

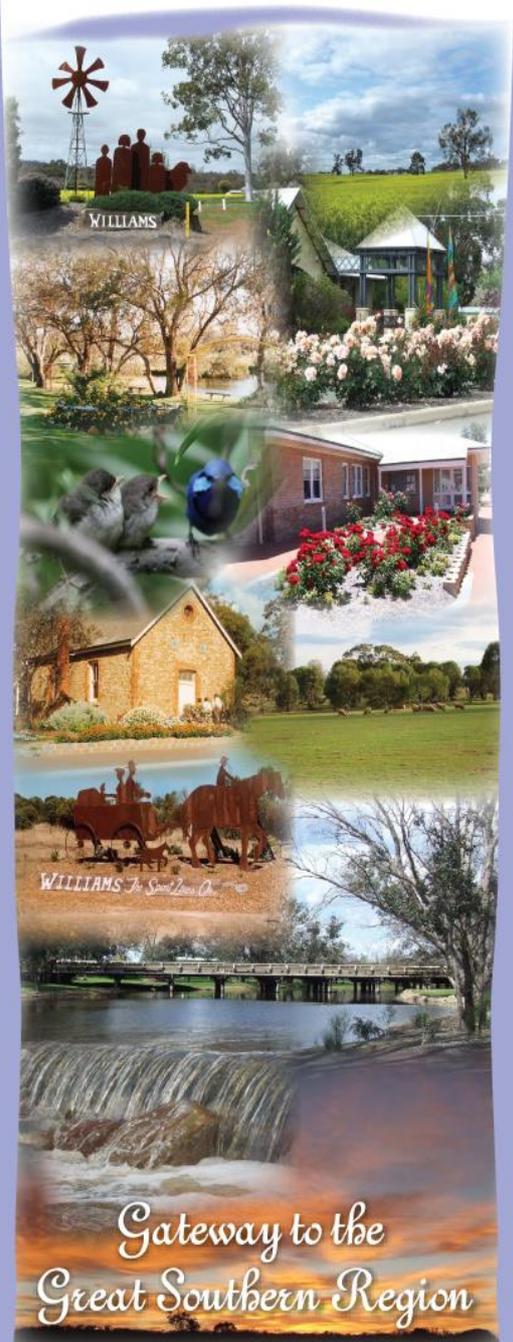
SHIRE OF WILLIAMS

ANNUAL REPORT

13 October 2017

2016/2017

SHIRE OF WILLIAMS



9 Brooking St, Williams
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www.williams.wa.gov.au
Map Ref: E5



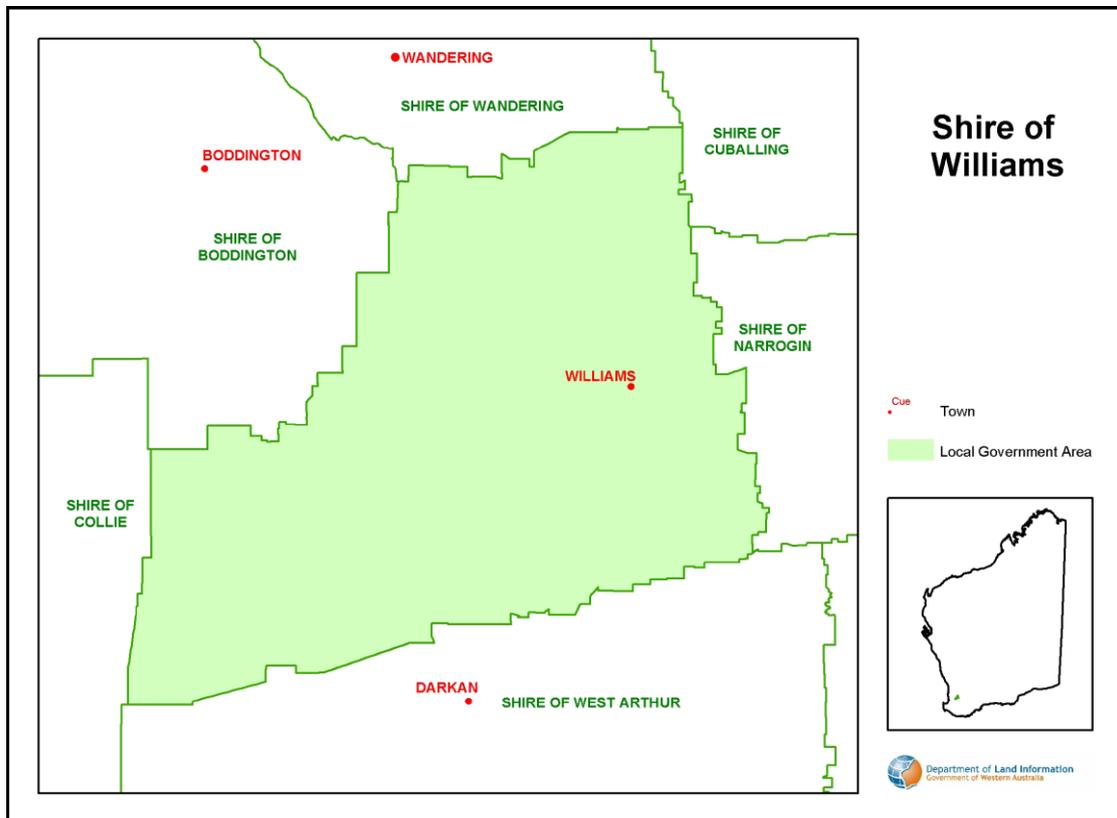
SHIRE OF WILLIAMS

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
Website: www.williams.wa.gov.au
Office Hours: 8:00am – 5:00pm Monday to Friday



The Shire of Williams covers an area of 2,295 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.

Contents

COMMUNITY STRATEGIC PLAN.....	ii
COUNCIL MEMBERS.....	iii
COUNCIL STAFF.....	iv
SHIRE STATISTICS & INFORMATION.....	v
MANAGEMENT STRUCTURE.....	vi
COUNCIL FACILITIES.....	vii
COUNCIL SERVICES.....	viii
SHIRE PRESIDENT’S REPORT.....	ix
CHIEF EXECUTIVE OFFICER’S REPORT.....	xi
STATUTORY REPORTING.....	xix
COMMUNITY PLAN STRATEGIES & OUTCOMES.....	xxiv
ANNUAL FINANCIAL REPORT.....	1
INDEPENDENT AUDIT REPORT.....	54

COMMUNITY STRATEGIC PLAN

Vision and Values

The Shire's Strategic Community Plan 2017 to 2032 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

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

Our Values

- ❖ Community connectedness and great lifestyle
- ❖ Friendly people
- ❖ Safety
- ❖ Ideal location (proximity to regional centres and metropolitan area)
- ❖ Relevant and well maintained facilities
- ❖ Recognition of the need to care for the environment in a balanced approach
- ❖ Effective communication and cooperation



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

NUMBER OF EMPLOYEES:	24 (FTEs)
CHIEF EXECUTIVE OFFICER:	Geoff McKeown
MANAGER OF FINANCE :	Cara Ryan
WORKS SUPERVISOR:	Tony Kett
ADMINISTRATION FINANCE OFFICER:	Sharon Wilkie
ADMINISTRATION OFFICER:	Manuela Lenehan
ENVIRONMENTAL HEALTH/BUILDING OFFICER:	Gordon Tester
ECONOMIC DEVELOPMENT OFFICER:	Heidi Cowcher
CHILDCARE CO-ORDINATOR:	Britt Logie
SWIMMING POOL MANAGER:	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 (2016 Census)	981
Councillors	9
Electors	726
Dwellings	468
Employees (FTE's)	24
Rates (Budget 2017)	\$1,681,705
Revenue (Budget 2017)	\$4,604,074

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 – 4,000 vehicles per day. The population has stabilised in the district to approximately 1,000 with about 400 living in the Williams townsite.

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, servicing the travelling public with food and fuel is a significant driver for the local economy. 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 and is located 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 2 hours) 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.

Jamtrees Lane

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

New Street

(2 x 3 bedroom units in New Street with rear access off Jamtrees Lane) Built in 2016, 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. Includes waste oil 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, including cardboard, 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 2nd Tuesday.

Dog and Cat Registration

Registrations become due on 1st November each year.

Unsterilised dog	1 year \$50.00	3 years \$120.00	Lifetime \$250
Sterilised dog or cat	1 year \$20.00	3 years \$42.50	Lifetime \$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 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 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 play. 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.

The Shire's lead role in the 4WDL Well Aged Housing project continues to highlight the capacity and capability of our administration team, who for the last 7 years have managed an over \$15m Royalties for Regions funded project. At completion this project for the collective regional group of local governments will have constructed over 50 dedicated independent aged living units across 7 shires in the Wheatbelt/Great Southern region. The Shire of Williams has built 7 of these units, and officially opened them in February 2017. Council was proud to host the former local MP Hon Terry 'Tuck' Waldron to open the units, at one of his final official commitments before he retired at the State Government election earlier this year.

This collaborative approach extends to other regional projects including the Shire's continued involvement in the Hotham Williams Economic Development Alliance (HWEDA) collaborative group which is an alliance between 3 local governments, Williams, Wandering and Boddington and continues to identify, plan for and deliver on economic development opportunities for the sub-region. During the past year, the Alliance has applied for and secured funding for a self-drive tourism based project, which aims to attract visitors to visit the region and see all it has on offer. Council continues its financial commitment of HWEDA, given its strength of opportunity to grow economic development opportunities for the sub-region.

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. Outside staff are 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. The significant rainfall event that the Shire received in February 2017 impacted on many culverts and roads, and Council has only recently received the final approval from MRWA and the WA State Government enabling the remediation works to commence. Council appreciates residents' and ratepayers' patience during this time.

Council has worked hard to advocate for a permanent allocation of a 3.4 Fire Truck under the ESL funding arrangements. After many years of unsuccessful applications, Council was pleased to receive advice that a permanent truck has been approved for the Shire of Williams. As these vehicles are purpose built, it may be a year before the truck arrives, however DFES has confirmed that a high season loan truck will be allocated in the interim, to ensure that the community is protected during this time. During the past year, Council has also contributed to a WALGA led investigation into the ESL and how it is calculated.

An important piece of work that was completed during the year, was a comprehensive review of the Shire's Strategic Community Plan. A review of the 2012 plan was required, and needed to include community consultation. Council engaged the services of Andrew Huffer of Andrew Huffer and Associates, who assisted Council staff with the engagement and involvement of the community members of Williams. Community members were invited to participate in community workshops, as well as the option of completing an online survey. Collectively the information has contributed to the development of the Strategic Community Plan that will guide Council's investments and priorities over the next 10-15 years. Following the completion of this Plan, Council has also completed a review of the suite of Integrated Planning documents including its Corporate Business Plan, Asset Management Plan and Long Term Financial Plan – all of which will assist Council to ensure that the long term asset management needs are identified and planned for at the appropriate time.

