

2011/2012

**SHIRE OF WILLIAMS
ANNUAL REPORT**



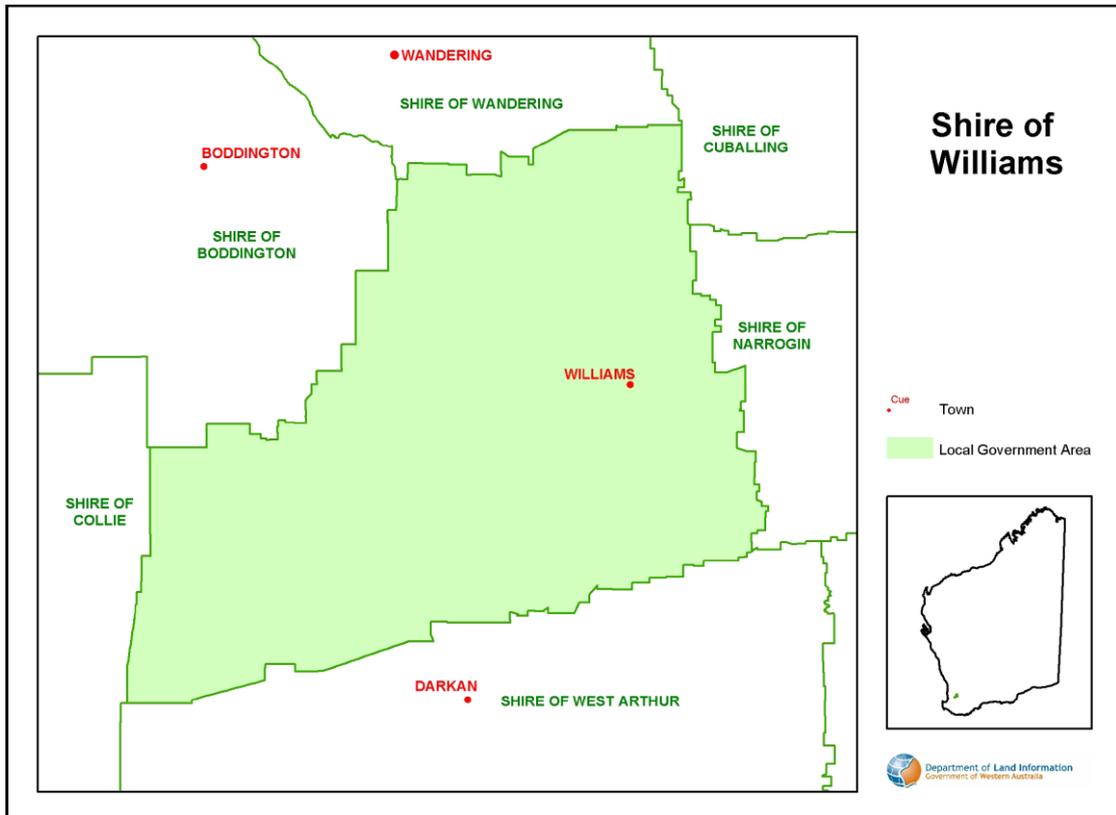
SHIRE OF WILLIAMS

Authority and Legislation

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

Williams Shire Location

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



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

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

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MISSION STATEMENT

Vision

To maintain a Country Lifestyle while harnessing community spirit to make the most of the opportunities both obvious and hidden to progress the Shire

Mission

Council will endeavor to maintain and improve the quality of life in the Shire of Williams.

The Council will strive for the recognition of a thriving community with an historical identity and encourage its future development.



