuse site maintenance, litter control, protection of the environment and administration of cemetery and public conveniences.

**RECREATION AND CULTURE**

**Objective:**

To establish and manage efficiently infrastructure and resources which will meet the recreational and cultural needs of the community.

**Activities:**

Provision and maintenance of halls, recreational facilities, reserves, parks, gardens and playgrounds  
Operation of library, compilation and maintenance of local heritage register.

**TRANSPORT**

**Objective:**

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

**Activities:**

Construction and maintenance of rural roads, streets, bridges, footpath and drainage. Cleaning and lighting of streets, depot maintenance and agency for Department of Transport.

**ECONOMIC SERVICES**

**Objective:**

Promotion of Williams and improvement of the economic wellbeing of the district and its inhabitants.

**Activities:**

Tourism services, area promotion, implementation of building controls, provision of standpipe water, maintenance and management of the Williams Stud Breeders Pavilion.

**OTHER PROPERTY AND SERVICES**

**Objective:**

Efficient utilisation of Council resources, plant repairs and operations, management of Williams Town Planning Scheme.

**Activities:**

Provision of private works to public, maintenance of Council plant, approvals and monitoring of town planning activities.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

<b>(c) Conditions Over Grants/Contributions</b>		<b>Opening Balance <sup>(1)</sup> 1/07/13 \$</b>	<b>Received <sup>(2)</sup> 2013/14 \$</b>	<b>Expended <sup>(3)</sup> 2013/14 \$</b>	<b>Closing Balance <sup>(1)</sup> 30/06/14 \$</b>	<b>Received <sup>(2)</sup> 2014/15 \$</b>	<b>Expended <sup>(3)</sup> 2014/15 \$</b>	<b>Closing Balance 30/06/15 \$</b>
<b>Grant/Contribution</b>	<b>Function/ Activity</b>							
Roads to Recovery	Transport	128,236	128,236	(128,798)	<b>127,674</b>	84,405	(208,446)	<b>3,633</b>
Department of Agriculture	Community	3,373	0	0	<b>3,373</b>	0	0	<b>3,373</b>
CLGF - Recreation Facilities	Recreation	242,604	0	(242,604)	<b>0</b>	0	0	<b>0</b>
CLGF - Industrial Subdivision	Economic	260,104	0	(806)	<b>259,298</b>	0	(259,298)	<b>0</b>
Department of Education	Education & Welfare	0	0	0	<b>0</b>	13,839	(2,582)	<b>11,257</b>
WDC - Grant	Recreation	0	0	0	<b>0</b>	20,000	(9,393)	<b>10,607</b>
WDC Grant - Creating Aged Frien	Recreation	0	0	0	<b>0</b>	56,054	0	<b>56,054</b>
<b>Total</b>		<b>634,317</b>	<b>128,236</b>	<b>(372,208)</b>	<b>390,345</b>	<b>174,298</b>	<b>(479,719)</b>	<b>84,924</b>

**Notes:**

- (1)** - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2)** - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3)** - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

	Note	2015 \$	2014 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		548,951	85,766
Restricted		581,924	871,997
		<u>1,130,875</u>	<u>957,763</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave reserve	11	160	125
Plant Reserve	11	546	529
Building Reserve	11	410,109	397,469
Joint Venture Housing Reserve	11	56,075	54,248
Recreation Facilities Reserve	11	19,445	18,942
Art Acquisition Reserve	11	10,665	10,339
Unspent grants	2(c)	84,924	390,345
		<u>581,924</u>	<u>871,997</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>			
<b>Current</b>			
Rates outstanding		27,780	55,111
Sundry debtors		32,692	403,602
GST receivable		1,045	931
Provision for Doubtful Debts		(13,732)	(14,273)
		<u>47,785</u>	<u>445,371</u>
<b>Non-current</b>			
Rates outstanding - pensioners		0	4,244
		<u>0</u>	<u>4,244</u>
<b>5. INVENTORIES</b>			
<b>Current</b>			
Fuel and materials		10,452	11,313
History books		1,036	1,175
		<u>11,488</u>	<u>12,488</u>
<b>Non-current</b>			
Land held for resale - cost			
Cost of acquisition		0	0
Development costs		0	0
		<u>0</u>	<u>0</u>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