The Williams River Bridge has reached its used by date, and over the last year, Council has ramped up its pressure on MRWA and the WA State Government advocating for a replacement bridge given its deteriorating state. Props were installed under the bridge in October 2016, but these were dislodged during the floods earlier this year, resulting in MRWA requesting the Shire to breach the weir in order to assist with allowing the water to drain away from the bridge so that new props could be installed. The state of the bridge continues to be of concern to community, and I have certainly been vocal in the media trying to raise the profile of this project to try to secure a decision as to when this work will commence. MRWA, together with Council and the community have established a Community Reference Group, who have been working with the MRWA engaged Consultants to work on the plans for the new bridge.

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.

I personally, together with my fellow Councillors, appreciate the hard work and commitment to serving their community that our small team demonstrates continually, and this rivals many larger Councils. Geoff McKeown as CEO leads a strong, dedicated team of Cara Ryan as Manager of Finance, Sharon Wilkie as Administration Finance Officer, Manuela Lenehan and Britt Logie as Administration Officers, Heidi Cowcher as the Economic Development Officer and Steve Friend as Environmental Health/Building Officer until he retired in September 2016, with his replacement being Gordon Tester. The works crew, led by Works Supervisor Tony Kett, endeavour to deliver an at times challenging works program. During the year, the outside staff added to their team with the employment of Kim Sandilands following the retirement of Ray Scobie in September 2016.

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
October 2017

CHIEF EXECUTIVE OFFICER'S REPORT

It is my pleasure to present this report as Chief Executive Officer of the Shire of Williams. My role gives me first-hand knowledge and appreciation of the strengths that Williams people have in working together to make their community the best that it can be. With direction from Council, the Shire is continuing its strong strategic approach to community development.

It was pleasing to participate in the review of the Shire's Strategic Community Plan during the year. It had been four years since the previous plan was developed, and the review was timely to reflect on achievements of the past and give direction to the future.

During the year a new working arrangement was developed with the Williams Community Resource Centre (WCRC). Our residents will not have seen anything different in the services delivered from the WCRC, but behind the scenes the changes included the staff moving from employment by the Shire to employment by the WCRC association. The provision of the library service is now done on a fee for service contract and the building is now under lease to the WCRC. The restructure provided clarity to the respective roles of the WCRC and the Shire. The Shire is very appreciative of the tremendous work done by the WCRC Staff and Board in delivering valuable services to the Williams community.

The 2016/17 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.



New Street Aged Persons Unit – Opened in February 2017



Synthetic Bowling Green at the Williams Bowling Club – Officially opened in March 2017



Fourteen Mile Brook Road Culverts



Roccis Road – Storm Damage Reinstatement



Marling Road – Storm Damage Reinstatement

Financial Sustainability

The Shire completed the 2016-17 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

During the financial year a significant amount of work went into a review of plans that form part of the Integrated Planning and Reporting Framework (IPR).

The *Local Government Act 1995* and *Local Government (Administration) Regulations 1996* requires local governments to prepare a plan for the future. All local governments were required to have their first suite of IPR documents in place by 1 July 2013. The core components of the Integrated Planning and Reporting Framework are:

- Strategic Community Plan (*full review every four years*)
- Corporate Business Plan (*reviewed annually*)
- Strategic Resource Plan
 - Informing Strategies include:*
 - Long Term Financial Plan
 - Asset Management Plan
 - Workforce Plan

The Strategic Community Plan review was conducted during the year commencing with a series of workshops attended by members of the community. This was followed by a further workshop involving elected members and staff. The Plan was endorsed by Council and now sets the direction of the Shire for the future. There are many exciting strategies in the Plan and Council looks forward to progressing them.

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. For the last three years the Federal Government has frozen the overall distribution of grants to local government which has impacted on the Shire's ability to take advantage of the new methodology. It is pleasing to note that the Federal Government announced that it will remove the freeze on indexation of these grants effective in the 2017-18 financial year.

Staff

The total number of Staff remained steady during the year with only minor changes occurring. However we did farewell two long serving and valued employees. Ray Scobie made a decision to retire and moved to Victoria to be closer to family. Also, Steve Friend retired as our Shire Environmental Health Officer/Building Inspector. Steve was officially employed by the Shire of Wagin but worked at Williams on a part time basis. I would like to thank Ray and Steve for their service and commitment to the Williams community.

At the 30th June 2017 the employees at the Williams Community Resource Centre (WCRC) ceased employment with the Shire. Under a new arrangement entered into by Shire and the WCRC Inc. the staff will continue in their current roles but will be directly employed by WCRC Inc. I would like to thank Sharon Moore, Hazel Harris, Georgina Paterson and Jane Hillman for their valuable contribution to the running of this important community service and for the support and cooperation during the transition to the new arrangement.

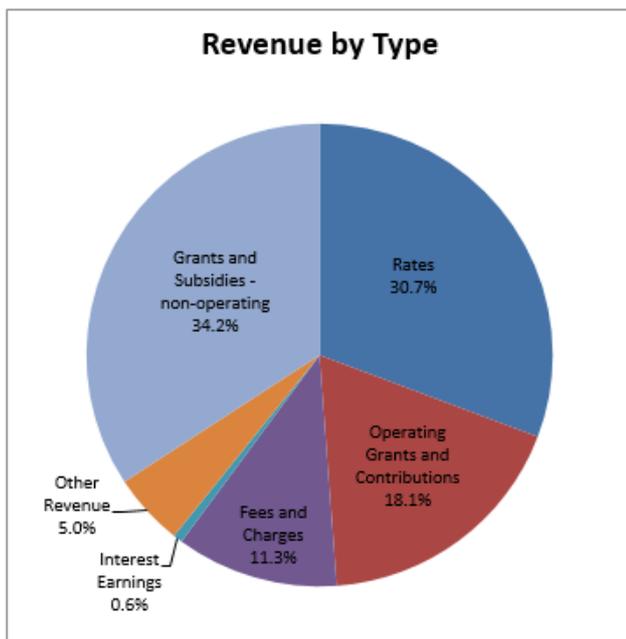
At a glance

- The operating expenditure for 2016/17 was \$4.38m (including depreciation).
- Staff costs for 24 permanent and casual employees were \$1.56m.
- Rates and charges comprised \$2.20m of the total income received.
- Council’s grant funding for the year was \$2.89m.
- A \$2.54m capital works program was delivered.
- Cash and investments totalled \$1.37 million.
- Council borrowings are \$752,531 at the end of the year.

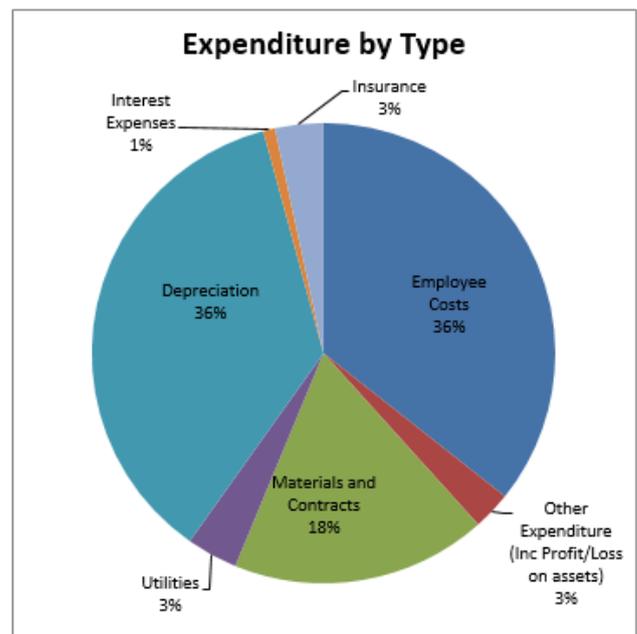
Net Result

The Net Result reported for 2016/2017 is \$1,156,842 which does not include revaluation of the Shire’s land, buildings and parks/gardens infrastructure. 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



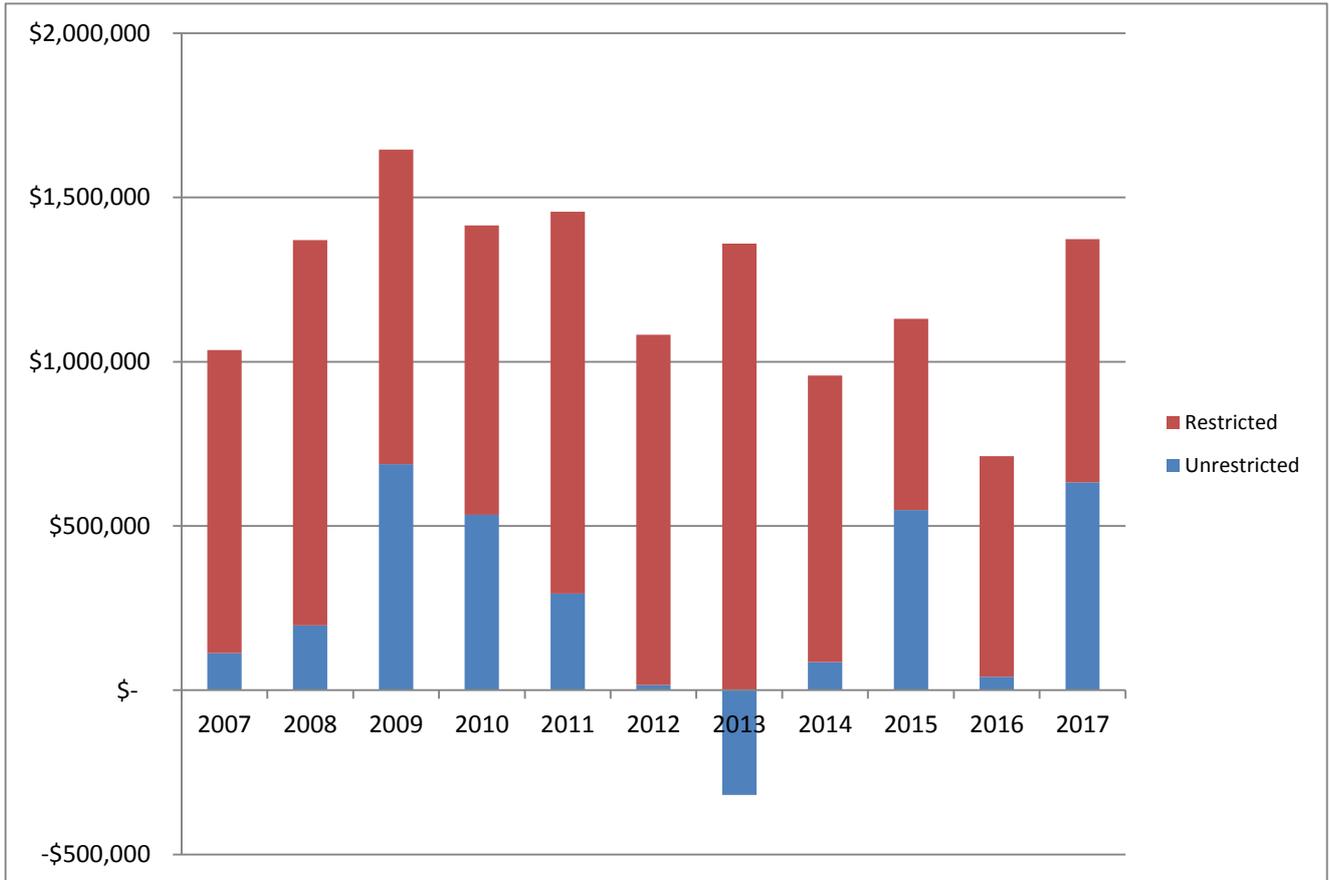
Operating Expenditure



Summary	Actual 2016/2017	Actual 2015/2016	Actual 2014/2015
Total Operating Revenues	\$5,537,128	\$4,154,011	\$3,816,461
Total Operating Expenditure	\$4,380,286	\$4,060,086	\$3,272,646
Net Result	\$1,156,842	\$93,925	\$543,815
Revaluation of Assets	(\$2,877,364)	\$32,971	\$108,860,774
Net Operating Result	(\$1,720,522)	\$126,896	\$109,404,589

Cash and Reserves

Council had cash holdings of \$1,373,236 as at the 30th June 2017.



