

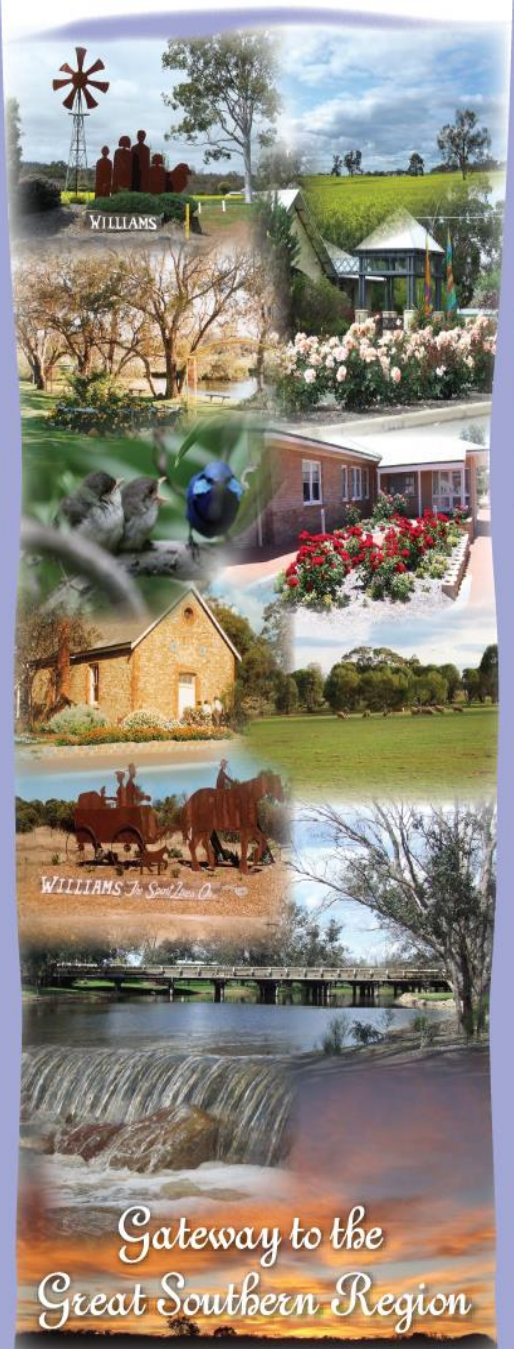
SHIRE OF WILLIAMS

ANNUAL REPORT

14 November 2019

2018/2019

SHIRE OF WILLIAMS



*Gateway to the
Great Southern Region*

9 Brooking St, Williams

Ph: (08) 98851005

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www.williams.wa.gov.au

Map Ref: E5





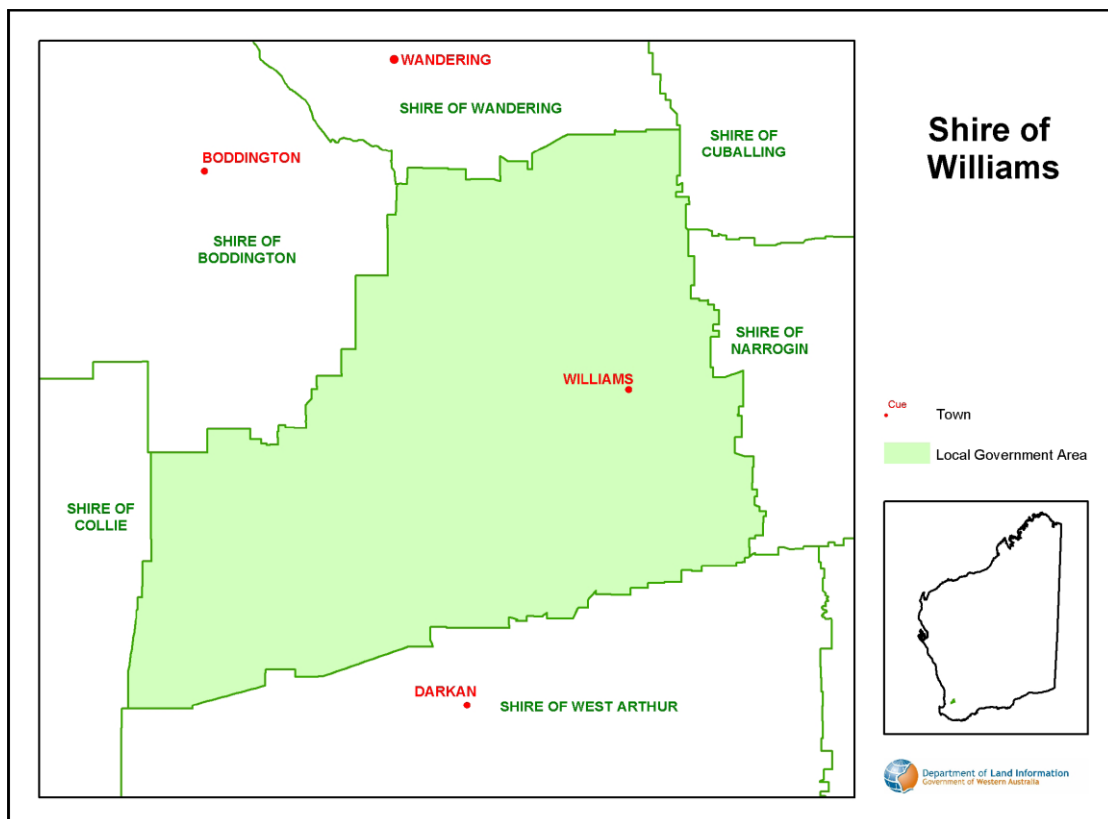
SHIRE OF WILLIAMS

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



JW (Jarrad) Logie – President

Elected to Office in 2009 Retiring 2021

NA (Natalie) Major – Deputy President

Elected to Office in 2009 Retiring 2019

GM (Greg) Cavanagh

Elected to Office in 2005 Retiring 2019

M (Moya) Carne

Elected to Office in 2003 Retiring 2019

GH (Gilbert) Medlen

Elected to Office in 2007 Retiring 2019

SG (Simon) Harding

Elected to Office in 2017 Retiring 2021

AA (Alex) Watt

Elected to Office in 2017 Retiring 2021

RD (Bob) Baker

Elected to Office in 2017 Retiring 2021

JES (John) Cowcher – President

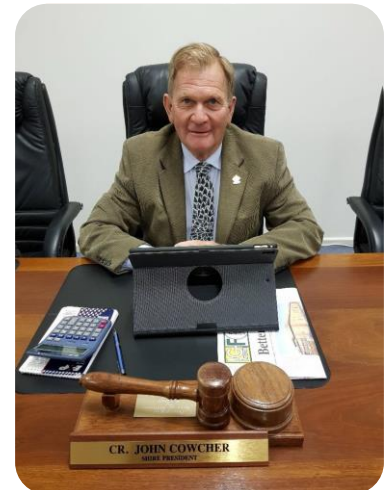
Elected to Office in 1993 until his passing in January 2019

John Cowcher served on Council for nearly 26 years and held the position of President for almost 20 years. John devoted greatly to the community of Williams and oversaw significant projects during his time as President, including the refurbishment of the Swimming Pool and Recreation Building, building of the Community Resource Centre, St John Ambulance Headquarters, Independent Aged Units and the redevelopment of the Lions Park.

In addition to John's contribution to local government, he was involved in many community committees and clubs, including the Williams Anglican Church Parish Vestry, Williams Medical Centre Board, Williams Junior Farmers and the Williams Harness Racing Club. He was awarded life membership of the Williams Repertory Club.

John lived and breathed Williams and was passionate about delivering on the community aspirations. He was a committed leader and earned the respect of his fellow Councillors. They benefited greatly from his wise counsel and he shared his knowledge with not only his elected members but also to neighbouring local governments. Most recently John was posthumously awarded the Eminent Service Award, as part of the Local Government Honours Program at the WALGA Annual Convention held August 2019.

John was a true gentleman that touched the lives of so many and is greatly missed.

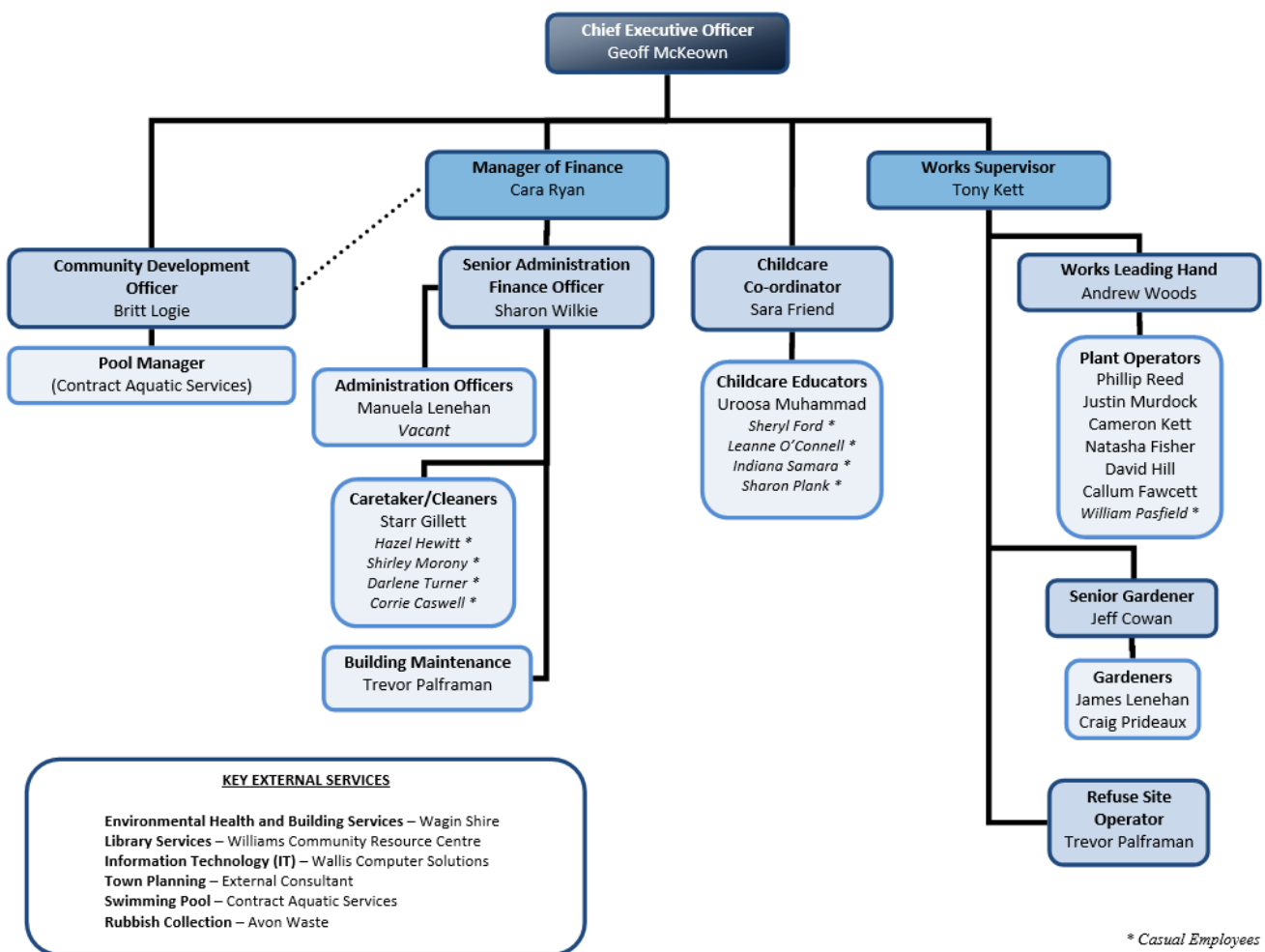


ORGANISATIONAL STRUCTURE & STAFF

The Shire of Williams has developed its Management Structure to achieve greater efficiencies and to provide prompt effective customer service. The Shire workforce consists of a total of thirty (30) employees including 13 (44%) full-time employees, 7 (23%) part-time employees and 10 (33%) 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 3 days per fortnight. The management of the swimming pool, library services, waste collection and any major town planning matters are contracted out.

