

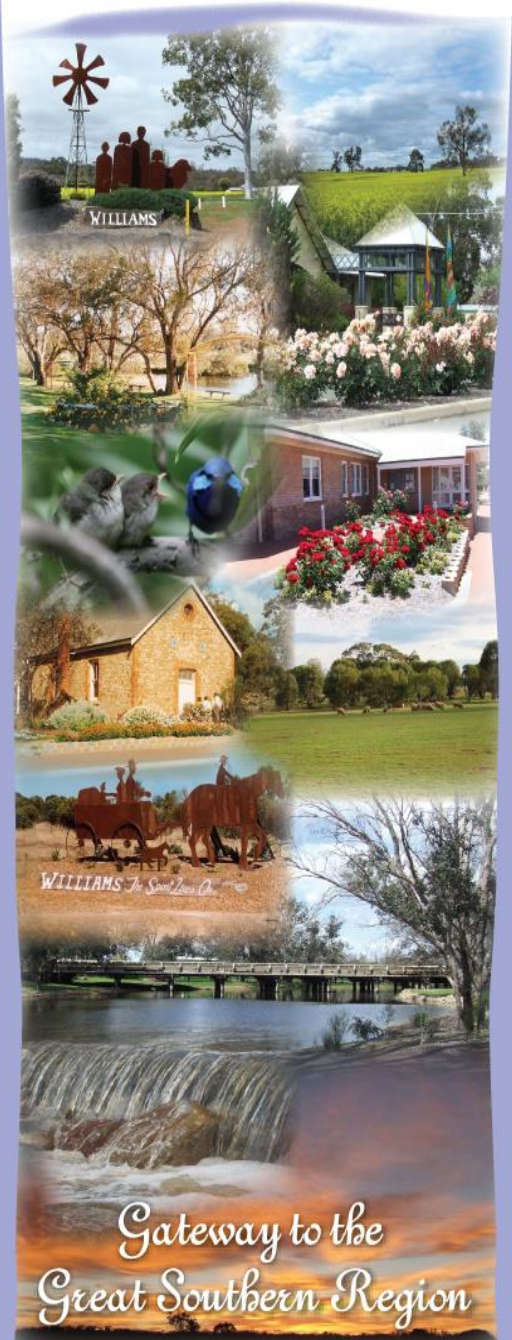
SHIRE OF WILLIAMS

ANNUAL REPORT

16 November 2018

2017/2018

SHIRE OF WILLIAMS



9 Brooking St, Williams

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www.williams.wa.gov.au

Map Ref: E5





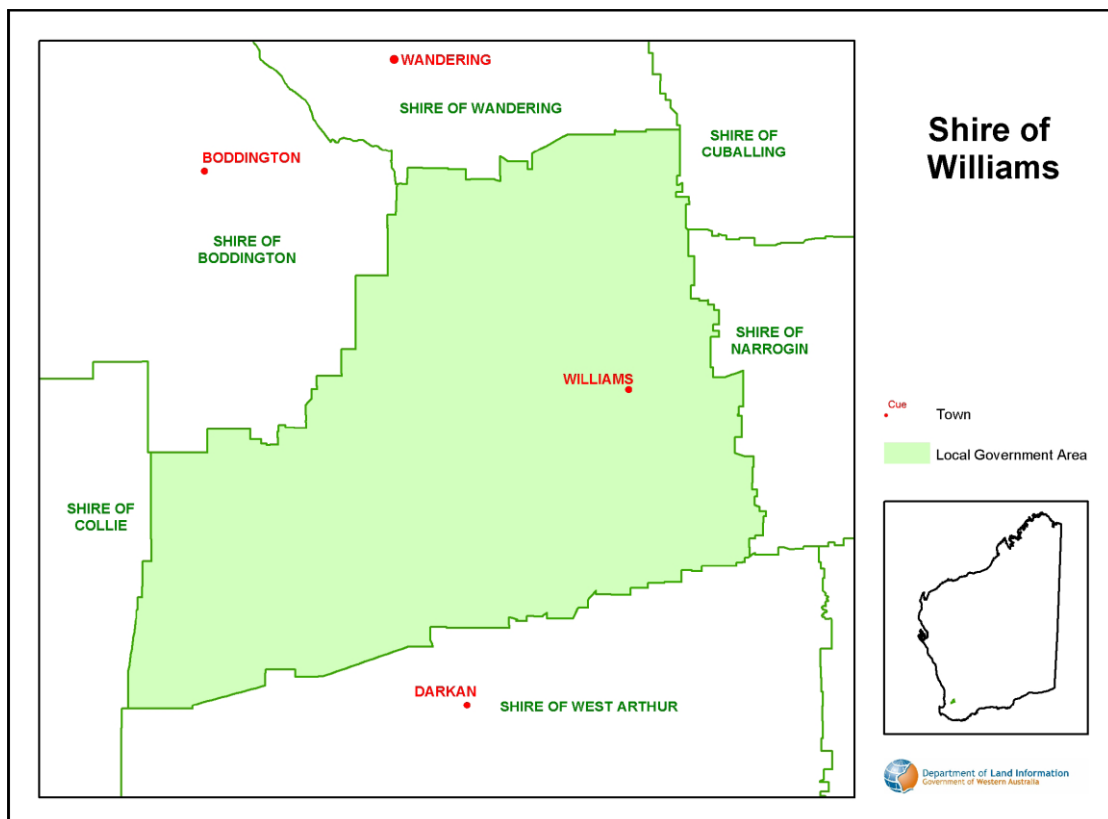
SHIRE OF WILLIAMS

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.

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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

Email : quaindering@westnet.com.au

JW (Jarrad) Logie – Deputy President

Elected to Office in 2009

Retiring 2021

Phone : 9885 1357

Email : belke82@bigpond.com

GM (Greg) Cavanagh

Elected to Office in 2005

Retiring 2019

Phone : 9885 7092

Email : springhills@wn.com.au

NA (Natalie) Major

Elected to Office in 2009

Retiring 2019

Phone : 9885 1021

Email : nemajor66@me.com

M (Moya) Carne

Elected to Office in 2003

Retiring 2019

Phone : 9885 1053

Email : moyacarne@hotmail.com

GH (Gilbert) Medlen

Elected to Office in 2007

Retiring 2019

Phone : 9885 8077

Email : gilmedlen@hotmail.com

SG (Simon) Harding

Elected to Office in 2017

Retiring 2021

Phone : 9885 6047

Email : simon@narrakine.com

AA (Alex) Watt

Elected to Office in 2017

Retiring 2021

Phone : 9885 1482

Email : alexawatt@hotmail.com

RD (Bob) Baker

Elected to Office in 2017

Retiring 2021

Phone : 9885 1234

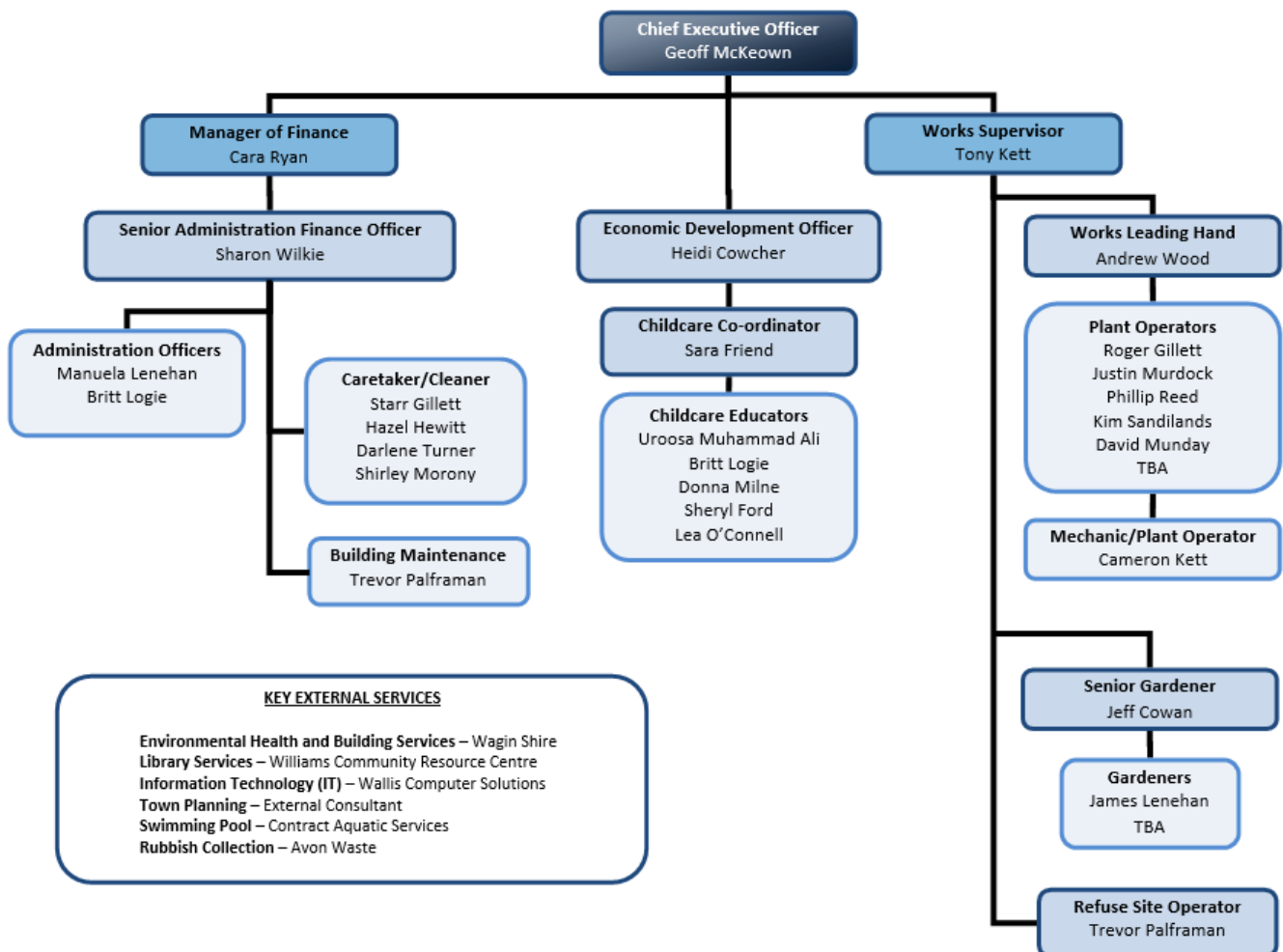
Email : bob.baker@westernchoice.com.au

ORGANISATIONAL STRUCTURE & STAFF

The Shire of Williams has developed its Management Structure to achieve greater efficiencies and to provide prompt and effective customer service. The Shire workforce consists of a total of twenty six (26) employees including 13 (50%) full-time employees, eight (30%) part-time employees and five (20%) casual employees, equating to 21 FTE (Full-time Equivalents).

The Shire is also supported by a variety of external resources, including consultants, where it is not cost effective, feasible or possible to be employed by the Shire. The Environmental Health and Building Officer, who is employed with the Shire of Wagin, is contracted to Williams on a 3 day fortnight. The management of the swimming pool, library services, roadside waste collection and any major town planning matters are contracted out.