Rates

Council adopted an 8.42% general rate increase in 2016/17. This resulted in a total rate collection of \$1,701,983 compared to \$1,557,208 the previous year. The average rate increase since 2007 has been 4.39% which is slightly above the average CPI increase of 2.73% for the same period.

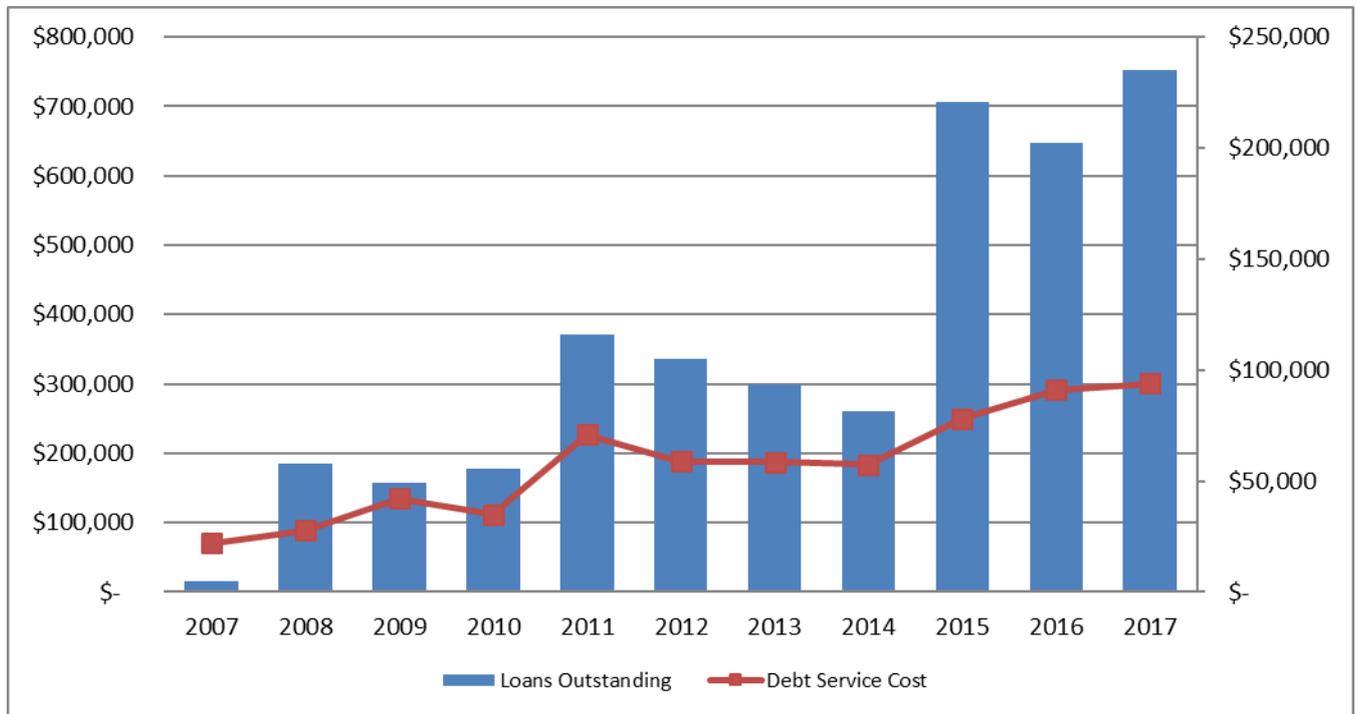
Capital Expenditure

Council capital expenditure for 2016/17 is listed below:

Plant and Equipment	
2016 Toyota Prado - 16WL	\$ 53,636
Isuzu 4x2 Ute - WL916	\$ 26,364
Isuzu 4x2 Ute - WL915	\$ 23,182
Toro Groundmaster Mower	\$ 38,000
Land and Buildings	
Lot 9001 Hynes Crt (returned at no cost by Dept. of Lands)	\$ 524,000
Removal of Tarwonga Shed Roof	\$ 4,402
Completion of Construction 2 x 3 Bed Units - New Street	\$ 574,212
Improvements to the Recreation House	\$ 35,400
Roads	
Williams Darkan Rd - Reseal	\$ 106,796
Pingelly Rd - Seal & Pavement Construction	\$ 272,731
Darkan Quindanning Rd - Pavement Repairs/Tree Trim	\$ 96,365
Zilko Rd - Gravel Sheeting	\$ 47,354
Clayton Rd - Widen Shoulders	\$ 81,233
Marradong Rd - Repair pavement failures	\$ 108,313
York Williams Rd - Reseal	\$ 78,756
Fourteen Mile Brook - Culvert Replacement	\$ 41,951
Wilkie Rd - Culvert Replacement	\$ 26,545
Kennedy Rd - Gravel Sheeting	\$ 49,458
Curteis Rd - Clear sections/Gravel Sheeting	\$ 57,912
Furniture and Equipment	
Ricoh Photocopier	\$ 6,824
Infrastructure	
Bowling Club - Synthetic Turf	\$ 261,564
Swimming Pool - Heatpumps	\$ 32,953
TOTAL ASSET PURCHASES	\$ 2,547,952

Loans

Council's loan liability for the year ended 30th June 2017 was \$752,531 repayable at a weighted average interest rate of 3.84% 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

The new financial year presents a number of challenges. The new State Government announced its Budget in September 2017, which creates a difficulty in budgeting. It has new priorities, funding streams that were in place are no longer available, and projects have to be deferred.

It is pleasing to note that after several years of planning the redevelopment of the Williams Lions Park is scheduled to commence during the year. Multiple sources of funding will be attracted for this project and once complete will bring enhanced social and economic benefits to the Williams community.

Once again the Shire will have a substantial road construction programme to complete in the new financial year. A total of \$859,397 will be expended on multiple roads across the Shire. In addition, work will be undertaken on roads impacted by the severe weather event that occurred in February 2017. The cost of this is likely to be approximately \$400,000.

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.

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
9th October 2017

STATUTORY REPORTING

Report on disability access and inclusion plan

Disability Access and Inclusion Plan

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

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

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

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

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

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

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

Achievements Reported in 2016/17

People with disabilities are consulted on their needs for services and the accessibility of services as required. The Shire continuously monitors its services to ensure equitable access and inclusion for all. The Shire reviews all its plans on a regular basis, and provides links or references where appropriate. The Shire actively encourages organisers of events to ensure that they plan for and consider needs of people with disabilities.

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

Achievements Reported in 2016/17

All public buildings and facilities meet the standards for access as identified. Any new buildings or facilities are planned to provide access for people with disabilities where practicable. ACROD parking bays are provided where needed and identified. The Shire continuously advocates to local businesses to ensure that they consider access for people with disabilities where they can. The redevelopment of the Williams Lions Park has considered access for people with disabilities and once implemented this project will be able to review its effectiveness. Recreational areas are accessible as appropriate.

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

Achievements Reported in 2016/17

Staff are aware of accessible information needs and how to provide this as required and on request. The Shire’s website meets contemporary good practice as required. Information on the Shire’s website can be provided in an alternative format on request, however this request is yet to be made, so this cannot be evaluated for effectiveness.

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

Achievements Reported in 2016/17

All employees and elected members are aware of disability access issues and have the skills to provide appropriate services to meet needs as required. Training is offered on an as needs basis to staff and elected members. Community awareness is raised as needed.

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

Achievements Reported in 2016/17

The Shire has in place grievance mechanisms for people with disabilities, however they remain untested as no complaints have been made. Hence the assessment of 'implemented but not yet evaluated'.

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

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

Achievements Reported in 2016/17

The Shire consults with people with disabilities about the DAIP where required. People with disabilities, as with all people, are actively encouraged to participate in established consultative processes. Input into community consultations is always via many different means, including online (eg: Survey Monkey). The provisions of 'Auslan' interpreters is available on request, however is as yet untested as the need has not arisen.

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

Achievements Reported in 2016/17

The Shire uses inclusive recruitment practices. The Shire does encourage applications from people with disabilities, however due to the very low incidence of recruitment, this is unable to be evaluated for effectiveness. The Shire has not had the opportunity to work with key disability employment support providers to date, but if the opportunity arose, would consider it, if practical (dependent on the position).

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 2016-17 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 2016/17 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.

No. of complaints 2016/17	Outcome	Action taken
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 was submitted for review in January 2017.