COUNCIL MEMBERS

JES (John) Cowcher – President
Elected to Office in 1993

Retiring 2015

Phone: 9885 6013
Fax: 9885 6067

DS (David) Earnshaw – Deputy President
Elected to Office in 2005

Retiring 2013

Phone: 9885 8070
Fax: 9885 8075

NA (Natalie) Major
Elected to Office in 2009

Retiring 2015

Phone: 9885 1021
Fax: 9885 1084

RF (Richard) Johnstone
Elected to Office in 2005

Retiring 2013

Phone: 9885 1113
Fax: 9885 1413

M (Moya) Carne
Elected to Office in 2003

Retiring 2015

Phone: 9885 1053
Fax: 9885 1053

JW (Jarrad) Logie
Elected to Office in 2009

Retiring 2013

Phone: 9885 1357
Fax: 9885 1357

GM (Greg) Cavanagh
Elected to Office in 2005

Retiring 2015

Phone: 9885 7092
Fax: 9885 7092

GH (Gilbert) Medlen
Elected to Office in 2007

Retiring 2015

Phone: 9885 8077
Fax: 9885 8077

PC (Peter) Paterson
Elected to Office in 2009

Retiring 2015

Phone: 9885 1130
Fax: 9885 1349



COUNCIL STAFF

NUMBER OF EMPLOYEES:	23 (FTEs)
CHIEF EXECUTIVE OFFICER:	RN (Ryan) Duff
DEPUTY CHIEF EXECUTIVE OFFICE:	IR (Ian) Ball
WORKS SUPERVISOR:	AW (Tony) Kett
ADMINISTRATION OFFICER:	SM (Sharon) Wilkie
ADMINISTRATION OFFICER:	MC (Manuela) Lenehan
ENVIRONMENTAL HEALTH/BUILDING OFFICER:	S (Steve) Friend
COMMUNITY DEVELOPMENT OFFICER:	HJ (Heidi) Cowcher
SWIMMING POOL MANAGER:	Contracted to Contract Aquatic Services



SHIRE STATISTICS & INFORMATION

Distance from Perth (km)	161
Area (sq km)	2,295
Length sealed roads (km)	166
Length unsealed roads (km)	388
Population	1006
Councillors	9
Electors	657
Dwellings	468
Employees (FTE's)	23
Rates (2012)	\$ 1,279,135
Revenue (2012)	\$ 3,962,180

History of Shire:

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

Economy:

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

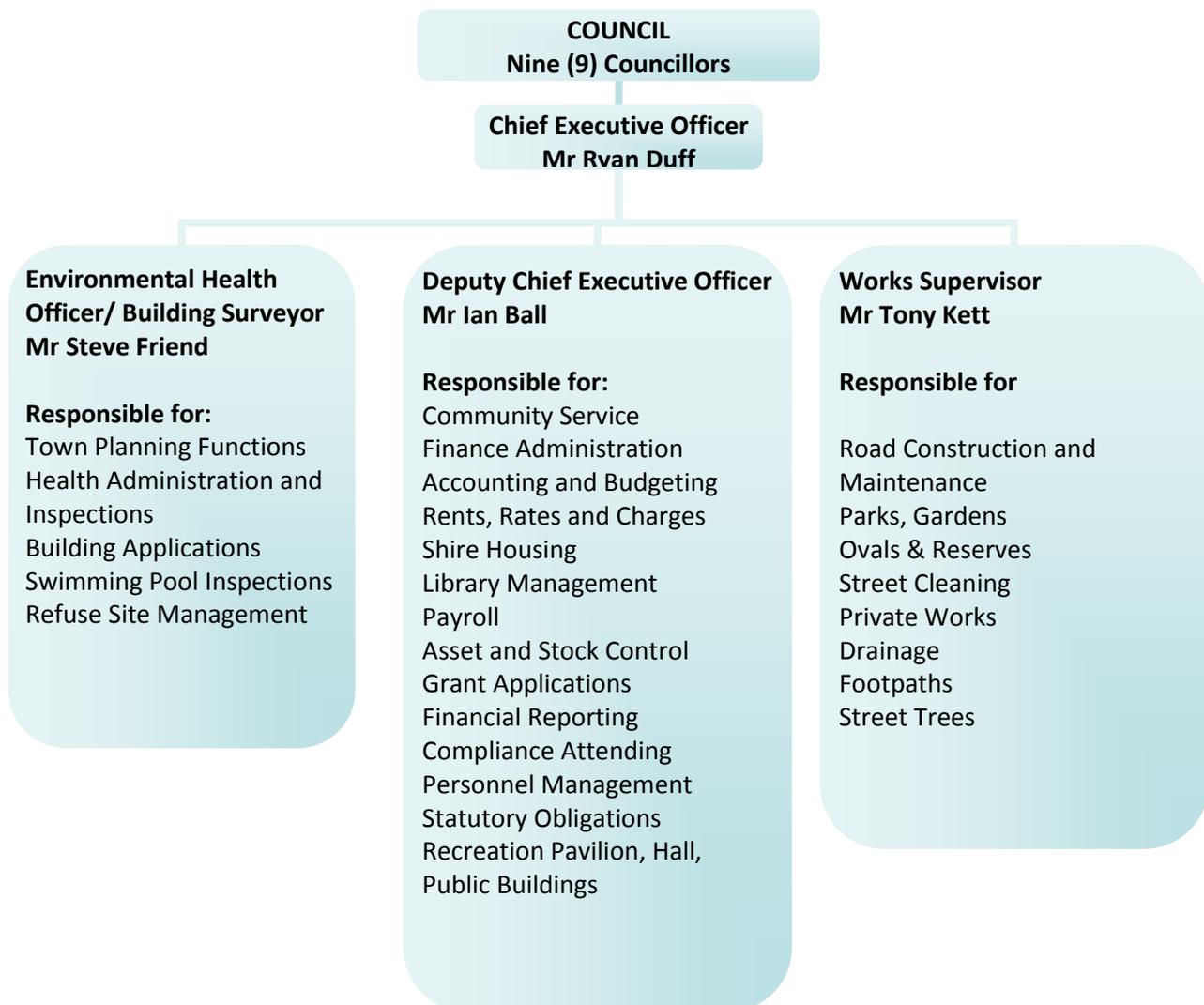
Climate:

