

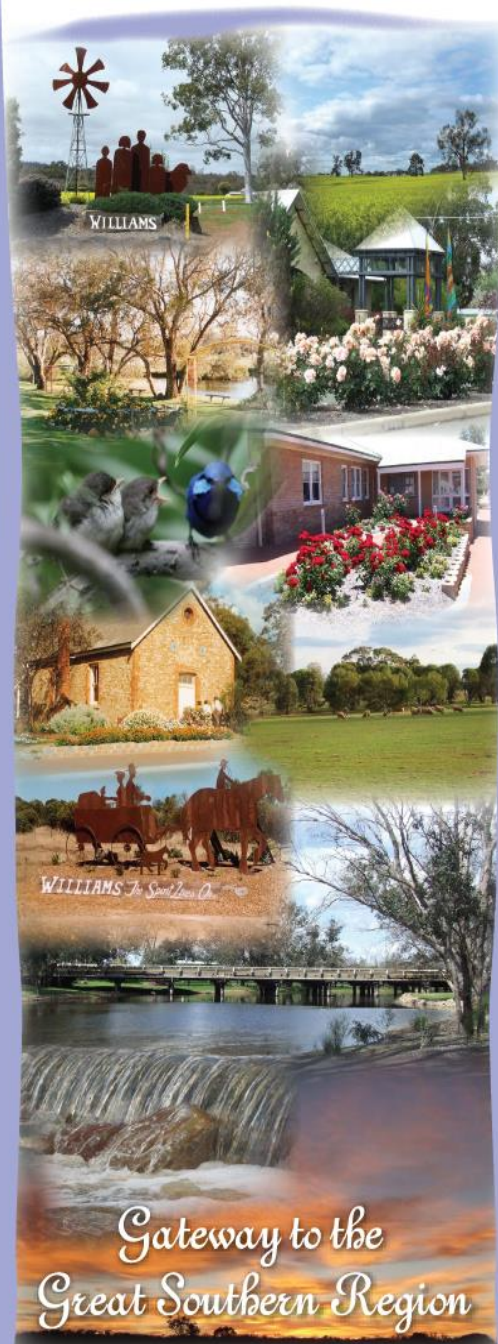
# SHIRE OF WILLIAMS

## ANNUAL REPORT

13 October 2016

*2015/2016*

### 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



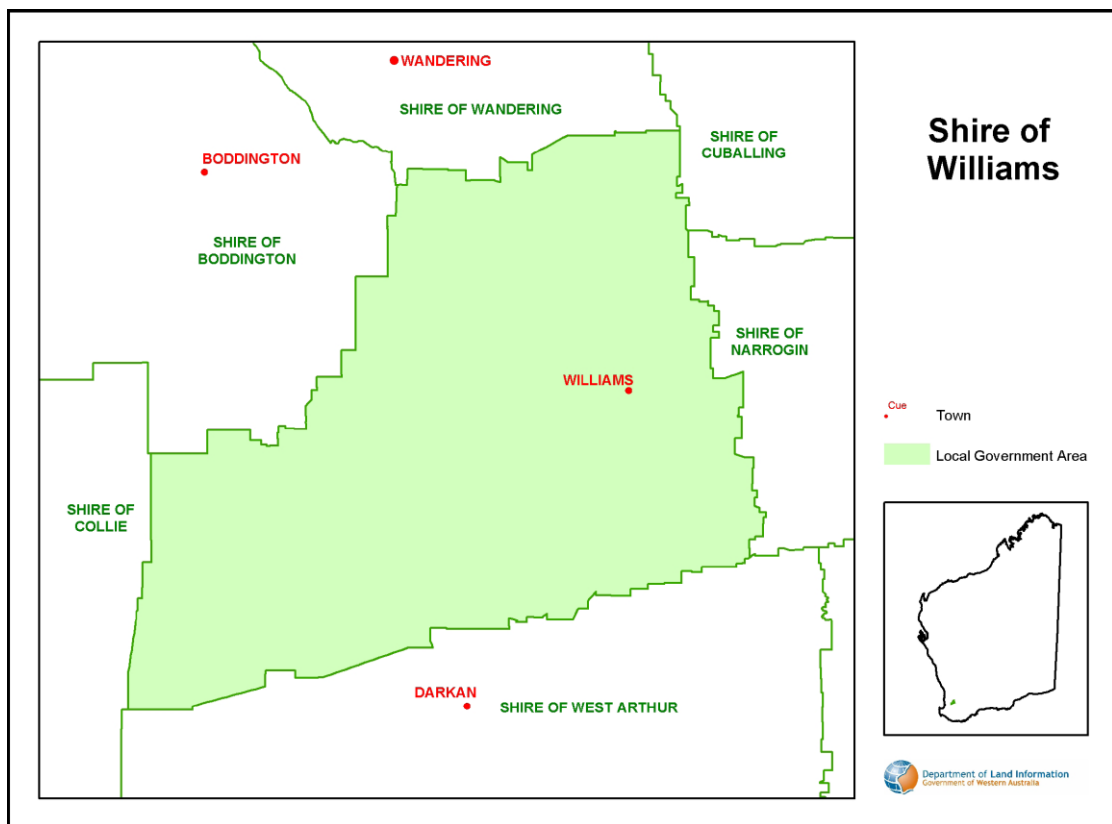
# SHIRE OF WILLIAMS

## Authority and Legislation

The Shire of Williams is a statutory organisation responsible to the Minister for Local Government. 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 WA 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

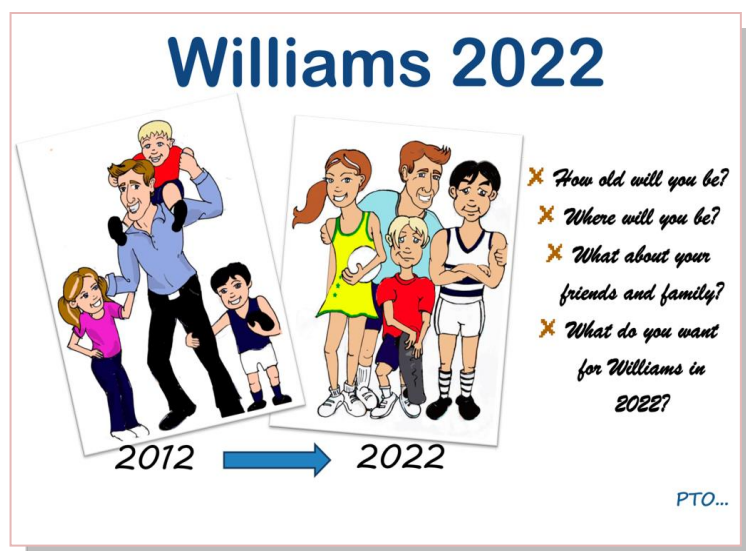
The Shire's Strategic Community Plan "Williams 2022" sets out the Community's vision, values and priorities. The corporate Business Plan aims to fulfill the strategic directions set by Council and progress the Council's vision while keeping with the community's aspirations and values.

### *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 2019

Phone: 9885 6013

GM (Greg) Cavanagh – Deputy President  
Elected to Office in 2005

Retiring 2019

Phone: 9885 7092

Fax: 9885 7092

DS (David) Earnshaw  
Elected to Office in 2005

Retiring 2017

Phone: 9885 8070

Fax: 9885 8075

NA (Natalie) Major  
Elected to Office in 2009

Retiring 2019

Phone: 9885 1021

RF (Richard) Johnstone  
Elected to Office in 2005

Retiring 2017

Phone: 0419 932 537

M (Moya) Carne  
Elected to Office in 2003

Retiring 2019

Phone: 9885 1053

Fax: 9885 1053

JW (Jarrad) Logie  
Elected to Office in 2009

Retiring 2017

Phone: 9885 1357

Fax: 9885 1357

GH (Gilbert) Medlen  
Elected to Office in 2007

Retiring 2019

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>	24 (FTEs)
<b>CHIEF EXECUTIVE OFFICER:</b>	Geoff McKeown
<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>ENVIRONMENTAL HEALTH/BUILDING OFFICER:</b>	Steve Friend
<b>ECONOMIC DEVELOPMENT OFFICER:</b>	Heidi Cowcher
<b>CHILDCARE CO-ORDINATOR :</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 (estimate 2015)	937
Councillors	9
Electors	701
Dwellings	468
Employees (FTE's)	24
Rates (2016)	\$1,557,208
Revenue (2016)	\$4,109,563

## 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 3,000 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.

As Williams is located on the very busy Albany Highway, a significant driver for the local economy includes servicing the travelling public with food and fuel. It is a popular place to stop and take a break on a long journey. A number of local manufacturing industries and service businesses are located in Williams, taking advantage of the strategic transport routes that pass through the town.

## 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 months are January and February. 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 of 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 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 and film 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, 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. Waste 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, are located at the Refuse site.

**Refuse Disposal Site:**

Situated off the 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:

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

## Dog and Cat Registration:

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

Unsterilised 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.			

## Impounding Dogs:

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 1976* provides penalties for owners whose dogs are impounded.

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

Driver's licences, motor vehicle licences, and boat licences 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 (EHO) can be contacted at the Shire Office for any matters concerning Health, Building and Town Planning. The EHO is employed in a joint scheme with the Shire of Wagin. Williams' allocated day is Wednesday and alternate Mondays; 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, e.g. 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 fog the Williams Townsite on regular occasions when conditions are right and adult mosquitos are active.

# SHIRE PRESIDENT'S REPORT

As President, it gives me great pleasure to present the Annual Report to the electors and ratepayers of the community of Williams. Your Council and Staff work hard to identify and deliver projects and manage all aspects of the administration that will improve the community of Williams and make it a great place to live, work and invest. Williams is a community that prides itself on its strong sense of community and is well recognised for its achievements across all aspects – whether it be in its strategic direction in local government or its outstanding achievements on the sporting field. Williams is indeed a great place to live.

In September 2015, nominations were called for the election of five councillor positions with all the sitting councillors returned to their posts with no further nominations received at the close of nominations. Appreciation is extended to these Councillors who give of their time and have committed to a further 4 years representing their community, namely Crs Natalie Major, Moya Carne, Greg Cavanagh and Gilbert Medlen. I was also re-elected. At the October 2015 meeting of Council, I was re-elected to the position of President. The past Deputy, David Earnshaw stepped down, and I extend my heartfelt thanks for his support in his duration as Deputy. Cr Greg Cavanagh was elected to the position as Deputy for the next 2 years.