	2015 \$	2014 \$
<b>6 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings		
Freehold land at:		
- Independent valuation 2014 - level 2	1,965,000	2,025,000
- Additions after valuation - cost	488,067	0
	<u>2,453,067</u>	<u>2,025,000</u>
Non-specialised buildings at:		
- Management valuation 2014 - level 2	1,682,669	1,775,000
- Additions after valuation - cost	1,716,994	0
Less: accumulated depreciation	(41,589)	0
	<u>3,358,074</u>	<u>1,775,000</u>
Specialised buildings at:		
- Independent valuation 2014 - level 3	12,501,406	12,501,406
- Additions after valuation - cost	12,335	0
Less: accumulated depreciation	(251,013)	0
	<u>12,262,728</u>	<u>12,501,406</u>
	<u>15,620,802</u>	<u>14,276,406</u>
Total land and buildings	<u>18,073,869</u>	<u>16,301,406</u>
Furniture and Equipment at:		
- Management valuation 2013 - level 3	96,700	96,714
- Additions after valuation - cost	51,696	17,521
Less accumulated depreciation	(15,153)	(6,814)
	<u>133,243</u>	<u>107,421</u>
Plant and Equipment at:		
- Management valuation 2013 - level 2	27,500	27,500
- Independent valuation 2013 - level 2	1,068,045	1,288,635
- Additions after valuation - cost	424,120	12,898
Less accumulated depreciation	(236,452)	(146,256)
	<u>1,283,213</u>	<u>1,182,777</u>
Work in Progress - Non Specialised Buildings at:		
- Additions after valuation - cost	0	1,397,346
Less accumulated amortisation	0	0
	<u>0</u>	<u>1,397,346</u>
	<u>19,490,325</u>	<u>18,988,950</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.



**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(b) 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 current financial year.

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Freehold land	2,025,000	1,439	(60,000)	0	0	0	486,628	2,453,067
<b>Total land</b>	<b>2,025,000</b>	<b>1,439</b>	<b>(60,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>486,628</b>	<b>2,453,067</b>
Non-specialised buildings	1,775,000	806,276	(92,331)	0	0	(41,589)	910,718	3,358,074
Specialised buildings	12,501,406	12,335	0	0	0	(251,013)		12,262,728
<b>Total buildings</b>	<b>14,276,406</b>	<b>818,611</b>	<b>(92,331)</b>	<b>0</b>	<b>0</b>	<b>(292,602)</b>	<b>910,718</b>	<b>15,620,802</b>
<b>Total land and buildings</b>	<b>16,301,406</b>	<b>820,050</b>	<b>(152,331)</b>	<b>0</b>	<b>0</b>	<b>(292,602)</b>	<b>1,397,346</b>	<b>18,073,869</b>
Furniture and Equipment	107,421	34,175	0	0	0	(8,353)	0	133,243
Plant and Equipment	1,182,777	411,223	(155,772)	0	0	(155,015)	0	1,283,213
Work in Progress - Non Specialised Building	1,397,346	0	0	0	0	0	(1,397,346)	0
<b>Total property, plant and equipment</b>	<b>18,988,950</b>	<b>1,265,448</b>	<b>(308,103)</b>	<b>0</b>	<b>0</b>	<b>(455,970)</b>	<b>0</b>	<b>19,490,325</b>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Land and buildings</b>					
Freehold land	2	Observable Open Market Values of Similar Assets, adjusted for condition and comparability, at their highest and best use	Independent Registered Valuers	June 2014	Price per square metre.
Non-specialised buildings	2	Observable Open Market Values of Similar Assets, adjusted for condition and comparability, at their highest and best use	Independent Registered Valuers	June 2014	Price per square metre.
Specialised buildings	3	Cost approach estimating the replacement cost for each building, by componentising with different useful lives.	Independent Registered Valuers	June 2014	Average cost of construction and consumption score for each component (Level 2), residual value, useful life, pattern of consumption and asset condition assessments (Level 3) inputs.
<b>Furniture and Equipment</b>	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2013	Purchase costs and current condition (Level 2), residual values, remaining useful life and asset conditions assessment (Level 3) inputs.
<b>Plant and Equipment</b>	2	Observable Open Market Values for Similar Assets, adjusted for condition and comparability	Independent and Management Valuation	June 2013	Price per item