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

MANAGEMENT STRUCTURE

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

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



COUNCIL FACILITIES

Public Library:

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

Sports Pavilion:

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

Town Hall and RSL Hall:

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

Aquatic Centre:

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

Tourist Information Bay:

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

Aged Persons' Facilities:

Situated on New Street and Growse Street, Williams. 4 x 1 bedroom units and 6 x 2 bedroom units are available for accredited senior citizens.

Single Persons' Units:

Situated in Growse Street, Williams. Sandalwood Court houses 4 x 2 bedroom units for accredited single persons.

Chemical Container Compound:

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

Oil Recycling Depot:

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

Recycling Depot:

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

Refuse Disposal Site:

Situated off Narrogin Williams Road 2.5km east of town.

COUNCIL SERVICES

Private Works:

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

Rubbish Removals:

Williams town removals are carried out every Tuesday by a contractor. Kerbside recycling collections are carried out on the 2nd and 4th Tuesday of each month.

Dog Registration:

Dog Registrations become due on 1st November each year.

Unsterilised Dog or Bitch	1 year	3 years
	\$30.00	\$75.00
Sterilised Dog or Bitch	1 year	3 years
	\$10.00	\$18.00

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

Dog belonging to pensioner: 50% of ordinary fee.

Dog Impoundments:

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

Drivers, Motor Vehicle, Boat and Firearm Renewals:

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

Health and Building Information:

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

Mosquito Control:

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

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

SHIRE PRESIDENT'S REPORT

Shire President Report 2011/12

It is with pleasure that I present to you the Shire of Williams Annual Report for 2011/2012. The past 12 months have again presented a number of challenges as well as successes, and this Annual Report illustrates our performance over this period.

Amalgamations are still on the State Government's agenda, but have gone relatively quiet at this stage, Local Governments will have more idea of the Government's intentions after the State elections in March 2013. However, the Shire of Williams continues to work with our neighbouring Councils. The Council have been involved with the Shire of Boddington and the Shire of Wandering in the Boddington SuperTown initiative. We continue to work with 11 other Councils in the Regional Waste Site Alliance to develop a new Regional Waste Facilities. The Shire's strongest alliance is with the 4WD VROC which continues to provide opportunities for the 5 Councils to work together. Most notably the 4WD/Lakes Regional Aged Housing Project which has made significant progress with all Council's on the brink of building new units in each of the Shires.

Council has also seen capital work expenditure on the completion of the Shire hall upgrade, the much anticipated Childcare Centre is near completion and expected to be open early next financial year. Other successes have been:

- Reconstruction, widen and seal 3km on the Quindanning-Darkan Rd
- New footpath on sections of Growse and Richardson Streets
- Finalisation of the Emergency Services Communication Tower Compensation Claim

On behalf of the Williams community I thank my fellow Councillors for their efforts and commitment to our Shire. It was great to see all Councillors whose term expired in October 2011 were re-elected unopposed. I feel that this is a great indictment on the Council in that the Community have faith in those elected and that they are doing an excellent job.