The Shire continues to play a lead role in managing the 4WDL Regional Well-Aged Housing Project. This project has to date involved up to 7 local governments (Williams, West Arthur, Wagin, Woodanilling, Dumbleyung, Lake Grace and Kent), who have constructed 33 units with funding secured from the WA State Government's Royalties for Regions funding program totalling an investment of over \$10 million. In early 2015, the project presented a case to the WA State Government's Royalties for Region's Growing Our South fund for a further \$5million to construct the final 17 units to complete the project. This funding request was successful and was announced by Hon Mia Davies in July 2015. All six Shires are well underway in their construction of these units. The Shire of Williams secured 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 at the same time 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 Hotham Williams Economic Alliance (HWEDA) collaborative group which is an alliance between 3 local governments; Williams, Wandering and Boddington and continues to plan for and deliver on economic development opportunities for the sub-region. During the past year, the Alliance has worked on a review of its Strategic Plan and the development of an Economic Development Implementation Plan, a plan to identify and prioritise regionally significant economic development initiatives and then work on the delivery of these to assist in the growth of the sub-region that has been branded as 'Marradong Country'.

The road network management is a large part of the Shire's annual works program as we endeavour to ensure that roads are continually maintained and upgraded where required. The crew are also responsible for all the parks and gardens in town as well as the maintenance and management of the sporting facilities. As Council, we endeavour to ensure that the program of work is well balanced and strives to ensure that we do not get too far behind in maintenance and or upgrades as required for the extensive roads network.

Funding secured for other community development based projects have included the Jam Tree Lane Public Open Space; the new footpaths on New, Growse & Piesse Streets; the replacement of the Brooking Street paved path with a concrete path; the installation of solar power at the Williams Swimming Pool and the Masterplan for the redevelopment of the Williams Lions Park. The last project will be implemented as soon as Main Roads finalise the plans and funding arrangements for the replacement of the Williams Bridge.

Council continues to advocate for a permanent allocation of a 2.4 Fire Truck under the ESL funding arrangements. We have not been successful to date, despite having endeavoured to secure funding for one for many years. In December 2015, Council was allocated a High Season Loan truck for the duration of the summer months to assist with bushfire management in the Shire. We will continue to strive for a permanent allocation in the not too distant future and hope that in the meantime the Government continues to allocate a loan vehicle until this time. Protection of our community and our assets is our number one priority.

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, endeavour to deliver an at times challenging works program. There is considerable pressure placed on this team, and they do their best to meet these challenges. During the year, the outside staff added to their team with the employment of David (JJ) Munday.

In October 2015, we farewelled Ryan Duff as CEO, as he embarked on a new challenge with his family as the joint owner/operators of the Williams Woolshed business. In December 2015, Council welcomed Geoff McKeown to the role as CEO. Geoff is an experienced administrator as he was the CEO for the Shire of Narrogin for over 25 years. He and his wife Cath look forward to working and being active participants in the community of Williams.

During the period between CEOs, Cara Ryan stepped into the role as Acting CEO. It was a busy couple months and she handled the role with much professionalism and went about ensuring that the community continued to have the high level of service and support that Williams prides itself on. On behalf of Council, I would like to personally extend my appreciation to her for this commitment.

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 from July-October 2015 and Geoff McKeown as CEO from December 2015 onwards, both lead a strong, dedicated team of Cara Ryan as Manager of Finance, Sharon Wilkie as Senior Administration Officer, Manuela Lenehan, Hazel Harris and Britt Logie as Administration Officers, Heidi Cowcher as the Economic Development Officer and Steve Friend as Environmental Health/Building Officer. Earlier this year, a staff restructure saw Hazel move to the Williams CRC on a permanent basis and Britt Logie into the Shire office one day a week in the administration team.

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. All are always available to listen to the community and advocate for and represent the ratepayers at Council level.

Finally, to the Council team, my appreciation for your support, your dedication to your roles and your strong advocacy for the residents, ratepayers and electors of the community of Williams. I enjoy working with you and look forward to the next 12 months as we continue to deliver on the strategic objectives for the community of Williams.

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

# CHIEF EXECUTIVE OFFICER'S REPORT

It is my pleasure to present my first report as Chief Executive Officer of the Shire of Williams. I commenced employment with the Shire part way through the financial year following the departure of Ryan Duff. I would like to acknowledge the significant contribution Ryan made to the community of Williams during his term. With direction from Council, Ryan initiated a number of very beneficial projects for this Shire. I was very pleased to be able to assume this role in the knowledge that I would be continuing a strong strategic approach to community development.

Since taking on the role of Chief Executive Officer I have gained an appreciation of the strength that Williams people have in working together to make their community the best that it can be. The Shire also plays an important role in this by facilitating projects and initiatives that help to grow the community. With the valuable support of the Williams Community Resource Centre, there is a real desire to embrace the vision outlined in the Strategic Community Plan to maintain a "balanced and caring approach to its people, economy and environment."

The 2015/16 financial year was successful in terms of the Shire's Corporate Business Plan with progress on a number of important community projects.

Following are a few examples of capital projects that were completed during the year or are ongoing to be finished in the following year.



**Cornwall Terrace Upgrade – Blackspot Project**



**Creating Age Friendly Communities – Brooking Street Shared use Path**





**Jam Tree Lane – Public Open Space**



**Waste Transfer Station – To be commissioned**



### **New Street Aged Persons Unit – Scheduled for completion in December 2016**

#### **Financial Sustainability**

The Shire completed the 2015-16 financial year in a sound financial position. The Shire focussed on meeting the commitments contained in the budget for the year and adhering to the expenditure limits set. 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 the State Government 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**

It was reported in last year's Annual Report that the Shire was to benefit from a new methodology used by the Western Australian Local Grants Commission. The Shire has consistently advocated for a higher General Purpose Grant as it currently has one of the lowest in the State. This situation impacts heavily of the Shire's desire to meet its community's needs. This situation is highlighted when a comparison of grants is done looking at similar local governments in this region with facilities and service matching those offered by the Shire of Williams. The new methodology was projecting that the Shire's grant would increase. Unfortunately a current freeze on overall increases to Financial Assistance Grants is delaying the passing on of this increase.

Consequently the Shire is coming under increasing financial pressures. Increases to materials and contracts, as well as utility charges, are out of the Shire's control. The residents are having to meet these additional costs through higher rates, and fees and charges.

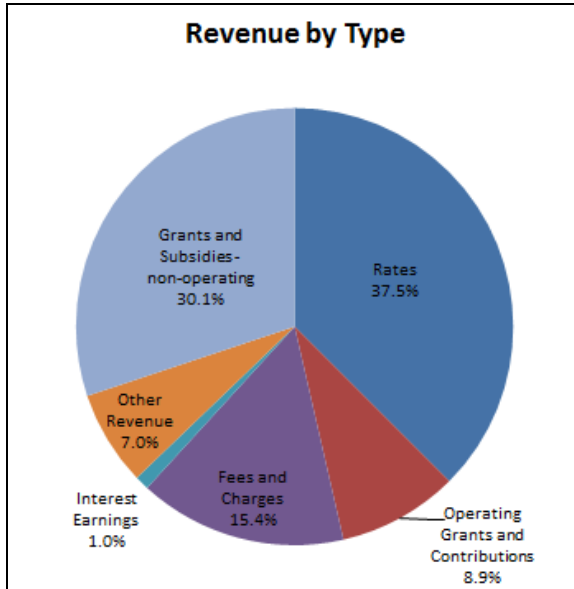
#### **At a glance**

- The operating expenditure for 2015/16 was \$4.03m (including depreciation).
- Staff costs for 24 permanent and casual employees were \$1.52m.
- Rates and charges comprised \$2.20m of the total income received.
- Council's grant funding for the year was \$1.62m.
- A \$1.79m capital works program was delivered.
- Cash and investments totalled \$0.71 million.
- Council borrowings are \$646,740 at the end of the year.

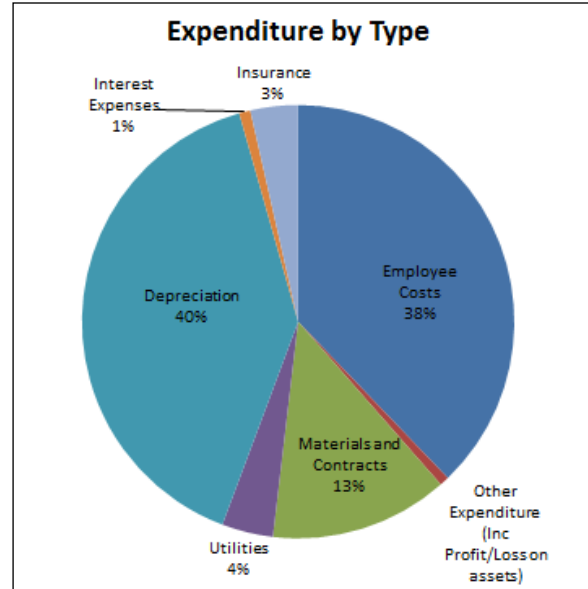
### Operating Result

The operating surplus reported for 2015/2016 is \$126,896 which included a revaluation of the Shire's plant and equipment. Local governments are required to undertake a revaluation of major asset classes on a three year rotational basis to meet legislation contained in the *Local Government Financial Management Regulations 1996*. The diagrams below show the break up of revenue and expenditure:

**Operating Revenue**



**Operating Expenditure**

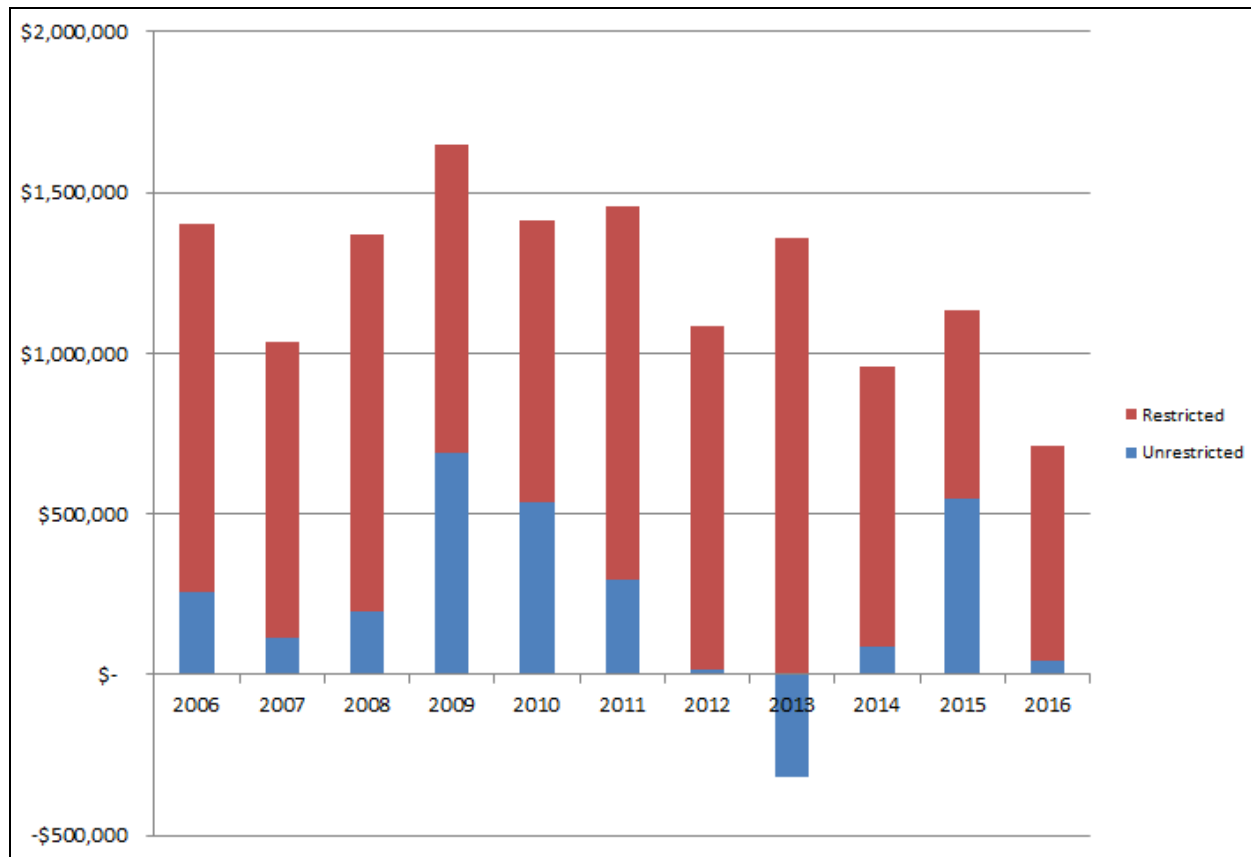


Summary	Actual	Actual	Actual
	2015/2016	2014/2015	2013/2014
Total Operating Revenues	\$4,154,011	\$3,816,461	\$5,055,430
Total Operating Expenditure	\$4,060,086	\$3,272,646	\$3,903,870
<b>Net Result</b>	<b>\$93,925</b>	<b>\$543,815</b>	<b>\$1,151,560</b>
Revaluation of Assets	\$32,971	\$108,860,774	\$13,913,234
<b>Net Operating Result</b>	<b>\$126,896</b>	<b>\$109,404,589</b>	<b>\$15,064,794</b>



## Cash and Reserves

Council had cash holdings of \$712,061 as at the 30<sup>th</sup> June 2016.



## Rates

Council adopted a 5% general rate increase in 2015/16. This resulted in a total rate collection of \$1,557,208 compared to \$1,450,994 the previous year. The average rate increase since 2006 has been 3.72% which is slightly above the average CPI increase for the same period.



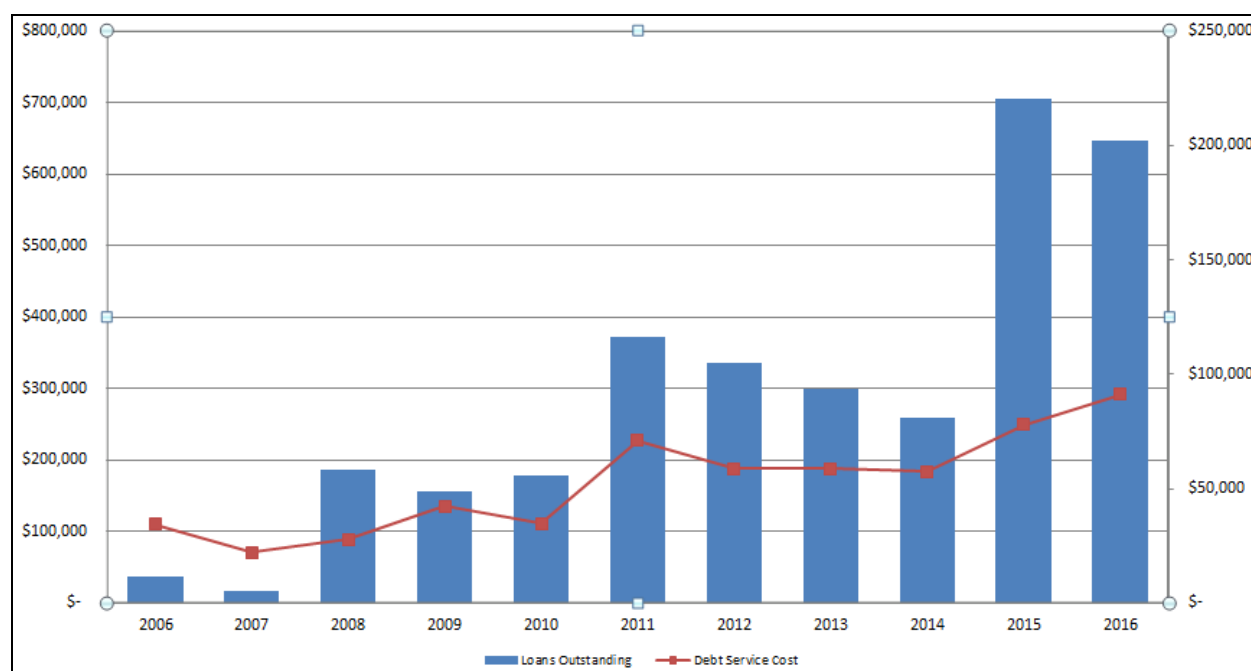
## Capital Expenditure

Council capital expenditure for 2015/16 is listed below:

Plant and Equipment	
Kubota Skid Steer + Broom	\$ 72,180
Mazda CX5 - WL16	\$ 28,167
Holden Colorado Crew Cab Ute 2011	\$ 14,545
2008 Nissan Patrol Ute - Gifted by South 32	\$ 25,000
Land and Buildings	
Solarpower - Swimming Pool	\$ 25,474
Commence Construction 2 x 3 Bed Units - New Street	\$ 164,873
Roads	
Marradong Rd - Pavement Repair	\$ 127,112
York Williams Rd - Shoulder Widening	\$ 232,018
Pingelly Rd - Reseal	\$ 95,224
Glenfield Rd - Seal	\$ 46,440
Cornwall Tce/Brooking St	\$ 112,001
Dardadine Rd - Gravel Sheeting	\$ 371,052
Carne Rd - Reseal	\$ 60,899
Extract Rd - Repair Failed Section/Tree Trim	\$ 51,591
Zilko Rd - Repair Failed Section/Gravel Sheet	\$ 131,331
Footpath - Piesse/Growse St	\$ 55,272
Footpath - Brooking St	\$ 21,614
Footpath - New St	\$ 35,301
Furniture and Equipment	
Glasswasher - Williams Hall	\$ 3,232
Infrastructure	
Jamtree Lane Open Space	\$ 26,441
Waste Transfer Station	\$ 93,803
<b>TOTAL ASSET PURCHASES</b>	<b>\$ 1,793,569</b>

## Loans

Council's loan liability for the year ended 30<sup>th</sup> June 2016 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 term infrastructure assets and plans to do so as indicated in the Shire of Williams Corporate Business Plan.



## Twelve months ahead

Once again the Shire will have a substantial road construction programme to complete in the new financial year. A total of \$903,807 will be expended on multiple roads across the Shire.

The final construction phase of the two new aged persons unit will occur in the first half of the year. A total of \$552,940 will be spent to complete these 3x2 units, which are being built to the highest energy rating standards. These units will be funded from the Royalties for Regions Fund. The Shire is very appreciative of the support it receives from the State and Federal Government with grants that support important infrastructure and services.

In conjunction with the Williams Bowling Club the Shire has included \$212,969 for the replacement of a grass green with synthetic.

The Council will continue to plan for projects in readiness for the appropriate funding program to become available. The Shire is lobbying the State Government to lock in the scheduled replacement of the Williams River Bridge on the Albany Highway. With certainty on when that will be delivered the Shire will be in a position to source funds for the Lions Park redevelopment.

## Councillors, Staff and Community

In conclusion, I would like to pass on my thanks to the Shire President, John Cowcher and the Councillors for their support to me since I have taken on this role. Thank you to the Staff who support me and work hard to maintain a high standard of service to our community. Finally to the community of Williams, I would like to express my appreciation for the welcome extended to me in joining your community.

**Geoff McKeown**

**Chief Executive Officer**

**7<sup>th</sup> October 2016**

# 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 addresses 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 Ausplan 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 2015-16 the Shire reviewed its obligations under the *Equal Opportunity Act 1984*.

### 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 2015/16 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 2015-16</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. A new Record Keeping Plan was adopted and approved in February 2011. An amended plan is required to be submitted by the end of December 2016.

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. Induction programs were undertaken for new staff.