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	2015 \$	2014 \$
<b>7 (a). INFRASTRUCTURE</b>		
Roads		
- Management valuation 2015 - level 3	94,068,971	0
- Cost	0	16,325,196
Less accumulated depreciation	<u>0</u>	<u>(7,261,192)</u>
	94,068,971	9,064,004
 Bridges		
- Management valuation 2015 - level 3	9,618,986	0
- Cost	0	0
Less accumulated depreciation	<u>0</u>	<u>0</u>
	9,618,986	0
 Drainage		
- Management valuation 2015 - level 3	14,264,160	0
- Cost	0	0
Less accumulated depreciation	<u>0</u>	<u>0</u>
	14,264,160	0
 Footpaths		
- Management valuation 2015 - level 3	803,614	0
- Cost	0	493,053
Less accumulated depreciation	<u>0</u>	<u>(111,510)</u>
	803,614	381,543
 Infrastructure - Parks & Gardens		
- Management valuation 2014 - level 3	3,515,858	3,515,858
- Additions after valuation - cost	331,343	0
Less accumulated depreciation	<u>(65,250)</u>	<u>0</u>
	3,781,951	3,515,858
 Work in Progress - Infrastructure Parks & Gardens		
- Management valuation 2014 - level 3	0	0
- Additions after valuation - cost	0	170,956
Less accumulated depreciation	<u>0</u>	<u>0</u>
	0	170,956
	<u>122,537,682</u>	<u>13,132,361</u>

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions.

This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires infrastructure to be shown at fair value.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**7. INFRASTRUCTURE (Continued)**

**(b) Movements in Carrying Amounts**

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Balance as at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of the Year \$
Roads	9,064,004	633,265	0	84,601,696	0	(229,994)	0	94,068,971
Bridges	0	56,000	0	9,562,986	0	0	0	9,618,986
Drainage	0	0	0	14,264,160	0	0	0	14,264,160
Footpaths	381,543	0	0	431,932	0	(9,861)	0	803,614
Infrastructure - Parks & Gardens	3,515,858	160,387	0		0	(65,250)	170,956	3,781,951
Work in Progress - Infrastructure Parks & Gardens	170,956	0	0	0	0	0	(170,956)	0
<b>Total infrastructure</b>	<b>13,132,361</b>	<b>849,652</b>	<b>0</b>	<b>108,860,774</b>	<b>0</b>	<b>(305,105)</b>	<b>0</b>	<b>122,537,682</b>

The revaluation of infrastructure assets resulted in an increase on revaluation of \$108,860,774 in the net value of infrastructure.

All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12) and was recognised as Changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**7. INFRASTRUCTURE (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Roads</b>	3	Cost approach, utilising ROMAN2 software, for depreciated replacement cost .	Independent Valuation	June 2015	Construction unit rates for each component and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
<b>Bridges</b>	3	Cost approach, utilising ROMAN2 software, for depreciated replacement cost .	Independent Valuation	June 2015	Construction unit rates for each component and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
<b>Drainage</b>	3	Cost approach, utilising ROMAN2 software, for depreciated replacement cost .	Independent Valuation	June 2015	Construction unit rates for each component and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
<b>Footpaths</b>	3	Cost approach, utilising ROMAN2 software, for depreciated replacement cost .	Independent Valuation	June 2015	Construction unit rates for each component and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
<b>Infrastructure - Parks &amp; Gardens</b>	3	Cost approach estimating the replacement cost for each building, by componentising with different useful lives.	Independent Registered Valuers	June 2014	Average cost of construction and consumption score for each component (Level 2), residual value, useful life, pattern of consumption and asset condition assessments (Level 3) inputs.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied , they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	2015 \$	2014 \$
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	263,685	455,870
Accrued interest on debentures	6,543	3,893
Accrued salaries and wages	0	0
	<u>270,228</u>	<u>459,763</u>

**9. LONG-TERM BORROWINGS**

<b>Current</b>		
Secured by floating charge		
Debentures	59,815	25,040
	<u>59,815</u>	<u>25,040</u>
<b>Non-current</b>		
Secured by floating charge		
Debentures	646,739	234,960
	<u>646,739</u>	<u>234,960</u>

Additional detail on borrowings is provided in Note 21.

The Shire did not have any long term borrowings at the reporting date.