Organisational Structure from June 2019:



SHIRE STATISTICS & INFORMATION

Distance from Perth (km)	161
Area (sq km)	2,295
Length sealed roads (km)	228
Length unsealed roads (km)	334
Population	1006
Councillors	9
Electors	660
Dwellings	455
Employees (FTE's)	21
Rates (2018-2019)	\$1,850,709
Operating Revenue (2018-2019)	\$3,404,235

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 Tuesday to Friday from 7.30am 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, 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 inside the Refuse Site 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 Site. Additional recycling, including cardboard, located at the Refuse Site.

Refuse 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 Collection

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.

Impounding Cats

All domestic cats over six months of age, must be sterilised, microchipped and registered with the Shire. Your cat is required to wear a collar and registration tag to ensure they can be easily identified and returned to you if they become lost. Any cats that are unidentified and remain unclaimed will only be held in the Shire pound for three (3) days.

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 by 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 suitable and adult mosquitos are active.

SHIRE PRESIDENT'S REPORT

As President, it gives me great pleasure to present my very first Annual Report to the residents and ratepayers of the community of Williams. This year has been a challenging year for the Council. The tragic passing of President John Cowcher placed turmoil amongst the councillors and within the office. I was honoured to be able to step up and lead our Council during this difficult time. The entire community came together and showed support and I have never felt so privileged to belong to such a community, Williams is indeed, a great place to live.

The main project for the Shire was the redevelopment of the Williams Lions Park which was completed and officially opened in September 2018. The Lions Park is a major asset to the Shire of Williams, with a new and improved park, travellers are stopping and spending more time in Williams.

The first major HWEDA initiative has been the Marradong Self Drive Trails, which main aim is to share with tourists some of the amazing destinations that exist away from the coast. During 2018/2019, the HWEDA working group worked tirelessly on the Marradong Country Self Drive Trails to ensure that it was ready for release in July. This is an online portal showcasing what our region has to offer. Council will continue its financial support and commitment of HWEDA through 2019/2020. Congratulations to Cr Greg Cavanagh who launched the trail at the WALGA annual conference in August 2019.

The long overdue Williams River Bridge replacement began in November 2018, to date, this has been quite a disruptive exercise for the businesses along Albany Highway. Together with Main Roads, the Shire has done it's best to keep the community informed and help the businesses where possible. I would like to thank the community for their patience and understanding during this time. The construction is on track and the Shire of Williams will have 2 brand new bridges and a reconstructed section of Albany Highway in March 2020.

The Shire of Williams has an incredible force behind it. Together with my fellow councillors, I would like to mention the hard working and passionate team of staff. Geoff McKeown, CEO, is the leader of this force. His door is always open and the support that he offers everyone is exceptional. It was with great sadness that we said goodbye to Heidi Cowcher our Economic Development Officer. Heidi dedicated 17 years to the Shire as our Economic Development Officer and she will be greatly missed. Other valued employees include Roger Gillett, Donna Milne, David Munday and Kim Sandilands. We thank you for your time dedicated to the Shire.

To the residents and ratepayers, thank you for making our community a great place to live. I would like to acknowledge the efforts of the many individuals and groups who work together as a community. I would personally like to thank my fellow councillors. Your support for the past 6 months has been remarkable. I appreciate your commitment and dedication to serving the community and I look forward to what the future for the Shire of Williams will bring.

Cr Jarrad W Logie
Shire President
22nd October 2019

CHIEF EXECUTIVE OFFICER'S REPORT

It is my pleasure to present this report as Chief Executive Officer of the Shire of Williams for the year ending 30 June 2019.

The tragic passing of Shire President John Cowcher in January 2019 was felt tremendously by the Shire's elected members, staff and the wider Williams community. John was devoted to his community and he served it in many ways, no more so than as a Councillor of the Shire for more than 26 years. The grief felt in dealing with this tragedy was tempered as we offered our support to Heidi Cowcher, a work colleague and long serving employee of the Shire.

I would like to express my sincere thanks to the elected members and fellow employees who stepped up to help during this sad time.

With direction from Council, the Shire is continuing its strong strategic approach to community development. The 2018/19 financial year was successful in terms of the Shire's Corporate Business Plan with progress on a number of important community projects identified in the Strategic Community Plan.

Redevelopment of the Williams Lions Park concluded in the first half of the year with the official opening on the 28 September 2018. The Shire is very appreciative of the financial support from the various entities that helped fund this project. It is envisaged that investment in this important community infrastructure will have an ongoing social and economic benefit. Visitors to our town are encouraged to stay longer and enjoy what our community has to offer.



Official opening of the redeveloped Williams Lions Park

Capital Projects

A number of capital projects were included in the Annual Budget and were completed during the year. The following photos highlight several of these projects:



Glenfield Bushfire Brigade Shed on the Narrogin Road



Refurbishment of Single Bedroom Units in New Street

Williams Cemetery

A small group of volunteers finished a project to research and identify the unmarked graves at the Williams Cemetery. Our thanks go to Robin Reed, Marie Hardacre and their enthusiastic helpers who brought this project to fruition. Below is a photo of some of the plinths installed on unmarked graves. The Shire is very appreciative of the efforts of these volunteers who put in many hours of research before work could begin on the actual grave refurbishment and installation of the plinths.



The Shire also constructed a new niche wall at the Cemetery, along with a new front fence as highlighted in the following photos:



Included in the Annual Budget was the refurbishment of the carpark at the Recreation Ground. The existing payment had aged and poor drainage was contributing to its deterioration. The drainage was improved and the surface was refurbished with asphalt.



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 mid-term review will be conducted during the next financial year.

Staff Movement

The total number of Staff remained steady during the year. The Shire farewelled Heidi Cowcher after many years of valued service to take up the position of Executive Manager Property and Assets at the Shire of Katanning. Heidi was a driving force behind many significant projects for the Shire and we wished her well in her new role.

I would like to congratulate Britt Logie for her selection as the Shire's new Community Development Officer.

During the year we also farewelled Roger Gillett, Kim Sandilands and David Munday from the Works Crew. Along with Donna Milne from the Willi Wag Tails Child Care Centre team we thank them all for their contribution to the Shire and wish them all the best for the future.

Councillors, Staff and Community

In conclusion, I would like to thank the Shire President, Jarrad Logie and the Councillors for their support. Thank you also 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

13 November 2019

FINANCIAL SNAPSHOT

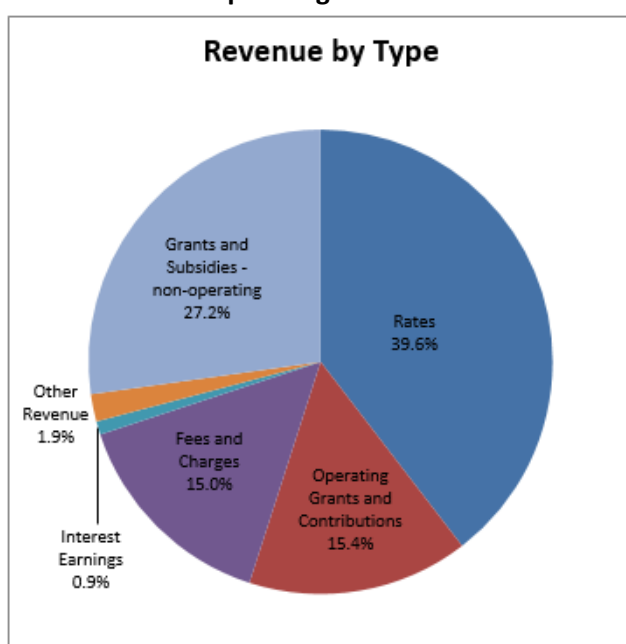
AT A GLANCE

- Total Operating Expenditure for 2018/2019 was \$3.58m (including depreciation).
- Employee Wages costs for 30 permanent & casual employees were \$1.53m.
- Rates and Charges comprised of \$2.55m of the total income received.
- Council's total Grant Funding for the year was \$1.99m.
- A \$2.07m Capital Works program was delivered.
- Cash and Investments as of June 2019 totalled \$1.51m.
- Council Borrowings are \$815,826 at the end of the year.