## 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.

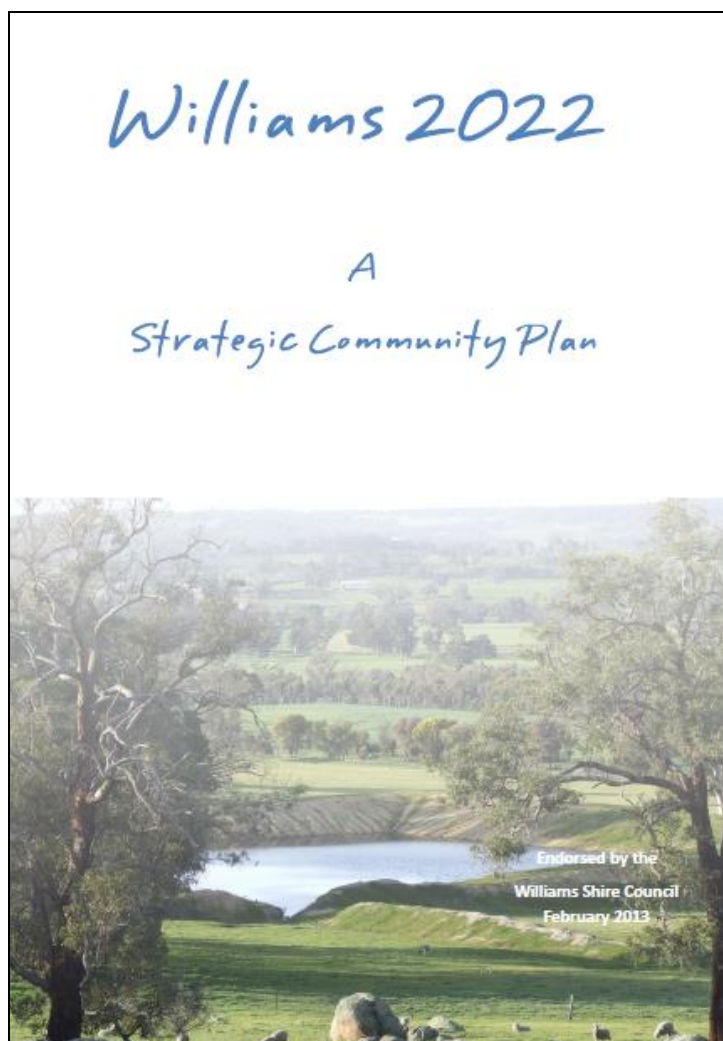
Salary Range	2015	2016
\$100,000 - \$110,000	1	1
\$110,000 - \$120,000	1	1

**Geoff McKeown**  
**Chief Executive Officer**  
**7<sup>th</sup> October 2016**

# 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.

<b>OP 1.2</b>	<b>Keep</b> the community engaged on subjects or decisions that directly impact.	Community engagement follows policy and community members are actively involved.
<b>OP 1.3</b>	<b>Have</b> a communication plan that works for the majority.	Community and Shire have an infrastructure that works in a timely way.
<b>OP 1.4</b>	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>
<b>OP 2.1</b>	<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.
<b>OP 2.2</b>	Have a <b>contingency plan</b> if we do amalgamate.	Contingency plan in place.

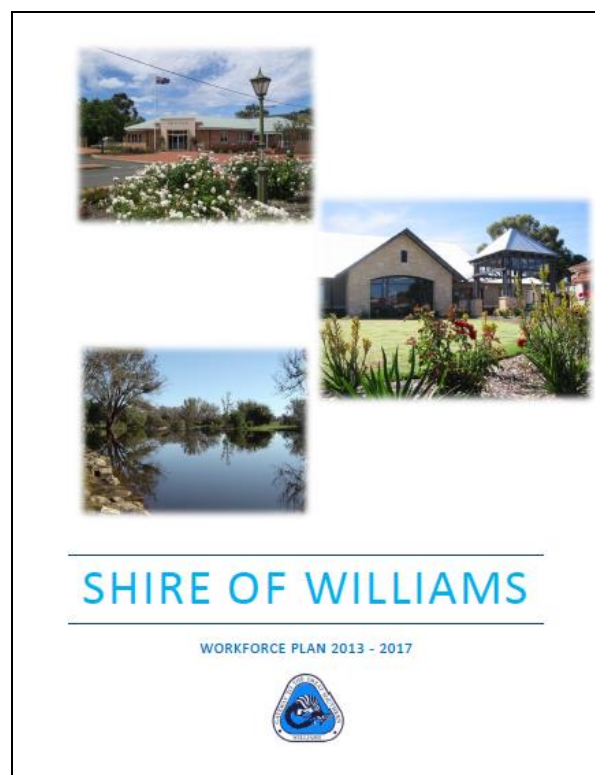
## Corporate Business Plan

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 2016**

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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 2016**

**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 2016 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2016 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 8<sup>TH</sup> day of SEPTEMBER 2016

  
\_\_\_\_\_  
Geoff McKeown  
Chief Executive Officer

**SHIRE OF WILLIAMS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Revenue</b>				
Rates	22	1,557,208	1,556,539	1,450,994
Operating grants, subsidies and contributions	29	370,519	343,702	835,445
Fees and charges	28	639,062	571,782	570,359
Service charges	25	0	0	0
Interest earnings	2(a)	43,609	37,000	44,900
Other revenue	2(a)	245,773	138,538	186,239
		<u>2,856,171</u>	<u>2,647,561</u>	<u>3,087,937</u>
<b>Expenses</b>				
Employee costs		(1,523,099)	(1,337,183)	(1,463,309)
Materials and contracts		(537,304)	(478,107)	(614,911)
Utility charges		(154,533)	(156,050)	(159,491)
Depreciation on non-current assets	2(a)	(1,606,383)	(1,534,300)	(761,075)
Interest expenses	2(a)	(33,685)	(32,417)	(28,044)
Insurance expenses		(143,549)	(140,037)	(166,215)
Other expenditure		0	0	(11,797)
		<u>(3,998,553)</u>	<u>(3,678,094)</u>	<u>(3,204,842)</u>
		<u>(1,142,382)</u>	<u>(1,030,533)</u>	<u>(116,905)</u>
Non-operating grants, subsidies and contributions	29	1,251,866	1,121,123	725,855
Profit on asset disposals	20	1,526	1,000	2,669
(Loss) on asset disposals	20	(17,085)	0	(67,804)
(Loss) on revaluation of furniture and equipment	6(b)	(11,477)	0	0
Reversal of prior year loss on revaluation of plant and equipment	6(b)	17,770	0	0
<b>Net result</b>		<b>100,218</b>	<b>91,590</b>	<b>543,815</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	26,678	0	72,460,129
<b>Total other comprehensive income</b>		<b>26,678</b>	<b>0</b>	<b>72,460,129</b>
<b>Total comprehensive income</b>		<b>126,896</b>	<b>91,590</b>	<b>73,003,944</b>

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 2016**

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Revenue</b>	2(a)			
Governance		107,409	49,250	82,766
General purpose funding		1,804,257	1,800,661	2,133,787
Law, order, public safety		26,365	29,060	31,996
Health		937	1,500	1,593
Education and welfare		341,157	280,103	285,493
Housing		115,873	163,944	82,496
Community amenities		134,956	125,150	115,888
Recreation and culture		49,756	46,557	108,529
Transport		119,685	47,846	60,247
Economic services		48,104	43,290	33,862
Other property and services		107,672	60,200	151,280
		<u>2,856,171</u>	<u>2,647,561</u>	<u>3,087,937</u>
<b>Expenses</b>	2(a)			
Governance		(290,926)	(256,176)	(283,213)
General purpose funding		(10,721)	(12,050)	(24,113)
Law, order, public safety		(57,713)	(59,543)	(57,957)
Health		(83,048)	(84,680)	(75,234)
Education and welfare		(406,237)	(380,726)	(337,073)
Housing		(187,964)	(145,599)	(145,090)
Community amenities		(202,447)	(194,572)	(182,899)
Recreation and culture		(697,826)	(728,516)	(752,902)
Transport		(1,785,381)	(1,595,489)	(1,048,151)
Economic services		(101,036)	(93,742)	(99,872)
Other property and services		(141,569)	(94,584)	(170,294)
		<u>(3,964,868)</u>	<u>(3,645,677)</u>	<u>(3,176,798)</u>
<b>Finance costs</b>	2(a)			
Governance		(952)	(1,014)	(845)
General purpose funding		(2,423)	(500)	(10)
Transport		(7,830)	(8,048)	(5,817)
Economic services		(7,850)	(8,034)	(6,085)
Other property and services		(14,630)	(14,821)	(15,287)
		<u>(33,685)</u>	<u>(32,417)</u>	<u>(28,044)</u>
		<u>(1,142,382)</u>	<u>(1,030,533)</u>	<u>(116,905)</u>
Non-operating grants, subsidies and contributions	29	1,251,866	1,121,123	725,855
Profit on disposal of assets	20	1,526	1,000	2,669
(Loss) on disposal of assets	20	(17,085)	0	(67,804)
(Loss) on revaluation of furniture and equipment	6(b)	(11,477)	0	0
Reversal of prior year loss on revaluation of plant and equipment	6(b)	17,770	0	0
		<u>6,293</u>	<u>0</u>	<u>0</u>
<b>Net result</b>		<b>100,218</b>	<b>91,590</b>	<b>543,815</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	26,678	0	72,460,129
<b>Total other comprehensive income</b>		<b>26,678</b>	<b>0</b>	<b>72,460,129</b>
<b>Total comprehensive income</b>		<b>126,896</b>	<b>91,590</b>	<b>73,003,944</b>