Organisational Structure from June 2018:



SHIRE STATISTICS & INFORMATION

Distance from Perth (km)	161
Area (sq km)	2,295
Length sealed roads (km)	226
Length unsealed roads (km)	336
Population (2016 Census)	981
Councillors	9
Electors	726
Dwellings	455
Employees (FTE's)	21
Rates (2017-2018)	\$1,756,592
Revenue (2017-2018)	\$4,163,981

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.

COUNCIL FACILITIES

Public Library

The Library is open Monday to Friday and is located in the Williams 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.

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

This will be my last report as President of the Shire of Williams, as I have advised Council of my intention to step down from the role effective October 2019. At that time, I will have been at the helm for 20 years, and a Councillor for 26. I have been deeply humbled and indeed privileged to lead the Shire over the last 20 years and hope that my tenure will be recognised for the significant infrastructure improvements that have been undertaken by Council and Staff, as well as endeavours to improve effectiveness and efficiencies across the board. During the last 26 years I have worked with 24 councillors and 3 CEOs. It would seem some that things change more than others!

I am indeed proud to report that 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 a project totalling over \$15m of Royalties for Regions funded. The project reached a significant milestone during the last year with the collective regional group of local governments completing the construction 50 dedicated independent aged living units across 7 shires in the Wheatbelt/Great Southern region. All final reporting has now been completed for the project.

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 commenced the planning for a self-drive tourism based project, which aims to attract visitors to visit the region and see all it has on offer. The project is due for completion and launched in the first half of 2019. 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 continues to undertake the remediation work for this damage. Council appreciates residents' and ratepayers' patience during this time.

Council recognised the contributions made by three elected members in October 2017 when they decided not to contest their positions on Council at the biannual local government elections. Cr Richard Johnstone achieved a milestone of 27 years of service over two separate terms on Council: 1972-1987 and 2005-2017 and was recognised for his service at the 2017 WALGA Convention. Cr David Earnshaw and Cr Peter Paterson serving terms of 12 and 8 years respectively. Their efforts are appreciated, as well as their significant commitment that they have given to serving Council and their community.

At the October 2017, Council conducted a contested election for the 3 vacant councillor positions. It was pleasing to see candidates vying for the opportunity to represent their community on Council. Congratulations to the newly elected councillors of Cr Bob Baker, Cr Simon Harding and Cr Alex Watt. They have certainly 'hit the ground running' and are enjoying the experiences and challenges that being an elected member holds.

As was reported last year, the Williams River Bridge has well and truly reached its used by date, and over the last few years, Council has ramped up its pressure on MRWA and the WA State Government advocating for a replacement bridge given its deteriorating state. The project was finally confirmed, with \$5million from the Federal Government committed for the replacement of the Williams River Bridge. The WA State Government understand the necessity of the project with funds committed so that works can commence. 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 continued to collaborate as part of the Williams Bridges Community Reference Group. The highly anticipated construction is due to commence in the second half of 2018.

The Shire continues to bat well above its weight in terms of successful projects and improvements for the community of Williams. The staff across the board work hard to support the initiation of projects, develop them and identify and source adequate funding for implementation where possible. During the year Council secured funding from DFES Local Government Grants Scheme to build a fire shed to house the 3.4 Fire Truck; funding the Stronger Communities Program to install solar power at the Williams Community Resource Centre and Willi Wag Tails Childcare Centre; sustainability funding for 3 years from the Federal Government's Community Childcare Funding and the jewel in the crown was the funding secured from a number of sources for the Williams Lions Park Redevelopment. This project was successful in securing 75% funding for the implementation from:

Building Better Regions (Federal Government)	\$360,000
Lotterywest	\$200,000
Newmont Boddington Gold	\$50,000
Department of Biodiversity, Conservation & Attractions	\$30,000
Project Numbat	\$26,000
South32/Worsley Alumina	\$20,000

The Lions Park redevelopment commenced in late 2017 and is due for completion in the second half of 2018. It is highly anticipated and no doubt will prove to be a significant asset to the Shire.

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 Senior Administration Finance Officer, Manuela Lenehan and Britt Logie as Administration Officers, Heidi Cowcher as the Economic Development Officer and Gordon Tester as Environmental Health/Building Officer. The works crew, led by Works Supervisor Tony Kett, endeavour to deliver an at times challenging works program.

Resource sharing in local government has the potential to strengthen the attraction and retention of qualified staff and supporting smaller local governments who may not be able to attract staff on their own. The Shire of Williams for many years has shared the Environmental Health/Building Officer with the Shire of Wagin, which has worked reasonably well. In 2017, the Shire of Williams was approached by the Shire of Wandering with a similar proposition, but to share the Manager of Finance, Cara Ryan. They had tried unsuccessfully to recruit an experienced officer and were looking to resource sharing for a way to be able to meet their staffing needs. The Shire has developed an MOU between the two and Cara now divides her time across the two local governments. This also resulted in a restructure in responsibilities and duties in the Shire of Williams administration team.

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

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

Cr John ES Cowcher
Shire President
15th November 2018

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.

The 2017/18 financial year was successful in terms of the Shire's Corporate Business Plan with progress on a number of important community projects.

Work commenced on the redevelopment of the Williams Lions Park. With significant financial support from the various entities the Council agreed to commit to the project. It is envisaged that investment in this important community infrastructure will have a social and economic benefit. Visitors to our town are encouraged to stay longer and enjoy what our community has to offer. More information will be included in next year's Annual Report on the completion of the project. The following photos show the early stages of the construction.



A project that commenced during the year that will also reach completion next financial year is the new industrial shed in Marjidin Way. Several key strategies in the Shire's Strategic Community Plan promote land availability and industrial development.

The Shire embarked on this project in the knowledge that a local business was keen to expand and the Williams community supported this business remaining in town. The first stage was to buy a suitable lot in Marjidin Way. The lot that was selected is large enough that additional sheds can be built on it. Planning the layout of the lot will facilitate this in the future.



Industrial Shed – 6 Marjidin Way, Williams

The heavy rain and flooding that occurred in February 2017 had an impact on the Shire's road network. Some reinstatement works were undertaken in the 2017/18 financial year, primarily on reinstating culvert structures that were damaged. The following are some examples of the completed works:



Extracts Road (Concrete Surface Reinstated)



Major Road (Culvert Reinstated)

Financial Sustainability

The Shire completed the 2017/18 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 set expenditure limits. A further explanation is provided in the financial statements that follow in this report.

Strategic Planning

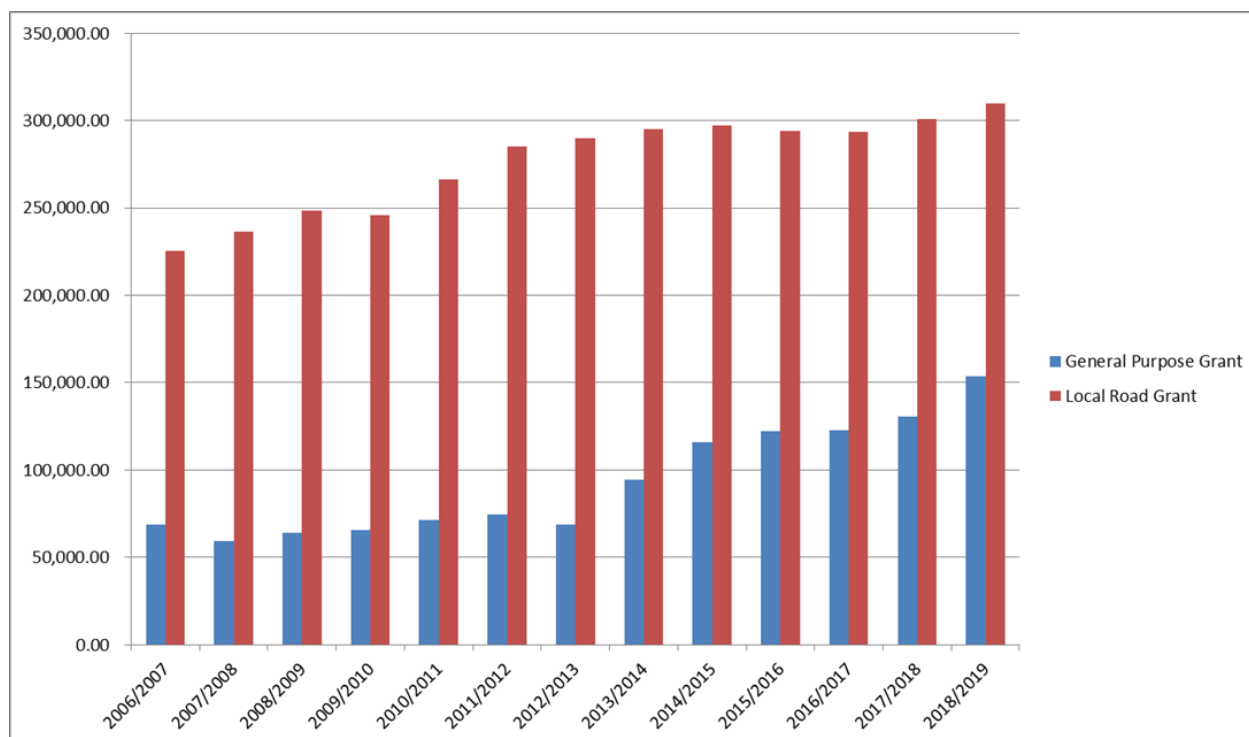
With the Strategic Community Plan 2017 – 2032 in place for the financial year the Shire's focus has been on following through on the strategies contained in the document. The decisions of Council are aligned to those strategies wherever possible.

A focus for the financial reporting this year in relation to asset management has been the revaluation of Shire roads, culverts and drainage infrastructure. The initial valuation performed several years ago has been refined to more accurately reflect unit rates for road works and remaining useful life of constructed roads.

Financial Assistance Grants

It is pleasing to note that the Federal Government announced that it removed the freeze on indexation of Financial Assistance Grants effective in the 2017-18 financial year. These untied grants are effectively a share of Federal Government income passed onto local government to assist with the provision of services and facilities. It is distributed in two components being the General Purpose Grant and Local Road Grant.

The Shire of Williams has argued for many years that its General Purpose Grant is too low. It is one of the lowest in the State. Early signs of a change to this position are being seen with our grant increasing to a greater extent than the overall pool. The following tables highlight the grants over the last few years. The figures shown for 2018/19 were indicative at the time the information was collated:



Staff Movement

The total number of Staff remained steady. Three employees were farewelled during the year. I would like to thank Bronwyn Hogg, Richard Hewitt and Stuart Cowcher for their efforts in working for the Shire of Williams over many years. During the year we welcomed Sara Friend to the Willi Wag Tails Child Care Centre team. Sara was initially employed as an Educator and has since been appointed the Coordinator.

During the year the Shire entered into an agreement with the Shire of Wandering to provide financial management services. Cara Ryan provides this service on a part time basis. This necessitated a restructure of duties in the Shire Office. I thank Cara for agreeing to take on this role. It is an excellent example of resource sharing and a great way to utilise Cara's finance knowledge. Thank you also to the other administration staff who embraced the change in responsibilities that resulted from the restructure.