As in previous years, the last twelve months has seen the works crew busy once again. The Shire works crew continued to assist the Shire of Wandering in cleaning up after the storms earlier this year. This private work has generated over \$490,000 for the Shire of Williams and has assisted in purchasing new plant which would have been delayed if not for this income and allowing other projects to get off the ground. The storm events have been frequent over the last year with three separate events causing damage to our network. These events have affected our works program, but to the credit of everyone involved the main damage was cleaned up and the budgeted road program was mostly completed.

The works crew has seen the resignation of Aaron Williams, but this has allowed Steven Stewart to come on board as both mechanic and plant operator. Rhonda Willcocks, as Coordinator, was the first of the Childcare Centre staff employed and Hazel Harris has being employed for 2 days a week to work in the Shire office. The cleaning and management of all the Shire facilities is capably undertaken by Starr Gillett. On behalf of Council, I would like to extend our appreciation to the entire works crew.

Administration staff, like the works crew, have worked extremely hard in the past 12 months with a number of new projects coming on line, the office has had to adapt to the changing environment and from the Council's point of view this has been a seamless process. The administration team continue to provide an outstanding level of service to our community as was indicated in this year's Satisfaction Survey. On behalf of Council, I extend our appreciation to them and thank them for providing our community with excellent customer service, second to none.

Cr John Cowcher
Shire President

CHIEF EXECUTIVE OFFICER'S REPORT

It is with great pleasure that I present the Chief Executive Officer's report to the ratepayers of the Shire of Williams for the year ended 30th June 2012.

Financial Sustainability

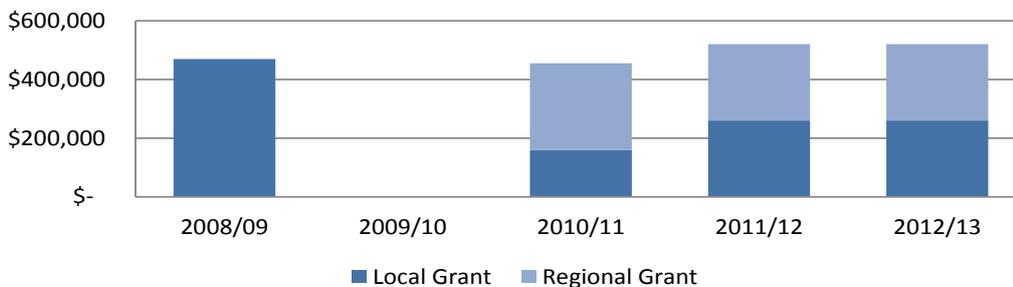
The Shire is in a healthy financial position given our low debt, efficient work practices and facilities maintenance being carried out regularly but this is no reason for complacency. Our Grants Commission Grant is still very low compared to other similar Councils and our reliance on rates and outside works to maintain and improve our facilities and programs will have to be continually monitored.

At a glance

- The operating budget for 2011/12 was \$2.5 million (including depreciation).
- Staff costs for 23 permanent and casual employees were \$1.14 million.
- Rates and charges comprised \$2.1 million of total income received (55 percent).
- Council's grant funding for the year was \$1.67 million.
- Operating surplus of almost \$0.7 million was down from \$1.35 million last year.
- A \$1.38 million capital works program was delivered.
- Cash and investments totalled \$1.08 million.
- Council borrowing remained at low levels of \$336,000 at the end of the year.

The Shire is very appreciative for the Royalties for Regions Initiative. The Country Local Government Fund is a program of R4R and has allowed the Shire of Williams make considerable improvement to its existing public facilities. The Regional Grant has allowed the Shire to join with the 4WD VROC to leverage our money and build more Aged Housing Units than would have been possible if the Shire of Williams was to go it alone.