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

**SHIRE OF WILLIAMS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2016**

	NOTE	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	712,061	1,130,875
Trade and other receivables	4	227,313	47,785
Inventories	5	20,476	11,488
<b>TOTAL CURRENT ASSETS</b>		<b>959,850</b>	<b>1,190,148</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	19,308,499	19,490,326
Infrastructure	7	86,509,142	86,137,037
<b>TOTAL NON-CURRENT ASSETS</b>		<b>105,817,641</b>	<b>105,627,363</b>
<b>TOTAL ASSETS</b>		<b>106,777,491</b>	<b>106,817,511</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	146,802	270,228
Current portion of long term borrowings	9	62,210	59,815
Provisions	10	241,428	235,232
<b>TOTAL CURRENT LIABILITIES</b>		<b>450,440</b>	<b>565,275</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	9	584,530	646,739
Provisions	10	30,397	20,269
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>614,927</b>	<b>667,008</b>
<b>TOTAL LIABILITIES</b>		<b>1,065,367</b>	<b>1,232,283</b>
<b>NET ASSETS</b>		<b>105,712,124</b>	<b>105,585,228</b>
<b>EQUITY</b>			
Retained surplus		17,823,285	17,801,278
Reserves - cash backed	11	575,211	497,000
Revaluation surplus	12	87,313,628	87,286,950
<b>TOTAL EQUITY</b>		<b>105,712,124</b>	<b>105,585,228</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 2016**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2014</b>		<b>17,272,811</b>	<b>481,652</b>	<b>14,826,821</b>	<b>32,581,284</b>
Comprehensive income					
Net result		543,815	0	0	543,815
Changes on revaluation of assets	12	0	0	72,460,129	72,460,129
Total comprehensive income		543,815	0	72,460,129	73,003,944
Transfers from/(to) reserves		(15,348)	15,348	0	0
<b>Balance as at 30 June 2015</b>		<b>17,801,278</b>	<b>497,000</b>	<b>87,286,950</b>	<b>105,585,228</b>
Comprehensive income					
Net result		100,218	0	0	100,218
Changes on revaluation of assets	12	0	0	26,678	26,678
Total comprehensive income		100,218	0	26,678	126,896
Transfers from/(to) reserves		(78,211)	78,211	0	0
<b>Balance as at 30 June 2016</b>		<b>17,823,285</b>	<b>575,211</b>	<b>87,313,628</b>	<b>105,712,124</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 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,574,159	1,556,539	1,482,569
Operating grants, subsidies and contributions		172,995	313,702	1,172,655
Fees and charges		639,062	571,782	603,518
Interest earnings		43,609	37,000	44,900
Goods and services tax		399,978	102,400	350,920
Other revenue		245,773	138,538	186,239
		<u>3,075,576</u>	<u>2,719,961</u>	<u>3,840,801</u>
<b>Payments</b>				
Employee costs		(1,441,946)	(1,372,551)	(1,447,939)
Materials and contracts		(733,893)	(606,873)	(806,096)
Utility charges		(154,533)	(156,050)	(159,491)
Interest expenses		(34,339)	(32,417)	(25,394)
Insurance expenses		(143,549)	(140,037)	(166,215)
Goods and services tax		(398,933)	(102,400)	(351,034)
Other expenditure		0	0	(11,797)
		<u>(2,907,193)</u>	<u>(2,410,328)</u>	<u>(2,967,966)</u>
<b>Net cash provided by (used in) operating activities</b>	13(b)	<u>168,383</u>	<u>309,633</u>	<u>872,835</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(333,471)	(140,924)	(1,265,448)
Payments for construction of infrastructure		(1,460,096)	(1,575,135)	(849,652)
Non-operating grants, subsidies and contributions		1,251,866	1,121,123	725,855
Proceeds from sale of fixed assets		14,318	10,000	242,968
<b>Net cash provided by (used in) investment activities</b>		<u>(527,383)</u>	<u>(584,936)</u>	<u>(1,146,277)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(59,814)	(59,815)	(50,005)
Proceeds from new debentures		0	0	496,559
<b>Net cash provided by (used in) financing activities</b>		<u>(59,814)</u>	<u>(59,815)</u>	<u>446,554</u>
<b>Net increase (decrease) in cash held</b>		(418,814)	(335,118)	173,112
Cash at beginning of year		1,130,875	1,130,872	957,763
<b>Cash and cash equivalents at the end of the year</b>	13(a)	<u><u>712,061</u></u>	<u><u>795,754</u></u>	<u><u>1,130,875</u></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 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>Net current assets at start of financial year - surplus/(deficit)</b>		<u>187,808</u> <u>187,808</u>	<u>205,984</u> <u>205,984</u>	<u>257,736</u> <u>257,736</u>
<b>Revenue from operating activities (excluding rates)</b>				
Governance		108,798	50,250	82,766
General purpose funding		263,835	260,772	682,793
Law, order, public safety		26,365	29,060	31,996
Health		937	1,500	1,593
Education and welfare		341,157	280,103	285,493
Housing		115,873	163,944	82,496
Community amenities		134,956	125,150	115,888
Recreation and culture		49,756	46,557	108,529
Transport		119,685	47,846	62,916
Economic services		48,104	43,290	33,862
Other property and services		<u>107,672</u>	<u>60,200</u>	<u>151,280</u>
		<u>1,317,138</u>	<u>1,108,672</u>	<u>1,639,612</u>
<b>Expenditure from operating activities</b>				
Governance		(292,871)	(257,190)	(289,510)
General purpose funding		(13,144)	(12,550)	(24,123)
Law, order, public safety		(57,713)	(59,543)	(57,957)
Health		(87,298)	(84,680)	(75,234)
Education and welfare		(406,437)	(380,726)	(337,073)
Housing		(189,664)	(145,599)	(145,090)
Community amenities		(202,447)	(194,572)	(182,899)
Recreation and culture		(701,396)	(728,516)	(752,902)
Transport		(1,799,583)	(1,603,537)	(1,116,320)
Economic services		(108,886)	(101,776)	(105,957)
Other property and services		<u>(156,199)</u>	<u>(109,405)</u>	<u>(185,581)</u>
		<u>(4,015,638)</u>	<u>(3,678,094)</u>	<u>(3,272,646)</u>
<b>Operating activities excluded from budget</b>				
(Profit) on disposal of assets	20	(1,526)	(1,000)	(2,669)
Loss on disposal of assets	20	17,085	0	67,804
Movement in deferred pensioner rates (non-current)		0	0	4,244
Movement in Leave Reserve		44	0	0
Movement in employee benefit provisions (non-current)		10,128	0	(3,271)
Depreciation and amortisation on assets	2(a)	<u>1,606,383</u>	<u>1,534,300</u>	<u>761,075</u>
<b>Amount attributable to operating activities</b>		<u>(878,578)</u>	<u>(830,138)</u>	<u>(548,115)</u>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		1,251,866	1,121,123	725,855
Proceeds from disposal of assets	20	14,318	10,000	242,968
Purchase of property, plant and equipment	6(b)	(333,471)	(140,924)	(1,265,448)
Purchase and construction of infrastructure	7(b)	<u>(1,460,096)</u>	<u>(1,575,135)</u>	<u>(849,652)</u>
<b>Amount attributable to investing activities</b>		<u>(527,383)</u>	<u>(584,936)</u>	<u>(1,146,277)</u>
<b>FINANCING ACTIVITIES</b>				
Repayment of debentures	21(a)	(59,814)	(59,815)	(50,005)
Proceeds from new debentures	21(a)	0	0	496,559
Transfers to reserves (restricted assets)	11	(78,212)	(65,000)	(15,348)
Transfers from reserves (restricted assets)	11	<u>0</u>	<u>0</u>	<u>0</u>
<b>Amount attributable to financing activities</b>		<u>(138,026)</u>	<u>(124,815)</u>	<u>431,206</u>
<b>Surplus(deficiency) before general rates</b>		<u>(1,543,987)</u>	<u>(1,539,889)</u>	<u>(1,263,186)</u>
<b>Total amount raised from general rates</b>	22	<u>1,540,559</u>	<u>1,539,889</u>	<u>1,450,994</u>
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	23	<u><u>(3,428)</u></u>	<u><u>0</u></u>	<u><u>187,808</u></u>

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

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**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 2016**

**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.

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire revalues its asset classes in accordance with this mandatory timetable.

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 2016**

**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 2016**

**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 2016**

**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 2016**

**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 in accordance with the regulatory framework.

**(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 2016**

**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 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.

***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).

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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

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

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 2016**

**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.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(n) Leases (continued)**

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.

**(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.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(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.

**(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 2016**

**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:

	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
(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 15 Revenue from Contracts with Customers	December 2014	1 January 2018	<p>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.</p> <p>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.</p>
(iii)	AASB 16 Leases	February 2016	1 January 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.</p>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**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
(iv) 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.
(v) 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.
(vi) 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.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**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
(vii) 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 as they currently exist and any changes will relate to presentation.
(viii) 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.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(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 as follows:

- (i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- (ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**2. REVENUE AND EXPENSES**

**2016**  
**\$**                      **2015**  
**\$**

**(a) Net Result**

The Net result includes:

(i) Charging as an expense:

**Auditors remuneration**

- Audit of the Annual Financial Report	7,946	8,222
- Financial Management Review	2,000	3,000
- Other Services	750	750

**Depreciation**

Buildings - non-specialised	73,260	41,589
Buildings - specialised	252,247	251,013
Furniture and equipment	15,221	8,353
Plant and equipment	177,664	155,015
Infrastructure - roads	635,067	229,994
Infrastructure - footpaths	13,039	9,861
Infrastructure - drainage	288,139	0
Infrastructure - bridges	85,586	0
Infrastructure - parks & gardens	66,160	65,250
	<u>1,606,383</u>	<u>761,075</u>

**Interest expenses (finance costs)**

Debentures (refer Note 21 (a))	31,263	28,034
Overdraft Interest	9	10
Treasury Guarantee Fee on Loans	2,413	0
	<u>33,685</u>	<u>28,044</u>

(ii) Crediting as revenue:

**Other revenue**

Reimbursements and recoveries	209,349	176,690
Other	36,424	9,549
	<u>245,773</u>	<u>186,239</u>

	<b>2016</b> <b>Actual</b> <b>\$</b>	<b>2016</b> <b>Budget</b> <b>\$</b>	<b>2015</b> <b>Actual</b> <b>\$</b>
<b>Interest earnings</b>			
- Reserve funds	13,211	15,000	16,847
- Other funds	17,067	10,000	13,937
Other interest revenue (refer note 27)	13,331	12,000	14,116
	<u>43,609</u>	<u>37,000</u>	<u>44,900</u>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**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 and programs.

**COMMUNITY VISION**

In 2022 Williams is an independent, growing and vibrant community. This will be achieved by maintaining a balance 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 members of Council; other costs that relate to the tasks of assisting elected members and ratepayers on matters 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.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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

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

**HOUSING**

**Objective:**

To help ensure the availability of adequate housing for community needs.