Councillors, Staff and Community

In conclusion, I would like to thank the Shire President, John Cowcher and the Councillors for the support I received in undertaking my role. Thank you to the Staff who help 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 their interest and involvement in the wellbeing of the community.

Geoff McKeown
Chief Executive Officer
15 November 2018

FINANCIAL SNAPSHOT

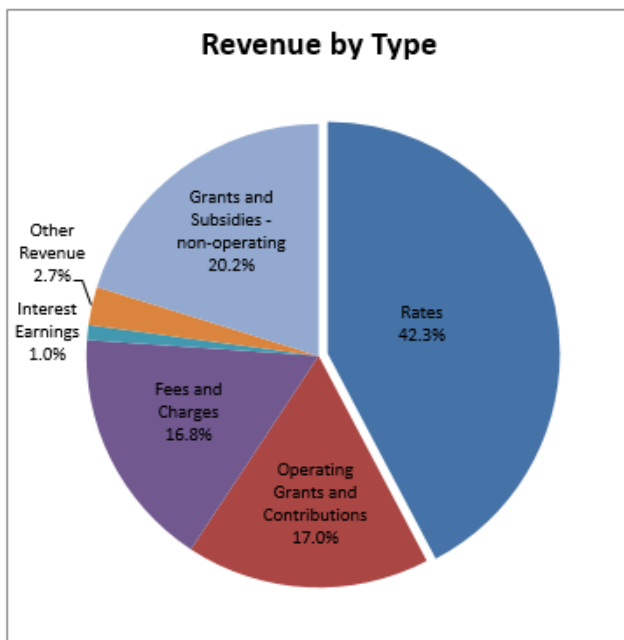
At a glance

- The total operating expenditure for 2017/2018 was \$4.15m (including depreciation).
- Employee wages costs for 26 permanent & casual employees were \$1.63m.
- Rates and charges comprised of \$2.45m of the total income received.
- Council's total grant funding for the year was \$1.54m.
- A \$2.01m capital works program was delivered.
- Cash and investments as of June 2018 totalled \$1.67m.
- Council borrowing are \$908,288 at the end of the year.

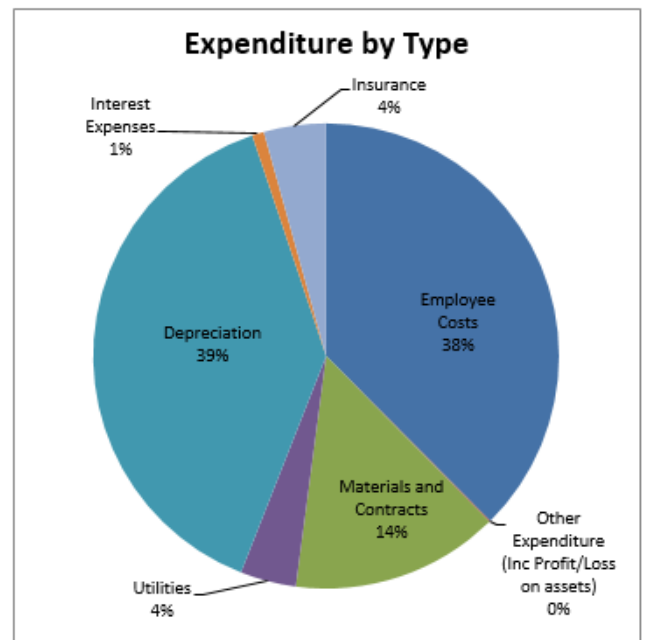
Net Result

The Net Result reported for 2017/2018 is \$318,626 which does not include revaluation of the Shire's road, drainage and bridge 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 breakup of revenue and expenditure:

Operating Revenue



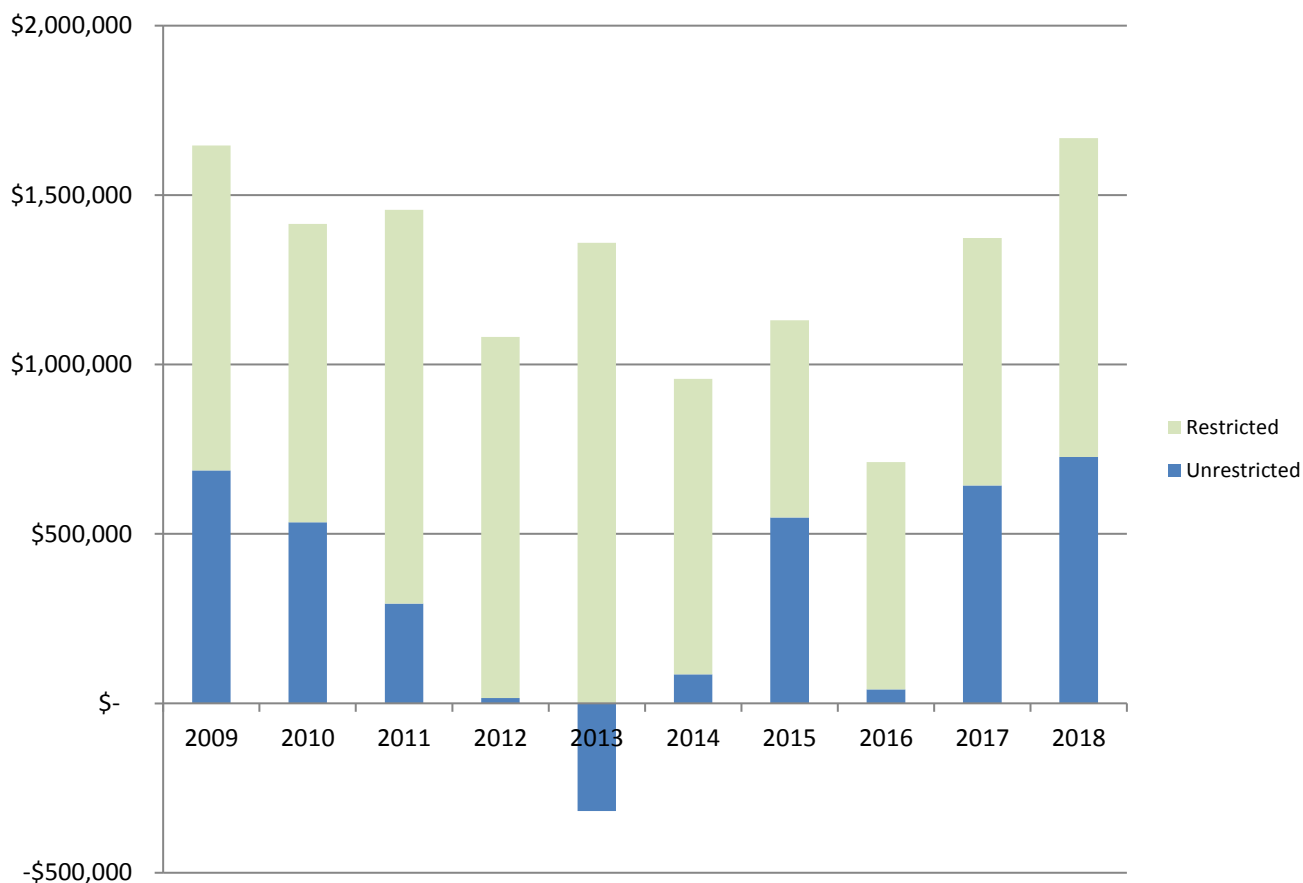
Operating Expenditure



Summary	Actual	Actual	Actual
	2017/2018	2016/2017	2015/2016
Total Operating Revenues	\$4,153,075	\$5,537,128	\$4,154,011
Total Operating Expenditure	\$3,834,449	\$4,380,286	\$4,060,086
Net Result	\$318,626	\$1,156,842	\$93,925
Revaluation of Assets	(\$24,288,585)	(\$2,877,364)	\$32,971
Net Operating Result	(\$23,969,959)	(\$1,720,522)	\$126,896

Cash and Reserves

Council had cash holdings of \$1,668,269 as at the 30th June 2018.



Rates

Council adopted an average general rate increase of 3.12% for 2017/18 which was lower than the 4% included in the Long Term Financial Plan. This resulted in a total rate collection of \$1,756,592 compared to \$1,701,983 the previous year.



Note : The figures above are calculated after accounting for other revenue sources, such as Grants.

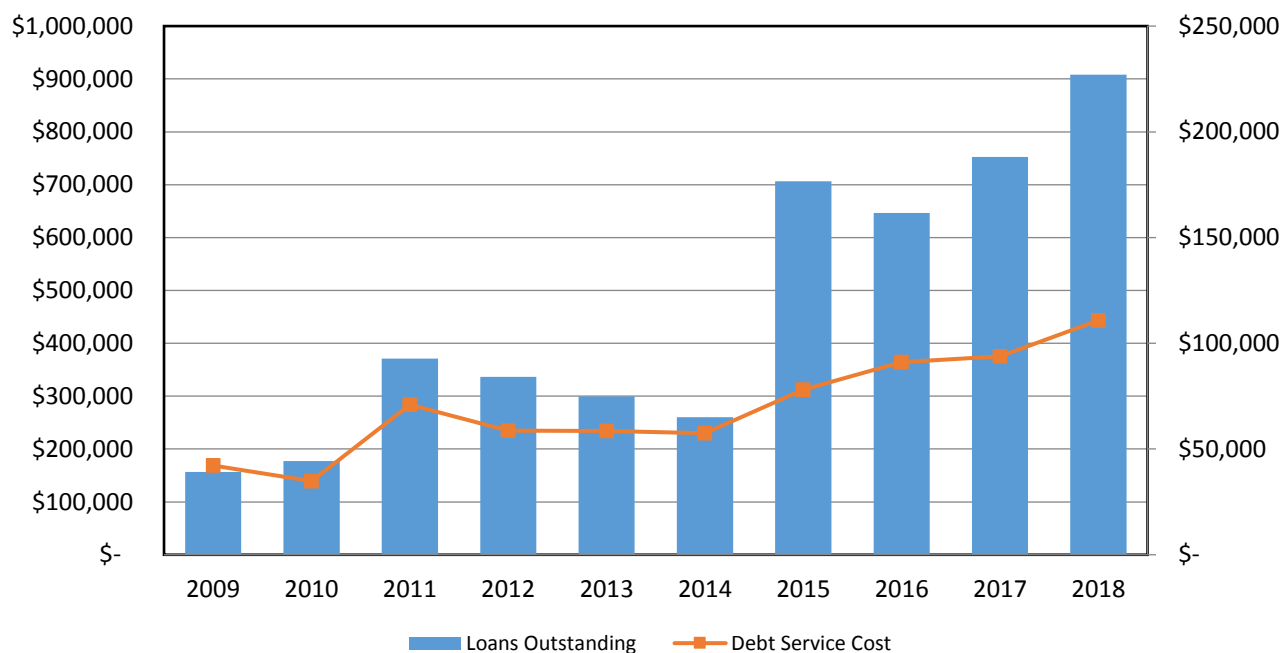
Capital Expenditure

Council capital expenditure for 2017/18 is listed below:

LAND and BUILDINGS	
Construction of Industrial Unit	\$ 399,170
New Street 2 x 3 Bedroom Units	\$ 5,917
Grandstand Refurbishment	\$ 10,790
Recreation House Refurbishment	\$ 3,658
Agricultural Hall Refurbishment	\$ 9,891
Solarpower Community Resource Centre & Childcare Centre	\$ 15,438
Bushfire Shed Development Works	\$ 18,281
Airconditioning Shire Office	\$ 11,379
ROADS	
Williams Darkan Rd - Pavement Stabilisation	\$ 231,864
Pingelly Rd - Seal to 7m	\$ 207,202
Clayton Rd - Seal Widening & Shoulder Widening	\$ 95,975
Marradong Rd - Seal & Pavement Repair	\$ 69,304
York Williams Rd - Reseal	\$ 54,137
Dardadine Rd - Roadside clearing	\$ 21,642
Glenfield Rd - Roadside clearing	\$ 12,668
Townsite Drainage Improvements	\$ 21,844
Storm Damage Reinstatement	\$ 98,398
PARKS and GARDENS	
Cricket Net - Replacement	\$ 4,288
Swimming Pool - Blankets	\$ 25,540
Lions Park Redevelopment	\$ 638,751
Childcare Centre Upgrade Softfall	\$ 9,779
PLANT and EQUIPMENT	
2 x Quickfill Trailer	\$ 10,618
Replace 2100 angle broom	\$ 6,280
Holden Colorado (trade in)	\$ 36,888
TOTAL ASSETS	\$ 2,019,702

Loans

Council's loan liability for the year ended 30th June 2018 was \$908,288 repayable at a weighted average interest rate of 3.42% 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.