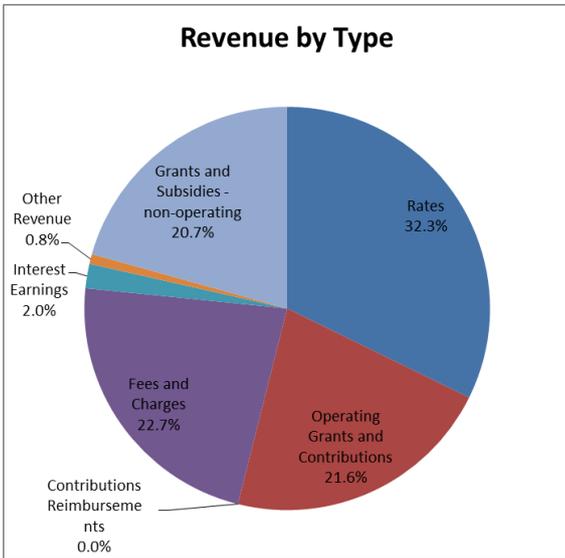
CLGF Funding



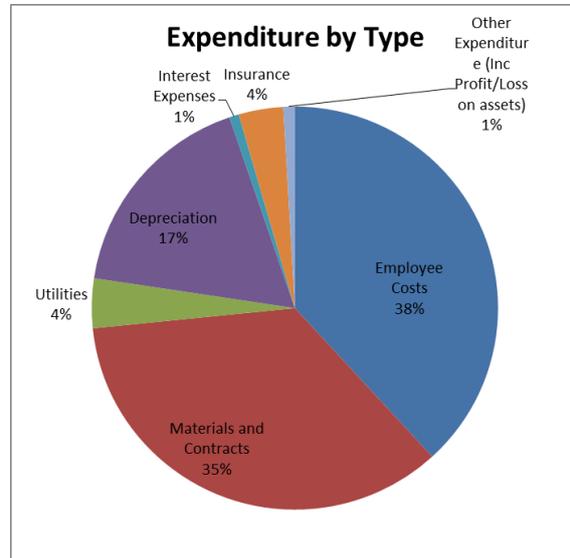
Operating Result

The operating surplus reported for 2011/2012 is \$1,362,084. This was \$619,795 more than the 2010/2011 actual result and \$372,249 more than the 2010/2011 Budget. The diagrams below show the break up of revenue and expenditure:

Operating Revenue



Operating Expenditure



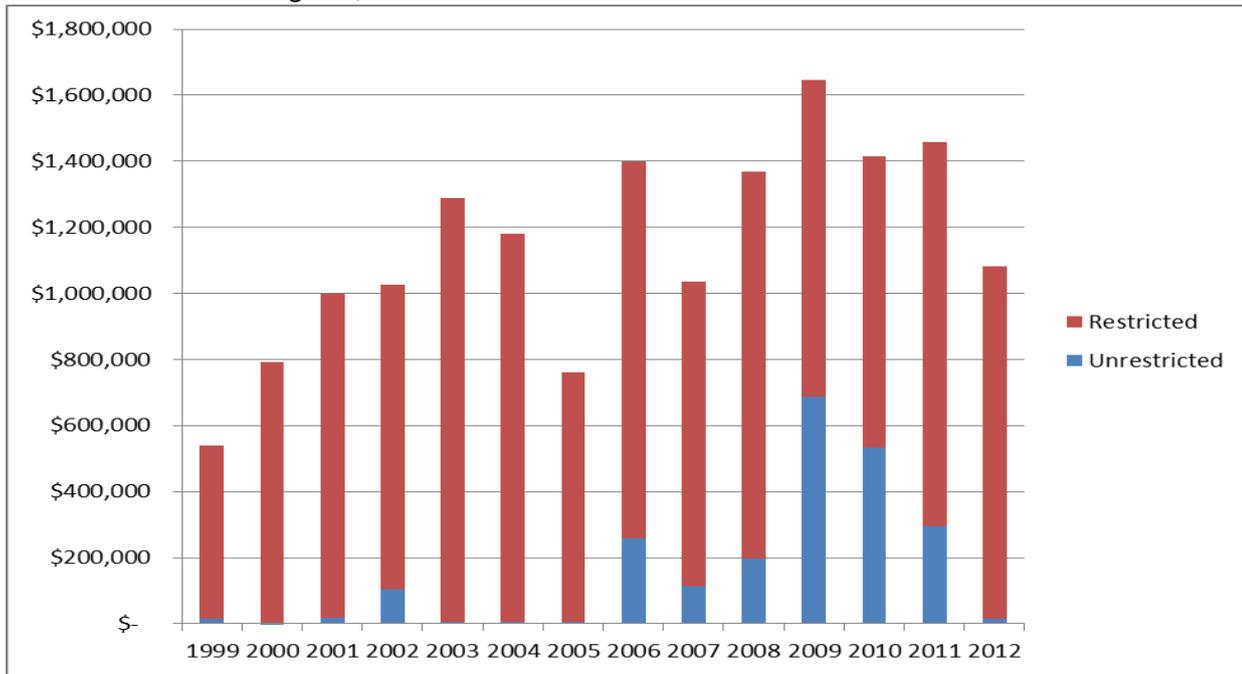
Summary	Actual 2011/2012	Budget 2011/2012	Actual 2010/2011
Total Operating Revenues	\$ 3,930,953	\$ 3,777,300	\$ 4,109,495
Total Operating Expenditure	\$ 3,256,352	\$ 2,520,780	\$ 2,743,899
Net gain/(loss) on disposal of assets	\$ 31,227	\$ (52,220)	\$ (8,075)
Net Operating Result	\$ 705,828	\$ 1,204,300	\$ 1,357,521