**Activities:**

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

**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 2016**

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

**(c) Conditions Over Grants/Contributions**

Grant/Contribution	Function/ Activity	Opening Balance <sup>(1)</sup>	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing Balance <sup>(1)</sup>	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing Balance
		1/07/14 \$	2014/15 \$	2014/15 \$	30/06/15 \$	2015/16 \$	2015/16 \$	30/06/16 \$
Roads to Recovery	Transport	127,674	84,405	(208,446)	<b>3,633</b>	417,588	(355,822)	<b>65,399</b>
Department of Agriculture	Community	3,373	0	0	<b>3,373</b>	0	0	<b>3,373</b>
CLGF - Industrial Subdivision	Economic	259,298	0	(259,298)	<b>0</b>	0	0	<b>0</b>
Department of Education	Education	0	13,839	(2,582)	<b>11,257</b>	6,690	(2,629)	<b>15,318</b>
WDC - Community Chest	Recreation	0	20,000	(9,393)	<b>10,607</b>	0	(10,607)	<b>0</b>
WDC - Creating Aged Friendly	Recreation	0	56,054	0	<b>56,054</b>	0	(56,054)	<b>0</b>
Kidsport	Recreation	0	0	0	<b>0</b>	2,000	(1,033)	<b>967</b>
NRM Grant	Community	0	0	0	<b>0</b>	15,000	(3,937)	<b>11,063</b>
<b>Total</b>		<b>390,345</b>	<b>174,298</b>	<b>(479,719)</b>	<b>84,924</b>	<b>441,278</b>	<b>(430,082)</b>	<b>96,120</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 2016**

	Note	2016 \$	2015 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		40,730	548,951
Restricted		<u>671,331</u>	<u>581,924</u>
		<u>712,061</u>	<u>1,130,875</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	11	164	160
Plant Reserve	11	5,561	546
Building Reserve	11	421,010	410,109
Joint Venture Housing Reserve	11	67,650	56,075
Recreation Facilities Reserve	11	19,880	19,445
Art Acquisition Reserve	11	10,946	10,665
Refuse Site Reserve	11	50,000	0
Unspent grants	2(c)	<u>96,120</u>	<u>84,924</u>
		<u>671,331</u>	<u>581,924</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>			
<b>Current</b>			
Rates outstanding		10,829	27,780
Sundry debtors		230,012	32,692
GST receivable		0	1,045
Provision for Doubtful Debts		<u>(13,528)</u>	<u>(13,732)</u>
		<u>227,313</u>	<u>47,785</u>
<b>5. INVENTORIES</b>			
<b>Current</b>			
Fuel and materials		19,539	10,452
History books		<u>937</u>	<u>1,036</u>
		<u>20,476</u>	<u>11,488</u>
<b>Non-current</b>			
Land held for resale - cost			
Cost of acquisition		0	0
Development costs		<u>0</u>	<u>0</u>
		<u>0</u>	<u>0</u>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	2016 \$	2015 \$
<b>6 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings		
Land - freehold at:		
- Independent valuation 2014 - level 2	1,965,000	1,965,000
- Additions after valuation - cost	<u>488,067</u>	<u>488,067</u>
	2,453,067	2,453,067
Buildings - non-specialised at:		
- Independent valuation 2014 - level 2	1,682,669	1,682,669
- Additions after valuation - cost	1,716,994	1,716,994
Less: accumulated depreciation	<u>(114,849)</u>	<u>(41,589)</u>
	3,284,814	3,358,074
Buildings - specialised at:		
- Independent valuation 2014 - level 3	12,501,406	12,501,406
- Additions after valuation - cost	37,809	12,335
Less: accumulated depreciation	<u>(503,260)</u>	<u>(251,013)</u>
	12,035,955	12,262,728
Total land and buildings	<u>17,773,836</u>	<u>18,073,869</u>
Furniture and equipment at:		
- Management valuation 2013 - level 3	0	96,700
- Management valuation 2016 - level 2	98,640	0
- Additions after valuation - cost	0	51,697
Less accumulated depreciation	<u>0</u>	<u>(15,153)</u>
	98,640	133,244
Plant and equipment at:		
- Management valuation 2013 - level 2	0	27,500
- Independent valuation 2016 - level 2	1,271,150	1,068,045
- Additions after valuation - cost	0	424,120
Less accumulated depreciation	<u>0</u>	<u>(236,452)</u>
	1,271,150	1,283,213
Work in Progress - Specialised Buildings at:		
- Additions after valuation - cost	164,873	0
Less accumulated amortisation	<u>0</u>	<u>0</u>
	164,873	0
	<u>19,308,499</u>	<u>19,490,326</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. 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 2016

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) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold	2,453,067	0	0	0	0	0	0	0	2,453,067
<b>Total land</b>	<b>2,453,067</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,453,067</b>
Buildings - non-specialised	3,358,074	0	0	0	0	0	(73,260)	0	3,284,814
Buildings - specialised	12,262,728	25,474	0	0	0	0	(252,247)	0	12,035,955
<b>Total buildings</b>	<b>15,620,802</b>	<b>25,474</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(325,507)</b>	<b>0</b>	<b>15,320,769</b>
<b>Total land and buildings</b>	<b>18,073,869</b>	<b>25,474</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(325,507)</b>	<b>0</b>	<b>17,773,836</b>
Furniture and equipment	133,244	3,231	(11,137)	0	(11,477)	0	(15,221)	0	98,640
Plant and equipment	1,283,213	139,893	(18,740)	26,678	17,770	0	(177,664)	0	1,271,150
Work in Progress - Specialised Buildings	0	164,873	0	0	0	0	0	0	164,873
<b>Total property, plant and equipment</b>	<b>19,490,326</b>	<b>333,471</b>	<b>(29,877)</b>	<b>26,678</b>	<b>6,293</b>	<b>0</b>	<b>(518,392)</b>	<b>0</b>	<b>19,308,499</b>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(c) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
<b>Land and buildings</b>					
Land - freehold	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
Buildings - non-specialised	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
Buildings - specialised	3	Cost approach estimating the replacement cost for each building, by compoentising with different useful lives	Independent Registered Valuers	June 2014	Average cost of construction and consumption score for each component (Level 2), residual value, useful
<b>Furniture and equipment</b>	2	Obervable Open Market Values for Similar Assets, adjusted for condition and comparability	Management Valuation	June 2016	Price per item
<b>Plant and equipment</b>	2	Obervable Open Market Values for Similar Assets, adjusted for condition and comparability	Management Valuation	June 2016	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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	2016 \$	2015 \$
<b>7 (a). INFRASTRUCTURE</b>		
Infrastructure - roads		
- Independent valuation 2015 - level 3	57,668,326	57,668,326
- Additions after valuation - cost	1,227,666	0
Less accumulated depreciation	(635,067)	0
	<u>58,260,925</u>	<u>57,668,326</u>
Infrastructure - footpaths		
- Independent valuation 2015 - level 3	803,614	803,614
- Additions after valuation - cost	112,187	0
Less accumulated depreciation	(13,039)	0
	<u>902,762</u>	<u>803,614</u>
Infrastructure - drainage		
- Independent valuation 2015 - level 3	14,264,160	14,264,160
- Additions after valuation - cost	0	0
Less accumulated depreciation	(288,139)	0
	<u>13,976,021</u>	<u>14,264,160</u>
Infrastructure - bridges		
- Independent valuation 2015 - level 3	9,618,986	9,618,986
- Additions after valuation - cost	0	0
Less accumulated depreciation	(85,586)	0
	<u>9,533,400</u>	<u>9,618,986</u>
Infrastructure - parks & gardens		
- Management valuation 2014 - level 3	3,515,858	3,515,858
- Additions after valuation - cost	451,586	331,343
Less accumulated depreciation	(131,410)	(65,250)
	<u>3,836,034</u>	<u>3,781,951</u>
	<u><u>86,509,142</u></u>	<u><u>86,137,037</u></u>

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. 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) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - roads	57,668,326	1,227,666	0	0	0	0	(635,067)	0	58,260,925
Infrastructure - footpaths	803,614	112,187	0	0	0	0	(13,039)	0	902,762
Infrastructure - drainage	14,264,160	0	0	0	0	0	(288,139)	0	13,976,021
Infrastructure - bridges	9,618,986	0	0	0	0	0	(85,586)	0	9,533,400
Infrastructure - parks & gardens	3,781,951	120,243	0	0	0	0	(66,160)	0	3,836,034
<b>Total infrastructure</b>	<b>86,137,037</b>	<b>1,460,096</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,087,991)</b>	<b>0</b>	<b>86,509,142</b>

**SHIRE OF WILLIAMS**  
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**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>Infrastructure - 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
<b>Infrastructure - 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
<b>Infrastructure - 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
<b>Infrastructure - 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
<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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	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	76,084	263,685
Accrued interest on debentures	5,889	6,543
Accrued salaries and wages	35,647	0
ATO liabilities	29,182	0
	<u>146,802</u>	<u>270,228</u>

**9. LONG-TERM BORROWINGS**

<b>Current</b>		
Secured by floating charge		
Debentures	62,210	59,815
	<u>62,210</u>	<u>59,815</u>
<b>Non-current</b>		
Secured by floating charge		
Debentures	584,530	646,739
	<u>584,530</u>	<u>646,739</u>

Additional detail on borrowings is provided in Note 21.

**10. PROVISIONS**

	<b>Provision for Annual Leave \$</b>	<b>Provision for Long Service Leave \$</b>	<b>Total \$</b>
<b>Opening balance at 1 July 2015</b>			
Current provisions	97,333	137,899	235,232
Non-current provisions	<u>20,269</u>	<u>20,269</u>	<u>20,269</u>
	97,333	158,168	255,501
Additional provision	127,208	50,844	178,052
Amounts used	<u>(116,986)</u>	<u>(44,742)</u>	<u>(161,728)</u>
<b>Balance at 30 June 2016</b>	<u>107,555</u>	<u>164,270</u>	<u>271,825</u>
<b>Comprises</b>			
Current	107,555	133,873	241,428
Non-current	<u>0</u>	<u>30,397</u>	<u>30,397</u>
	<u>107,555</u>	<u>164,270</u>	<u>271,825</u>



**SHIRE OF WILLIAMS**  
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**11. RESERVES - CASH BACKED**

	<b>Actual 2016 Opening Balance</b>	<b>Actual 2016 Transfer to</b>	<b>Actual 2016 Transfer (from)</b>	<b>Actual 2016 Closing Balance</b>	<b>Budget 2016 Opening Balance</b>	<b>Budget 2016 Transfer to</b>	<b>Budget 2016 Transfer (from)</b>	<b>Budget 2016 Closing Balance</b>	<b>Actual 2015 Opening Balance</b>	<b>Actual 2015 Transfer to</b>	<b>Actual 2015 Transfer (from)</b>	<b>Actual 2015 Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Leave Reserve	160	4	0	164	160	30	0	190	125	35	0	160
Plant Reserve	546	5,015	0	5,561	546	10	0	556	529	17	0	546
Building Reserve	410,109	10,901	0	421,010	410,109	62,360	0	472,469	397,469	12,640	0	410,109
Joint Venture Housing Reserve	56,075	11,575	0	67,650	56,075	1,800	0	57,875	54,248	1,827	0	56,075
Recreation Facilities Reserve	19,445	435	0	19,880	19,445	500	0	19,945	18,942	503	0	19,445
Art Acquisition Reserve	10,665	281	0	10,946	10,665	300	0	10,965	10,339	326	0	10,665
Refuse Site Reserve	0	50,000	0	50,000				0				0
	<b>497,000</b>	<b>78,211</b>	<b>0</b>	<b>575,211</b>	<b>497,000</b>	<b>65,000</b>	<b>0</b>	<b>562,000</b>	<b>481,652</b>	<b>15,348</b>	<b>0</b>	<b>497,000</b>

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.