STATUTORY REPORTING

Report on 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. It 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 2017/18

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 2017/18

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 possible. Redevelopment of the Williams Lions Park includes access for people with disabilities and once completed will be reviewed. 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 2017/18

Employees are aware of accessible information needs and how to provide this as required and on request. The Shire's website meets contemporary good practice. Information on the Shire's website can be provided in an alternative format on request, however such a request is yet to be made, so has not been 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 2017/18

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 2017/18

The Shire has in place grievance mechanisms for people with disabilities. However they remain untested as no complaints have been made. Therefore the assessment is '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 2017/18

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 (e.g.: 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 2017/18

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 2017/18 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 2017/18 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 2017/18	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 approved in October 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 on various aspects of the Local Government's recordkeeping program are conducted. These are delivered to all staff on a regular basis.
2. In-house recordkeeping training sessions for staff are conducted.
3. From time to time an external consultant is brought in to run a recordkeeping training session for staff. Staff are also encouraged to attend training courses outside the organisation whenever practicable.
4. Staff information sessions are conducted on a regular basis for staff as required.
5. The Local Government provides brochures or newsletters to publish recordkeeping information, highlight issues, or bring particular recordkeeping matters to staff attention.
6. The Local Government's Induction Program for new employees includes an introduction to the Local Government's recordkeeping system and program, and information on their recordkeeping responsibilities.

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	2017	2018
\$100,000 - \$110,000	0	0
\$110,000 - \$120,000	0	0
\$120,000 - \$130,000	1	0
\$130,000 - \$140,000	0	1

COMMUNITY PLAN STRATEGIES & OUTCOMES

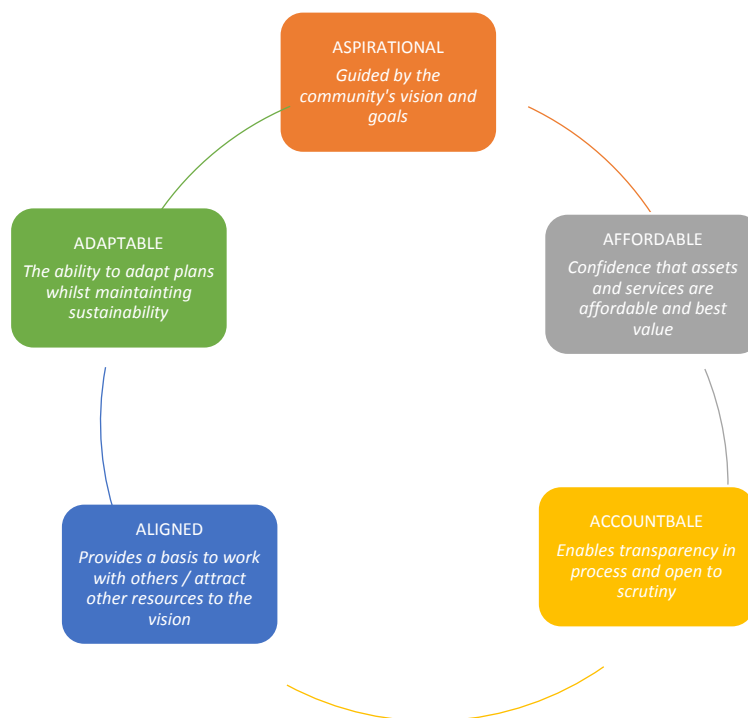
As part of the Local Government Integrated Planning and Reporting Framework and Guidelines (2016), all local governments must develop a Strategic Community Plan through a community engagement process aimed at identifying long term community aspirations, visions and objectives.

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>	<i>2017/2018 Results</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	The Shire maintains a relatively low level of unemployment.
			Lions Park redeveloped to meet needs of users	Project commenced during the year.
			Marketing opportunities investigated and implemented	Shire continues to market itself and opportunities via the Shire website, Facebook page and local community newsletters.
			New carpark established	Negotiated with Main Roads to be completed with the Albany Highway reconstruction and bridges replacement project. Will commence in 2018/19.
			New land acquisition	6 Marjidin Way purchased for industrial development.
		<i>To have appropriate levels of housing to cater for population retention and growth</i>	Accommodation availability meets demand	Current levels of accommodation meet the demand.



	Objective	Outcome	Key Performance Measures	2017/2018 Results
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	Community are actively engaged via social media and local community newsletters and provide feedback on satisfaction or otherwise directly to elected members and staff as required.
			Men's Shed established	Planning in progress.
			Retention of low crime rates	Police maintain local crime statistics and provide them to the Shire regularly.
			Usage figures of sporting facilities	Swimming pool usage numbers are recorded annually.
			Improvements made to Town Park and adjacent facilities	Redevelopment plan for Town Hall park developed and endorsed by Council in February 2018. Project will be implemented once suitable funding is secured.
		<i>To support a safe and healthy community with a strong sense of community pride</i>	Number of community events, initiatives & programs	Community continue to provide landmark community and sporting events with support by the Shire where required. The Williams Community Resource Centre engage with the community with initiatives and programs tailored to meet identified needs.
			Number of youth programs & initiatives	The Williams Community Resource Centre undertake youth initiatives regularly tailored to the needs and interests of the young people.
			New medical centre established with allied health access.	New Williams Medical Centre under construction and due to open in second half of 2018
			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	2017/2018 Results
LAND USE & ENVIRONMENT	To have a balanced respect for our natural assets and built environment, retaining our lifestyle values and community spirit	To enhance, promote, rehabilitate and leverage the natural environment so it continues to be an asset to the community	Community satisfaction levels	The community provides feedback on the natural environment on an as needs basis and Council addresses these as funds permit or funding is secured.
			Number of documented complaints	No formal complaints received. Requests for work to be completed recorded and addressed as required.
			Weed management measures implemented	Contractor engaged to undertake key roadside spraying.
			Flood prone areas identified and mitigation methods introduced	Stage One of flood mitigation planning complete.
			Hazard reduction	Ongoing work with DFES on bush fire risk mitigation.
		Natural assets and public open spaces are accessible, well utilised and managed	Walk trail implemented	
		Recognising and implementing sustainability measures	Alternative energy supplies considered for high users	Solar systems installed at Willi Wag Tails Childcare Centre and Williams CRC.
			Reduction in reliance on scheme water	Monitoring of consumption usage ongoing.
			Bulk rubbish pick-up in town	Ongoing access to larger recycling bins for local businesses.
			Regional approach to waste management implemented	Shire is a member of a voluntary regional waste management group.
		To have safe and well maintained transport networks that supports the local economy	Road condition reports	Road condition assessed regularly as part of Asset Management Plan.
			Drainage included in design of all upgrades to town and rural road network	Ongoing.

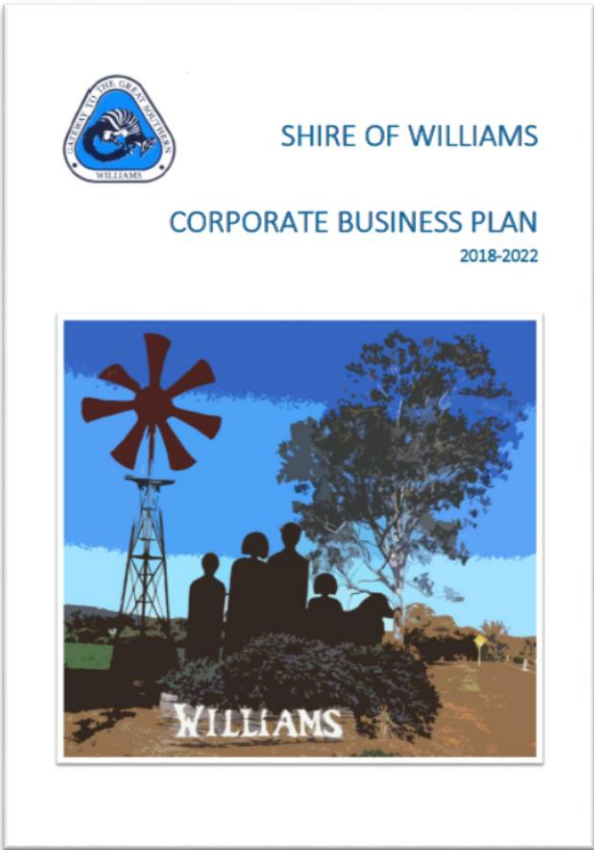


	Objective	Outcome	Key Performance Measures	2017/2018 Results
CIVIC LEADERSHIP	Strong civic leadership representing the whole of the Shire which engages in effective partnerships and reflects the aspirations of an engaged community.	The Shire is efficient in its operations; actively listens to the community and anticipates and responds to community needs	Attendance at community meetings	Ongoing.
			Number of nominations for Council vacancies	Shire held a contested election at the 2017 Election. 3 long serving Councillors did not renominate and 3 first term Councillors were elected.
			Policies are relevant and up-to-date to meet legislative requirements	Policy Manual revised and updated and adopted by Council.
			Community satisfaction surveys completed bi-annually	Scheduled for 2018/19.
		The revenue needs of the Shire are managed in an equitable, proactive and sustainable manner	Council investment leveraged with funding	Adequate funding leveraged to meet project needs.
			Long term financial viability	Ongoing.
			Financial ratios within target	Two ratios did not meet benchmarks. To be monitored.
		Effective collaboration and shared services with other relevant Local, State and Federal Government agencies, industry and community organisations	Level of regional participation and collaboration	Continued participation in the 4WDL VROC group of local governments. Continued participation in the Hotham Williams Economic Development Alliance (HWEDA)
		A strategically focused, unified Council functioning effectively ensuring compliance within the regulatory framework	Compliance with IPR framework	Ongoing.
			Adoption of Compliance Return	Completed.
			Staff attend PD	Ongoing. As needed/identified.
			Staff retention rates	Minimal turnover of Staff.
			Number of PD workshops attended by Councillors	PD completed for new councillors in-house. Additional training/workshops offered and attended as needed.