**10. PROVISIONS**

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
<b>Opening balance at 1 July 2014</b>			
Current	105,008	111,583	216,591
Non-current provisions	0	23,540	23,540
	<u>105,008</u>	<u>135,123</u>	<u>240,131</u>
Additional provision	93,371	38,258	131,629
Amounts used	(101,046)	(15,213)	(116,259)
<b>Balance at 30 June 2015</b>	<u>97,333</u>	<u>158,168</u>	<u>255,501</u>
<b>Comprises</b>			
Current	97,333	137,899	235,232
Non-current	0	20,269	20,269
	<u>97,333</u>	<u>158,168</u>	<u>255,501</u>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

	2015 \$	2015 Budget \$	2014 \$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Leave Reserve</b>			
Opening balance	125	379	120
Amount set aside / transfer to reserve	35	0	5
Amount used / transfer from reserve	0	0	0
	<u>160</u>	<u>379</u>	<u>125</u>
<b>(b) Plant Reserve</b>			
Opening balance	529	529	511
Amount set aside / transfer to reserve	17	0	18
Amount used / transfer from reserve	0	0	0
	<u>546</u>	<u>529</u>	<u>529</u>
<b>(c) Building Reserve</b>			
Opening balance	397,469	397,215	499,261
Amount set aside / transfer to reserve	12,640	320,000	18,208
Amount used / transfer from reserve	0	(190,000)	(120,000)
	<u>410,109</u>	<u>527,215</u>	<u>397,469</u>
<b>(d) Joint Venture Housing Reserve</b>			
Opening balance	54,248	54,146	200,147
Amount set aside / transfer to reserve	1,827	0	4,101
Amount used / transfer from reserve	0	(30,000)	(150,000)
	<u>56,075</u>	<u>24,146</u>	<u>54,248</u>
<b>(e) Recreation Facilities Reserve</b>			
Opening balance	18,942	18,934	15,276
Amount set aside / transfer to reserve	503		3,666
Amount used / transfer from reserve	0	0	0
	<u>19,445</u>	<u>18,934</u>	<u>18,942</u>
<b>(f) Art Acquisition Reserve</b>			
Opening balance	10,339	10,080	9,888
Amount set aside / transfer to reserve	326	0	451
Amount used / transfer from reserve	0	0	0
	<u>10,665</u>	<u>10,080</u>	<u>10,339</u>
<b>TOTAL RESERVES</b>	<u>497,000</u>	<u>581,283</u>	<u>481,652</u>
<b>Total Opening balance</b>	481,652	481,283	725,203
<b>Total Amount set aside / transfer to reserve</b>	15,348	320,000	26,449
<b>Total Amount used / transfer from reserve</b>	0	(220,000)	(270,000)
<b>TOTAL RESERVES</b>	<u>497,000</u>	<u>581,283</u>	<u>481,652</u>

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

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**11. RESERVES - CASH BACKED (CONTINUED)**

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

- (a) Leave Reserve**
  - to be used to fund annual and long service leave requirements.
- (b) Plant Reserve**
  - to be used for the purchase of plant items as per Councils Plant Replacement Program.
- (c) Building Reserve**
  - to be used for the construction, acquisition and major asset maintenance of buildings.
- (d) Joint Venture Housing Reserve**
  - to be used to finance long term maintenance requirement of Sandalwood Crt and Wandoo Crt.
- (e) Recreation Facilities Reserve**
  - to be used to finance capital improvements of existing recreation facilities and to fund acquisition of future recreation facilities.
- (f) Art Acquisition Reserve**
  - to be used for the purchase of art pieces for the Williams Art Collection.



**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

<b>12. REVALUATION SURPLUS</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
<b>(a) Land and buildings</b>		
Opening balance	12,489,901	890,381
Revaluation increment	0	11,599,520
Revaluation decrement	0	0
	<u>12,489,901</u>	<u>12,489,901</u>
<b>(b) Roads</b>		
Opening balance	22,398	22,398
Revaluation increment	108,860,774	0
Revaluation decrement	0	0
	<u>108,883,172</u>	<u>22,398</u>
<b>(f) Infrastructure - Parks &amp; Gardens</b>		
Opening balance	2,314,522	808
Revaluation increment	0	2,313,714
Revaluation decrement	0	0
	<u>2,314,522</u>	<u>2,314,522</u>
<b>TOTAL ASSET REVALUATION SURPLUS</b>	<u><u>123,687,595</u></u>	<u><u>14,826,821</u></u>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**13. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	<b>2015</b> <b>\$</b>	<b>2015</b> <b>Budget</b> <b>\$</b>	<b>2014</b> <b>\$</b>
Cash and cash equivalents	<u>1,130,875</u>	<u>686,340</u>	<u>957,763</u>