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	2016	2017
\$100,000 - \$110,000	1	0
\$110,000 - \$120,000	1	0
\$120,000 - \$130,000	0	1

Geoff McKeown
Chief Executive Officer
13th October 2017

COMMUNITY PLAN STRATEGIES & OUTCOMES

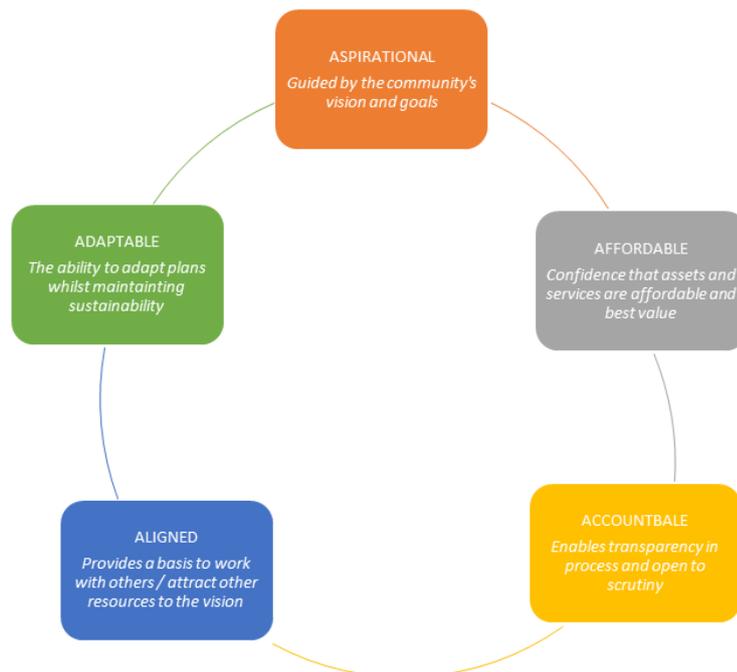
As part of the Local Government Integrated Planning and Reporting Framework and Guidelines (2016), all local governments must develop a Strategic Community Plan through a community engagement process aimed at identifying long term community aspirations, visions and objectives.

In summary, the IPR process is designed to:

- ❖ Articulate the community’s vision, outcomes and priorities;
- ❖ Allocate resources to achieve the vision, but at the same time, taking into consideration the balance between aspirations and affordability; and
- ❖ Monitor and report progress.

It enables the community to have their say in shaping the future of the community and in identifying issues and solutions. It is also important to note that aspirations will almost always exceed resources. IPR does not support commitments or significant rate increases beyond the capacity of the local government. But rather, it actively encourages the robust assessment and prioritisation of outcomes. Uncertainties, such as the securing of external funding, should always be acknowledged.

Benefits of IPR need to be considered taking into close consideration the local government’s fiscal position over the coming decade, including the other resources that could possibly be attracted (such as external funding). IPR encourages the review of the entirety of these resources and ensuring optimisation of funds to be able to deliver on community expectations, whilst maintaining financial sustainability. If IPR is completed appropriately, decisions on the delivery of community expectations will meet the five ‘A’s’ of IPR:



Source: *Integrated Planning and Reporting – Framework and Guidelines (Sept 2016)*
Department of Local Government and Communities

The aim of the Strategic Community Plan is to align the community’s visions and aspirations for the future of Williams to strategic objectives for the next 15 years.

Key performance measures seek to provide an indication of whether we are meeting our objectives and will be monitored and reported. A combination of measures has been developed along with a base line level and target for each measure.

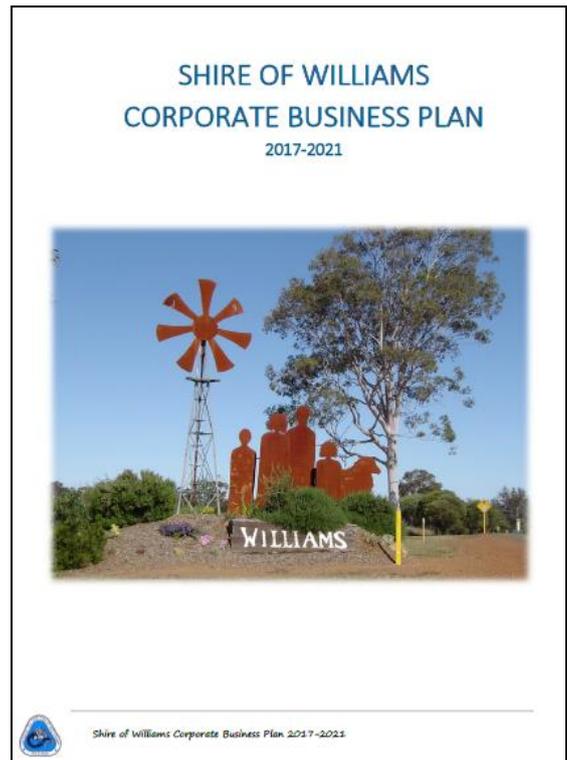
	<i>Objective</i>	<i>Outcome</i>	<i>Key Performance Measures</i>
ECONOMIC	<i>To support industry and business development through the development of sustainable infrastructure and investment opportunities</i>	<i>Develop infrastructure and investment that is sustainable and an ongoing legacy to the Shire</i>	Number of businesses established
			Number of jobs created
			Level of unemployment
			Lions Park redeveloped to meet needs of users
			Marketing opportunities investigated and implemented
			New carpark established
			New land acquisition
		<i>To have appropriate levels of housing to cater for population retention and growth</i>	Accommodation availability meets demand

	<i>Objective</i>	<i>Outcome</i>	<i>Key Performance Measures</i>
SOCIAL & CULTURAL	<i>To be a safe and welcoming community where everyone is valued and has the opportunity to contribute and belong.</i>	<i>To provide community infrastructure and facilities that meet the needs of the population</i>	Community satisfaction levels
			Men's Shed established
			Retention of low crime rates
			Usage figures of sporting facilities
			Improvements made to Town Park and adjacent facilities
	<i>To support a safe and healthy community with a strong sense of community pride</i>	<i>To support a safe and healthy community with a strong sense of community pride</i>	Number of community events, initiatives & programs
			Number of youth programs & initiatives
			New medical centre established with allied health access.
			Retention of doctor service
	<i>To recognise the vibrant history of the Shire and its rich, varied cultural heritage and natural environment is valued, respected, promoted and celebrated</i>	Progress to implementation	

Objective		Outcome	Key Performance Measures		
LAND USE & ENVIRONMENT	<i>To have a balanced respect for our natural assets and built environment, retaining our lifestyle values and community spirit</i>	<i>To enhance, promote, rehabilitate and leverage the natural environment so it continues to be an asset to the community</i>	Community satisfaction levels		
			Number of documented complaints		
			Weed management measures implemented		
			Flood prone areas identified and mitigation methods introduced		
			Hazard reduction		
			<i>Natural assets and public open spaces are accessible, well utilised and managed</i>	Walk trail implemented	
			<i>Recognising and implementing sustainability measures</i>	Alternative energy supplies considered for high users	
				Reduction in reliance on scheme water	
	Bulk rubbish pick-up in town				
	Regional approach to waste management implemented				
	<i>To have safe and well maintained transport networks that supports the local economy</i>	Road condition reports			
		Drainage included in design of all upgrades to town and rural road network			
Objective	Outcome	Key Performance Measures			
CIVIC LEADERSHIP	<i>Strong civic leadership representing the whole of the Shire which engages in effective partnerships and reflects the aspirations of an engaged community.</i>	<i>The Shire is efficient in its operations; actively listens to the community and anticipates and responds to community needs</i>	Attendance at community meetings		
			Number of nominations for Council vacancies		
			Policies are relevant and up-to-date to meet legislative requirements		
			Community satisfaction surveys completed bi-annually		
			<i>The revenue needs of the Shire are managed in an equitable, proactive and sustainable manner</i>	Council investment leveraged with funding	
				Long term financial viability	
				Financial ratios within target	
			<i>Effective collaboration and shared services with other relevant Local, State and Federal Government agencies, industry and community organisations</i>	Level of regional participation and collaboration	
	<i>A strategically focused, unified Council functioning effectively ensuring compliance within the regulatory framework</i>	Compliance with IPR framework			
		Adoption of Compliance Return			
		Staff attend PD			
		Staff retention rates			
		Number of PD workshops attended by Councillors			

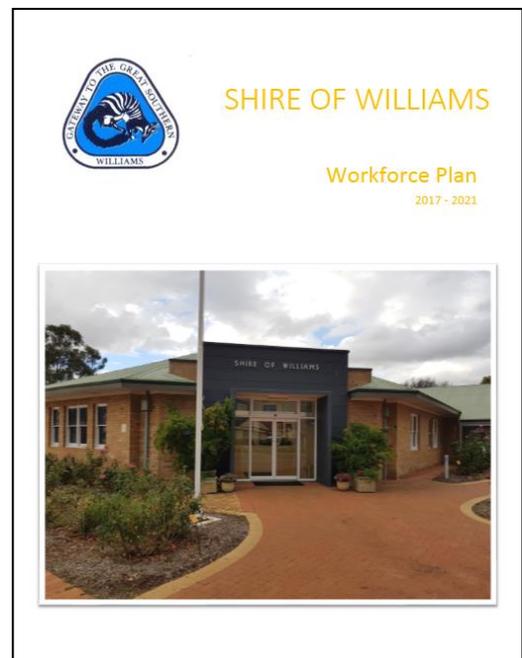
Corporate Business Plan

The Shire of Williams Corporate Business Plan 2017 - 2021 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 2017

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and Forming Part of the Financial Report	9 to 53
Independent Audit Report	54 to 57
Supplementary Ratio Information	58

Principal place of business:
9 Brooking Street
Williams WA 6391

SHIRE OF WILLIAMS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

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 supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2017 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 13th day of October 2017



Geoff McKeown
Chief Executive Officer

SHIRE OF WILLIAMS
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
Rates	22	1,701,983	1,681,705	1,557,208
Operating grants, subsidies and contributions	29	1,001,391	845,905	370,519
Fees and charges	28	624,046	631,831	639,062
Service charges	25	0	0	0
Interest earnings	2(a)	35,599	38,318	43,609
Other revenue	2(a)	279,373	226,904	245,773
		<u>3,642,392</u>	<u>3,424,663</u>	<u>2,856,171</u>
Expenses				
Employee costs		(1,562,878)	(1,583,185)	(1,523,099)
Materials and contracts		(781,833)	(932,193)	(537,304)
Utility charges		(156,825)	(161,200)	(154,533)
Depreciation on non-current assets	2(a)	(1,577,518)	(1,219,800)	(1,606,383)
Interest expenses	2(a)	(35,992)	(32,272)	(33,685)
Insurance expenses		(147,504)	(144,237)	(143,549)
Other expenditure		0	0	0
		<u>(4,262,550)</u>	<u>(4,072,887)</u>	<u>(3,998,553)</u>
		(620,158)	(648,224)	(1,142,382)
Non-operating grants, subsidies and contributions	29	1,894,736	1,178,911	1,251,866
Profit on asset disposals	20	0	500	1,526
(Loss) on asset disposals	20	(117,736)	0	(17,085)
(Loss) on revaluation of furniture and equipment	6(b)	0	0	(11,477)
Reversal of prior year loss on revaluation of plant and equipment	6(b)	0	0	17,770
Net result		<u>1,156,842</u>	<u>531,187</u>	<u>100,218</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	(2,877,364)	0	26,678
Total other comprehensive income		<u>(2,877,364)</u>	<u>0</u>	<u>26,678</u>
Total comprehensive income		<u><u>(1,720,522)</u></u>	<u><u>531,187</u></u>	<u><u>126,896</u></u>