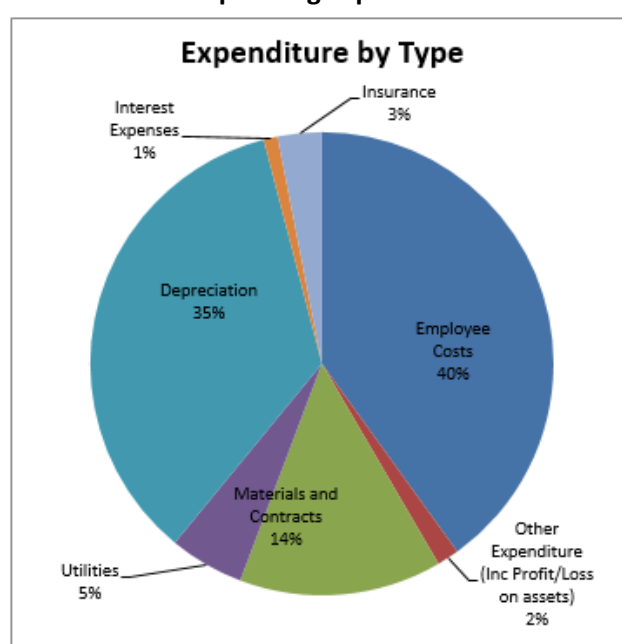
Net Result

The Net Result reported for 2018/2019 is \$1,059,129. The diagrams below show the breakup of revenue and expenditure:

Operating Revenue



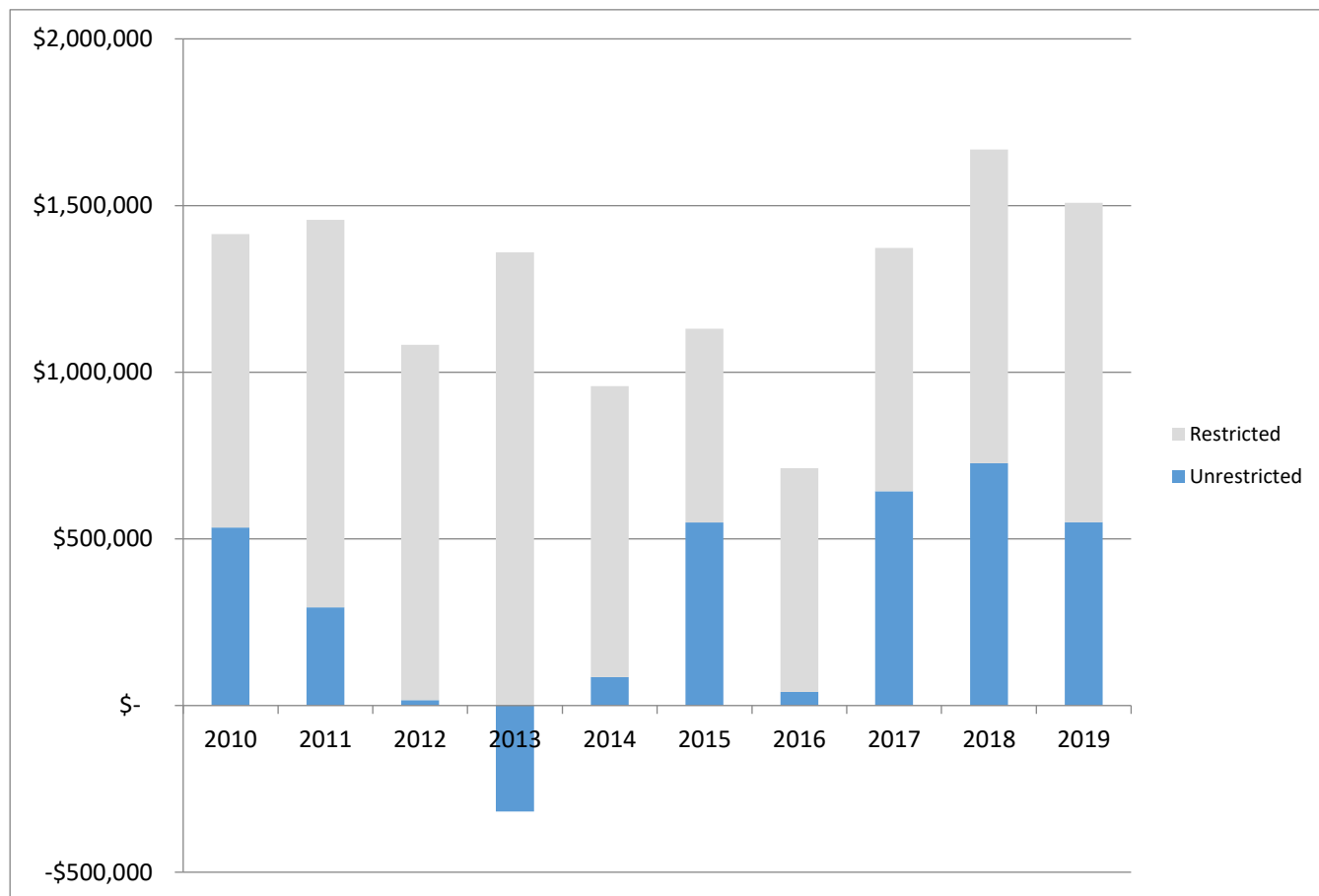
Operating Expenditure



Summary	Actual	Actual	Actual
	2018/2019	2017/2018	2016/2017
Total Operating Revenues	\$3,404,235	\$3,313,854	\$3,642,392
Total Operating Expenditure	(\$3,578,936)	(\$3,837,486)	(\$4,262,550)
Non- Operating Grants, Subsidies and Contributions	\$1,274,043	\$839,221	\$1,894,736
Profit/Loss on Asset Disposals	(\$40,213)	\$2,907	(\$117,736)
Net Result	\$1,059,129	\$318,496	\$1,156,842
Revaluation of Assets	\$0	(\$24,288,585)	(\$2,877,364)
Net Operating Result	\$1,059,129	(\$23,970,089)	(\$1,720,522)

Cash and Reserves

Council had cash holdings of \$1,508,513 as at the 30th June 2019.



Rates

Council adopted an average general rate increase of 4.48% for 2018/19 which was lower than the 6% included in the Long Term Financial Plan. This resulted in a total rate collection of \$1,850,709 compared to \$1,756,592 the previous year.



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

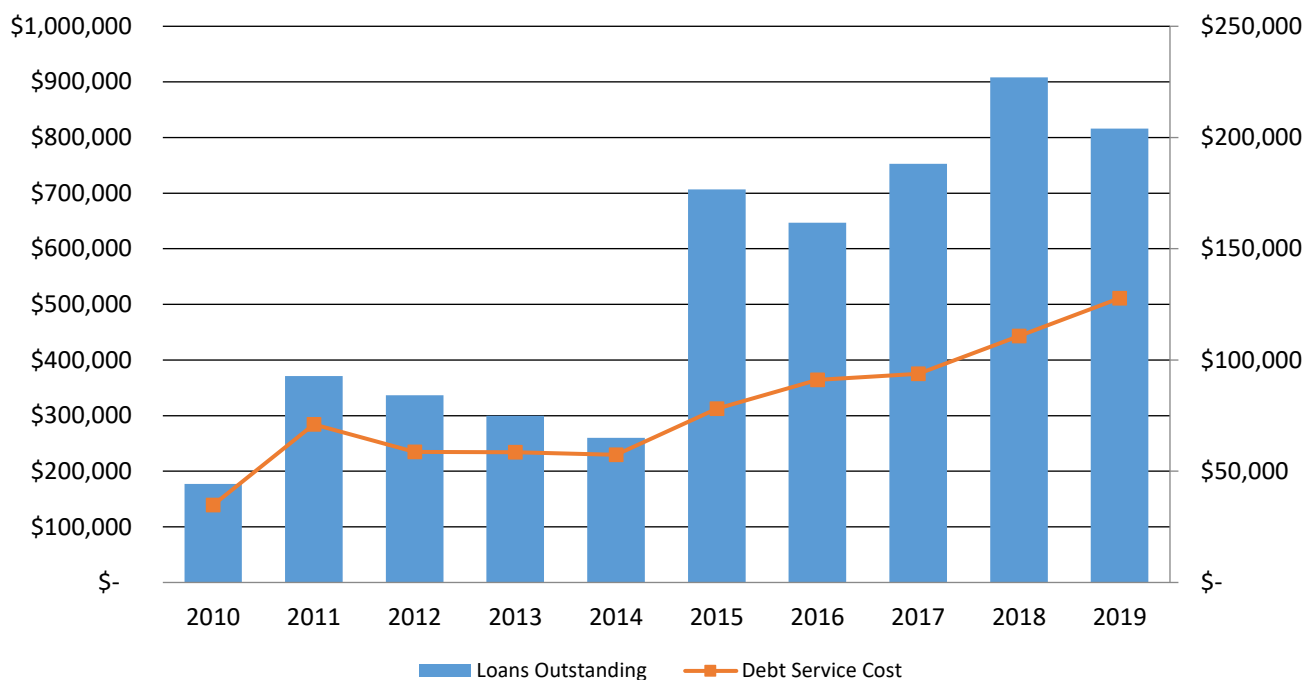
Capital Expenditure

Council capital expenditure for 2018/19 is listed below:

LAND and BUILDINGS	
Land Acquisition - Lions Park	\$ 27,827
Bushfire Shed Development	\$ 163,164
Unit 2 & 4 Single Bed Units - Refurbishment	\$ 57,640
Industrial Shed Completion	\$ 67,558
Renewal of Lions Park Toilets	\$ 47,376
ROADS	
Williams Darkan Rd - Reseal	\$ 285,035
Pingelly Rd - Seal Extension	\$ 187,547
Clayton Rd - Seal Widening & Shoulder Widening	\$ 76,007
Marradong Rd - Seal & Pavement Repair	\$ 78,154
York Williams Rd - Reseal	\$ 61,602
Wangeling Gully Rd - install culverts & gravel sheet	\$ 26,933
Zilko Rd - Gravel Sheeting	\$ 47,045
Kelly Rd - Culvert Replacement	\$ 9,820
Recreation Centre - Carpark	\$ 53,326
Storm Damage Reinstatement	\$ 246,077
PARKS and GARDENS	
Cemetery Entrance & Fencing	\$ 5,220
Cemetery - Granite Niche Wall	\$ 29,586
Lions Park Redevelopment	\$ 270,456
PLANT and EQUIPMENT	
Plant trailer	\$ 17,000
Volvo Prime Mover	\$ 205,100
Mazda CX5	\$ 32,297
Isuzu Tri-tipper	\$ 44,493
Isuzu DMAX	\$ 31,968
TOTAL ASSETS	\$ 2,071,231

Loans

Council's loan liability for the year ended 30th June 2019 was \$815,826. 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.	Ongoing
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 2018/19

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.

In 2018-2019 the Shire of Williams has reviewed the pathways and ablution blocks in the Williams Lions Park to ensure they are all easily accessible and meet the needs to all people. The rebuilding of the bridges along Albany highway has led to the footpaths and kerbing along the highway to be redone, allowing for ease of access for wheelchairs and strollers.

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.	Ongoing
Ensure that all recreational areas are accessible.	Ongoing

Achievements Reported in 2018/19

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. With the resurfacing of the sporting complex, ACROD parking bays were provided where needed and identified. The Shire continuously advocates to local businesses to ensure that they consider access for people with disabilities where possible. Recreational areas are accessible as appropriate. The redevelopment of the Williams Lions Park includes access for people with disabilities and will continuously be reviewed.

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.	Ongoing
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.	Ongoing

Achievements Reported in 2018/19

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. The childcare centre has recently reviewed its policies and parent handbook to include interpreter options and other language barrier solutions.

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.	Ongoing
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 2018/19

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 2018/19

Any feedback the Shire receives from the community is very quickly rectified. The Shire regularly checks the Facebook and email accounts and we take any reviews or feedback seriously and do our best to amend and rectify as quickly as possible.

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 2018/19

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. The CRG community group was created prior to the Bridge replacement. This was open for anyone to join and it allowed for the community to have a voice during the works of the Bridge Replacement. Although no one with a disability joined the committee, other members of the community are on the committee and they can be a voice if any concern or need arises.