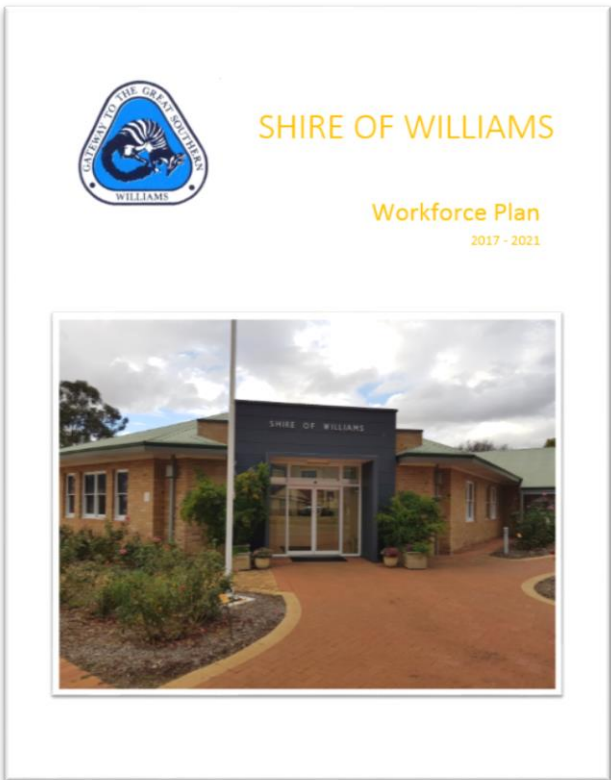
Corporate Business Plan

The Shire of Williams Corporate Business Plan 2018 - 2022 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. A copy of the plan is available on the Shire’s website.



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 2018

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COMMUNITY VISION

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

Principal place of business:
9 Brooking Street
Williams WA 6391

**SHIRE OF WILLIAMS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Williams for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the Shire of Williams at 30 June 2018 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the

30th day of

October 2018



Chief Executive Officer

Geoff McKeown

Name of Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2018

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Rates	20(a)	1,756,592	1,756,860	1,701,983
Operating grants, subsidies and contributions	2(a)	704,999	743,799	1,001,391
Fees and charges	2(a)	698,370	637,091	624,046
Service charges	20(b)	0	0	0
Interest earnings	2(a)	43,183	38,800	35,599
Other revenue	2(a)	110,710	81,600	279,373
		3,313,854	3,258,150	3,642,392
Expenses				
Employee costs		(1,436,224)	(1,518,607)	(1,562,878)
Materials and contracts		(553,119)	(775,702)	(781,833)
Utility charges		(148,445)	(162,500)	(156,825)
Depreciation on non-current assets	9(b)	(1,487,794)	(1,419,700)	(1,577,518)
Interest expenses	2(a)	(31,594)	(37,627)	(35,992)
Insurance expenses		(165,069)	(164,005)	(147,504)
Other expenditure		(15,111)	(11,700)	0
		(3,837,356)	(4,089,841)	(4,262,550)
		(523,502)	(831,691)	(620,158)
Non-operating grants, subsidies and contributions	2(a)	839,221	1,066,881	1,894,736
Profit on asset disposals	9(a)	10,906	0	0
(Loss) on asset disposals	9(a)	(7,999)	(5,000)	(117,736)
Net result		318,626	230,190	1,156,842
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	(24,288,585)	0	(2,877,364)
Total other comprehensive income		(24,288,585)	0	(2,877,364)
Total comprehensive income		(23,969,959)	230,190	(1,720,522)

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

**STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue	2(a)			
Governance		106,207	57,920	73,656
General purpose funding		2,248,764	2,028,344	2,388,153
Law, order, public safety		18,129	15,320	24,804
Health		685	1,100	861
Education and welfare		204,422	209,636	336,121
Housing		194,846	200,617	190,553
Community amenities		145,784	138,016	124,626
Recreation and culture		58,306	45,269	77,233
Transport		162,264	415,212	264,752
Economic services		42,293	46,716	44,774
Other property and services		132,154	100,000	116,859
		3,313,854	3,258,150	3,642,392
Expenses	2(b)			
Governance		(305,398)	(331,817)	(265,337)
General purpose funding		(19,983)	(13,150)	(13,666)
Law, order, public safety		(53,411)	(69,993)	(59,058)
Health		(72,482)	(97,510)	(106,732)
Education and welfare		(253,123)	(283,663)	(430,701)
Housing		(151,169)	(184,195)	(180,445)
Community amenities		(235,927)	(240,957)	(214,701)
Recreation and culture		(677,836)	(737,910)	(730,379)
Transport		(1,841,785)	(1,864,936)	(1,948,060)
Economic services		(100,118)	(111,132)	(109,232)
Other property and services		(94,530)	(116,951)	(168,247)
		(3,805,762)	(4,052,214)	(4,226,558)
Finance Costs	2(b)			
Governance		(505)	(554)	(737)
General purpose funding		0	(5,424)	(4,358)
Recreation and culture		(4,957)	(5,178)	(2,559)
Transport		(5,470)	(5,655)	(6,693)
Economic services		(7,147)	(7,170)	(7,516)
Other property and services		(13,515)	(13,646)	(14,129)
		(31,594)	(37,627)	(35,992)
		(523,502)	(831,691)	(620,158)
Non-operating grants, subsidies and contributions	2(a)	839,221	1,066,881	1,894,736
Profit on disposal of assets	9(a)	10,906	0	0
(Loss) on disposal of assets	9(a)	(7,999)	(5,000)	(117,736)
		842,128	1,061,881	1,777,000
Net result		318,626	230,190	1,156,842
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	(24,288,585)	0	(2,877,364)
Total other comprehensive income		(24,288,585)	0	(2,877,364)
Total comprehensive income		(23,969,959)	230,190	(1,720,522)

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

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018

	NOTE	2018	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	1,668,269	1,373,236
Trade and other receivables	5	131,816	59,477
Inventories	6	19,082	9,482
TOTAL CURRENT ASSETS		1,819,167	1,442,195
NON-CURRENT ASSETS			
Other receivables	5	138,464	153,463
Inventories	6	0	0
Property, plant and equipment	7(a)	18,321,637	18,352,457
Infrastructure	8(a)	61,328,452	85,236,990
TOTAL NON-CURRENT ASSETS		79,788,553	103,742,910
TOTAL ASSETS		81,607,720	105,185,105
CURRENT LIABILITIES			
Trade and other payables	11	357,753	136,474
Current portion of long term borrowings	12(a)	102,768	79,243
Provisions	13	292,630	269,460
TOTAL CURRENT LIABILITIES		753,151	485,177
NON-CURRENT LIABILITIES			
Long term borrowings	12(a)	805,520	673,288
Provisions	13	27,406	35,038
TOTAL NON-CURRENT LIABILITIES		832,926	708,326
TOTAL LIABILITIES		1,586,077	1,193,503
NET ASSETS		80,021,643	103,991,602
EQUITY			
Retained surplus		18,933,071	18,824,967
Reserves - cash backed	4	940,893	730,371
Revaluation surplus	10	60,147,679	84,436,264
TOTAL EQUITY		80,021,643	103,991,602

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2018**

		RETAINED	RESERVES CASH	REVALUATION	TOTAL
	NOTE	SURPLUS	BACKED	SURPLUS	EQUITY
		\$	\$	\$	\$
Balance as at 1 July 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	10	0	0	(2,877,364)	(2,877,364)
Total comprehensive income		1,156,842	0	(2,877,364)	(1,720,522)
Transfers from/(to) reserves		(155,160)	155,160	0	0
Balance as at 30 June 2017		18,824,967	730,371	84,436,264	103,991,602
Comprehensive income					
Net result		318,626	0	0	318,626
Changes on revaluation of assets	10	0	0	(24,288,585)	(24,288,585)
Total comprehensive income		318,626	0	(24,288,585)	(23,969,959)
Transfers from/(to) reserves		(210,522)	210,522	0	0
Balance as at 30 June 2018		18,933,071	940,893	60,147,679	80,021,643

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2018

	NOTE	2018 Actual	2018 Budget	2017 Actual
CASH FLOWS FROM OPERATING ACTIVITIES		\$	\$	\$
Receipts				
Rates		1,744,722	1,760,860	1,698,075
Operating grants, subsidies and contributions		644,992	691,096	1,187,672
Fees and charges		698,370	647,091	624,046
Service charges		0	0	0
Interest earnings		43,183	38,800	35,599
Goods and services tax		240,355	258,000	130,561
Other revenue		110,710	106,600	279,373
		3,482,332	3,502,447	3,955,326
Payments				
Employee costs		(1,447,006)	(1,569,345)	(1,539,134)
Materials and contracts		(314,511)	(719,296)	(774,350)
Utility charges		(148,445)	(162,500)	(156,825)
Interest expenses		(32,203)	(37,627)	(33,880)
Insurance expenses		(165,069)	(164,005)	(147,504)
Goods and services tax		(240,355)	(258,000)	(130,561)
Other expenditure		(15,111)	(11,700)	0
		(2,362,700)	(2,922,473)	(2,782,254)
Net cash provided by (used in) operating activities	14	1,119,632	579,974	1,173,072
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(528,310)	(561,577)	(1,286,019)
Payments for construction of infrastructure		(1,491,391)	(1,525,424)	(1,261,936)
Advances to community groups		0	0	(168,000)
Non-operating grants, subsidies and contributions		839,221	1,066,881	1,894,736
Proceeds from sale of fixed assets		185,587	158,000	203,532
Net cash provided by (used in) investment activities		(994,893)	(862,120)	(617,688)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term borrowings		(79,243)	(79,243)	(62,209)
Proceeds from self supporting loans		14,537	14,537	0
Proceeds from new long term borrowings		235,000	235,000	168,000
Net cash provided by (used in) financing activities		170,294	170,294	105,791
Net increase (decrease) in cash held		295,033	(111,852)	661,175
Cash at beginning of year		1,373,236	1,373,236	712,061
Cash and cash equivalents at the end of the year	14	1,668,269	1,261,384	1,373,236