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

Net result	543,815	742,571	1,151,560
Non-cash flows in Net result:			
Depreciation	761,075	552,240	548,129
(Profit)/Loss on sale of asset	65,135	(90,583)	176,174
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	401,830	200,000	84,526
(Increase)/Decrease in inventories	1,000	(1,682)	1,721
Increase/(Decrease) in payables	(189,535)	(5,354)	72,023
Increase/(Decrease) in provisions	15,370	(216,591)	31,109
Grants contributions for the development of assets	<u>(725,855)</u>	<u>(689,511)</u>	<u>(1,674,925)</u>
Net cash from operating activities	<u>872,835</u>	<u>491,090</u>	<u>390,317</u>

	<b>2015</b> <b>\$</b>	<b>2014</b> <b>\$</b>
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	100,000	100,000
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	<u>0</u>	<u>0</u>
<b>Total amount of credit unused</b>	<u>110,000</u>	<u>110,000</u>
<b>Loan facilities</b>		
Loan facilities - current	59,815	25,040
Loan facilities - non-current	<u>646,739</u>	<u>234,960</u>
<b>Total facilities in use at balance date</b>	<u>706,554</u>	<u>260,000</u>
<b>Unused loan facilities at balance date</b>	<u>NIL</u>	<u>NIL</u>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**14. CONTINGENT LIABILITIES**

There were no contingent liabilities as at 30 June 2015

	2015	2014
	\$	\$

**15. CAPITAL AND LEASING COMMITMENTS**

**(a) Operating Lease Commitments**

The Shire did not have any future operating lease commitments at the reporting date.

**(b) Capital Expenditure Commitments**

Contracted for:

- capital expenditure projects	0	923,551
- plant & equipment purchases	0	0

Payable:

- not later than one year	0	0
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The Shire did not have any future capital expenditure commitments at the reporting date. The prior year commitment was for the construction of 5 Aged Units, hockey field and industrial unit.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**16. JOINT VENTURE ARRANGEMENTS**

The Shire has a joint venture arrangement with Homeswest for the provision of housing at Sandalwood Crt and Wandoo Cottages in Growse Street, Williams. The assets are land and 8 x 2 bedroom units. The ownership of the assets is determined by an equity agreement and Councils share of the assets are included in the Land & Buildings as follows;

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current assets</b>		
Land and buildings		
- Independent Valuation 2014	1,712,422	1,712,422
Less: accumulated depreciation	<u>(33,555)</u>	<u>0</u>
	<u><u>1,678,867</u></u>	<u><u>1,712,422</u></u>

The Shire together with the Shire of Boddington has an arrangement for the supply of a vehicle for the medical service. The only assets are a motor vehicle. Councils share of the asset is included in the Plant & Equipment as follows;

Plant and equipment		
- Management Valuation 2014	6,000	6,000
Less: accumulated depreciation	<u>(3,999)</u>	<u>(1,999)</u>
	<u><u>2,001</u></u>	<u><u>4,001</u></u>

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Governance	2,079,476	2,046,917
General purpose funding	27,780	59,410
Law, order, public safety	40,244	41,735
Health	885,800	907,150
Education and welfare	1,667,721	1,717,420
Housing	3,017,509	3,201,482
Community amenities	86,428	97,014
Recreation and culture	8,332,586	8,577,187
Transport	121,219,763	12,197,165
Economic services	5,220,238	4,220,309
Other property and services	9,267	13,550
Unallocated	631,343	461,838
	<u><u>143,218,155</u></u>	<u><u>33,541,177</u></u>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

	2015	2014	2013
<b>18. FINANCIAL RATIOS</b>			
Current ratio	1.08	0.78	0.38
Asset sustainability ratio	0.77	1.41	1.45
Debt service cover ratio	7.78	0.74	3.72
Operating surplus ratio	(0.08)	(0.22)	(0.35)
Own source revenue coverage ratio	0.69	0.61	0.59

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

**Notes:**

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 84 of this document.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**19. TRUST FUNDS**

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

	Balance 1 July 2014 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2015 \$
Housing Bonds	11,812	5,791	(11,237)	6,366
Building Deposits	0	0	0	0
Sale of Land for Rates	60,008	0	0	60,008
Subdivision Bonds	49,178	0	0	49,178
Public Open Space Contribution	20,000	0	0	20,000
Recycling Shed Community Fund	6,254	1,953	0	8,207
Remediation Works	0	2,000	0	2,000
Childcare Fundraising	0	3,726	0	3,726
CLGF Regional Funding	562,923	1,220,134	(1,348,587)	434,470
RDC Regional Funding	1,970,953	3,041,539	(4,182,929)	829,563
	<u>2,681,128</u>			<u>1,413,518</u>