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

SHIRE OF WILLIAMS
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
	2(a)			
Governance		73,656	73,890	107,409
General purpose funding		2,388,153	2,158,526	1,804,257
Law, order, public safety		24,804	15,569	26,365
Health		861	1,400	937
Education and welfare		336,121	336,223	341,157
Housing		190,553	184,634	115,873
Community amenities		124,626	124,534	134,956
Recreation and culture		77,233	66,953	49,756
Transport		264,752	331,526	119,685
Economic services		44,774	43,337	48,104
Other property and services		116,859	88,071	107,672
		<u>3,642,392</u>	<u>3,424,663</u>	<u>2,856,171</u>
Expenses				
	2(a)			
Governance		(265,337)	(268,685)	(290,926)
General purpose funding		(13,666)	(11,550)	(10,721)
Law, order, public safety		(59,058)	(57,285)	(57,713)
Health		(106,732)	(88,198)	(83,048)
Education and welfare		(430,701)	(421,568)	(406,237)
Housing		(180,445)	(179,789)	(187,964)
Community amenities		(214,701)	(229,983)	(202,447)
Recreation and culture		(730,379)	(741,737)	(697,826)
Transport		(1,948,060)	(1,811,416)	(1,785,381)
Economic services		(109,232)	(102,556)	(101,036)
Other property and services		(168,247)	(127,848)	(141,569)
		<u>(4,226,558)</u>	<u>(4,040,615)</u>	<u>(3,964,868)</u>
Finance costs				
	2(a)			
Governance		(737)	(787)	(952)
General purpose funding		(4,358)	(2,750)	(2,423)
Recreation and culture		(2,559)	0	0
Transport		(6,693)	(6,872)	(7,830)
Economic services		(7,516)	(7,611)	(7,850)
Other property and services		(14,129)	(14,252)	(14,630)
		<u>(35,992)</u>	<u>(32,272)</u>	<u>(33,685)</u>
		<u>(620,158)</u>	<u>(648,224)</u>	<u>(1,142,382)</u>
Non-operating grants, subsidies and contributions	29	1,894,736	1,178,911	1,251,866
Profit on disposal of assets	20	0	500	1,526
(Loss) on disposal of assets	20	(117,736)	0	(17,085)
(Loss) on revaluation of furniture and equipment	6(b)	0	0	(11,477)
Reversal of prior year loss on revaluation of plant and equipment	6(b)	0	0	17,770
Net result		<u>1,156,842</u>	<u>531,187</u>	<u>100,218</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	(2,877,364)	0	26,678
Total other comprehensive income		<u>(2,877,364)</u>	<u>0</u>	<u>26,678</u>
Total comprehensive income		<u><u>(1,720,522)</u></u>	<u><u>531,187</u></u>	<u><u>126,896</u></u>

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

SHIRE OF WILLIAMS
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,373,236	712,061
Trade and other receivables	4	59,477	227,313
Inventories	5	9,482	20,476
TOTAL CURRENT ASSETS		<u>1,442,195</u>	<u>959,850</u>
NON-CURRENT ASSETS			
Other receivables	4	153,463	0
Property, plant and equipment	6	18,352,457	19,308,499
Infrastructure	7	85,236,990	86,509,142
TOTAL NON-CURRENT ASSETS		<u>103,742,910</u>	<u>105,817,641</u>
TOTAL ASSETS		<u>105,185,105</u>	<u>106,777,491</u>
CURRENT LIABILITIES			
Trade and other payables	8	136,474	146,802
Current portion of long term borrowings	9	79,243	62,210
Provisions	10	269,460	241,428
TOTAL CURRENT LIABILITIES		<u>485,177</u>	<u>450,440</u>
NON-CURRENT LIABILITIES			
Long term borrowings	9	673,288	584,530
Provisions	10	35,038	30,397
TOTAL NON-CURRENT LIABILITIES		<u>708,326</u>	<u>614,927</u>
TOTAL LIABILITIES		<u>1,193,503</u>	<u>1,065,367</u>
NET ASSETS		<u>103,991,602</u>	<u>105,712,124</u>
EQUITY			
Retained surplus		18,824,968	17,823,285
Reserves - cash backed	11	730,371	575,211
Revaluation surplus	12	84,436,264	87,313,628
TOTAL EQUITY		<u>103,991,602</u>	<u>105,712,124</u>

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 2017**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2015		17,801,278	497,000	87,286,950	105,585,228
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		<u>100,218</u>	<u>0</u>	<u>26,678</u>	<u>126,896</u>
Transfers from/(to) reserves		(78,211)	78,211	0	0
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance as at 30 June 2016		17,823,285	575,211	87,313,628	105,712,124
Comprehensive income					
Net result		1,156,842	0	0	1,156,842
Changes on revaluation of assets	12	0	0	(2,877,364)	(2,877,364)
Total comprehensive income		<u>1,156,842</u>	<u>0</u>	<u>(2,877,364)</u>	<u>(1,720,522)</u>
Transfers from/(to) reserves		(155,160)	155,160	0	0
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance as at 30 June 2017		<u>18,824,968</u>	<u>730,371</u>	<u>84,436,264</u>	<u>103,991,602</u>

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 2017

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,698,075	1,685,705	1,574,159
Operating grants, subsidies and contributions		1,187,672	880,905	172,995
Fees and charges		624,046	641,831	639,062
Service charges		0	0	0
Interest earnings		35,599	38,318	43,609
Goods and services tax		130,561	200,000	399,978
Other revenue		279,373	251,904	245,773
		<u>3,955,326</u>	<u>3,698,663</u>	<u>3,075,576</u>
Payments				
Employee costs		(1,539,134)	(1,641,865)	(1,441,946)
Materials and contracts		(774,350)	(879,529)	(733,893)
Utility charges		(156,825)	(161,200)	(154,533)
Interest expenses		(33,880)	(32,272)	(34,339)
Insurance expenses		(147,504)	(144,237)	(143,549)
Goods and services tax		(130,561)	(200,000)	(398,933)
Other expenditure		0	0	0
		<u>(2,782,254)</u>	<u>(3,059,103)</u>	<u>(2,907,193)</u>
Net cash provided by (used in) operating activities	13(b)	<u>1,173,072</u>	<u>639,560</u>	<u>168,383</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(1,286,019)	(754,718)	(333,471)
Payments for construction of infrastructure		(1,261,936)	(1,165,554)	(1,460,096)
Advances to community groups		(168,000)	0	0
Non-operating grants, subsidies and contributions		1,894,736	1,178,911	1,251,866
Proceeds from sale of fixed assets		203,532	38,500	14,318
Net cash provided by (used in) investment activities		<u>(617,688)</u>	<u>(702,861)</u>	<u>(527,383)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(62,209)	(62,210)	(59,814)
Proceeds from self supporting loans		0	0	0
Proceeds from new debentures		168,000	167,858	0
Net cash provided by (used in) financing activities		<u>105,791</u>	<u>105,648</u>	<u>(59,814)</u>
Net increase (decrease) in cash held		661,175	42,347	(418,814)
Cash at beginning of year		712,061	712,036	1,130,875
Cash and cash equivalents at the end of the year	13(a)	<u><u>1,373,236</u></u>	<u><u>754,383</u></u>	<u><u>712,061</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 2017**

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Net current assets at start of financial year - surplus/(deficit)		(3,428)	(545)	187,808
		<u>(3,428)</u>	<u>(545)</u>	<u>187,808</u>
Revenue from operating activities (excluding rates)				
Governance		73,656	73,890	108,798
General purpose funding		704,221	476,821	263,835
Law, order, public safety		24,804	15,569	26,365
Health		861	1,400	937
Education and welfare		336,121	336,223	341,157
Housing		190,553	184,634	115,873
Community amenities		124,626	124,534	134,956
Recreation and culture		77,233	66,953	49,756
Transport		264,752	332,026	119,685
Economic services		44,774	43,337	48,104
Other property and services		116,859	88,071	107,672
		<u>1,958,460</u>	<u>1,743,458</u>	<u>1,317,138</u>
Expenditure from operating activities				
Governance		(267,197)	(269,472)	(292,871)
General purpose funding		(18,024)	(14,300)	(13,144)
Law, order, public safety		(59,058)	(57,285)	(57,713)
Health		(106,732)	(88,198)	(87,298)
Education and welfare		(430,701)	(421,568)	(406,437)
Housing		(180,445)	(179,789)	(189,664)
Community amenities		(214,701)	(229,983)	(202,447)
Recreation and culture		(732,938)	(741,737)	(701,396)
Transport		(2,006,366)	(1,818,288)	(1,799,583)
Economic services		(181,748)	(110,167)	(108,886)
Other property and services		(182,376)	(142,100)	(156,199)
		<u>(4,380,286)</u>	<u>(4,072,887)</u>	<u>(4,015,638)</u>
Operating activities excluded from budget				
(Profit) on disposal of assets	20	0	(500)	(1,526)
Loss on disposal of assets	20	117,736	0	17,085
Movement in Leave Reserve		5,005	0	44
Movement in employee benefit provisions (non-current)		4,641	0	10,128
Depreciation and amortisation on assets	2(a)	1,577,518	1,219,800	1,606,383
Amount attributable to operating activities		<u>(720,354)</u>	<u>(1,110,674)</u>	<u>(878,578)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,894,736	1,178,911	1,251,866
Proceeds from disposal of assets	20	203,532	38,500	14,318
Purchase of land held for resale		0	0	0
Purchase of property, plant and equipment	6(b)	(1,286,019)	(754,718)	(333,471)
Purchase and construction of infrastructure	7(b)	(1,261,936)	(1,165,554)	(1,460,096)
Amount attributable to investing activities		<u>(449,688)</u>	<u>(702,861)</u>	<u>(527,383)</u>
FINANCING ACTIVITIES				
Advances to community groups		(168,000)	0	0
Repayment of debentures	21(a)	(62,209)	(62,210)	(59,814)
Proceeds from new debentures	21(a)	168,000	167,858	0
Proceeds from self supporting loans		0	0	0
Transfers to reserves (restricted assets)	11	(185,160)	(15,818)	(78,212)
Transfers from reserves (restricted assets)	11	30,000	42,000	0
Amount attributable to financing activities		<u>(217,369)</u>	<u>131,830</u>	<u>(138,026)</u>
Surplus(deficiency) before general rates		<u>(1,387,411)</u>	<u>(1,681,705)</u>	<u>(1,543,987)</u>
Total amount raised from general rates	22	<u>1,683,932</u>	<u>1,681,705</u>	<u>1,540,559</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	23	<u><u>296,521</u></u>	<u><u>0</u></u>	<u><u>(3,428)</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 2017

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.

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. This financial report is presented in Australian dollars.

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.

(a) 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.

(b) 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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) 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.

(d) 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.

(e) 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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Land under control

In accordance with Local Government (Financial Management) Regulation 16(a)(ii), 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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) 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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) 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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) 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.

(g) 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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) 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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(h) 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.