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

**RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)		296,521	296,500	(3,428)
		296,521	296,500	(3,428)
Revenue from operating activities (excluding rates)				
Governance		106,207	57,920	73,656
General purpose funding		513,905	293,402	704,221
Law, order, public safety		18,129	15,320	24,804
Health		685	1,100	861
Education and welfare		204,422	209,636	336,121
Housing		194,846	200,617	190,553
Community amenities		145,784	138,016	124,626
Recreation and culture		58,806	45,269	77,233
Transport		172,670	415,212	264,752
Economic services		42,293	46,716	44,774
Other property and services		132,154	100,000	116,859
		1,589,901	1,523,208	1,958,460
Expenditure from operating activities				
Governance		(305,903)	(332,371)	(267,197)
General purpose funding		(19,983)	(18,574)	(18,024)
Law, order, public safety		(53,411)	(69,993)	(59,058)
Health		(72,482)	(97,510)	(106,732)
Education and welfare		(253,123)	(283,663)	(430,701)
Housing		(151,169)	(184,195)	(180,445)
Community amenities		(235,927)	(240,957)	(214,701)
Recreation and culture		(686,254)	(743,089)	(732,938)
Transport		(1,851,793)	(1,875,592)	(2,006,366)
Economic services		(107,265)	(118,302)	(181,748)
Other property and services		(108,045)	(130,597)	(182,376)
		(3,845,355)	(4,094,843)	(4,380,286)
Operating activities excluded				
(Profit) on disposal of assets	9(a)	(10,906)	0	0
Loss on disposal of assets	9(a)	7,999	5,000	117,736
Movement in employee leave reserve cash-backed		5,109	5,119	5,005
Movement in employee benefit provisions (non-current)		(7,632)	0	4,641
Depreciation and amortisation on assets	9(b)	1,487,794	1,419,700	1,577,518
Amount attributable to operating activities		(476,569)	(845,316)	(720,354)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		839,221	1,066,881	1,894,736
Proceeds from disposal of assets	9(a)	185,587	158,000	203,532
Purchase of property, plant and equipment	7(b)	(528,310)	(561,577)	(1,286,019)
Purchase and construction of infrastructure	8(b)	(1,491,391)	(1,525,424)	(1,261,936)
Amount attributable to investing activities		(994,893)	(862,120)	(449,688)
FINANCING ACTIVITIES				
Advances to community groups		0	0	(168,000)
Repayment of long term borrowings	12(a)	(79,243)	(79,243)	(62,209)
Proceeds from new long term borrowings	12(b)	235,000	235,000	168,000
Proceeds from self supporting loans	12(a)	14,537	14,537	0
Transfers to reserves (restricted assets)	4	(220,522)	(221,800)	(185,160)
Transfers from reserves (restricted assets)	4	10,000	24,000	30,000
Amount attributable to financing activities		(40,227)	(27,506)	(217,369)
Surplus(deficiency) before general rates		(1,511,689)	(1,734,942)	(1,387,411)
Total amount raised from general rates	20	1,734,859	1,734,942	1,683,932
Net current assets at June 30 c/fwd - surplus/(deficit)	21	223,170	0	296,521

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

1. 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 and to the extent they are not in-consistent with the *Local Government Act 1995* and accompanying regulations.), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report 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.

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.

THE LOCAL GOVERNMENT REPORTING ENTITY (Continued)

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 23 to these financial statements.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

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.

2. REVENUE AND EXPENSES

(a) Revenue

Significant revenue

Early payment of Federal Assistance Grant

Other revenue

Reimbursements and recoveries

Other

Fees and Charges

Governance

General purpose funding

Law, order, public safety

Health

Education and welfare

Housing

Community amenities

Recreation and culture

Transport

Economic services

Other property and services

2018 Actual	2017 Actual
\$	\$
236,263	0
73,902	220,717
36,808	58,656
110,710	279,373
90,854	71,615
4,079	4,352
5,009	2,533
368	861
152,203	149,004
138,991	123,875
133,916	123,195
41,601	36,548
28,522	38,248
42,293	44,774
60,534	29,041
698,370	624,046

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

	2018	2017
	\$	\$
Operating grants, subsidies and contributions		
General purpose funding	440,746	643,834
Law, order, public safety	13,120	19,071
Education and welfare	52,220	51,110
Housing	55,240	64,224
Community amenities	10,000	0
Transport	133,673	223,152
	704,999	1,001,391
Non-operating grants, subsidies and contributions		
Law, order, public safety	10,000	0
Education and welfare	11,282	0
Housing	6,119	560,361
Recreation and culture	267,639	233,997
Transport	544,181	576,378
Economic services	0	524,000
	839,221	1,894,736
Total grants, subsidies and contributions	1,544,220	2,896,127

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

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

Grants, Donations and Other Contributions (Continued)

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 19. 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 period.

Interest earnings

- Loans receivable - clubs/institutions
- Reserve funds
- Other funds
Other interest revenue (refer note 20(b))

2018 Actual	2018 Budget	2017 Actual
\$	\$	\$
15,518	16,800	13,160
13,313	8,000	7,901
14,352	14,000	14,539
43,183	38,800	35,599

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Grant Acquittal Audits

Interest expenses (finance costs)

- Long term borrowings (refer Note 12(a))
- Treasury Guarantee Fee on Loans

2018	2017
\$	\$
9,249	9,946
800	0
10,049	9,946
31,594	31,634
0	4,358
31,594	35,992

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

3. CASH AND CASH EQUIVALENTS

	NOTE	2018	2017
		\$	\$
Unrestricted		648,977	632,536
Restricted		1,019,292	740,700
		1,668,269	1,373,236
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	4	10,277	5,168
Plant Replacement Reserve	4	267,928	105,688
Building Reserve	4	399,182	400,642
Recreations Facilities Reserve	4	119,183	87,334
Art Acquisition Reserve	4	11,434	11,197
Joint Venture Housing Reserve	4	80,663	69,198
Refuse Site Reserve	4	52,226	51,144
Unspent grants	19	78,399	10,329
		1,019,292	740,700

SIGNIFICANT ACCOUNTING POLICIES

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

Cash and cash equivalents (Continued)

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

4. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	5,168	5,109	0	10,277	5,168	5,119	0	10,287	164	5,004	0	5,168
Plant Replacement Reserve	105,688	162,241	0	267,929	105,688	162,431	0	268,119	5,561	100,127	0	105,688
Building Reserve	400,642	8,539	(10,000)	399,181	400,642	9,215	(24,000)	385,857	421,010	9,632	(30,000)	400,642
Recreations Facilities Reserve	87,334	31,848	0	119,182	87,335	32,009	0	119,344	19,880	67,455	0	87,335
Art Acquisition Reserve	11,197	237	0	11,434	11,196	258	0	11,454	10,946	250	0	11,196
Joint Venture Housing Reserve	69,198	11,465	0	80,663	69,198	11,592	0	80,790	67,650	1,548	0	69,198
Refuse Site Reserve	51,144	1,082	0	52,226	51,144	1,176	0	52,320	50,000	1,144	0	51,144
	730,371	220,522	(10,000)	940,893	730,371	221,800	(24,000)	928,171	575,211	185,160	(30,000)	730,371

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
Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
Plant Replacement Reserve	2018/2019	To be used for the purchase of plant items.
Building Reserve	2018/2019	To be used for the construction, refurbishment and acquisition of buildings.
Recreations Facilities Reserve	2018/2019	To be used to finance capital improvements of existing recreation facilities and to fund acquisition of new recreation facilities.
Art Acquisition Reserve	Ongoing	To be used for the purchase of art pieces for the Williams Art Collection.
Joint Venture Housing Reserve	Ongoing	To be used to finance maintenance and construction of joint venture housing.
Refuse Site Reserve	2019/2020	To be used for the re-development of waste facilities.

5. TRADE AND OTHER RECEIVABLES

Current

Rates outstanding
Sundry debtors
Loans receivable - clubs/institutions
Provision for Doubtful Debts

Non-current

Loans receivable - clubs/institutions

2018	2017
\$	\$
26,607	14,737
101,113	41,106
14,999	14,537
(10,903)	(10,903)
131,816	59,477
138,464	153,463
138,464	153,463

SIGNIFICANT ACCOUNTING POLICIES

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.

Classification and subsequent measurement

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.

6. INVENTORIES

Current

Materials
Fuel
History Books
Gravel

2018	2017
\$	\$
2,379	5,121
14,278	3,456
850	905
1,575	0
19,082	9,482

SIGNIFICANT ACCOUNTING POLICIES

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

7 (a). PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 2	2,945,500	2,995,500
- Additions after valuation - cost	76,043	0
	3,021,543	2,995,500
Total land	3,021,543	2,995,500
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	2,394,997	2,509,997
- Additions after valuation - cost	347,326	0
Less: accumulated depreciation	(49,070)	0
	2,693,253	2,509,997
Buildings - specialised at:		
- Independent valuation 2017 - level 3	11,519,570	11,519,570
- Additions after valuation - cost	51,156	0
Less: accumulated depreciation	(170,433)	0
	11,400,293	11,519,570
Total buildings	14,093,546	14,029,567
Total land and buildings	17,115,089	17,025,067
Furniture and equipment at:		
- Independent valuation 2016 - level 2	94,640	98,640
- Additions after valuation - cost	6,824	6,824
Less: accumulated depreciation	(28,229)	(15,182)
	73,235	90,282
Plant and equipment at:		
- Independent valuation 2016 - level 2	1,211,650	1,230,650
- Additions after valuation - cost	194,968	141,182
Less: accumulated depreciation	(273,305)	(134,724)
	1,133,313	1,237,108
Total property, plant and equipment	18,321,637	18,352,457

7. 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.

	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	2,453,067	2,453,067	3,284,814	12,035,955	15,320,769	17,773,836	98,640	1,271,150	19,143,626
Additions	524,000	524,000	574,211	39,802	614,013	1,138,013	6,825	141,182	1,286,019
(Disposals)	(135,000)	(135,000)	(148,431)	0	(148,431)	(283,431)	0	(37,836)	(321,267)
Revaluation increments/ (decrements) transferred to revaluation surplus	153,433	153,433	(1,293,286)	(278,467)	(1,571,752)	(1,418,319)	0	0	(1,418,319)
Depreciation (expense)	0	0	(72,185)	(252,247)	(324,431)	(324,431)	(15,182)	(137,388)	(477,002)
Transfers	0	0	164,873	(25,474)	139,399	139,399	0	0	139,399
Carrying amount at 30 June 2017	2,995,500	2,995,500	2,509,997	11,519,570	14,029,567	17,025,067	90,282	1,237,108	18,352,457
Additions	76,043	76,043	347,325	51,156	398,481	474,524	0	53,786	528,310
(Disposals)	(50,000)	(50,000)	(113,380)	0	(113,380)	(163,380)	(500)	(15,339)	(179,219)
Revaluation increments/ (decrements) transferred to revaluation surplus	0	0	0	0	0	0	0	0	0
Depreciation (expense)	0	0	(50,689)	(170,433)	(221,122)	(221,122)	(16,547)	(142,242)	(379,911)
Transfers	0	0	0	0	0	0	0	0	0
Carrying amount at 30 June 2018	3,021,543	3,021,543	2,693,253	11,400,293	14,093,546	17,115,089	73,235	1,133,313	18,321,637

7. 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 and buildings					
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 life, pattern of consumption and asset condition assessments (Level 3) inputs.
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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

8 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Infrastructure - Roads		
- Management valuation 2015 - level 3	0	57,351,427
- Independent Valuation 2018 - level3	42,515,615	0
- Additions after valuation - cost	0	2,126,586
Less: accumulated depreciation	0	(1,296,381)
	42,515,615	58,181,632
Infrastructure - Bridges		
- Management valuation 2015 - level 3	0	9,618,986
- Independent Valuation 2018 - level3	7,229,016	0
Less: accumulated depreciation	0	(171,172)
	7,229,016	9,447,814
Infrastructure - Drainage		
- Management valuation 2015 - level 3	0	14,244,160
- Independent Valuation 2018 - level3	7,217,419	0
- Additions after valuation - cost	0	68,496
Less: accumulated depreciation	0	(547,766)
	7,217,419	13,764,890
Infrastructure - Footpaths		
- Management valuation 2015 - level 3	0	803,614
- Management valuation 2018 - level 3	831,798	0
- Additions after valuation - cost	0	112,187
Less: accumulated depreciation	0	(26,937)
	831,798	888,864
Infrastructure - Parks & Gardens		
- Management valuation 2017 - level 3	2,950,082	2,953,790
- Additions after valuation - cost	678,357	0
Less: accumulated depreciation	(93,835)	0
	3,534,604	2,953,790
Total infrastructure	61,328,452	85,236,990

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

8. 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.