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	Ongoing
Work with key disability employment support provider(s) to employ a person with a disability.	As required

Achievements Reported in 2018/19

The Shire uses inclusive recruitment practices. The Shire does encourage applications from people with disabilities, through recent employment opportunities, the Shire of Williams recently had a job applicant with a disability. The Shire contacted Forrest Personnel to discuss the applicants needs to ensure a fair interview for the applicant. Forrest Personnel are now on our recruitment list.

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 2018/19 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 2018/19 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 2018/19	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	2019	2018
\$100,000 - \$110,000	0	0
\$110,000 - \$120,000	0	0
\$120,000 - \$130,000	0	0
\$130,000 - \$140,000	1	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.

ECONOMIC			
OBJECTIVE	OUTCOME	KEY PERFORMANCE MEASURES	2018/19 RESULTS
To support industry and business development through the development of sustainable infrastructure and investment opportunities.	Develop infrastructure and investment that is sustainable and an ongoing legacy to the shire.	Relocation of Great Southern 4x4 to the industrial area.	
		Number of Businesses established	Shell Roadhouse plans were approved by council and construction will begin in 2019/20
		Number of jobs created	
		Level of unemployment	The Shire maintains a relatively low level of unemployment.
		Lions Park redeveloped to meet the need of users.	Officially opened in Sept 2018, The Lions Park attracts travellers to stop in the town.
		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	An approximate extension of 100m to the carpark along Albany highway allowing more parking for access to businesses along the highway.
	To have appropriate levels of housing to cater for population retention and growth.	Accommodation availability meets demand	Current levels of accommodation meet the demand. Single accommodation quarters will be looked into in the future.



SOCIAL AND CULTURAL			
OBJECTIVE	OUTCOME	KEY PERFORMANCE MEASURES	2018/2019 RESULTS
<i>To be a safe and welcoming community where everyone is valued and has the opportunity to contribute and belong.</i>	To provide community infrastructure and facilities that meet the needs of the population	Community satisfaction levels	Community are actively engaged via social media, local community newsletters and online surveys and provide feedback on satisfaction or otherwise directly to elected members and staff as required
		Men's Shed established	Planning in progress, project will be implemented once funding is approved.
		Usage of sporting facilities	Swimming pool usage numbers are recorded annually and the bookings of the other sporting grounds are recorded.
	To support a safe and healthy community with a strong sense of community pride	Number of community events, initiatives and programs	Community continue to provide 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 and initiatives	The Williams Community Resource Centre undertakes youth initiatives regularly tailored to the needs and interests of the young people.
		New medical centre established with allied health access	The Williams Medical Centre was opened in September 2018, a doctor remains servicing Williams once a week from this premises
	To recognise the vibrant history of the Shire and its rich, varied cultural heritage and natural environment is valued, respected, promoted and celebrated	Marradong country self drive trail	The self drive trail was developed showcasing the exquisite areas between Boddington, Wandering and Williams. The trail will encourage tourists to travel inland rather than the coast.



LAND USE AND ENVIRONMENT

OBJECTIVE	OUTCOME	KEY PERFORMANCE MEASURES	2018/2019 RESULTS
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	Walk trails are being reviewed and hope of have walk trails planning underway in 2019/2020.
	Recognising and implementing sustainability measures	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 implementing a new waste management facility that will be operational September 2019
	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.

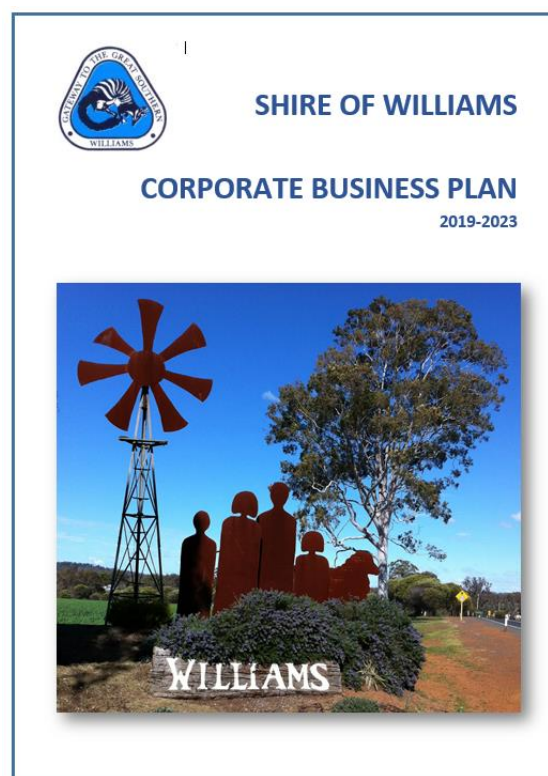


CIVIC LEADERSHIP			
OBJECTIVE	OUTCOME	KEY PERFORMANCE MEASURES	2018/2019 RESULTS
Strong civic leadership representing the whole of the Shire which engages in effective partnerships and reflects the aspirations of an engaged community.	The Shire is efficient in its operations; actively listens to the community and anticipates and responds to community needs	Attendance at community meetings	The Shire prides itself on being community minded and a delegate of the Shire attends as many community consultation forums as possible
		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 2019/20.
	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 the Department of local Government, Sport and Cultural Industries standard. Report prepared and published.
	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.



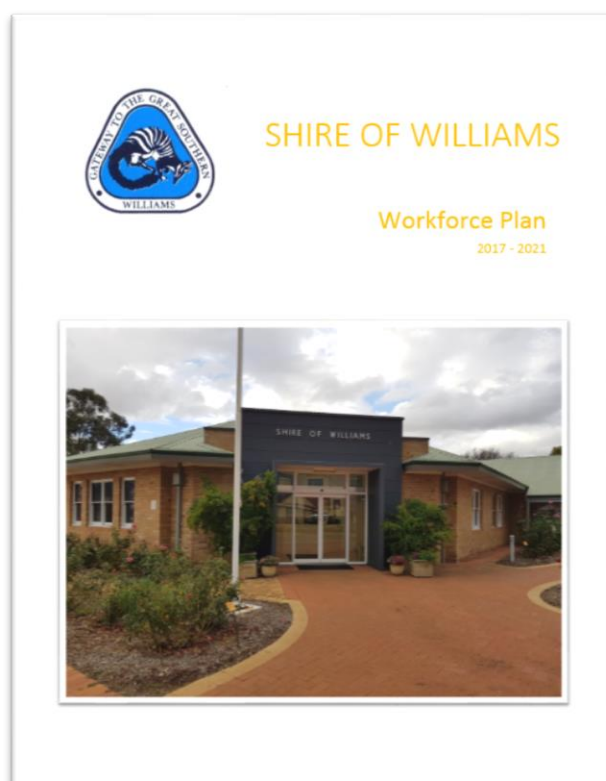
Corporate Business Plan

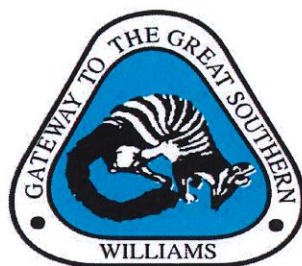
The Shire of Williams Corporate Business Plan 2019 - 2023 is part of a network of plans that outlines the Shire's activities over the next four years. The plan not only identifies our immediate and longer term operational needs, and services provided, but also provides information on the major projects 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 2019

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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 2019**

*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 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Williams at 30 June 2019 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 12TH day of NOVEMBER 2019



GEOFF McKEOWN

Chief Executive Officer

SHIRE OF WILLIAMS
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
Rates	21(a)	1,850,709	1,849,602	1,756,592
Operating grants, subsidies and contributions	2(a)	720,865	416,640	704,999
Fees and charges	2(a)	699,999	693,588	698,370
Interest earnings	2(a)	43,653	49,403	43,183
Other revenue	2(a)	89,009	52,334	110,710
		3,404,235	3,061,567	3,313,854
Expenses				
Employee costs		(1,449,842)	(1,528,725)	(1,436,224)
Materials and contracts		(511,611)	(487,757)	(557,407)
Utility charges		(188,766)	(151,350)	(148,445)
Depreciation on non-current assets	10(b)	(1,266,794)	(1,327,500)	(1,483,636)
Interest expenses	2(b)	(35,306)	(36,082)	(31,594)
Insurance expenses		(111,143)	(111,108)	(165,069)
Other expenditure		(15,474)	(15,250)	(15,111)
		(3,578,936)	(3,657,772)	(3,837,486)
		(174,701)	(596,205)	(523,632)
Non-operating grants, subsidies and contributions	2(a)	1,221,492	1,251,521	839,221
Profit on asset disposals	10(a)	14,571	5,000	10,906
(Loss) on asset disposals	10(a)	(54,784)	(5,500)	(7,999)
Fair value adjustments to financial assets at fair value through profit or loss	7	52,551	0	0
		1,233,830	1,251,021	842,128
Net result for the period		1,059,129	654,816	318,496
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	(24,288,585)
Total other comprehensive income for the period		0	0	(24,288,585)
Total comprehensive income for the period		1,059,129	654,816	(23,970,089)

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

SHIRE OF WILLIAMS
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue	2(a)			
Governance		94,421	99,095	106,207
General purpose funding		2,395,321	2,140,768	2,248,764
Law, order, public safety		31,187	21,186	18,129
Health		300	400	685
Education and welfare		195,814	212,818	204,422
Housing		190,032	192,818	194,846
Community amenities		160,602	140,304	145,784
Recreation and culture		48,934	49,776	58,306
Transport		104,160	76,043	162,264
Economic services		97,162	69,159	42,293
Other property and services		86,302	59,200	132,154
		3,404,235	3,061,567	3,313,854
Expenses	2(b)			
Governance		(288,836)	(331,295)	(301,240)
General purpose funding		(19,181)	(18,750)	(19,983)
Law, order, public safety		(55,494)	(66,170)	(53,411)
Health		(72,422)	(83,236)	(72,482)
Education and welfare		(232,414)	(249,353)	(253,123)
Housing		(155,692)	(155,249)	(151,169)
Community amenities		(247,925)	(250,778)	(235,927)
Recreation and culture		(703,479)	(707,766)	(682,124)
Transport		(1,468,761)	(1,559,331)	(1,841,785)
Economic services		(123,304)	(99,017)	(100,118)
Other property and services		(176,122)	(100,745)	(94,530)
		(3,543,630)	(3,621,690)	(3,805,892)
Finance Costs	2(b)			
Governance		(257)	(313)	(505)
Recreation and culture		(4,464)	(4,717)	(4,957)
Transport		(4,214)	(4,397)	(5,470)
Economic services		(13,510)	(13,655)	(7,147)
Other property and services		(12,861)	(13,000)	(13,515)
		(35,306)	(36,082)	(31,594)
		(174,701)	(596,205)	(523,632)
Non-operating grants, subsidies and contributions	2(a)	1,221,492	1,251,521	839,221
Profit on disposal of assets	10(a)	14,571	5,000	10,906
(Loss) on disposal of assets	10(a)	(54,784)	(5,500)	(7,999)
Fair value adjustments to financial assets at fair value through profit or loss	8	52,551	0	0
		1,233,830	1,251,021	842,128
Net result for the period		1,059,129	654,816	318,496
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	(24,288,585)
Total other comprehensive income for the period		0	0	(24,288,585)
Total comprehensive income for the period		1,059,129	654,816	(23,970,089)