(i) 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 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) 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 personal 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.

(k) 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.

(l) 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.

(m) Leases

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

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

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

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

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) 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.

(o) 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(n) 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

(p) 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.

(q) Superannuation

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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.

(s) Rounding Off Figures

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

(t) 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.

(u) 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 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2018	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	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. 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.

Notes:

⁽¹⁾ 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 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

⁽¹⁾ Applicable to reporting periods commencing on or after the given date.

(w) 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.

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

- (i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

[AASB 10, 124 & 1049]

The objective of this Standard was to extend the scope of AASB 124 *Related Party Disclosures* to include not-for-profit sector entities.

The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES	2017	2016	
	\$	\$	
(a) Net Result			
The Net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
- Audit of the Annual Financial Report	9,946	7,946	
- Other Services	0	2,750	
Depreciation			
Buildings - non-specialised	72,185	73,260	
Buildings - specialised	252,247	252,247	
Furniture and equipment	15,182	15,221	
Plant and equipment	137,388	177,664	
Infrastructure - Roads	668,718	635,067	
Infrastructure - Footpaths	13,898	13,039	
Infrastructure - Drainage	260,427	288,139	
Infrastructure - Bridges	85,586	85,586	
Infrastructure - Parks & Gardens	71,888	66,160	
	<u>1,577,518</u>	<u>1,606,383</u>	
Interest expenses (finance costs)			
Debentures (refer Note 21 (a))	31,634	31,263	
Overdraft Interest	0	9	
Treasury Guarantee Fee on Loans	4,358	2,413	
	<u>35,992</u>	<u>33,685</u>	
Other revenue			
Reimbursements and recoveries	220,717	209,349	
Other	58,656	36,424	
	<u>279,373</u>	<u>245,773</u>	
	2017	2017	2016
	Actual	Budget	Actual
	\$	\$	\$
Interest earnings			
- Reserve funds	13,160	15,818	13,211
- Other funds	7,901	12,000	17,067
Other interest revenue (refer note 27)	14,539	10,500	13,331
	<u>35,599</u>	<u>38,318</u>	<u>43,609</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

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

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

GOVERNANCE

Objective:

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

Activities:

Administration and operation of facilities and service to 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 2017

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 2017

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance ⁽¹⁾ 30/06/16 \$	Received ⁽²⁾ 2016/17 \$	Expended ⁽³⁾ 2016/17 \$	Closing Balance 30/06/17 \$
Law, order, public safety							
WALGA - Roadwise Campaign	0	0	0	0	500	0	500
Education and welfare							
Department of Education	11,257	6,690	(2,629)	15,318	0	(15,318)	0
Community amenities							
Department of Agriculture	3,373	0	0	3,373	0	0	3,373
NRM Grant	0	15,000	(3,937)	11,063	0	(5,074)	5,989
Recreation and culture							
WDC - Community Chest	10,607	0	(10,607)	0	0	0	0
WCC - Creating Aged Friendly	56,054	0	(56,054)	0	0	0	0
Kidsport	0	2,000	(1,033)	967	0	(500)	467
Transport							
Roads to Recovery	3,633	417,588	(355,822)	65,399	325,725	(391,124)	0
Total	<u>84,924</u>	<u>441,278</u>	<u>(430,082)</u>	<u>96,120</u>	<u>326,225</u>	<u>(412,016)</u>	<u>10,329</u>

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 2017

	Note	2017 \$	2016 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		632,536	40,730
Restricted		740,700	671,331
		1,373,236	712,061
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserves cash backed - Leave Reserve	11	5,168	164
Reserves cash backed - Plant Replacement Reserve	11	105,688	5,561
Reserves cash backed - Building Reserve	11	400,642	421,010
Reserves cash backed - Recreation Facilities Reserve	11	87,334	19,880
Reserves cash backed - Art Acquisition Reserve	11	11,197	10,946
Reserves cash backed - Joint Venture Housing Reserve	11	69,198	67,650
Reserves cash backed - Refuse Site Reserve	11	51,144	50,000
Unspent grants	2(c)	10,329	96,120
		740,700	671,331
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		14,737	10,829
Sundry debtors		41,106	230,012
GST receivable		0	0
Loans receivable - clubs/institutions		14,537	0
Provision for Doubtful Debts		(10,903)	(13,528)
		59,477	227,313
Non-current			
Rates outstanding - pensioners		0	0
Loans receivable - clubs/institutions		153,463	0
		153,463	0
5. INVENTORIES			
Current			
Materials		5,121	7,032
Fuels		3,456	12,507
History Books		905	937
		9,482	20,476
Non-current			
Land held for resale - cost			
Cost of acquisition		0	0
Development costs		0	0
		0	0

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land - freehold land at:		
- Independent valuation 2014 - level 2	0	1,965,000
- Independent valuation 2017 - level 2	2,995,500	0
- Additions after valuation - cost	0	488,067
	2,995,500	2,453,067
Buildings - non-specialised at:		
- Independent valuation 2014 - level 2	0	1,682,669
- Independent valuation 2017 - level 2	2,509,997	0
- Additions after valuation - cost	0	1,716,994
Buildings - non-specialised - Less: accumulated depreciation	0	(114,849)
	2,509,997	3,284,814
Buildings - specialised at:		
- Independent valuation 2014 - level 3	0	12,501,406
- Independent valuation 2017 - level 3	11,519,570	0
- Additions after valuation - cost	0	37,809
Buildings - specialised - Less: accumulated depreciation	0	(503,260)
	11,519,570	12,035,955
Total land and buildings	17,025,067	17,773,836
Furniture and equipment at:		
- Management valuation 2016 - level 2	98,640	98,640
- Additions after valuation - cost	6,824	0
Furniture and equipment - Less: accumulated depreciation	(15,182)	0
	90,282	98,640
Plant and equipment at:		
- Management valuation 2016 - level 2	1,230,650	1,271,150
- Additions after valuation - cost	141,182	0
Plant and equipment - Less: accumulated depreciation	(134,724)	0
	1,237,108	1,271,150
Work in Progress - Specialised Buildings at:		
- Additions after valuation - cost	0	164,873
	0	164,873
	18,352,457	19,308,499

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.

FOR THE YEAR ENDED 30TH JUNE 2017

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 land	2,453,067	524,000	(135,000)	153,433	0	0	0	0	2,995,500
Total land	2,453,067	524,000	(135,000)	153,433	0	0	0	0	2,995,500
Buildings - non-specialised	3,284,814	574,211	(148,431)	(1,293,286)	0	0	(72,185)	164,873	2,509,997
Buildings - specialised	12,035,955	39,802	0	(278,467)	0	0	(252,247)	(25,474)	11,519,570
Total buildings	15,320,769	614,013	(148,431)	(1,571,752)	0	0	(324,431)	139,399	14,029,567
Total land and buildings	17,773,836	1,138,013	(283,431)	(1,418,319)	0	0	(324,431)	139,399	17,025,067
Furniture and equipment	98,640	6,825	0	0	0	0	(15,182)	0	90,282
Plant and equipment	1,271,150	141,182	(37,836)	0	0	0	(137,388)	0	1,237,108
Work in Progress - Specialised Buildings	164,873	0	0	0	0	0	0	(164,873)	0
Total property, plant and equipment	19,308,499	1,286,019	(321,267)	(1,418,319)	0	0	(477,002)	(25,474)	18,352,457

Transfer of Asset Class

During the process of fair value on Land and Buildings it was identified that the asset of Solarpower on the Swimming Pool should be re-classed as Infrastructure Parks & Gardens. The net increase of \$25,474 is reflected in Note 7(a) Infrastructure.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

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
Land - freehold land at:					
Land - freehold land	2	Observable Open Market Values of Similar Assets, adjusted for condition and comparability , at their highest and best use	Independent Registered Valuers	June 2017	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 2017	Price per square metre
Buildings - specialised	3	Cost approach estimating the replacement cost for each building, by componentising with different useful lives	Independent Registered Valuers	June 2017	Average cost of construction and consumption score for each component (Level 2), residual value, useful
Furniture and equipment	2	Observable Open Market Values for Similar Assets, adjusted for condition and comparability	Management Valuation	June 2016	Price per item
Plant and equipment	2	Observable 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
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
7 (a). INFRASTRUCTURE		
Infrastructure - Roads		
- Management valuation 2015 - level 3	57,351,427	57,668,326
- Additions after valuation - cost	2,126,586	1,227,666
Infrastructure - Roads - Less: accumulated depreciation	<u>(1,296,381)</u>	<u>(635,067)</u>
	58,181,632	58,260,925
Infrastructure - Footpaths		
- Management valuation 2015 - level 3	803,614	803,614
- Additions after valuation - cost	112,187	112,187
Infrastructure - Footpaths - Less: accumulated depreciation	<u>(26,937)</u>	<u>(13,039)</u>
	888,864	902,762
Infrastructure - Drainage		
- Management valuation 2015 - level 3	14,244,160	14,264,160
- Additions after valuation - cost	68,496	0
Infrastructure - Drainage - Less: accumulated depreciation	<u>(547,766)</u>	<u>(288,139)</u>
	13,764,890	13,976,021
Infrastructure - Bridges		
- Management valuation 2015 - level 3	9,618,986	9,618,986
Infrastructure - Bridges - Less: accumulated depreciation	<u>(171,172)</u>	<u>(85,586)</u>
	9,447,814	9,533,400
Infrastructure - Parks & Gardens		
- Management valuation 2014 - level 3	2,953,790	3,515,858
- Additions after valuation - cost	0	451,586
Infrastructure - Parks & Gardens - Less: accumulated depreciation	<u>0</u>	<u>(131,410)</u>
	2,953,790	3,836,034
	<u>85,236,990</u>	<u>86,509,142</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
FOR THE YEAR ENDED 30TH JUNE 2017

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	58,260,925	898,921	0	0	0	(309,496)	(668,718)	0	58,181,632
Infrastructure - Footpaths	902,762	0	0	0	0		(13,898)	0	888,864
Infrastructure - Drainage	13,976,021	68,496	0	0	0	(19,200)	(260,427)	0	13,764,890
Infrastructure - Bridges	9,533,400	0	0	0	0	0	(85,586)	0	9,447,814
Infrastructure - Parks & Gardens	3,836,034	294,519	0	(1,130,349)	0	0	(71,888)	25,474	2,953,790
Total infrastructure	<u>86,509,142</u>	<u>1,261,936</u>	<u>0</u>	<u>(1,130,349)</u>	<u>0</u>	<u>(328,696)</u>	<u>(1,100,516)</u>	<u>25,474</u>	<u>85,236,990</u>

Transfer of Asset Class

During the process of fair value on Land and Buildings it was identified that the asset of Solarpower on the Swimming Pool should be re-classed as Infrastructure Parks & Gardens. The net decrease of \$25,474 is reflected in Note 6(a) Property, Plant and Equipment.