	Infrastructure - Roads	Infrastructure - Bridges	Infrastructure - Drainage	Infrastructure - Footpaths	Infrastructure - Parks & Gardens	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	58,260,925	9,533,400	13,976,021	902,762	3,836,034	86,509,142
Additions	898,921	0	68,496	0	294,519	1,261,936
(Disposals)	0	0	0	0	0	0
Revaluation increments/ (decrements) transferred to revaluation surplus	0	0	0	0	(1,130,349)	(1,130,349)
Impairment (losses)/reversals	(309,496)	0	(19,200)	0	0	(328,696)
Depreciation (expense)	(668,718)	(85,586)	(260,427)	(13,898)	(71,888)	(1,100,516)
Transfers	0	0	0	0	25,474	25,474
Carrying amount at 30 June 2017	58,181,632	9,447,814	13,764,890	888,864	2,953,790	85,236,990
Additions	745,409	0	67,625	0	678,357	1,491,391
(Disposals)	0	0	0	0	(3,461)	(3,461)
Revaluation increments/ (decrements) transferred to revaluation surplus	(15,751,700)	(2,133,212)	(6,360,505)	(43,168)	0	(24,288,585)
Impairment (losses)/reversals	0	0	0	0	0	0
Depreciation (expense)	(659,726)	(85,586)	(254,591)	(13,898)	(94,082)	(1,107,883)
Carrying amount at 30 June 2018	42,515,615	7,229,016	7,217,419	831,798	3,534,604	61,328,452

8. 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 RAMM Asset Management System (ROMANII) software, for depreciated replacement cost	Independent Registered Valuer	June 2018	Construction unit rates for each component and current condition (Level 2) residual values and remaining useful life assessments.
Infrastructure - Bridges	3	Cost Approach, utilising RAMM Asset Management System (ROMANII) software, for depreciated replacement cost	Independent Registered Valuer	June 2018	Construction unit rates for each component and current condition (Level 2) residual values and remaining useful life assessments.
Infrastructure - Drainage	3	Cost Approach, utilising RAMM Asset Management System (ROMANII) software, for depreciated replacement cost	Independent Registered Valuer	June 2018	Construction unit rates for each component and current condition (Level 2) residual values and remaining useful life assessments.
Infrastructure - Footpaths	3	Cost Approach, utilising RAMM Asset Management System (ROMANII) software, for depreciated replacement cost	Independent Registered Valuer	June 2018	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.

9. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each 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.

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 class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

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.

9. FIXED ASSETS (Continued)

(a) Disposals of Assets

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
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Transport								
Holden Crew Cab Ute (WL842)	858	273	0	(585)	0	0	0	0
Anglebroom for Skidsteer	1,367	4,200	2,833	0	0	0	0	0
Holden Crew Cab Ute (WL742)	13,114	9,161	0	(3,954)	13,000	8,000	0	(5,000)
Furniture & Fittings								
Recreation & Culture								
Cricket Practice Nets	3,461	0	0	(3,461)	0	0	0	0
Daisy Commercial Pool Blanket	500	1,000	500	0	0	0	0	0
Land & Buildings								
Transport								
Land - Lot 100 New Street	50,000	50,000	0	0	50,000	50,000	0	0
House - Lot 100 New Street	113,380	120,953	7,573	0	100,000	100,000	0	0
	182,680	185,587	10,906	(7,999)	163,000	158,000	0	(5,000)

(b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	50,689	72,185
Buildings - specialised	170,433	252,247
Furniture and equipment	16,547	15,182
Plant and equipment	142,242	137,388
Infrastructure - Roads	659,726	668,718
Infrastructure - Bridges	85,586	85,586
Infrastructure - Drainage	254,591	260,427
Infrastructure - Footpaths	13,898	13,898
Infrastructure - Parks & Gardens	94,082	71,888
	1,487,794	1,577,518

9. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested 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 the following ways:

- a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Depreciation rates

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

Buildings	30-50 years
Furniture and Equipment	4-10 years
Plant and Equipment	5-15 years
Sealed Roads and Streets	
· Formation	Not Depreciated
· Pavement	50 years
· Bitumen seal	20 years
· Asphalt seal	25 years
Gravel Roads	
· Formation	Not Depreciated
· Pavement	50 years
Formed Roads	
· Formation	Not Depreciated
· Pavement	50 years
Footpaths – slab	20 years
Sewerage piping	100 years
Water Supply Piping & Drainage Sy	75 years

Depreciation (Continued)

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.

10. REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation (Decrement)	2017 Total Movement on Revaluation	2017 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land & Buildings	11,071,582	0	0	11,071,582	12,489,901	(1,418,319)	(1,418,319)	11,071,582
Revaluation surplus -Plant and equipment	26,678	0	0	26,678	26,678	0	0	26,678
Revaluation surplus - Infrastructure - Roads	72,153,831	(24,288,585)	(24,288,585)	47,865,246	72,482,527	(328,696)	(328,696)	72,153,831
Revaluation surplus - Infrastructure Parks & Gardens	1,184,173	0	0	1,184,173	2,314,522	(1,130,349)	(1,130,349)	1,184,173
	84,436,264	(24,288,585)	(24,288,585)	60,147,679	87,313,628	(2,877,364)	(2,877,364)	84,436,264

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.

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued interest on long term borrowings
Accrued salaries and wages
ATO liabilities

2018	2017
\$	\$
320,781	72,573
7,392	8,001
29,580	35,162
0	20,738
357,753	136,474

SIGNIFICANT ACCOUNTING POLICIES

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

Trade and other payables (Continued)

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.

12. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Principal 1 July 2017	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments	
	\$	\$	Actual	Budget	Actual	Budget	Actual	Budget
Governance								
Loan #68 - IT Computer Server	18,810	0	7,342	7,342	11,468	0	505	554
Transport								
Loan #67 - CAT Grader	174,408	0	36,491	36,491	137,918	137,917	5,470	5,655
Economic services								
Loan #66 - Industrial Shed	174,640	0	10,898	10,899	163,742	163,741	7,128	7,170
Loan #70 - Industrial Shed	0	235,000	0	0	235,000	0	20	0
Other property and services								
Loan #65 - Industrial Land	216,672	0	9,974	9,974	206,698	206,698	13,515	13,646
	584,531	235,000	64,706	64,706	754,826	508,356	26,637	27,025
Self Supporting Loans								
Recreation and culture								
Loan #69 - Bowling Club Synthetic Turf	168,000	0	14,537	14,537	153,463	153,463	4,957	5,178
	168,000	0	14,537	14,537	153,463	153,463	4,957	5,178
	752,531	235,000	79,243	79,243	908,288	661,819	31,594	32,203

Self supporting loans are financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

Borrowings

	2018	2017
	\$	\$
Current	102,768	79,243
Non-current	805,520	673,288
	908,288	752,531

12. INFORMATION ON BORROWINGS (Continued)

(b) New Borrowings - 2017/18

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term Years	Total Interest & Charges	Interest Rate	Amount (Used)		Balance Unspent
	Actual	Budget						Actual	Budget	
	\$	\$				\$	%	\$	\$	\$
Loan #70 - Industrial Shed	235,000	235,000	WATC	Debenture	10	39,025	3.02%	(235,000)	(235,000)	0
	235,000	235,000				39,025		(235,000)	(235,000)	0

(c) Undrawn Borrowing Facilities

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	(1,096)	(1,107)
Total amount of credit unused	108,904	108,893

Loan facilities

Loan facilities - current	102,768	79,243
Loan facilities - non-current	805,520	673,288
Total facilities in use at balance date	908,288	752,531

Unused loan facilities at balance date

	2018	2017
	\$	\$
	100,000	100,000
	0	0
	10,000	10,000
	(1,096)	(1,107)
	108,904	108,893
	102,768	79,243
	805,520	673,288
	908,288	752,531
	NIL	NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

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

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.

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.

13. PROVISIONS

Opening balance at 1 July 2017

Current provisions
Non-current provisions

Additional provision
Amounts used

Balance at 30 June 2018

Comprises

Current
Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Current provisions	123,553	145,907	269,460
Non-current provisions	0	35,038	35,038
	123,553	180,945	304,498
Additional provision	104,160	35,265	139,425
Amounts used	(105,419)	(18,468)	(123,887)
	122,294	197,742	320,036
Current	122,294	170,336	292,630
Non-current	0	27,406	27,406
	122,294	197,742	320,036

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

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

Other long-term employee benefits (Continued)

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.

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.

14. NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Cash and cash equivalents	1,668,269	1,261,384	1,373,236
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	318,626	230,190	1,156,842
Non-cash flows in Net result:			
Depreciation	1,487,794	1,419,700	1,577,518
(Profit)/loss on sale of asset	(2,907)	5,000	117,736
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(71,877)	(13,703)	182,373
(Increase)/decrease in inventories	(9,600)	60	10,994
Increase/(decrease) in payables	221,279	35,608	(10,328)
Increase/(decrease) in provisions	15,538	(30,000)	32,673
Grants contributions for the development of assets	(839,221)	(1,066,881)	(1,894,736)
Net cash from operating activities	1,119,632	579,974	1,173,072

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
Governance	1,848,559	1,897,711
General purpose funding	26,608	0
Law, order, public safety	66,294	56,428
Health	889,082	901,753
Education and welfare	1,741,647	1,759,696
Housing	2,726,777	2,753,798
Community amenities	217,063	220,531
Recreation and culture	8,116,388	8,121,538
Transport	59,709,001	84,236,504
Economic services	5,514,956	4,590,246
Other property and services	34,871	14,938
Unallocated	716,474	631,902
	81,607,720	105,185,045

16. CAPITAL COMMITMENTS

Contracted for:

- capital expenditure projects

Payable:

- not later than one year

The capital expenditure projects outstanding at the end of the current reporting period represents the Williams Lions Park Redevelopment and the construction of a Fire Shed on Lot 265 Narrogin Rd, Williams.

17. JOINT 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;

	2018	2017
	\$	\$
Non-current assets		
Land and buildings		
- Independent Valuation 2017	1,523,703	1,523,703
Less: accumulated depreciation	(21,691)	
	1,502,012	1,523,703

SIGNIFICANT ACCOUNTING POLICIES

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 arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 25 for a description of the equity method of accounting.

Interests in joint arrangements (Continued)

Joint 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.

18. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Meeting Fees	17,040	16,500	14,629
President's allowance	4,304	4,304	3,168
Travelling expenses	3,672	4,000	1,800
	25,016	24,804	19,597

Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the Shire during the year are as follows:

	2018	2017
	\$	\$
Short-term employee benefits	321,746	295,417
Post-employment benefits	31,373	30,904
Other long-term benefits	49,526	36,042
	402,645	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 above.