The December 2011 flood caused significant damage to the road network and will be rectified over the next two years



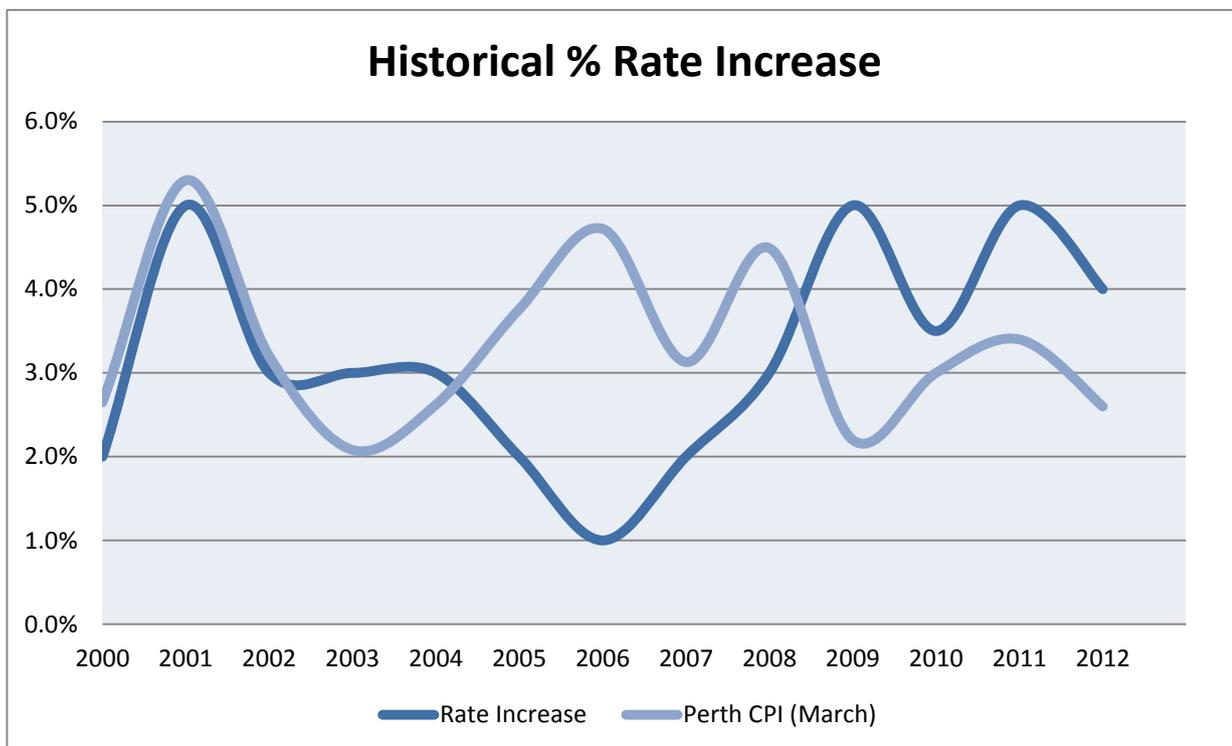
Cash and Reserves

Council had cash holdings of \$1.082 million as at the 30th June 2012.



Rates

Council adopted a 4% general rate increase in 2011/12. This resulted in a total rate collection of \$1,279,135 compared to \$1,243,082 the previous year. The average rate increase since 2000 has been 2.95% which is slightly below the average CPI increase for the same period.