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

<b>Name of Reserve</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
Plant Reserve	Ongoing	To be used for the purchase of plant items.
Building Reserve	2016/2017	To be used for the construction, refurbishment and acquisition of buildings.
Joint Venture Housing Reserve	Ongoing	To be used to finance maintenance and construction of joint venture housing.
Recreation Facilities Reserve	Ongoing	To be used to finance capital improvements of existing recreation facilities and to fund acquisition of new recreation facilities.
Art Acquisition Reserve	Ongoing	To be used for the purchase of art pieces for the Williams Art Collection.
Refuse Site Reserve	Ongoing	To be used for the re-development of waste facilities.

**SHIRE OF WILLIAMS**  
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**12. REVALUATION SURPLUS**

	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>
	<b>Opening</b>	<b>Revaluation</b>	<b>Revaluation</b>	<b>Total</b>	<b>Closing</b>	<b>Opening</b>	<b>Revaluation</b>	<b>Revaluation</b>	<b>Total</b>	<b>Closing</b>
	<b>Balance</b>	<b>Increment</b>	<b>Decrement</b>	<b>Movement on</b>	<b>Balance</b>	<b>Balance</b>	<b>Increment</b>	<b>Decrement</b>	<b>Movement on</b>	<b>Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land and buildings	12,489,901	0	0	0	12,489,901	12,489,901	0	0	0	12,489,901
Furniture and equipment	0	0	0	0	0	0	0	0	0	0
Plant and equipment	0	26,678	0	26,678	26,678	0	0	0	0	0
Infrastructure - roads	72,482,527	0	0	0	72,482,527	22,398	72,460,129	0	72,460,129	72,482,527
Infrastructure - footpaths	0	0	0	0	0	0	0	0	0	0
Infrastructure - drainage	0	0	0	0	0	0	0	0	0	0
Infrastructure - bridges	0	0	0	0	0	0	0	0	0	0
Infrastructure - parks & gardens	2,314,522	0	0	0	2,314,522	2,314,522	0	0	0	2,314,522
	<b>87,286,950</b>	<b>26,678</b>	<b>0</b>	<b>26,678</b>	<b>87,313,628</b>	<b>14,826,821</b>	<b>72,460,129</b>	<b>0</b>	<b>72,460,129</b>	<b>87,286,950</b>

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**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>2016</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	<u>712,061</u>	<u>795,754</u>	<u>1,130,875</u>

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

Net result	100,218	91,590	543,815
Non-cash flows in Net result:			
Depreciation	1,606,383	1,534,300	761,075
(Profit)/Loss on sale of asset	15,559	(1,000)	65,135
Loss on revaluation of fixed assets	(6,293)		
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(179,528)	(30,000)	401,830
(Increase)/Decrease in inventories	(8,988)	(4,374)	1,000
Increase/(Decrease) in payables	(123,426)	(139,760)	(189,535)
Increase/(Decrease) in provisions	16,324	(20,000)	15,370
Grants contributions for the development of assets	<u>(1,251,866)</u>	<u>(1,121,123)</u>	<u>(725,855)</u>
Net cash from operating activities	<u>168,383</u>	<u>309,633</u>	<u>872,835</u>

	<b>2016</b>	<b>2015</b>
	<b>\$</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>(554)</u>	<u>0</u>
<b>Total amount of credit unused</b>	<u>109,446</u>	<u>110,000</u>
<b>Loan facilities</b>		
Loan facilities - current	62,210	59,815
Loan facilities - non-current	<u>584,530</u>	<u>646,739</u>
<b>Total facilities in use at balance date</b>	<u>646,740</u>	<u>706,554</u>
<b>Unused loan facilities at balance date</b>	<u>NIL</u>	<u>NIL</u>

**SHIRE OF WILLIAMS**  
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**14. CONTINGENT LIABILITIES**

There were no contingent liabilities as at June 2016.

**15. CAPITAL AND LEASING COMMITMENTS**

**(a) Operating Lease Commitments**

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

<b>(b) Capital Expenditure Commitments</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- capital expenditure projects	459,408	0
Payable:		
- not later than one year	459,408	0

The capital expenditure project outstanding at the end of the current reporting period represents the construction of 2 x 3 bedroom Well Aged Units for \$459,408 located on New Street.

**16. JOINT VENTURE ARRANGEMENTS**

The Shire has a joint venture arrangement with Department of Housing 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>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current assets</b>		
Land and buildings	1,702,422	1,712,422
Less: accumulated depreciation	(67,110)	(33,555)
	<u>1,635,312</u>	<u>1,678,867</u>

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Governance	2,041,476	2,079,477
General purpose funding	10,829	27,780
Law, order, public safety	58,578	40,244
Health	862,261	885,800
Education and welfare	1,644,911	1,667,721
Housing	3,118,865	3,017,509
Community amenities	260,764	86,428
Recreation and culture	8,231,455	8,332,586
Transport	85,251,897	84,819,118
Economic services	5,163,280	5,220,238
Other property and services	9,851	9,267
Unallocated	123,324	631,343
	<u>106,777,491</u>	<u>106,817,511</u>

**SHIRE OF WILLIAMS**  
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	2016	2015	2014
<b>18. FINANCIAL RATIOS</b>			
Current ratio	0.64	1.08	0.78
Asset sustainability ratio	0.37	0.76	1.41
Debt service cover ratio	5.36	7.78	0.74
Operating surplus ratio	(0.47)	(0.08)	(0.22)
Own source revenue coverage ratio	0.61	0.69	0.61

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 57 of this document.

Two of the 2016 and 2015 ratios disclosed above are distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015.

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$216,937.

The early payment was considered to be "one-off" and if recognised in the year to which the allocation related the calculations in the 2016 and 2015 columns above would be as follows:

	2016	2015
Debt service cover ratio	8.04	5.00
Operating surplus ratio	(0.21)	(0.18)

**SHIRE OF WILLIAMS**  
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**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:

	<b>1 July 2015</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2016</b>
	<b>\$</b>	<b>\$</b>	<b>(\$)</b>	<b>\$</b>
Housing Bonds	6,366	6,783	(10,940)	2,209
Building Deposits	0	0	0	0
Sale of Land for Rates	60,008	0	0	60,008
Subdivision Bonds	49,178	0	(49,178)	0
Public Open Space Contribution	20,000	0	0	20,000
Recycling Shed Community Fund	8,207	1,926	0	10,133
Remediation Works	2,000	0	(2,000)	0
Childcare Fundraising	3,726	0	0	3,726
CLGF Regional Funding	434,470	2,152	(436,622)	0
RDC Regional Funding	829,563	1,036	(830,599)	0
SII Regional Funding	0	5,107,331	(378,409)	4,728,922
	<u>1,413,518</u>			<u>4,824,998</u>

**SHIRE OF WILLIAMS**  
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**20. DISPOSALS OF ASSETS - 2015/16 FINANCIAL YEAR**

The following assets were disposed of during the year.

	<b>Actual Net Book Value \$</b>	<b>Actual Sale Proceeds \$</b>	<b>Actual Profit \$</b>	<b>Actual Loss \$</b>	<b>Budget Net Book Value \$</b>	<b>Budget Sale Proceeds \$</b>	<b>Budget Profit \$</b>	<b>Budget Loss \$</b>
<b><u>Plant and Equipment</u></b>								
<b>Governance</b>								
Ford G6E Sedan (WL16)	7,183	7,500	317	0	9,000	10,000	1,000	0
<b>Transport</b>								
Post Hole Digger	541	0	0	(541)	0	0	0	0
John Deere Tractor	3,928	5,000	1,072	0	0	0	0	0
Multi Tyre Drawn Roller	1,020	455	0	(565)	0	0	0	0
Slasher Mower	1,250	909	0	(341)	0	0	0	0
Pederick Tree Grab	317	454	137	0	0	0	0	0
<b><u>Furniture &amp; Equipment</u></b>								
<b>Governance</b>								
Police Licensing PC	100	0	0	(100)	0	0	0	0
IBM M52 Computer	425	0	0	(425)	0	0	0	0
11 x Councillor Chairs	468	0	0	(468)	0	0	0	0
<b>Health</b>								
High Frequency Discillator	2,125	0	0	(2,125)	0	0	0	0
ECG Machine	2,125	0	0	(2,125)	0	0	0	0
<b>Education and welfare</b>								
Epson Projector	200	0	0	(200)	0	0	0	0
<b>Housing</b>								
APH - Airconditioners	1,700	0	0	(1,700)	0	0	0	0
<b>Recreation and culture</b>								
Shelter Kit 9m x 18m	3,570	0	0	(3,570)	0	0	0	0
<b>Transport</b>								
Dell Inspiron 6400 Notebook	425	0	0	(425)	0	0	0	0
Bushfire Radio Repeater	4,500	0	0	(4,500)	0	0	0	0
	<b>29,877</b>	<b>14,318</b>	<b>1,526</b>	<b>(17,085)</b>	<b>9,000</b>	<b>10,000</b>	<b>1,000</b>	<b>0</b>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**21. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal 1 July 2015	New Loans	Principal Repayments		Principal 30 June 2016		Interest Repayments	
	\$	\$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Governance</b>								
Loan #68 - IT Computer Server	32,801	0	6,882	6,882	25,919	25,919	952	1,014
<b>Transport</b>								
Loan #67 - CAT Grader	243,780	0	34,098	34,098	209,682	209,682	7,830	8,048
<b>Economic services</b>								
Loan #66 - Industrial Shed	195,135	0	8,798	8,799	186,337	186,336	7,850	8,034
<b>Other property and services</b>								
Loan #65 - Industrial Land	234,838	0	10,036	10,036	224,802	224,802	14,631	14,821
	<u>706,554</u>	<u>0</u>	<u>59,814</u>	<u>59,815</u>	<u>646,740</u>	<u>646,739</u>	<u>31,263</u>	<u>31,917</u>

All loan repayments were financed by general purpose revenue.

(b) New Debentures - 2015/16

The Shire did not take up any new debentures during the year ended 30 June 2016.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2016.

(d) Overdraft

Council established an overdraft facility of \$100,000 to assist with short term liquidity requirements. The balance of the overdraft at 1 July 2015 and 30 June 2016 was \$NIL.