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

SHIRE OF WILLIAMS
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2019

	NOTE	2019 \$	2018 Restated * \$	1 July 2017 Restated * \$
CURRENT ASSETS				
Cash and cash equivalents	3	1,508,513	1,668,269	1,373,236
Trade receivables	5	300,917	116,817	59,477
Other financial assets	7	15,475	14,999	0
Inventories	6	8,384	19,082	9,482
TOTAL CURRENT ASSETS		1,833,289	1,819,167	1,442,195
NON-CURRENT ASSETS				
Other financial assets	7	175,540	138,464	153,463
Property, plant and equipment	8	18,533,188	18,284,213	18,310,875
Infrastructure	9	61,780,402	61,324,164	85,236,990
TOTAL NON-CURRENT ASSETS		80,489,130	79,746,841	103,701,328
TOTAL ASSETS		82,322,419	81,566,008	105,143,523
CURRENT LIABILITIES				
Trade and other payables	12	126,179	357,752	136,474
Borrowings	13(b)	112,942	102,768	79,243
Employee related provisions	14	325,680	292,630	269,460
TOTAL CURRENT LIABILITIES		564,801	753,150	485,177
NON-CURRENT LIABILITIES				
Borrowings	13(b)	702,884	805,520	673,288
Employee related provisions	14	15,673	27,406	35,038
TOTAL NON-CURRENT LIABILITIES		718,557	832,926	708,326
TOTAL LIABILITIES		1,283,358	1,586,076	1,193,503
NET ASSETS		81,039,061	79,979,932	103,950,020
EQUITY				
Retained surplus		19,932,616	18,891,360	18,783,385
Reserves - cash backed	4	958,766	940,893	730,371
Revaluation surplus	11	60,147,679	60,147,679	84,436,264
TOTAL EQUITY		81,039,061	79,979,932	103,950,020

* See note 26 for details regarding the restatement as a result of a change in accounting policy.

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

SHIRE OF WILLIAMS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2017		18,824,967	730,371	84,436,264	103,991,602
Change in accounting policy	26	(41,582)	0	0	(41,582)
Restated total equity at the beginning of the financial year		18,783,385	730,371	84,436,264	103,950,020
Comprehensive income					
Net result for the period		318,496	0	0	318,496
Other comprehensive income	11	0	0	(24,288,585)	(24,288,585)
Total comprehensive income		318,496	0	(24,288,585)	(23,970,089)
Transfers from/(to) reserves		(210,522)	210,522	0	0
Balance as at 30 June 2018		18,891,360	940,893	60,147,679	79,979,932
Comprehensive income					
Net result for the period		1,059,129	0	0	1,059,129
Other comprehensive income	11	0	0	0	0
Total comprehensive income		1,059,129	0	0	1,059,129
Transfers from/(to) reserves		(17,873)	17,873	0	0
Balance as at 30 June 2019		19,932,616	958,766	60,147,679	81,039,061

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

SHIRE OF WILLIAMS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,852,047	1,859,602	1,744,722
Operating grants, subsidies and contributions		535,427	457,316	644,992
Fees and charges		699,999	693,588	698,370
Interest received		43,653	49,403	43,183
Goods and services tax received		142,122	259,269	240,355
Other revenue		89,009	52,334	110,710
		3,362,257	3,371,512	3,482,332
Payments				
Employee costs		(1,409,457)	(1,558,725)	(1,447,006)
Materials and contracts		(751,554)	(589,952)	(318,799)
Utility charges		(188,766)	(151,350)	(148,445)
Interest expenses		(35,306)	(36,082)	(32,203)
Insurance paid		(111,143)	(111,108)	(165,069)
Goods and services tax paid		(142,122)	(259,269)	(240,355)
Other expenditure		(15,474)	(15,250)	(15,111)
		(2,653,822)	(2,721,736)	(2,366,988)
Net cash provided by (used in) operating activities	15	708,435	649,776	1,115,344
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(694,421)	(723,825)	(528,310)
Payments for construction of infrastructure		(1,376,810)	(1,629,272)	(1,487,103)
Non-operating grants, subsidies and contributions		1,221,492	1,251,521	839,221
Proceeds from self supporting loans		14,999	14,999	14,537
Proceeds from sale of property, plant & equipment		59,011	48,500	185,587
Net cash provided by (used in) investment activities		(775,729)	(1,038,077)	(976,068)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings		(92,462)	(102,768)	(79,243)
Proceeds from new borrowings		0	0	235,000
Net cash provided by (used in) financing activities		(92,462)	(102,768)	155,758
Net increase (decrease) in cash held		(159,756)	(491,069)	295,033
Cash at beginning of year		1,668,269	1,668,269	1,373,236
Cash and cash equivalents at the end of the year	15	1,508,513	1,177,200	1,668,269

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

SHIRE OF WILLIAMS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	21 (b)	223,171	218,486	296,521
		223,171	218,486	296,521
Revenue from operating activities (excluding rates)				
Governance		148,784	102,095	106,207
General purpose funding		577,614	324,340	513,905
Law, order, public safety		31,187	21,186	18,129
Health		300	400	685
Education and welfare		195,814	212,818	204,422
Housing		190,032	192,818	202,419
Community amenities		160,602	140,304	145,784
Recreation and culture		51,934	49,776	58,806
Transport		113,919	78,043	165,097
Economic services		97,162	69,159	42,293
Other property and services		86,302	59,200	132,154
		1,653,650	1,250,139	1,589,901
Expenditure from operating activities				
Governance		(289,093)	(331,608)	(301,745)
General purpose funding		(19,181)	(18,750)	(19,983)
Law, order, public safety		(55,494)	(66,170)	(53,411)
Health		(72,422)	(83,236)	(72,482)
Education and welfare		(232,414)	(249,353)	(253,123)
Housing		(155,692)	(155,249)	(151,169)
Community amenities		(250,953)	(250,778)	(235,927)
Recreation and culture		(707,943)	(712,483)	(690,542)
Transport		(1,472,975)	(1,569,228)	(1,851,793)
Economic services		(188,570)	(112,672)	(107,265)
Other property and services		(188,983)	(113,745)	(108,045)
		(3,633,720)	(3,663,272)	(3,845,485)
Non-cash amounts excluded from operating activities	21(a)	1,247,917	1,328,000	1,478,206
Amount attributable to operating activities		(508,982)	(866,647)	(480,857)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,221,492	1,251,521	839,221
Proceeds from disposal of assets	10(a)	59,011	48,500	185,587
Proceeds from self supporting loans	13(b)	14,999	14,999	14,537
Purchase of property, plant and equipment	8(a)	(694,421)	(723,825)	(528,310)
Purchase and construction of infrastructure	9(a)	(1,376,810)	(1,629,272)	(1,487,103)
Amount attributable to investing activities		(775,729)	(1,038,077)	(976,068)
FINANCING ACTIVITIES				
Repayment of borrowings	13(b)	(92,462)	(102,768)	(79,243)
Proceeds from borrowings	13(c)	0	0	235,000
Transfers to reserves (restricted assets)	4	(74,873)	(85,903)	(220,522)
Transfers from reserves (restricted assets)	4	57,000	276,967	10,000
Amount attributable to financing activities		(110,335)	88,296	(54,764)
Surplus/(deficit) before imposition of general rates		(1,395,046)	(1,816,428)	(1,511,689)
Total amount raised from general rates	21	1,817,707	1,816,428	1,734,859
Surplus/(deficit) after imposition of general rates	21(b)	422,661	0	223,170

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

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 Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of *AASB 1051 Land Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

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.

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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	3,807	0	0
General purpose funding	485,570	236,263	440,746
Law, order, public safety	27,393	18,386	13,120
Education and welfare	67,930	55,000	52,220
Housing	55,572	55,240	55,240
Community amenities	5,000	5,000	10,000
Transport	75,594	46,751	133,673
	720,865	416,640	704,999
Non-operating grants, subsidies and contributions			
Governance	0	0	0
Law, order, public safety	131,050	131,050	10,000
Education and welfare	0	0	11,282
Housing	0	0	6,119
Recreation and culture	418,361	418,362	267,639
Transport	672,081	702,109	544,181
	1,221,492	1,251,521	839,221
Total grants, subsidies and contributions	1,942,357	1,668,161	1,544,220

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 20. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Other revenue

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Reimbursements and recoveries	31,714	15,650	73,902
Other	57,295	36,684	36,808
	89,009	52,334	110,710

Fees and Charges

Governance	76,143	90,410	90,854
General purpose funding	5,438	4,500	4,079
Law, order, public safety	2,624	2,800	5,009
Health	300	400	368
Education and welfare	127,563	157,818	152,203
Housing	134,293	136,578	138,991
Community amenities	140,400	133,804	133,916
Recreation and culture	39,196	40,126	41,601
Transport	28,228	28,792	28,522
Economic services	97,161	69,159	42,293
Other property and services	48,652	29,200	60,534
	699,999	693,587	698,370

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

Interest earnings

Reserve accounts interest	17,873	25,903	15,518
Rates instalment and penalty interest (refer Note 20(b))	13,769	13,500	14,352
Other interest earnings	12,011	10,000	13,313
	43,653	49,403	43,183

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	8,192	25,000	9,249
- Other services	0	0	800
	8,192	25,000	10,049

Interest expenses (finance costs)

Borrowings (refer Note 13(b))	35,306	36,082	31,594
	35,306	36,082	31,594

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

3. CASH AND CASH EQUIVALENTS

	NOTE	2019	2018
		\$	\$
Cash at bank and on hand		1,508,513	1,668,269
		1,508,513	1,668,269
Comprises:			
- Unrestricted cash and cash equivalents		537,367	648,977
- Restricted cash and cash equivalents		971,146	1,019,292
		1,508,513	1,668,269
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Leave Reserve	4	15,472	10,277
Plant Replacement Reserve	4	216,014	267,928
Building Reserve	4	446,758	399,182
Recreation Facilities Reserve	4	121,445	119,183
Art Acquisition Reserve	4	11,651	11,434
Joint Venture Housing Reserve	4	94,194	80,663
Refuse Site Reserve	4	53,232	52,226
		958,766	940,893
Other restricted cash and cash equivalents			
Unspent grants/contributions	20	12,380	78,399
Total restricted cash and cash equivalents		971,146	1,019,292