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.

Transactions with related parties

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

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:

	2018	2017
	\$	\$
Sale of goods and services	68,254	11,202
Purchase of goods and services	179,467	191,721
Amounts outstanding from related parties:		
Loans/Debts to key management personnel	0	7,808

18. RELATED PARTY TRANSACTIONS

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 proportionate consolidation method

The Shire has a one-third interest in an environmental health and building service. The interest in the joint venture entity is accounted for in these financial statements using the proportionate consolidation method of accounting. For details of interests held in joint venture entities, refer to Note 17.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

19. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/16	Received ⁽²⁾ 2016/17	Expended ⁽³⁾ 2016/17	Closing Balance ⁽¹⁾ 30/06/17	Received ⁽²⁾ 2017/18	Expended ⁽³⁾ 2017/18	Closing Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
Law, order, public safety							
WALGA - Roadwise Campaign	0	500	0	500	0	(500)	0
Education and welfare							
Department of Education	15,318	0	(15,318)	0	0	0	0
Community amenities							
Department of Agriculture	3,373	0	0	3,373	0	0	3,373
NRM Grant	11,063	0	(5,074)	5,989		(2,000)	3,989
Recreation and culture							
Kidsport	967	0	(500)	467	500	(967)	0
DPAW - Funding Lions Park Signage	0	0	0	0	30,000	0	30,000
Transport							
Roads to Recovery	65,399	325,725	(391,124)	0	281,351	(240,314)	41,037
Total	96,120	326,225	(412,016)	10,329	311,851	(243,781)	78,399

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

20. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	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 valuations											
Residential	0.068635	156	982,736	67,450	0	0	67,450	131,993	0	0	131,993
Comm/Industrial	0.068635	20	1,934,292	131,993	507	0	132,499	67,450	0	0	67,450
Unimproved valuations											
Rural/Mining	0.007011	250	194,020,000	1,362,651	0	0	1,362,651	1,372,179	0	0	1,372,179
Sub-Total		426	196,937,028	1,562,094	507	0	1,562,600	1,571,622	0	0	1,571,622
Minimum payment											
Gross rental valuations											
Residential	660	125	551,670	85,140	(660)	0	84,480	83,820	0	0	83,820
Comm/Industrial	660	18	58,875	11,880	0	0	11,880	13,200	0	0	13,200
Unimproved valuations											
Rural/Mining	850	76	6,548,823	75,898	0	0	75,898	66,300	0	0	66,300
Sub-Total		219	7,159,368	172,918	(660)	0	172,258	163,320	0	0	163,320
		645	204,096,396	1,735,012	(153)	0	1,734,859	1,734,942	0	0	1,734,942
Total amount raised from general rate							1,734,859				1,734,942
Ex-gratia rates							21,733				21,918
Totals							1,756,592				1,756,860

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

20. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	15-Sep-17	0	0.00%	11.00%
Option Two				
First instalment	15-Sep-17	0	0.00%	11.00%
Second instalment	17-Nov-17	8.33	5.50%	11.00%
Third instalment	19-Jan-18	8.33	5.50%	11.00%
Fourth instalment	23-Mar-18	8.33	5.50%	11.00%
		2018		
		2018	Budget	
		\$	\$	
Interest on unpaid rates		8,196	7,000	
Interest on instalment plan		6,156	7,000	
Charges on instalment plan		3,025	3,400	
		17,377	17,400	

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

21. NET CURRENT ASSETS

Composition of net current assets for
the purposes of the Rate Setting Statement

	2018 (30 June 2018 Carried Forward) \$	2018 (1 July 2017 Brought Forward) \$	2017 (30 June 2017 Carried Forward) \$
Surplus/(Deficit) 1 July 17 brought forward	223,170	296,521	296,521
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	727,376	642,865	642,865
Restricted	940,893	730,371	730,371
Receivables			
Rates outstanding	26,607	14,737	14,737
Sundry debtors	101,113	41,106	41,106
Loans receivable - clubs/institutions	14,999	14,537	14,537
Provision for Doubtful Debts	(10,903)	(10,903)	(10,903)
Inventories			
Materials	2,379	5,121	5,121
Fuel	14,278	3,456	3,456
History Books	850	905	905
Gravel	1,575	0	0
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(320,781)	(72,573)	(72,573)
Accrued interest on long term borrowings	(7,392)	(8,001)	(8,001)
Accrued salaries and wages	(29,580)	(35,162)	(35,162)
ATO liabilities	0	(20,738)	(20,738)
Current portion of long term borrowings	(102,768)	(79,243)	(79,243)
Provisions			
Provision for annual leave	(122,294)	(123,553)	(123,553)
Provision for long service leave	(170,336)	(145,907)	(145,907)
Unadjusted net current assets	1,066,016	957,018	957,018
Adjustments			
Less: Reserves - restricted cash	(940,893)	(730,371)	(730,371)
Less: Loans receivable - clubs/institutions	(14,999)	(14,537)	(14,537)
Add: Current portion of long term borrowings	102,768	79,243	79,243
Add: Leave Entitlements Cash Backed	10,277	5,168	5,168
Adjusted net current assets - surplus/(deficit)	223,170	296,521	296,521

Difference

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

22. 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	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	1,668,269	1,373,236	1,668,269	1,373,236
Receivables	270,280	212,940	270,280	212,940
	1,938,549	1,586,176	1,938,549	1,586,176
Financial liabilities				
Payables	357,753	136,474	357,753	136,474
Borrowings	908,288	752,531	908,288	752,531
	1,266,041	889,005	1,266,041	889,005

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.

22. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. 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 is 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.

	2018	2017
Impact of a 1% ⁽¹⁾ movement in interest rates on cash	\$	\$
- Equity	17,122	13,732
- Statement of Comprehensive Income	17,122	13,732

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible interest rate movements.

22. 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:

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	77%	92%
- Overdue	23%	8%

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables and 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 Table below:

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
2018	\$	\$	\$	\$	\$
Payables	357,753	0	0	357,753	357,753
Borrowings	125,569	411,204	592,830	1,129,603	908,288
	483,322	411,204	592,830	1,487,356	1,266,041
2017					
Payables	136,474	0	0	136,474	136,474
Borrowings	111,447	433,944	509,441	1,054,832	752,531
	247,921	433,944	509,441	1,191,306	889,005

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:

Year ended 30 June 2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Borrowings								
Fixed rate								
Long term borrowings	92,461	112,942	102,460	85,248	67,105	448,072	908,288	3.42%
Weighted average Effective interest rate	3.48%	2.86%	3.16%	3.11%	3.04%	3.73%		
Year ended 30 June 2017								
Borrowings								
Fixed rate								
Long term borrowings	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%		

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

23. 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 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
Housing Deposits	331	0	0	331
Building Retention	15,780	0	(15,780)	0
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	11,397	1,250	0	12,647
Childcare Fundraising	3,726	0	(3,726)	0
SII Regional Funding	485,432	1,446	(486,878)	0
	596,674			92,986

24. 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 2019	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend on the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.</p>
(iii)	AASB 16 Leases	February 2016	1 January 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability into the 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 when AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.</p>

Notes:

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

24. 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	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.

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 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities	1 January 2017
(ii)	AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities	1 January 2017

25. OTHER SIGNIFICANT ACCOUNTING POLICIES

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) Current and non-current classification

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 or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

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

d) 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 statements that has a material effect on the statement of financial position, 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.

e) 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.

f) 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.

g) Fair value of assets and liabilities

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.

h) 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:

25. OTHER SIGNIFICANT ACCOUNTING POLICIES

Market approach

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

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 the service capacity of an asset.

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.

i) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised 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 specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

26. ACTIVITIES/PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services 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	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To provide services to ensure a safer community.	Supervision and enforcement of local laws, fire prevention and suppression activities and animal control.
HEALTH	To provide an operational framework for good community health.	Health inspection and advisory services, analytical services, mosquito control, collection agent for Williams St John Ambulance subscriptions and assist with providing medical services.
EDUCATION AND WELFARE	To provide a framework that enables community needs in these areas are met.	Provision and maintenance of premises for the Williams Community Resource Centre and Willi Wagtails Childcare Centre. Provide all administration services for the Childcare centre.
HOUSING	To help ensure the availability of adequate housing for the community needs.	Management, administration and maintenance of Williams Community Homes, Sandalwood Court, Wandoo Cottages, Jamtree Lane Units and New Street Units.
COMMUNITY AMENITIES	Provision of amenities required by the community.	Refuse management, protection of the environment, maintenance of cemeteries and public conveniences.
RECREATION AND CULTURE	To establish and manage efficiently all infrastructure and resources which will meet the recreational and cultural needs of the community.	Maintenance of halls, recreational facilities and reserves. Operation of Library and compilation and maintenance of local heritage register.
TRANSPORT	To provide effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges and drainage. Cleaning and lighting of streets, depot maintenance and on-line agent for Department of Transport.
ECONOMIC SERVICES	Promotion of Williams and improvement of economic wellbeing of the district and its inhabitants.	Tourism services, area promotion, implementation of building controls, provision of standpipe water, maintenance and management of Williams Stud Breeders pavilion.
OTHER PROPERTY AND SERVICES	Efficient utilisation of Council resources, plant repairs and operations, management of Williams Town Planning Scheme.	Provision of private works to public, maintenance of Council plant, approvals and monitoring of town planning activities.

27. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	1.08	1.46	0.64
Asset consumption ratio	0.70	0.97	0.73
Asset renewal funding ratio	2.57	2.30	0.89
Asset sustainability ratio	0.37	0.49	0.37
Debt service cover ratio	9.01	9.33	5.36
Operating surplus ratio	(0.20)	(0.28)	(0.47)
Own source revenue coverage ratio	0.67	0.60	0.61

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
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:

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants. In addition, two of the ratios were impacted by revenue and expenses associated with flood damage re-instatement which is considered one-off in nature.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	236,263	227,284	0
Amount of Financial Assistance Grant received in prior year relating to current year.	227,284	0	216,937

If the events detailed above did not occur, the impacted ratios in the 2018, 2017 and 2016 columns above would be as follows:

	2018	2017	2016
Current ratio	1.09	1.91	0.16
Debt service cover ratio	8.93	6.91	7.74
Operating surplus ratio	(0.21)	(0.37)	(0.38)
Own source revenue coverage ratio	0.67	0.59	0.61

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 2018, 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 Shire, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2018 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

Management is responsible for the other information. The other information comprises the information in the Shire's annual report for the year ended 30 June 2018 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.

Shire's Responsibility for the Financial Report

The Shire's 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 and 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 Council'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 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 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 50 of the financial report, which describes ratio information relating to the financial report. Management's calculation of certain of these ratios includes assumptions about future capital expenditure and hence falls outside our audit scope. We do not therefore express an opinion on the ratios with these assumptions.

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

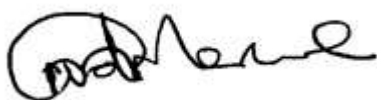
Reporting on Other Legal and Regulatory Requirements

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 asset sustainability ratio and operating surplus 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: 30 October 2018