**20. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b><u>Plant and Equipment</u></b>						
<b><u>Governance</u></b>						
Ford Sedan - 16WL	15,452	16,500	10,000	15,000	(5,452)	(1,500)
<b><u>Transport</u></b>						
Volvo Grader	130,043	135,140	68,000	100,000	(62,043)	(35,140)
Vibration Roller	0	40,477	0	35,000	0	(5,477)
Ford Ranger 4x4	10,277	0	9,968	0	(309)	0
<b><u>Land and Building</u></b>						
<b><u>Transport</u></b>						
23 Fry Street	152,331	27,300	155,000	160,000	2,669	132,700
	0	0	0	0	0	0
	<u>308,103</u>	<u>219,417</u>	<u>242,968</u>	<u>310,000</u>	<u>(65,135)</u>	<u>90,583</u>

Profit	2,669	132,700
Loss	(67,804)	(42,117)
	<u>(65,135)</u>	<u>90,583</u>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**21. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal 1 July 2014 \$	New Loans \$	Principal Repayments		Principal 30 June 2015		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Governance</b>								
Loan #68 - IT Computer Server	0	36,159	3,358	0	32,801	0	845	0
<b>Transport</b>								
Loan #63 - Excavator	16,777	0	16,777	16,777	0	0	636	636
Loan #67 - CAT Grader	0	260,400	16,620	0	243,780	0	5,181	0
<b>Economic services</b>								
Loan #66 - Industrial Shed	0	200,000	4,865	0	195,135	0	6,085	0
<b>Other property and services</b>								
Loan #65 Industrial Land	243,223	0	8,385	8,263	234,838	234,960	15,287	15,519
	260,000	496,559	50,005	25,040	706,554	234,960	28,034	16,155

All loan repayments were financed by general purpose revenue.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**21. INFORMATION ON BORROWINGS (Continued)**

(b) New Debentures - 2014/15

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Loan #66 - Industrial Shed	200,000	200,000	WATC	Debenture	15	72,743	4.17%	(200,000)	(200,000)	0
Loan #67 - CAT Grader	260,400	240,000	WATC	Debenture	7	35,634	3.42%	(260,400)	(240,000)	0
Loan #68 - IT Computer Server	36,159	36,159	WATC	Debenture	5	3,422	3.26%	(36,159)	(36,159)	0
	496,559	476,159				111,799		(496,559)	(476,159)	0

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2015.

(d) Overdraft

Council established an overdraft facility of \$100,000 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2014 and 30 June 2015 was \$Nil.



**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**22. RATING INFORMATION - 2014/15 FINANCIAL YEAR**

<b>(a) Rates</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Back Rates \$</b>	<b>Total Revenue \$</b>	<b>Budget Rate Revenue \$</b>	<b>Budget Interim Rate \$</b>	<b>Budget Back Rate \$</b>	<b>Budget Total Revenue \$</b>
<b>RATE TYPE</b>											
<b>Differential general rate / general rate</b>											
<b>Gross rental value valuations</b>											
Residential	0.05404	172	1,947,558	105,246	70	0	105,316	103,861	0	0	103,861
Industrial/Commercial	0.05404	19	757,630	40,942	362	0	41,304	40,942	0	0	40,942
<b>Unimproved value valuations</b>											
Rural/Mining	0.0060	309	205,494,500	1,232,967	364	0	1,233,331	1,231,875	0	0	1,231,875
<b>Sub-Totals</b>		500	208,199,688	1,379,155	796	0	1,379,951	1,376,678	0	0	1,376,678
<b>Minimum payment</b>	<b>Minimum \$</b>										
<b>Gross rental value valuations</b>											
Residential	485	111	389,059	53,835	(502)	0	53,333	53,835	0	0	53,835
Industrial/Commercial	485	18	64,920	8,730	0	0	8,730	8,730	0	0	8,730
<b>Unimproved value valuations</b>											
Rural/Mining	485	18	768,297	8,730	114	0	8,844	8,245	0	0	8,245
<b>Sub-Totals</b>		147	1,222,276	71,295	(388)	0	70,907	70,810	0	0	70,810
Ex-gratia rates							1,450,858				1,447,488
Write-Offs (refer note 25)							14,464				14,189
<b>Total amount raised from general rate</b>							(14,328)				0
Specified Area Rate (refer note 23)							<b>1,450,994</b>				<b>1,461,677</b>
<b>Totals</b>							0				0
							<b>1,450,994</b>				<b>1,461,677</b>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**22. RATING INFORMATION - 2014/15 FINANCIAL YEAR (Continued)**