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 with original maturities of three months or less that are readily convertible to known amounts of cash

Cash and cash equivalents (Continued)

and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

4. RESERVES - CASH BACKED

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Transfer (from)	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance
(a) Leave Reserve	\$ 10,277	\$ 5,195	\$ 0	\$ 15,472	\$ 10,277	\$ 5,346	\$ 0	\$ 15,623	\$ 5,168	\$ 5,109	\$ 0	\$ 10,277
(b) Plant Replacement Reserve	267,928	5,085	(57,000)	216,013	267,928	14,678	(116,967)	165,639	105,687	162,241	0	267,928
(c) Building Reserve	399,182	47,576	0	446,758	399,182	48,948	(75,000)	373,130	400,643	8,539	(10,000)	399,182
(d) Recreation Facilities Reserve	119,183	2,262	0	121,445	119,183	3,398	(85,000)	37,581	87,335	31,848	0	119,183
(e) Art Acquisition Reserve	11,434	217	0	11,651	11,434	262	0	11,696	11,197	237	0	11,434
(f) Joint Venture Housing Reserve	80,663	13,531	0	94,194	80,663	12,072	0	92,735	69,198	11,465	0	80,663
(g) Refuse Site Reserve	52,226	1,006	0	53,232	52,226	1,199	0	53,425	51,144	1,082	0	52,226
	940,893	74,873	(57,000)	958,766	940,893	85,903	(276,967)	749,829	730,371	220,522	(10,000)	940,893

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
(a) Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant Replacement Reserve	2019-2020	To be used to fund purchase of plant items.
(c) Building Reserve	2019-2020	To be used for construction, refurbishment and acquisitions of buildings.
(d) Recreation Facilities Reserve	2019-2020	To be used to finance capital improvements of existing recreation facilities and to fund acquisition of new recreation facilities.
(e) Art Acquisition Reserve	Ongoing	To be used for the purchase of art pieces for the Williams Art Collection.
(f) Joint Venture Housing Reserve	Ongoing	To be used to finance refurbishment and construction of joint venture housing.
(g) Refuse Site Reserve	2019-2020	To be used for the replacement of computer equipment.

5. TRADE RECEIVABLES

Current

Rates receivable	
Sundry receivables	
Accrued Revenue	
Allowance for impairment of receivables	

2019	2018
\$	\$
25,269	26,607
89,493	101,113
186,643	0
(488)	(10,903)
300,917	116,817

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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 22.

Previous accounting policy: Impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

Classification and subsequent measurement

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.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

6. INVENTORIES

Current

	2019	2018
	\$	\$
Materials	2,131	2,379
Fuel	4,733	14,278
History Books	796	850
Gravel	724	1,575
	8,384	19,082

The following movements in inventories occurred during the year:

Carrying amount at 1 July	19,082	9,485
Inventories expensed during the year	(149,217)	(111,266)
Additions to inventory	138,519	120,863
Carrying amount at 30 June	8,384	19,082

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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

7. OTHER FINANCIAL ASSETS

(a) Current assets

Other financial assets at amortised cost
Other loans and receivables

2019	2018
\$	\$
15,475	0
0	14,999
15,475	14,999

Other financial assets at amortised cost

- Financial assets at amortised cost - self supporting loans

15,475	0
15,475	0

Financial assets previously classified as loans and receivables

- Loans receivable - clubs/institutions

0	14,999
0	14,999

(b) Non-current assets

Other financial assets at amortised cost
Financial assets at fair value through profit and loss
Other loans and receivables

122,989	0
52,551	0
0	138,464
175,540	138,464

Other financial assets at amortised cost

- Financial assets at amortised cost - self supporting loans

122,989	0
122,989	0

Financial assets at fair value through profit and loss

- Unlisted equity investments

- Units in Local Government House Trust

52,551	0
52,551	0

Financial assets previously classified as loans and receivables

- Loans receivable - clubs/institutions

0	138,464
0	138,464

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 13(b) as self supporting loans.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note22.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Previous accounting policy: available for sale financial assets

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

Previous accounting policy: Loans and receivables

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and are subsequently measured at amortised cost, using the effective interest rate method.

Refer to Note 24 for explanations regarding the change in accounting policy.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

8. PROPERTY, PLANT AND EQUIPMENT

(a) 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 2017 restated	2,995,500	2,995,500	2,509,997	11,519,570	14,029,567	17,025,067	59,359	1,226,449	18,310,875
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)
Depreciation (expense)	0	0	(50,689)	(170,433)	(221,122)	(221,122)	(16,547)	(138,084)	(375,753)
Carrying amount at 30 June 2018 restated	3,021,543	3,021,543	2,693,253	11,400,293	14,093,546	17,115,089	42,312	1,126,812	18,284,213
Comprises:									
Gross carrying amount at 30 June 2018	3,021,543	3,021,543	2,742,323	11,570,726	14,313,049	17,334,592	63,724	1,398,618	18,796,934
Accumulated depreciation at 30 June 2018	0	0	(49,070)	(170,433)	(219,503)	(219,503)	(21,412)	(271,806)	(512,721)
Carrying amount at 30 June 2018 restated	3,021,543	3,021,543	2,693,253	11,400,293	14,093,546	17,115,089	42,312	1,126,812	18,284,213
Additions	27,827	27,827	67,557	268,180	335,737	363,564	0	330,857	694,421
(Disposals)	0	0	0	(22,398)	(22,398)	(22,398)	0	(44,440)	(66,838)
Depreciation (expense)	0	0	(56,016)	(171,456)	(227,472)	(227,472)	(11,388)	(139,748)	(378,608)
Carrying amount at 30 June 2019	3,049,370	3,049,370	2,704,794	11,474,619	14,179,413	17,228,783	30,924	1,273,481	18,533,188
Comprises:									
Gross carrying amount at 30 June 2019	3,049,370	3,049,370	2,809,880	11,816,051	14,625,931	17,675,301	63,725	1,657,476	19,396,502
Accumulated depreciation at 30 June 2019	0	0	(105,086)	(341,432)	(446,518)	(446,518)	(32,801)	(383,995)	(863,314)
Carrying amount at 30 June 2019	3,049,370	3,049,370	2,704,794	11,474,619	14,179,413	17,228,783	30,924	1,273,481	18,533,188

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) 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	30 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	30 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	30 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	30 June 2016	Price per item
Plant and equipment	2	Observable Open Market Values for Similar Assets, adjusted for condition and comparability	Management Valuation	30 June 2016	Price per item

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

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

9. INFRASTRUCTURE

(a) 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 & Reserves	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017 restated	58,181,632	9,447,814	13,764,890	888,864	2,953,790	85,236,990
Additions	745,409	0	67,625	0	674,069	1,487,103
(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)
Depreciation (expense)	(659,726)	(85,586)	(254,591)	(13,898)	(94,082)	(1,107,883)
Carrying amount at 30 June 2018 restated	42,515,615	7,229,016	7,217,419	831,798	3,530,316	61,324,164
Comprises:						
Gross carrying amount at 30 June 2018	42,515,615	7,229,016	7,217,419	831,798	3,624,151	61,417,999
Accumulated depreciation at 30 June 2018	0	0	0	0	(93,835)	(93,835)
Carrying amount at 30 June 2018 restated	42,515,615	7,229,016	7,217,419	831,798	3,530,316	61,324,164
Additions	868,170		203,376		305,264	1,376,810
(Disposals)	0	0	0	0	(32,386)	(32,386)
Depreciation (expense)	(456,702)	(122,232)	(190,857)	(21,317)	(97,078)	(888,186)
Transfers						0
Carrying amount at 30 June 2019	42,927,083	7,106,784	7,229,938	810,481	3,706,116	61,780,402
Comprises:						
Gross carrying amount at 30 June 2019	43,383,785	7,229,016	7,420,795	831,798	3,895,331	62,760,725
Accumulated depreciation at 30 June 2019	(456,702)	(122,232)	(190,857)	(21,317)	(189,215)	(980,323)
Carrying amount at 30 June 2019	42,927,083	7,106,784	7,229,938	810,481	3,706,116	61,780,402

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

9. INFRASTRUCTURE (Continued)

(b) 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	30 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	30 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	30 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	30 June 2018	Construction unit rates for each component and current condition (Level 2) residual values and remaining useful life assessments.
Infrastructure - Parks & Reserves	3	Cost Approach estimating the replacement cost for each building, by componentising with different useful lives.	Independent Registered Valuers	30 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. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either 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 where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are 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 and no more than five 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.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

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.

Land under roads

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

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

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

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

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(a) Disposals of Assets

	2019				2019				2018			
	Actual	Actual	Actual	2019	Actual	Actual	2019	Actual	Actual	Actual	2018	Actual
	Net Book	Sale	Proceeds	Profit	Loss	Net Book	Budget	Proceeds	Budget	Profit	Actual	Loss
	Value					Value					Value	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	3,000	3,000	3,000	0	0	0	0	0	0	50,000	0
Buildings - non-specialised	0	0	0	0	0	0	0	0	0	0	113,380	0
Buildings - specialised	22,398	0	0	0	(22,398)	0	0	0	0	0	0	0
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	500	0
Plant and equipment	44,440	56,011	56,011	11,571	0	49,000	48,500	48,500	5,000	2,833	15,339	(4,538)
Infrastructure - Parks & Reserves	32,386	0	0	0	(32,386)	0	0	0	0	0	3,461	(3,461)
	99,224	59,011	59,011	14,571	(54,784)	49,000	48,500	48,500	5,000	10,906	182,680	(7,999)

The following assets were disposed of during the year.

	2019				2019			
	Actual	Actual	Actual	2019	Actual	Actual	2019	Actual
	Net Book	Sale	Proceeds	Profit	Loss	Net Book	Budget	Loss
	Value					Value		
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Governance								
Mazda CX5	14,551	16,364	1,813	1,813	0			
Community amenities								
Fencing & Entrance - Cemetery	3,028	0	0	0	(3,028)			
Recreation and culture								
BBQ Shelters	22,398	0	0	0	(22,398)			
Fencing - Lions Park	12,746	0	0	0	(12,746)			
Playground - Lions Park	16,612	0	0	0	(16,612)			
Transport								
Holden Rodeo Ute	718	2,877	2,159	2,159	0			
Mercedes Benz - Prime Mover	26,149	32,770	6,621	6,621	0			
Kia - Tip Truck	3,022	4,000	978	978	0			
Economic services								
Recreation Ground - Part of Land	0	3,000	3,000	3,000	0			
	99,224	59,011	14,571	14,571	(54,784)			

10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(b) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - non-specialised	56,016	50,000	50,689
Buildings - specialised	171,456	172,000	170,433
Furniture and equipment	11,388	16,000	16,547
Plant and equipment	139,748	142,000	138,084
Infrastructure - Roads	456,702	632,000	659,726
Infrastructure - Bridges	122,232	75,000	85,586
Infrastructure - Drainage	190,857	133,500	254,591
Infrastructure - Footpaths	21,317	13,000	13,898
Infrastructure - Parks & Reserves	97,078	94,000	94,082
	1,266,794	1,327,500	1,483,636

Revision of useful lives Infrastructure

During the year the estimated total useful lives of roads, bridges, drainage and footpaths were revised. The net decrease in depreciation for the year is \$59,314.