Capital Expenditure

Council capital expenditure for 2011/12 is listed below:

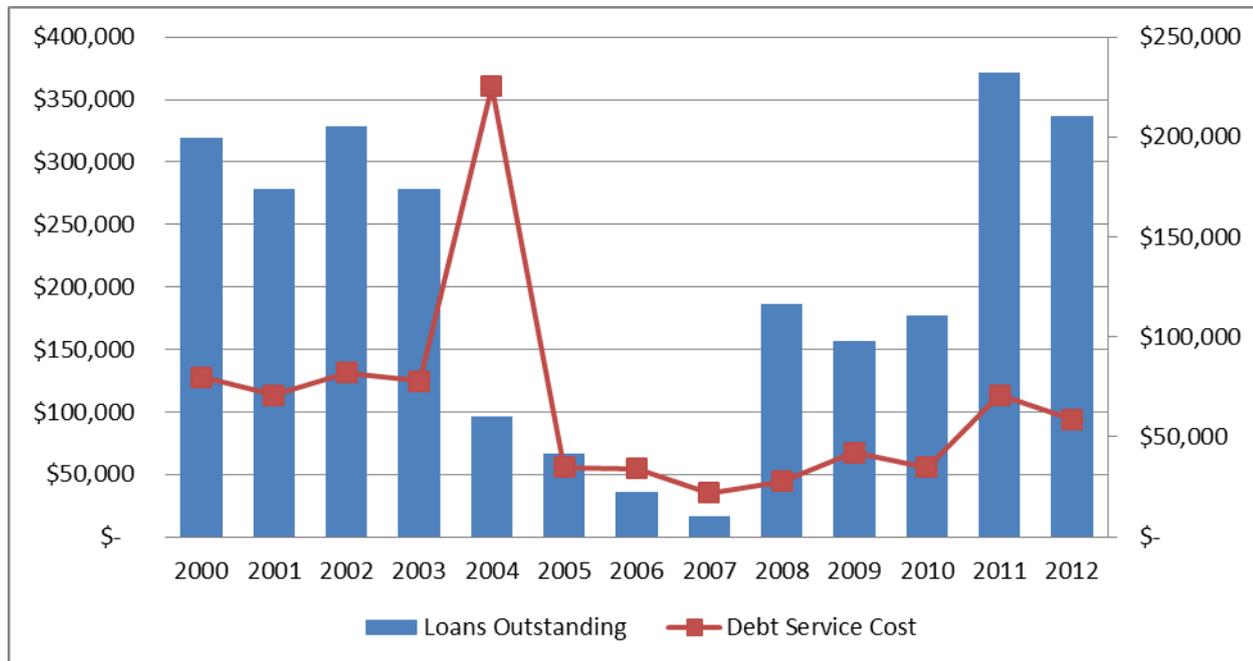
	30th June 2012 Actual	2011/12 Revised Budget
Governance		
Office Kitchen	\$ 15,692	\$ 15,000
Computer Equipment	\$ 5,000	\$ 15,000
Education and Welfare		
Childcare Centre	\$ 59,832	\$ 220,000
Recreation and Culture		
Williams Hall Upgrade	\$ 269,402	\$ 276,420
Oval Reticulation Upgrade	\$ 37,645	\$ 105,000
Tarwonga Tennis Club Hit up Wall	\$ 6,637	\$ -
Transport		
Garage/Patio 1 Growse St	\$ 12,064	\$ 9,790
Road Grader	\$ 320,000	\$ 320,000
Generator Trailer	\$ 2,227	\$ 1,800
Infrastructure Roads	\$ 292,296	\$ 378,760
Dual Use Footpath	\$ 57,947	\$ 55,000
Portable Traffic Lights	\$ 30,647	\$ 30,647
Economic Services		
Stud Pavilion Storage Shed	\$ 16,702	\$ 16,700
Community Amenities		
Industrial Land Development	\$ 233,226	\$ 246,000
Quindanning Townsite Development	\$ 22,825	\$ 22,825
	\$ 1,382,142	\$ 1,712,942

Willi Wag Tails Childcare Centre will commence operations in July 2012



Loans

Council's loan liability for the year ended 30th June 2012 was \$336,602 repayable at a weighted average interest rate of 6.51%. The Shire of Williams has extremely low external debt and has additional scope for appropriate borrowings to finance long-lived infrastructure assets. The Shire Debt service ratio is 1.9% of available operating revenue which is well below the industry allowable standard of 8%.