**(b) Information on Surplus/(Deficit) Brought Forward**

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
<b>Surplus/(Deficit) 1 July 14 brought forward</b>	<u>187,808</u>	<u>257,736</u>	<u>257,736</u>
<b><u>Comprises:</u></b>			
Cash and cash equivalents			
Unrestricted	633,875	476,111	476,111
Restricted	497,000	481,652	481,652
Receivables			
Rates outstanding	27,780	55,111	55,111
Sundry debtors	32,692	403,602	403,602
GST receivable	1,045	931	931
Provision for Doubtful Debts	(13,732)	(14,273)	(14,273)
Inventories			
Fuel and materials	10,452	11,313	11,313
History books	1,036	1,175	1,175
<b><u>Less:</u></b>			
Trade and other payables			
Sundry creditors	(263,685)	(455,870)	(455,870)
Accrued interest on debentures	(6,543)	(3,893)	(3,893)
Secured by floating charge	(59,815)	(25,040)	(25,040)
Provisions			
Provision for annual leave	(97,333)	(105,008)	(105,008)
Provision for long service leave	(137,899)	(111,583)	(111,583)
<b>Net current assets</b>	<u><b>624,873</b></u>	<u><b>714,228</b></u>	<u><b>714,228</b></u>
<b><u>Less:</u></b>			
Reserves - restricted cash	(497,000)	(481,652)	(481,652)
<b><u>Add:</u></b>			
Secured by floating charge	59,815	25,040	25,040
Leave Entitlements Cash Backed	120	120	120
<b>Surplus/(deficit)</b>	<u><b>187,808</b></u>	<u><b>257,736</b></u>	<u><b>257,736</b></u>

**Difference**

There was no difference between the surplus/(deficit) 1 July 2014 brought forward position used in the 2015 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2014 audited financial report.

**SHIRE OF WILLIAMS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2015**

**23. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR**

The Shire did not impose any Specified Area Rates.

**24. SERVICE CHARGES - 2014/15 FINANCIAL YEAR**

The Shire did not impose any service charges.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
UV - Rate Assessment # 1161	Write-Off		14,328	0
			0	0
			14,328	0

No discounts on rates are available

**26. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	11.00%	0	6,802	5,000
Interest on instalments plan	5.50%	0	7,314	7,000
Charges on instalment plan		25	3,225	3,250
			17,341	15,250

Ratepayers had the option of paying rates in four equal instalments, due 5th September 2014, 7th November 2014, 9th January 2015 and 13th March 2015. Administration charges and interest applied for the final three instalments.

<b>27. FEES &amp; CHARGES</b>	<b>2015 \$</b>	<b>2014 \$</b>
Governance	50,999	21,338
General purpose funding	4,764	5,308
Law, order, public safety	2,030	2,403
Health	159	91
Education and welfare	120,353	152,123
Housing	81,428	68,997
Community amenities	113,700	113,921
Recreation and culture	28,384	32,571
Transport	51,442	49,959
Economic services	33,862	17,740
Other property and services	83,238	170,382
	<u>570,359</u>	<u>634,833</u>

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

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**28. GRANT REVENUE**

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature or Type:</b>		
Operating grants, subsidies and contributions	835,445	996,942
Non-operating grants, subsidies and contributions	725,855	1,674,925
	<u>1,561,300</u>	<u>2,671,867</u>
<b>By Program:</b>		
Governance	25,000	23,897
General purpose funding	630,331	187,131
Law, order, public safety	23,722	35,446
Health	0	0
Education and welfare	63,639	69,935
Housing	138,407	1,068,273
Community amenities	0	4,329
Recreation and culture	167,451	164,588
Transport	485,602	1,080,994
Economic services	0	12,398
Other property and services	27,148	24,876
	<u>1,561,300</u>	<u>2,671,867</u>

**29. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<u>23</u>	<u>23</u>
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**30. ELECTED MEMBERS REMUNERATION**

The following fees, expenses and allowances were paid to council members and/or the president.