**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**22. RATING INFORMATION - 2015/16 FINANCIAL YEAR**

<b>RATE TYPE</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>General Rate</b>											
<b>Gross rental value valuations</b>											
GRV Industrial/Commercial	0.0567	19	959,856	54,464	0	0	54,464	54,464	0	0	54,464
GRV Residential	0.0567	170	2,039,982	115,753	584	0	116,337	114,971	0	0	114,971
<b>Unimproved value valuations</b>											
UV Rural/Mining	0.0063	309	205,470,500	1,294,464	(518)	0	1,293,946	1,294,464	0	0	1,294,464
<b>Sub-Total</b>		498	208,470,338	1,464,681	66	0	1,464,747	1,463,899	0	0	1,463,899
<b>Minimum payment</b>	<b>Minimum \$</b>										
<b>Gross rental value valuations</b>											
GRV Industrial/Commercial	510	18	58,875	9,180	0	0	9,180	9,180	0	0	9,180
GRV Residential	510	112	371,024	57,120	0	0	57,120	57,630	0	0	57,630
<b>Unimproved value valuations</b>											
UV Rural Mining	510	18	764,297	9,180	332	0	9,512	9,180	0	0	9,180
<b>Sub-Total</b>		148	1,194,196	75,480	332	0	75,812	75,990	0	0	75,990
		<b>646</b>	<b>209,664,534</b>	<b>1,540,161</b>	<b>398</b>	<b>0</b>	<b>1,540,559</b>	<b>1,539,889</b>	<b>0</b>	<b>0</b>	<b>1,539,889</b>
Discounts/concessions (refer note 26)							0				0
<b>Total amount raised from general rate</b>							<b>1,540,559</b>				<b>1,539,889</b>
Specified Area Rate (refer note 24)							0				0
Ex-gratia rates							16,649				16,650
<b>Totals</b>							<b>1,557,208</b>				<b>1,556,539</b>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**23. NET CURRENT ASSETS**

Composition of net current assets

	2016 (30 June 2016 Carried Forward) \$	2016 (1 July 2015 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
<b>Surplus/(Deficit) 1 July 15 brought forward</b>	<b>(3,428)</b>	<b>187,808</b>	<b>187,808</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	136,849	633,875	633,875
Restricted	575,211	497,000	497,000
Receivables			
Rates outstanding	10,829	27,780	27,780
Sundry debtors	230,012	32,692	32,692
GST receivable	0	1,045	1,045
Provision for Doubtful Debts	(13,528)	(13,732)	(13,732)
Inventories			
Fuel and materials	19,539	10,452	10,452
History books	937	1,036	1,036
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(76,084)	(263,685)	(263,685)
Accrued interest on debentures	(5,889)	(6,543)	(6,543)
Accrued salaries and wages	(35,647)	0	0
ATO liabilities	(29,182)	0	0
Current portion of long term borrowings			
Secured by floating charge	(62,210)	(59,815)	(59,815)
Provisions			
Provision for annual leave	(107,555)	(97,333)	(97,333)
Provision for long service leave	(133,873)	(137,899)	(137,899)
<b>Unadjusted net current assets</b>	<b>509,409</b>	<b>624,873</b>	<b>624,873</b>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(575,211)	(497,000)	(497,000)
Add: Secured by floating charge	62,210	59,815	59,815
Add: Leave Entitlements Cash Backed	164	120	120
<b>Adjusted net current assets - surplus/(deficit)</b>	<b>(3,428)</b>	<b>187,808</b>	<b>187,808</b>

**Difference**

There was no difference between the surplus/(deficit) 1 July 2015 brought forward position used in the 2016 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2015 audited financial report.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**24. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR**

The Shire did not impose any Specified Area Rates in 2015/2016.

**25. SERVICE CHARGES - 2015/16 FINANCIAL YEAR**

The Shire did not impose any service charges in 2015/2016

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS**  
**- 2015/16 FINANCIAL YEAR**

The Shire did not grant any discount on rates, waiver or write off charges for 2015/2016.

**27. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR**

	<b>Date Due</b>	<b>Instalment Plan Admin Charge \$</b>	<b>Instalment Plan Interest Rate %</b>	<b>Unpaid Rates Interest Rate %</b>
<b>Instalment Options</b>				
<b>Option One</b>				
Single full payment	04-Sep-15			11.00%
<b>Option Two</b>				
First Instalment	04-Sep-15	6.25	5.50%	11.00%
Second Instalment	06-Nov-15	6.25	5.50%	11.00%
Third Instalment	08-Jan-16	6.25	5.50%	11.00%
Fourth Instalment	11-Mar-16	6.25	5.50%	11.00%
		<b>25.00</b>		

	<b>Revenue \$</b>	<b>Budgeted Revenue \$</b>
Interest on unpaid rates	7,352	5,000
Interest on instalment plan	5,979	7,000
Charges on instalment plan	2,825	3,250
	<b>16,156</b>	<b>15,250</b>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

<b>28. FEES &amp; CHARGES</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Governance	79,105	50,999
General purpose funding	3,988	4,764
Law, order, public safety	2,057	2,030
Health	937	159
Education and welfare	143,639	120,353
Housing	111,445	81,428
Community amenities	119,956	113,700
Recreation and culture	31,331	28,384
Transport	44,773	51,442
Economic services	48,104	33,862
Other property and services	53,727	83,238
	<u>639,062</u>	<u>570,359</u>

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

**29. GRANT REVENUE**

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

<b>By Nature or Type:</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Operating grants, subsidies and contributions</b>		
Governance	0	25,000
General purpose funding	199,409	630,331
Law, order, public safety	21,108	23,722
Education and welfare	59,140	63,639
Housing	3,213	0
Community amenities	15,000	0
Recreation and culture	2,000	59,999
Transport	70,649	5,606
Other property and services	0	27,148
	<u>370,519</u>	<u>835,445</u>
<b>Non-operating grants, subsidies and contributions</b>		
Law, order, public safety	25,000	0
Housing	240,614	138,407
Community amenities	30,000	0
Recreation and culture	30,000	107,452
Transport	926,252	479,996
	<u>1,251,866</u>	<u>725,855</u>
	<u><b>1,622,385</b></u>	<u><b>1,561,300</b></u>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<u>24</u>	<u>23</u>
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**31. ELECTED MEMBERS REMUNERATION**

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

	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Meeting Fees	15,979	16,000	16,167
President's allowance	4,120	4,120	4,000
Travelling expenses	3,974	4,000	4,089
	<u>24,073</u>	<u>24,120</u>	<u>24,256</u>

**32. MAJOR LAND TRANSACTIONS**

The Shire did not participate in any major land transactions during the 2015/16 financial year.

**33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

If the Shire did participate in any trading undertakings or major trading undertakings during the 2015/16 financial year.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**34. 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>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	712,061	1,130,875	712,061	1,130,875
Investments	0	0	0	0
Receivables	227,313	47,785	230,109	47,785
	<u>939,374</u>	<u>1,178,660</u>	<u>942,170</u>	<u>1,178,660</u>
<b>Financial liabilities</b>				
Payables	146,802	270,228	146,802	270,228
Borrowings	646,740	706,554	589,882	641,545
	<u>793,542</u>	<u>976,782</u>	<u>736,684</u>	<u>911,773</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 2016**

**34. 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>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Impact of a 10% <sup>(1)</sup> movement in price of investments		
- Equity	135,163	116,963
- Statement of Comprehensive Income	135,163	116,963
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	13,516	11,696
- Statement of Comprehensive Income	13,516	11,696

**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 2016**

**34. 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>2016</b>	<b>2015</b>
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	93%	79%
- Overdue	7%	21%



**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**34. 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>2016</u></b>					
Payables	146,802	0	0	146,802	146,802
Borrowings	91,731	355,079	410,861	857,671	646,740
	<u>238,533</u>	<u>355,079</u>	<u>410,861</u>	<u>1,004,473</u>	<u>793,542</u>
<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>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**34. 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 2016</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	(62,209)	(64,705)	(67,310)	(66,080)	(85,490)	(300,946)	(646,740)	4.70%
Weighted average Effective interest rate	4.06%	4.07%	4.08%	4.15%	3.94%	5.43%		
<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)	4.64%
Weighted average Effective interest rate	4.04%	4.06%	4.07%	4.08%	4.15%	5.10%		

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**35. PRIOR PERIOD CORRECTION**

The Shire has made a prior period adjustment to the Fair Value on Road infrastructure for 2014/2015 due to a calculation error on the replacement cost of the subgrade material. The correction of the unit costs have resulted in an overall reduction of the value of road assets of \$36,400,645.

The following adjustments have been made to the 30 June 2016 Financial report comparative to bring to account the incorrect figures stated in the 2014/2015 Financial Report:

	<b>Financial Reports 2015 \$</b>	<b>Corrected Comparative 2015 \$</b>	<b>Adjustment \$</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
<i>By Nature or Type and By Program</i>			
Changes on revaluation of non-current assets	108,860,774	72,460,129	(36,400,645)
Total Comprehensive income	109,404,589	73,003,944	(36,400,645)
<b>STATEMENT OF FINANCIAL POSITION</b>			
Infrastructure	122,537,682	86,137,037	(36,400,645)
Revaluation Surplus	123,687,595	87,286,950	(36,400,645)
<b>STATEMENT OF CHANGES IN EQUITY</b>			
Revaluation surplus:- Changes on revaluation on non-current assets			
Balance at 30 June 2015	141,985,872	105,585,228	(36,400,644)
<b>NOTE 7(a) INFRASTRUCTURE</b>			
<b>Roads</b>			
Independent Valuation 2015 - level 3	94,068,971	57,668,326	(36,400,645)
<b>NOTE 7(b) MOVEMENTS IN CARRYING AMOUNTS</b>			
Balance at the beginning of the year-roads	94,068,971	57,668,326	(36,400,645)
<b>NOTE 12 REVALUATION SURPLUS</b>			
<b>Roads</b>			
Revaluation Increment	108,860,774	72,460,129	(36,400,645)
<b>NOTE 17 TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</b>			
Transport	121,219,763	84,819,118	(36,400,645)
<b>NOTE 19 Financial Ratios</b>			
Asset Consumption Ratio	0.78	0.73	(0.06)

## 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 2016 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 2016 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 57 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.

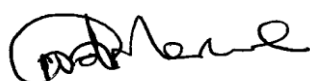
## **Other matters**

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) Apart from the current ratio, asset sustainability ratio and operating surplus ratio that do not meet the minimum benchmark, 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: 13 October 2016

**SHIRE OF WILLIAMS**  
**SUPPLEMENTARY RATIO INFORMATION**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**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

	2016	2015	2014
Asset consumption ratio	0.732	0.725	0.707
Asset renewal funding ratio	0.920	0.890	0.901

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	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$