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Infrastructure - Roads	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.
Infrastructure - Footpaths	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.
Infrastructure - Drainage	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.
Infrastructure - Bridges	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.
Infrastructure - Parks & Gardens	3	Cost Approach estimating the replacement cost for each building, by componentising with different useful lives.	Independent Registered Valuers	June 2017	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
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	72,573	76,084
Accrued interest on debentures	8,001	5,889
Accrued salaries and wages	35,162	35,647
ATO liabilities	20,738	29,182
	<u>136,474</u>	<u>146,802</u>

9. LONG-TERM BORROWINGS

Current

Secured by floating charge		
Debentures	79,243	62,210
	<u>79,243</u>	<u>62,210</u>

Non-current

Secured by floating charge		
Debentures	673,288	584,530
	<u>673,288</u>	<u>584,530</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2016			
Current provisions	107,555	133,873	241,428
Non-current provisions	0	30,397	30,397
	<u>107,555</u>	<u>164,270</u>	<u>271,825</u>
Additional provision	123,025	46,636	169,661
Amounts used	(107,027)	(29,961)	(136,988)
Balance at 30 June 2017	<u>123,553</u>	<u>180,945</u>	<u>304,498</u>
Comprises			
Current	123,553	145,907	269,460
Non-current	0	35,038	35,038
	<u>123,553</u>	<u>180,945</u>	<u>304,498</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

11. RESERVES - CASH BACKED

	Actual 2017 Opening Balance	Actual 2017 Transfer to	Actual 2017 Transfer (from)	Actual 2017 Closing Balance	Budget 2017 Opening Balance	Budget 2017 Transfer to	Budget 2017 Transfer (from)	Budget 2017 Closing Balance	Actual 2016 Opening Balance	Actual 2016 Transfer to	Actual 2016 Transfer (from)	Actual 2016 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reserves cash backed - Leave Reserve	164	5,004	0	5,168	164	5	0	169	160	4	0	164
Reserves cash backed - Plant Replacement Reserv	5,561	100,127	0	105,688	5,561	153	0	5,714	546	5,015	0	5,561
Reserves cash backed - Building Reserve	421,010	9,632	(30,000)	400,642	421,010	11,578	(42,000)	390,588	410,109	10,901	0	421,010
Reserves cash backed - Recreation Facilities Reser	19,880	67,455	0	87,335	19,880	547	0	20,427	19,445	435	0	19,880
Reserves cash backed - Art Acquistion Reserve	10,946	250	0	11,196	10,946	301	0	11,247	10,665	281	0	10,946
Reserves cash backed - Joint Venture Housing Res	67,650	1,548	0	69,198	67,650	1,860	0	69,510	56,075	11,575	0	67,650
Reserves cash backed - Refuse Site Reserve	50,000	1,144	0	51,144	50,000	1,375	0	51,375	0	50,000	0	50,000
	<u>575,211</u>	<u>185,160</u>	<u>(30,000)</u>	<u>730,371</u>	<u>575,211</u>	<u>15,818</u>	<u>(42,000)</u>	<u>549,030</u>	<u>497,000</u>	<u>78,211</u>	<u>0</u>	<u>575,211</u>

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

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:

Name of Reserve	Anticipated date of use	Purpose of the reserve
Reserves cash backed - Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
Reserves cash backed - Plant Replacement Reserve	2018/2019	To be used for the purchase of plant items.
Reserves cash backed - Building Reserve	2017/2018	To be used for the construction, refurbishment and acquisition of buildings.
Reserves cash backed - Recreation Facilities Reserve	Ongoing	To be used to finance capital improvements of existing recreation facilities and to fund acquisition of new recreation facilities.
Reserves cash backed - Art Acquistion Reserve	Ongoing	To be used for the purchase of art pieces for the Williams Art Collection.
Reserves cash backed - Joint Venture Housing Reserve	Ongoing	To be used to finance maintenance and construction of joint venture housing.
Reserves cash backed - Refuse Site Reserve	2018/2019	To be used for the re-development of waste facilities.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

12. REVALUATION SURPLUS

	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	Opening	Revaluation	Revaluation	Total	2017	Opening	Revaluation	Revaluation	Total	2016
	Balance	Increment	(Decrement)	Movement on	Closing	Balance	Increment	(Decrement)	Movement on	Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	12,489,901	0	(1,418,319)	(1,418,319)	11,071,582	12,489,901	0	0	0	12,489,901
Revaluation surplus - Plant and equipment	26,678	0	0	0	26,678	0	26,678	0	26,678	26,678
Revaluation surplus - Infrastructure - Roads	72,482,527	0	(328,696)	(328,696)	72,153,831	72,482,527	0	0	0	72,482,527
Revaluation surplus - Infrastructure - Parks & Gardens	2,314,522	0	(1,130,349)	(1,130,349)	1,184,173	2,314,522	0	0	0	2,314,522
	<u>87,313,628</u>	<u>0</u>	<u>(2,877,364)</u>	<u>(2,877,364)</u>	<u>84,436,264</u>	<u>87,286,950</u>	<u>26,678</u>	<u>0</u>	<u>26,678</u>	<u>87,313,628</u>

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
FOR THE YEAR ENDED 30TH JUNE 2017

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:

	2017 \$	2017 Budget \$	2016 \$
Cash and cash equivalents	<u>1,373,236</u>	<u>754,383</u>	<u>712,061</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	1,156,842	531,187	100,218
Non-cash flows in Net result:			
Depreciation	1,577,518	1,219,800	1,606,383
(Profit)/Loss on sale of asset	117,736	(500)	15,559
Loss on revaluation of fixed assets	0	0	(6,293)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	182,373	74,000	(179,528)
(Increase)/Decrease in inventories	10,994	0	(8,988)
Increase/(Decrease) in payables	(10,328)	23,984	(123,426)
Increase/(Decrease) in provisions	32,673	(30,000)	16,324
Grants contributions for the development of assets	<u>(1,894,736)</u>	<u>(1,178,911)</u>	<u>(1,251,866)</u>
Net cash from operating activities	<u>1,173,072</u>	<u>639,560</u>	<u>168,383</u>
(c) Undrawn Borrowing Facilities			
	2017		2016
	\$		\$
Credit Standby Arrangements			
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>(1,107)</u>		<u>(554)</u>
Total amount of credit unused	<u>108,893</u>		<u>109,446</u>
Loan facilities			
Loan facilities - current	79,243		62,210
Loan facilities - non-current	<u>673,288</u>		<u>584,530</u>
Total facilities in use at balance date	<u>752,531</u>		<u>646,740</u>
Unused loan facilities at balance date	<u>NIL</u>		<u>NIL</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

14. CONTINGENT LIABILITIES

There are no contingent liabilities as at June 2017.

	2017	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) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	0	459,408
Payable:		
- not later than one year	0	459,408

The prior year commitment was for the construction of 2 x 3 bedroom Well Aged Units located on New Street. This project was completed February 2017.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

16. JOINT VENTURE ARRANGEMENTS

The Shire has a joint venture arrangement with the Department of Housing for the provision of housing at Sandalwood Crt and Wandoo Cottages both located on 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 and Buildings as follows;

	2017	2016
	\$	\$
Non-current assets		
Land and buildings	0	1,702,422
- Independent Valuation 2017	1,523,703	0
Less: accumulated depreciation	0	(67,110)
	<u>1,523,703</u>	<u>1,635,312</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2017	2016
	\$	\$
Governance	1,897,711	2,041,476
General purpose funding	0	10,829
Law, order, public safety	56,428	58,578
Health	901,753	862,261
Education and welfare	1,759,696	1,644,911
Housing	2,753,798	3,118,865
Community amenities	220,531	260,764
Recreation and culture	8,121,538	8,231,455
Transport	84,236,504	85,251,897
Economic services	4,590,246	5,163,280
Other property and services	14,938	9,851
Unallocated	631,962	123,324
	<u>105,185,105</u>	<u>106,777,491</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016	2015
18. FINANCIAL RATIOS			
Current ratio	1.46	0.64	1.08
Asset sustainability ratio	0.49	0.37	0.76
Debt service cover ratio	9.33	5.36	7.78
Operating surplus ratio	(0.28)	(0.47)	(0.08)
Own source revenue coverage ratio	0.60	0.61	0.69

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 58 of this document.

Three of the 2017 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grant in June 2017.

The early payment of the grant increased operating revenue in 2017 by \$227,284.

Three of the 2016 and 2015 ratios disclosed above were 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.

If recognised in the year to which the allocation related, the calculations in the 2017, 2016 and 2015 columns above would be as follows:

	2017	2016	2015
Current ratio	0.99	1.12	0.69
Operating surplus ratio	(0.37)	(0.21)	(0.18)
Debt service cover ratio	6.91	8.04	5.00

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

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:

	1 July 2016	Amounts Received	Amounts Paid	30 June 2017
	\$	\$	(\$)	\$
Housing Deposits	2,209	3,700	(5,578)	331
Building Retention	0	31,560	(15,780)	15,780
Sale of Land for Rates	60,008	0	0	60,008
Public Open Space Contribution	20,000	0	0	20,000
Recycling Shed Community Fund	10,133	1,264	0	11,397
Childcare Fundraising	3,726	0	0	3,726
SII Regional Funding	<u>4,728,922</u>	650,728	(4,894,218)	<u>485,432</u>
	<u>4,824,998</u>			<u>596,674</u>

20. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
<u>Plant and Equipment</u>								
Governance								
Toyota Kluger - 16WL	33,850	32,727	0	(1,123)	32,000	32,000	0	0
Recreation and Culture								
Toro Z597 Mower	3,541	3,182	0	(359)	4,000	4,000	0	0
Transport								
Mitsubishi Triton Utility - WL430	445	364	0	(82)	0	500	500	0
Holden Rodeo Utility - WL826	0	0	0	0	2,000	2,000	0	0
<u>Land and Buildings</u>								
Economic Services								
Lot 75 Jamtree Lane	65,000	0	0	(65,000)	0	0	0	0
Transport								
Lot 3 Adam Street House	218,431	167,259	0	(51,172)	0	0	0	0
	<u>321,268</u>	<u>203,532</u>	<u>0</u>	<u>(117,736)</u>	<u>38,000</u>	<u>38,500</u>	<u>500</u>	<u>0</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal	New	Principal		Principal		Interest	
	1 July		Loans	Actual	Budget	Actual	Budget	Actual
	2016		Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
Governance								
Loan #68 - IT Computer Server	25,919	0	7,109	7,109	18,810	18,810	737	787
Transport								
Loan #67 - CAT Grader	209,682	0	35,274	35,274	174,408	174,408	6,693	6,872
Economic services								
Loan #66 - Industrial Shed	185,099	0	10,459	10,459	174,640	174,640	7,516	7,611
Other property and services								
Loan #65 - Industrial Land	226,040	0	9,368	9,368	216,672	216,672	14,129	14,252
	<u>646,740</u>	<u>0</u>	<u>62,209</u>	<u>62,210</u>	<u>584,531</u>	<u>584,530</u>	<u>29,075</u>	<u>29,522</u>
<u>Self Supporting Loans</u>								
Recreation and culture								
Loan #69 - Bowling Club Synthetic Turf	0	168,000	0	0	168,000	167,858	2,559	0
	<u>0</u>	<u>168,000</u>	<u>0</u>	<u>0</u>	<u>168,000</u>	<u>167,858</u>	<u>2,559</u>	<u>0</u>
	<u>646,740</u>	<u>168,000</u>	<u>62,209</u>	<u>62,210</u>	<u>752,531</u>	<u>752,388</u>	<u>31,634</u>	<u>29,522</u>

Self supporting loan financed by payments from third parties.
All other loan repayments were financed by general purpose revenue.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total	Interest Rate %	Amount Used		Balance Unspent
	Actual \$	Budget \$				Interest & Charges \$		Actual \$	Budget \$	
Loan #69 - Bowling Club Synthetic Turf	168,000	167,858	WATC	Debenture	10	29,156	3.15%	168,000	167,858	0
	<u>168,000</u>	<u>167,858</u>				<u>29,156</u>		<u>168,000</u>	<u>167,858</u>	<u>0</u>

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2017.