	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Meeting Fees	16,167	15,450	14,730
President's allowance	4,000	4,000	3,700
Travelling expenses	4,089	3,500	4,215
	<u>24,256</u>	<u>22,950</u>	<u>22,645</u>

**SHIRE OF WILLIAMS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2015**

**31. MAJOR LAND TRANSACTIONS**

The Shire did not participate in any major land transactions during the 2014/15.

**32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire did not participate in any trading undertakings or major trading undertakings during the 2014/15 financial year.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**33. FINANCIAL RISK MANAGEMENT**

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

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

Financial risk management is carried out by the finance area under policies approved by the Council.

*The Shire held the following financial instruments at balance date:*

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	1,130,875	957,763	1,130,875	957,763
Receivables	47,785	449,615	47,785	449,615
	<u>1,178,660</u>	<u>1,407,378</u>	<u>1,178,660</u>	<u>1,407,378</u>
<b>Financial liabilities</b>				
Payables	270,228	459,763	270,265	459,762
Borrowings	706,554	260,000	645,004	216,930
	<u>976,782</u>	<u>719,763</u>	<u>915,269</u>	<u>676,692</u>

Fair value is determined as follows: □

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(a) Cash and Cash Equivalents**

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

**Available-for-sale financial assets**

**Held-to-maturity investments**

The Shire's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the Shire.

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Impact of a 10% <sup>(1)</sup> movement in price of investments		
- Equity	116,963	115,210
- Statement of Comprehensive Income	116,963	115,210
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	11,696	11,521
- Statement of Comprehensive Income	11,696	11,521

**Notes:**

<sup>(1)</sup> Sensitivity percentages based on management's expectation of future possible market movements.



**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(b) Receivables**

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

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

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

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

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

The profile of the Shire's credit risk at balance date was:

	<b>2015</b>	<b>2014</b>
Percentage of rates and annual charges		
- Current	0%	6%
- Overdue	100%	94%
Percentage of other receivables		
- Current	79%	95%
- Overdue	21%	5%

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(c) Payables**

**Borrowings**

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2015</u></b>					
Payables	270,228	0	0	270,228	270,228
Borrowings	92,171	364,728	497,777	954,676	706,554
	<u>362,399</u>	<u>364,728</u>	<u>497,777</u>	<u>1,224,904</u>	<u>976,782</u>
<b><u>2014</u></b>					
Payables	459,762	0	0	459,762	459,763
Borrowings	41,194	95,128	285,384	421,706	260,000
	<u>500,956</u>	<u>95,128</u>	<u>285,384</u>	<u>881,468</u>	<u>719,763</u>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(c) Payables**  
**Borrowings (continued)**

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

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

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<b><u>Year ended 30 June 2015</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	(59,815)	(62,209)	(64,705)	(67,310)	(66,080)	(386,435)	(706,554)	4.60%
Weighted average Effective interest rate	4.04%	1.04%	1.07%	1.09%	1.19%	5.10%		
<b><u>Year ended 30 June 2014</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	(25,162)	(8,798)	(9,368)	(9,974)	(10,620)	(196,078)	(260,000)	6.41%
Weighted average Effective interest rate	6.74%	6.37%	6.37%	6.37%	6.37%	6.37%		

## INDEPENDENT AUDITOR'S REPORT TO THE SHIRE OF WILLIAMS

### Report on the Financial Report

We have audited the accompanying financial report of Shire of Williams, which comprises the statement of financial position as at 30 June 2015 and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by chief executive officer.

### Council's Responsibility for the Financial Report

Council is responsible for the preparation of the financial report which gives a true and fair view in accordance with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

### Independence

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

## **Auditor's Opinion**

In our opinion, the financial report of Shire of Williams is in accordance with the underlying records of the Council, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

## **Emphasis of Matter**

Without modifying our opinion, we draw attention to page 59 of the financial report "Supplementary Ratio Information", which describes certain ratio information relating to the financial report. Management's calculation of the asset consumption ratio and asset renewal funding ratio does not form part of the audited financial report. As a result, we do not express an opinion on management's calculation of these ratios.

## **Other matters**

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

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

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

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA

Director

Perth

Date: 16 September 2015

**SHIRE OF WILLIAMS  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2015**

**RATIO INFORMATION**

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report

	<b>2015</b>	<b>2014</b>	<b>2013</b>
Asset consumption ratio	0.780	0.707	0.601
Asset renewal funding ratio	0.890	0.910	1.000

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$