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.

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.

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

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

Depreciation (Continued)

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

- 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
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

SHIRE OF WILLIAMS
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11 REVALUATION SURPLUS

	2019 Opening Balance	Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	2018 Revaluation (Decrement)	Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and Buildings	11,071,582	0	11,071,582	11,071,582	0	0	11,071,582
Revaluation surplus - Plant and equipment	26,678	0	26,678	26,678	0	0	26,678
Revaluation surplus - Infrastructure - Roads	47,865,246	0	47,865,246	72,153,831	(24,288,585)	(24,288,585)	47,865,246
Revaluation surplus - Infrastructure - Parks & Reserves	1,184,173	0	1,184,173	1,184,173	0	0	1,184,173
	60,147,679	0	60,147,679	84,436,264	(24,288,585)	(24,288,585)	60,147,679

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Accrued salaries and wages
 ATO liabilities
 Accrued Interest on Borrowings
 Unallocated Deposits

2019	2018
\$	\$
67,312	320,780
48,264	29,580
384	0
10,013	7,392
206	0
126,179	357,752

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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

13. INFORMATION ON BORROWINGS

(a) Borrowings

	2019	2018
	\$	\$
Current	112,942	102,768
Non-current	702,884	805,520
	815,826	908,288

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2019				30 June 2019				30 June 2018				30 June 2018			
				Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance																			
IT Computer Server	68	WATC *	3.26%	11,468	257	7,583	313	11,468	313	7,583	313	18,810	0	7,342	505	11,468			
Transport																			
CAT Grader	67	WATC *	3.42%	137,917	4,215	37,749	4,397	137,918	4,397	37,749	4,397	174,408	0	36,491	5,470	137,917			
Economic services																			
Industrial Shed	66	WATC *	4.17%	163,742	6,604	11,359	6,711	163,742	6,711	11,359	6,711	174,640	0	10,898	7,128	163,742			
Industrial Shed	70	WATC *	3.02%	235,000	6,906	10,153	6,944	235,000	6,944	20,459	6,944	0	235,000	0	20	235,000			
Other property and services																			
Industrial Land	65	WATC *	6.37%	206,698	12,861	10,620	13,000	206,698	13,000	10,620	13,000	216,672	0	9,974	13,515	206,698			
				754,825	30,842	77,463	31,365	754,826	31,365	87,769	31,365	584,530	235,000	64,706	26,637	754,825			
Self Supporting Loans																			
Recreation and culture																			
Bowling Club Synthetic Turf	69	WATC *		153,463	4,464	14,999	4,717	153,463	4,717	14,999	4,717	168,000	0	14,537	4,957	153,463			
				153,463	4,464	14,999	4,717	153,464	4,717	14,999	4,717	168,000	0	14,537	4,957	153,463			
				908,288	35,306	92,462	36,082	922,826	36,082	102,768	36,082	752,530	235,000	79,243	31,594	908,288			

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 7 as other financial assets at amortised cost.
All other loan repayments were financed by general purpose revenue.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

13. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2018/19

The Shire did not take up any new debentures during the year ended 30 June 2019.

(d) Unspent Borrowings

The Shire did not have any unspent debenture as at 30 June 2019.

	2019	2018
	\$	\$
(e) 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	(2,466)	(1,096)
Total amount of credit unused	107,534	108,904
 Loan facilities		
Loan facilities - current	112,942	102,768
Loan facilities - non-current	702,884	805,520
Total facilities in use at balance date	815,826	908,288

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.

Risk

Information regarding exposure to risk can be found at Note 22.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Opening balance at 1 July 2018

Current provisions

Non-current provisions

Additional provision

Amounts used

Balance at 30 June 2019

Comprises

Current

Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2018			
Current provisions	122,294	170,336	292,630
Non-current provisions	0	27,406	27,406
	122,294	197,742	320,036
Additional provision	102,489	29,443	131,932
Amounts used	(97,728)	(12,887)	(110,615)
Balance at 30 June 2019	127,055	214,298	341,353
Comprises			
Current	127,055	198,625	325,680
Non-current	0	15,673	15,673
	127,055	214,298	341,353

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Expected reimbursements from other WA local governments

	2019	2018
	\$	\$
Less than 12 months after the reporting date	236,680	110,615
More than 12 months from reporting date	115,728	220,476
Expected reimbursements from other WA local governments	(11,055)	(11,055)
	341,353	320,036

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

15. 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:

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	1,508,513	1,177,200	1,668,269
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	1,059,129	654,816	318,496
Non-cash flows in Net result:			
Adjustments to fair value of financial assets	(52,551)		
Depreciation	1,266,794	1,327,500	1,483,636
(Profit)/loss on sale of asset	40,213	500	(2,907)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(184,100)	50,676	(71,877)
(Increase)/decrease in inventories	10,698	60	(9,600)
Increase/(decrease) in payables	(231,573)	(102,255)	221,279
Increase/(decrease) in provisions	21,317	(30,000)	15,538
Grants contributions for the development of assets	(1,221,492)	(1,251,521)	(839,221)
Net cash from operating activities	708,435	649,776	1,115,344

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	1,405,006	1,831,412
General purpose funding	25,269	26,608
Law, order, public safety	224,231	66,294
Health	875,012	889,082
Education and welfare	1,716,149	1,730,758
Housing	3,017,804	2,726,777
Community amenities	249,925	217,063
Recreation and culture	9,028,160	8,108,107
Transport	60,254,537	59,709,001
Economic services	4,908,099	5,514,956
Other property and services	68,968	29,476
Unallocated	549,259	716,474
	82,322,419	81,566,008

17. CAPITAL COMMITMENTS

	2019	2018
	\$	\$
(a) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	0	356,839
- plant & equipment purchases	0	
	0	356,839
Payable:		
- not later than one year	0	356,839

The capital expenditure project outstanding at the end of the last years reporting period represents the Williams Lions Park Redevelopment and the construction of a Fire Shed at Lot 265 Narroign Rd, Williams. The projects have been completed.

There are no outstanding capital commitments for the current reporting period

18. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	14,230	17,500	17,040
President's allowance	3,313	4,386	4,304
Travelling expenses	2,822	4,000	3,672
	20,365	25,886	25,016

Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	319,400	321,746
Post-employment benefits	31,803	31,373
Other long-term benefits	58,917	4,926
	410,120	358,045

Short-term employee benefits

These amounts include all salary, 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.

18. RELATED PARTY TRANSACTIONS (Continued)

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.

	2019 Actual	2018 Actual
The following transactions occurred with related parties:	\$	\$
Sale of goods and services	51,094	68,254
Purchase of goods and services	12,961	10,625
Short term employee benefits -other related parties	222,887	168,842

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. Other Related Parties

The associate person of KMP was employed by the Shire under normal employment terms and conditions.

iii. 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.

19. JOINT ARRANGEMENTS

The Shire has a joint venture agreement with the Housing Authority for the provision of housing at Sandalwood Crt and Wandoo Cottages both located on Growse Street, Williams. For accounting purposes this joint arrangement constitutes a joint operation. The assets are land and 8 x 2 bedroom units. The ownership of the assets is determined by an equity agreement which includes the percentage of each parties equitable interest. The assets are included in the Land and Buildings as follows;

	2019	2018
	\$	\$
Non-current assets		
Land and Buildings		
- Independent Valuation 2017	1,523,703	1,523,703
Less: accumulated depreciation	(43,382)	(21,691)
	1,480,321	1,502,012

In terms of the agreement the Shire contributed the land and the Department contributed the funds to construct the Units.

The Shire manages the property and tenancy. All rental income and expenses are recorded in the respective line items of the financial statements.

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.

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.

SHIRE OF WILLIAMS
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FOR THE YEAR ENDED 30TH JUNE 2019

20. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance
	1/07/17	2017/18	2017/18	30/06/18	2018/19	2018/19	30/06/19
	\$	\$	\$	\$	\$	\$	\$
Law, order, public safety							
WALGA - Roadwise Campaign	500	0	(500)	0	0	0	0
DFES Operating Grant	0	0	0	0	9,007	0	9,007
Community amenities							
Department of Agriculture	3,373	0	0	3,373	0	0	3,373
NRM Grant	5,989	0	(2,000)	3,989	0	(3,989)	0
Recreation and culture							
Kidsport	467	500	(967)	0	0	0	0
DPAW - Funding Lions Park Signage	0	30,000	0	30,000	0	(30,000)	0
Transport							
Roads to Recovery	0	281,351	(240,314)	41,037	0	(41,037)	0
Total	10,329	311,851	(243,781)	78,399	9,007	(75,026)	12,380

Notes:

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

21. RATING INFORMATION

(a) Rates

RATE TYPE	2018/19		2018/19		2018/19		2018/19		2018/19		2017/18	
	Rate in \$	Number of Properties	Actual Rateable Value \$	Actual Rate Revenue \$	Actual Interim Rates \$	Actual Total Revenue \$	Budget Rate Revenue \$	Budget Total Revenue \$	Budget Rate Revenue \$	Budget Total Revenue \$	Actual Total Revenue \$	
Differential general rate / general rate												
Gross rental valuations												
Industrial/Commercial	0.072067	20	982,736	70,823	3,387	74,210		70,823		70,823	67,450	
Residential	0.072067	147	1,847,244	133,125	216	133,341		133,125		133,125	132,499	
Unimproved valuations												
Rural/Mining	0.007011	240	203,727,000	1,428,330	1,599	1,429,929		1,428,330		1,428,330	1,362,651	
Sub-Total		407	206,556,980	1,632,278	5,202	1,637,480		1,632,278		1,632,278	1,562,600	
Minimum payment	\$											
Gross rental valuations												
Industrial/Commercial	700	20	65,875	14,000	(1,106)	12,894		14,000		14,000	84,480	
Residential	700	135	631,718	94,500	(601)	93,899		94,500		94,500	11,880	
Unimproved valuations												
Rural/Mining	890	85	7,547,284	75,650	(2,216)	73,434		75,650		75,650	75,898	
Sub-Total		240	8,244,877	184,150	(3,923)	180,227		184,150		184,150	172,258	
Total amount raised from general rate		647	214,801,857	1,816,428	1,279	1,817,707		1,816,428		1,816,428	1,734,859	
Ex-gratia rates						1,817,707				1,816,428	1,734,859	
Totals						33,002				33,174	21,733	
						1,850,709				1,849,602	1,756,592	