(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 2016 and 30 June 2017 was \$NIL.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

22. RATING INFORMATION - 2016/17 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate											
Gross rental value valuations											
GRV Industrial/Commercial	0.06355	19	959,856	60,808	0	0	60,808	61,000	0	0	61,000
GRV Residential	0.06355	154	1,905,016	121,061	489	0	121,550	121,066	0	0	121,066
Unimproved value valuations											
UV Rural/Mining	0.00674	295	205,778,000	1,387,148	1,034	0	1,388,182	1,387,149	0	0	1,387,149
Sub-Total		468	208,642,872	1,569,017	1,523	0	1,570,540	1,569,215	0	0	1,569,215
Minimum payment	Minimum \$										
Gross rental value valuations											
GRV Industrial/Commercial	610	18	58,875	10,980	0	0	10,980	10,980	0	0	10,980
GRV Residential	610	128	546,500	78,080	(28)	0	78,052	78,080	0	0	78,080
Unimproved value valuations											
UV Rural/Mining	710	33	2,048,946	23,430	930	0	24,360	23,430	0	0	23,430
Sub-Total		179	2,654,321	112,490	902	0	113,392	112,490	0	0	112,490
		647	211,297,193	1,681,507	2,425	0	1,683,932	1,681,705	0	0	1,681,705
Discounts/concessions (refer note 26)							0				0
Total amount raised from general rate							1,683,932				1,681,705
Specified Area Rate (refer note 24)							0				0
Ex-gratia rates							18,051				17,610
Totals							1,701,983				1,699,315

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

23. NET CURRENT ASSETS

Composition of net current assets

	2017 (30 June 2017 Carried Forward) \$	2017 (1 July 2016 Brought Forward) \$	2016 (30 June 2016 Carried Forward) \$
Surplus/(Deficit) 1 July 16 brought forward	<u>296,521</u>	<u>(3,428)</u>	<u>(3,428)</u>
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	642,865	136,849	136,849
Restricted	730,371	575,211	575,211
Receivables			
Rates outstanding	14,737	10,829	10,829
Sundry debtors	41,106	230,012	230,012
Loans receivable - clubs/institutions	14,537	0	0
Provision for Doubtful Debts	(10,903)	(13,528)	(13,528)
Inventories			
Materials	5,121	7,032	7,032
Fuels	3,456	12,507	12,507
History Books	905	937	937
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(72,573)	(76,084)	(76,084)
Accrued interest on debentures	(8,001)	(5,889)	(5,889)
Accrued salaries and wages	(35,162)	(35,647)	(35,647)
ATO liabilities	(20,738)	(29,182)	(29,182)
Current portion of long term borrowings			
Secured by floating charge	(79,243)	(62,210)	(62,210)
Provisions			
Provision for annual leave	(123,553)	(107,555)	(107,555)
Provision for long service leave	(145,907)	(133,873)	(133,873)
Unadjusted net current assets	<u>957,018</u>	<u>509,409</u>	<u>509,409</u>
Adjustments			
Less: Reserves - restricted cash	(730,371)	(575,211)	(575,211)
Less: Loans receivable - clubs/institutions	(14,537)	0	0
Add: Secured by floating charge	79,243	62,210	62,210
Add: Leave Entitlements Cash Backed	5,168	164	164
Adjusted net current assets - surplus/(deficit)	<u><u>296,521</u></u>	<u><u>(3,428)</u></u>	<u><u>(3,428)</u></u>

Difference

There was no difference between the surplus/(deficit) 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2016 audited financial report.

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

24. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

No specified area rates were imposed by the Shire during the year ended 2017.

25. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

No service charges were imposed by the Shire during the year ended 2017.

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2016/17 FINANCIAL YEAR**

The Shire did not grant any discount on rates, waiver or write off charges for 2016/2017.

27. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Instalment Options				
Option One				
Single full payment	09-Sep-16	0	0.00%	11.00%
Option Two				
First Instalment	09-Sep-16	0.00	5.50%	11.00%
Second Instalment	11-Nov-16	8.33	5.50%	11.00%
Third Instalment	13-Jan-17	8.33	5.50%	11.00%
Fourth Instalment	17-Mar-17	8.33	5.50%	11.00%
			Revenue \$	Budgeted Revenue \$
Interest on unpaid rates			7,467	5,500
Interest on instalment plan			7,072	5,000
Charges on instalment plan			3,485	2,500
			<u>18,023</u>	<u>13,000</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

28. FEES & CHARGES	2017	2016
	\$	\$
Governance	71,615	79,105
General purpose funding	4,352	3,988
Law, order, public safety	2,533	2,057
Health	861	937
Education and welfare	149,004	143,639
Housing	123,875	111,445
Community amenities	123,195	119,956
Recreation and culture	36,548	31,331
Transport	38,248	44,773
Economic services	44,774	48,104
Other property and services	29,041	53,727
	<u>624,046</u>	<u>639,062</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:

By Nature or Type:	2017	2016
	\$	\$
Operating grants, subsidies and contributions		
Governance	0	0
General purpose funding	643,834	199,409
Law, order, public safety	19,071	21,108
Education and welfare	51,110	59,140
Housing	64,224	3,213
Community amenities	0	15,000
Recreation and culture	0	2,000
Transport	223,152	70,649
	<u>1,001,391</u>	<u>370,519</u>
Non-operating grants, subsidies and contributions		
Law, order, public safety	0	25,000
Housing	560,361	240,614
Community amenities	0	30,000
Recreation and culture	233,997	30,000
Transport	576,378	926,252
Economic services	524,000	0
	<u>1,894,736</u>	<u>1,251,866</u>
	<u>2,896,127</u>	<u>1,622,385</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

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

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

	2017	2017	2016
	\$	Budget	\$
Meeting Fees	2,513	16,500	15,979
President's allowance	3,168	4,220	4,120
Travelling expenses	1,800	4,000	3,974
	<u>7,481</u>	<u>24,720</u>	<u>24,073</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

32. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2017
	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	295,417
Post-employment benefits	30,904
Other long-term benefits	36,042
Termination benefits	0
	362,363

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 31.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

ii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

iii. Joint venture entities accounted for under the equity method

The Shire has a joint venture arrangement with the Department of Housing for the provision of housing. The interest in the joint venture entity is accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities, refer to Note 16.

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2017
	\$
Associated companies/individuals:	
Employee Expenses for close family members of key management personnel	186,721
Payments to entities jointly controlled	5,000
Receipts paid from entities jointly controlled	11,202
Amounts outstanding from related parties:	
Loans/Debts to key management personnel	7,808

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

33. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2016/2017 financial year.

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2016/2017 financial year.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. 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:

	Carrying Value		Fair Value	
	2017 \$	2016 \$	2017 \$	2016 \$
Financial assets				
Cash and cash equivalents	1,373,236	712,061	1,373,236	712,061
Investments	0	0	0	0
Receivables	212,940	227,313	212,940	230,109
	<u>1,586,176</u>	<u>939,374</u>	<u>1,586,176</u>	<u>942,170</u>
Financial liabilities				
Payables	136,474	146,802	136,474	146,802
Borrowings	752,531	646,740	691,272	589,882
	<u>889,005</u>	<u>793,542</u>	<u>827,746</u>	<u>736,684</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.
- Financial assets at fair value through profit and loss, available for sale financial assets - based on quoted market prices at the reporting date or independent valuation.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. 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.

	2017	2016
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	13,732	13,516
- Statement of Comprehensive Income	13,732	13,516

Notes:

⁽¹⁾ 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 2017

35. 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:

	2017	2016
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	92%	93%
- Overdue	8%	7%

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. 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:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2017</u>					
Payables	136,474	0	0	136,474	136,474
Borrowings	111,447	433,944	509,441	1,054,832	752,531
	<u>247,921</u>	<u>433,944</u>	<u>509,441</u>	<u>1,191,306</u>	<u>889,005</u>
<u>2016</u>					
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>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. 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:

	<u><1 year</u>	<u>>1<2 years</u>	<u>>2<3 years</u>	<u>>3<4 years</u>	<u>>4<5 years</u>	<u>>5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
<u>Year ended 30 June 2017</u>								
Borrowings								
Fixed rate								
Debentures	79,242	82,309	81,555	101,456	42,145	365,824	752,531	3.84%
Weighted average Effective interest rate	3.32%	3.34%	3.36%	3.39%	3.38%	4.34%		
<u>Year ended 30 June 2016</u>								
Borrowings								
Fixed rate								
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%		

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

Report on the Financial Report

Opinion

We have audited the financial report of the Shire of Williams, which comprises the statement of financial position as at 30 June 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Chief Executive Officer.

In our opinion, the financial report of the 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 2017 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).

Basis for Opinion

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Shire in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

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

Other Information

The Councillors are responsible for the other information. The other information comprises the information in the Shire's annual report for the year ended 30 June 2017 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Shire to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of Matter

Without modifying our opinion, we draw attention to page 58 of the financial report “Supplementary Ratio Information”, which describes certain ratio information relating to the financial report. Management’s calculation of these ratios includes assumptions about future capital expenditure and hence falls outside our audit scope. We do not therefore express an opinion on these ratios.

However, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and appear reasonable.

Reporting on Other Legal and Regulatory Requirements

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 operating surplus ratio and asset sustainability ratio 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
Director

Perth

Date: 13 October 2017

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**SHIRE OF WILLIAMS
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2017**

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.

	2017	2016	2015
Asset consumption ratio	0.979	0.730	0.725
Asset renewal funding ratio	2.299	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	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$