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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

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 2017	0.00	0.00%	11.00%
Option Two				
First Instalment	15 Sep 2017	0.00	0.00%	11.00%
Second Instalment	17 Nov 2017	8.33	5.50%	11.00%
Third Instalment	19 Jan 2018	8.33	5.50%	11.00%
Fourth Instalment	23 Mar 2018	8.33	5.50%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	6,935	7,000	8,196
Interest on instalment plan	6,834	6,500	6,156
Charges on instalment plan	4,020	3,500	3,025
	17,789	17,000	17,377

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

21. RATE SETTING STATEMENT INFORMATION

		2018/19 Budget	2018/19
	2018/19 (30 June 2019 Carried Forward)	(30 June 2019 Carried Forward)	(1 July 2018 Brought Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(a)	(14,571)	(5,000)
Less: Movement in liabilities associated with restricted cash		5,194	0
Less: Fair value adjustments to financial assets at amortised cost		(52,551)	0
Movement in employee benefit provisions (non-current)		(11,733)	0
Add: Loss on disposal of assets	10(a)	54,784	5,500
Add: Depreciation on assets	10(b)	1,266,794	1,327,500
Non cash amounts excluded from operating activities		1,247,917	1,328,000
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserves - restricted cash	3	(958,766)	(749,829)
Less: - Financial assets at amortised cost - self supporting loans	7(a)	(15,475)	0
Add: Borrowings	13(a)	112,942	112,942
Add: Leave Entitlements Reserves Cash backed		15,472	5,168
Total adjustments to net current assets		(845,827)	(631,719)
Net current assets used in the Rate Setting Statement			
Total current assets		1,833,289	1,262,362
Less: Total current liabilities		(564,801)	(630,643)
Less: Total adjustments to net current assets		(845,827)	(631,719)
Net current assets used in the Rate Setting Statement		422,661	0

SHIRE OF WILLIAMS
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FOR THE YEAR ENDED 30TH JUNE 2019

22. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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 finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

	Carrying Value		Fair Value	
	2019	2018	2019	2018
Financial Assets				
Cash and cash equivalents	1,508,513	1,668,269	1,508,513	1,668,269
Trade Receivables	300,917	116,817	300,917	116,817
Other Financial assets at amortised cost - Self Supporting Loans	138,464	153,463	138,464	153,463
Financial assets at fair value through Profit and Loss	52,551	0	52,551	0
	2,000,445	1,938,549	2,000,445	1,938,549
Financial liabilities				
Trade Payables	126,179	357,752	126,179	357,752
Borrowings	815,826	908,288	815,826	908,288
	942,005	1,266,040	942,005	1,266,040

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents	0.05%	1,508,513	0	1,470,777	37,736
2018					
Cash and cash equivalents	0.03%	1,668,269	0	940,893	727,376

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	15,085	16,683

* Holding all other variables constant

Borrowings

Borrowings are 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 Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 13(b).

SHIRE OF WILLIAMS
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22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. 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 applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	23,454	7,921	0	0	31,375
Loss allowance	0	0	0	0	0

01 July 2018

Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	14,917	7,501	1,545	2,644	26,607
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Sundry Receivables					
Expected credit loss	0.43%	2.94%	7.37%	8.53%	
Gross carrying amount	88,173	58	61	1,202	89,494
Loss allowance	379	2	4	103	488

01 July 2018

Sundry Receivables					
Expected credit loss	0.11%	0.46%	0.64%	15.71%	
Gross carrying amount	89,216	6,843	885	4,169	101,113
Loss allowance	98	31	6	655	790

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

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 and disclosed in Note 13(e).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2019					
Payables	126,179	0	0	126,179	126,179
Borrowings	121,313	364,097	515,116	1,000,526	815,826
	247,492	364,097	515,116	1,126,705	942,005
2018					
Payables	357,752	0	0	357,752	357,752
Borrowings	125,569	411,204	592,830	1,129,603	908,288
	483,321	411,204	592,830	1,487,355	1,266,040

SHIRE OF WILLIAMS
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23. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2018	Amounts Received	Amounts Paid	30 June 2019
	\$	\$	\$	\$
Housing Deposits	331	1,000	(331)	1,000
Building Retention	0	19,369		19,369
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	(12,647)	0
	91,736	21,619	(12,978)	100,377

24. INITIAL APPLICATION OF AUSTRALIAN 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 associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Shire applied AASB 9 prospectively, this an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and not adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139.

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Shire's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Shire's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Shire. The following are the changes in the classification of the Shire's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.

- The Shire did not designate any financial assets as at fair value through profit and loss.

In summary, upon the adoption of AASB 9, the Shire had the following required (or elected) reclassifications as at 1 July 2018:

AASB 139 category	AASB 139 value \$	AASB 9 category amortised cost \$	Fair value through OCI \$	Fair value through P/L \$
Loans and receivables				
Trade receivables*	116,817	116,817	0	0
Loans and advances	153,463	153,463	0	0
	270,280	270,280	0	0

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, the Shire assessed the expected credit losses and found the impact was not significant.

25. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

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.

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*.

These standards are applicable to future reporting periods and have not yet been adopted.

(a) Revenue from Contracts with Customers

The Shire will adopt AASB 15 *Revenue from Contracts with Customers* (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire is in the process of assessing the impact on the financial statements for the year ended 30 June 2020.

(b) Leases

The Shire will adopt AASB 16 retrospectively from 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire will apply this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. The Shire has no current operating leases, however this will be assessed in the future should it apply.

On adoption of AASB 16, the Shire will recognise lease liabilities in relation to any new leases.

These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 is 3.50%.

On adoption of AASB 16, the Shire will recognise a right-of-use asset in relation to new leases.

This right-of-use asset is to be measured as if AASB 16 had been applied since its commencement date by the carrying amount but discounted using the lessee's incremental borrowing rate as on 1 July 2019.

On adoption of AASB 16 *Leases* (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.

- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(c) Income For Not-For-Profit Entities

The Shire will adopt AASB 1058 *Income for Not-for-Profit Entities* (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. The Shire has assessed the impact as follows:

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates will be recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurs the financial liability will be extinguished and the Shire will recognise income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

26. CHANGE IN ACCOUNTING POLICY

Paragraph 17A (5) of *Local Government (Financial Management) Regulations 1996* came into operation on the 1 July 2018. The regulation stated an asset is to be excluded from the assets of a local government if the fair value of the asset at the date of acquisition by the local government is under \$5,000.

The adoption of the regulation constitutes a change in accounting policy. The Shire of Williams has retrospectively applied the change in its accounting policy to comply with the regulation and excluded assets with a fair value of under \$5,000 at the time of acquisition from the assets of the Shire.

During the year assets with a fair value at the date of acquisition of under \$5,000 and purchased prior to 30 June 2018 have been excluded from the assets of the Shire and the 2018 comparatives amended accordingly.

The impacts of the changes in the accounting policy on the prior year comparatives are disclosed below.

Statement of Financial Position (Extract)	30 June 2018	Increase/ (Decrease)	30 June 2018 (Restated)	30 June 2017	Increase/ (Decrease)	01 July 2017 (Restated)
	\$	\$	\$	\$	\$	\$
Property, plant and equipment	18,280,055	4,158	18,284,213	18,352,457	(41,582)	18,310,875
Infrastructure	61,328,452	(4,288)	61,324,164	85,236,990	0	85,236,990
Net assets	79,608,507	(130)	79,608,377	103,589,447	(41,582)	103,547,865
Retained earnings	18,891,230	(130)	18,891,360	18,824,967	(41,582)	18,783,385
Total equity	79,979,802	(130)	79,979,932	103,991,602	(41,582)	103,950,020

Statement of Comprehensive Income (Extract)	2018	Increase/ (Decrease)	2018 (Restated)
	\$	\$	\$
<i>By Nature or Type</i>			
Depreciation	(1,487,794)	4,158	(1,483,636)
Materials & Contracts	(553,119)	(4,288)	(557,407)
<i>By program</i>			
Expenses			
Governance	(305,398)	4,158	(301,240)
General purpose funding	(19,983)	0	(19,983)
Law, order, public safety	(53,411)	0	(53,411)
Health	(72,482)	0	(72,482)
Education and welfare	(253,123)	0	(253,123)
Housing	(151,169)	0	(151,169)
Community amenities	(235,927)	0	(235,927)
Recreation and culture	(677,836)	(4,288)	(682,124)
Transport	(1,841,785)	0	(1,841,785)
Economic services	(100,118)	0	(100,118)
Other property and services	(94,530)	0	(94,530)
Net result for the period	318,626	(130)	318,496
Total comprehensive income for the period			(23,970,089)

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27. 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:

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.

28. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES

GOVERNANCE

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

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

LAW, ORDER, PUBLIC SAFETY

To provide services to ensure a safer community.

HEALTH

To provide an operational framework for good community health.

EDUCATION AND WELFARE

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

HOUSING

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

COMMUNITY AMENITIES

Provision of amenities required by the community.

RECREATION AND CULTURE

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

TRANSPORT

To provide effective and efficient transport services to the community.

ECONOMIC SERVICES

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

OTHER PROPERTY AND SERVICES

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

ACTIVITIES

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.

Rates, general purpose government grants and interest revenue.

Supervision and enforcement of local laws, fire prevention and suppression activities and animal control.

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

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

Management, administration and maintenance of Williams Community Homes, Sandalwood Court, Wandoo Cottages, Jamtree Lane Units and New Street Units.

Refuse management, protection of the environment, maintenance of cemeteries and public conveniences.

Maintenance of halls, recreational facilities and reserves. Operation of Library and compilation and maintenance of local heritage register.

Construction and maintenance of streets, roads, bridges and drainage. Cleaning and lighting of streets, depot maintenance and on-line agent for Department of Transport.

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

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

29. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	1.55	1.08	1.46
Asset consumption ratio	0.70	0.70	0.70
Asset renewal funding ratio	2.53	2.57	2.30
Asset sustainability ratio	0.94	0.37	0.48
Debt service cover ratio	8.92	9.01	9.33
Operating surplus ratio	(0.06)	(0.20)	(0.29)
Own source revenue coverage ratio	0.73	0.67	0.59

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset 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	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Williams

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Williams which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Williams:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996, does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

Responsibilities of the Chief Executive Officer and Council for the Financial Report

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of an annual financial report that is free from material misstatement, whether due to fraud or error.

In preparing the annual financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

The objectives of my audit are to obtain reasonable assurance about whether the annual 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 annual financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO'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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the annual financial report, including the disclosures, and whether the annual financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:


- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the past three years. The financial ratios are reported at Note 29 of the financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The annual financial report of the Shire for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2017 and 2018 in Note 29 of the audited annual financial report were included in the supplementary information and/or audited annual financial report for those years.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Williams for the year ended 30 June 2019 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
13 November 2019