A Busy 12 months ahead

The next 12 months is going to be extremely busy in the Shire office. The Council has secured funding to develop a number of projects and the continuation of the Royalties for Regions, Country Local Government Fund will enable a number of existing projects to commence. These projects will greatly benefit the ratepayers of Williams and enhance the standard of facilities the Council provides. The upcoming projects are:

- Light Industrial Land – Design and planning (Continuing Project)
- Quindanning Townsite Residential Lots (Continuing Project)
- Construction of 2 x Aged Housing Units (Continuing Project)
- Regional Waste site project investigations (Continuing Project)
- Recreation Facilities Upgrade
- Continuing Road Infrastructure Improvement Program

Councillors and Staff

Once again I would like to record my utmost appreciation to my fellow staff for their hard work and support during the year. A big thank you also to our dedicated and competent Councillors for their efforts in continuing to provide the community with leadership and direction.

RN Duff

Chief Executive Officer

13 September 2012

REPORT ON NATIONAL COMPETITION POLICY

The National Competition Policy is a set of competition enhancing principles agreed by all State Governments and the Federal Government.

The intention of the policy is to promote competition for the benefit of businesses, consumers and the economy by eliminating any advantage received by government as a result of public sector ownership.

Theoretically this should result in a more “level playing field” between the public and private sector.

COMPETITIVE NEUTRALITY

All Local Governments with significant business activities with an annual user pays net income of more than \$200,000 must assess these activities and if considered necessary, introduce measures to eliminate any net advantages that arise out of public sector ownership.

In 2010/2011 the Shire of Williams saw some significant business activity; with private works carried out for the Shire of Wandering clearing storm damage to the value of \$491,000. This is a one off arrangement with the Shire of Wandering in order for them to resume their works program as quickly as possible after the event.

In order to ensure competitive neutrality Council conducts price sampling of other service providers and pursues a practice of deliberately setting its fees at the same level or slightly higher than private service providers providing the same services. Therefore where other service providers are present and willing to provide the required services Council could not be seen to exercise a competitive advantage arising from its public sector ownership. As a result of these deliberately high pricing practices, Council is not always successful in its bids for private works.

Council has made full use of the principles of Activity Based Costing in the preparation of its financial information to ensure that all costs that can be reliably attributed to Private Works have been included as expenses.

While it can feasibly be argued that Council has a competitive cost advantage in the provision of private works by virtue of its public sector ownership, examination of available information reveals that Council is charging more for its services than they would cost if Council’s advantage via public sector ownership was removed. Therefore it is Council’s belief that competitive neutrality has been implemented fully in the business activity private works for 2011/2012.

Council’s policy of performing private works on request in order to gain full utilisation of existing plant and human resources, coupled with competitively neutral pricing practices, will ensure that competitive neutrality will be maintained in future years. Council believes that the implementation and continuation of competitive neutrality in this activity is in the public interest to ensure the opportunity for private service providers to enter the market if they choose to. Such market entry would expand the local private economy and be positive for the economic wellbeing of the community.

No complaints were received regarding Council carrying out private work during 2011/2012.

LEGISLATIVE REVIEW

The Shire of Williams has not identified any current local laws that may restrict competition in accordance with National Competition Policy. The latest comprehensive review of all by laws was completed in 1997 in accordance with the provisions of the Local Government Act. At that time all current by-laws were considered to be not inconsistent with National Competition Policy. Council will continue to review existing by-laws as required.

The Clause 7 requirements of National Competition Policy Legislative review have been complied with and the Shire of Williams undertakes to review any proposed local laws in light of the Clause 7 requirements.

STRUCTURAL REFORM

The Shire of Williams did not privatise any activities in 2011/2012. As a result there were no obligations for structural reform under National Competition Policy.

RN Duff
Chief Executive Officer
14 September 2012

REPORT ON DISABILITY ACCESS AND INCLUSION PLAN

Planning for better access

The Western Australia Disability Services Act requires all local Governments to develop and implement a Disability Access and Inclusion Plan (DAIP) to ensure that people with disabilities have equal access to its facilities and services.

It is well recognised that people with disabilities and their families and carers have the same rights as other people to access the services within the community. These rights are protected by both State and Commonwealth legislation which make it illegal to discriminate against people with a disability.

Public authorities in WA have been required to have a disability service plan (DSP) since 1993, and local governments have made a great deal of progress to ensuring that their services, buildings and information are accessible to people with disabilities, their careers and families.

Other legislation that supports this access and inclusion requirements include the Western Australian Equal Opportunity Act (1984) and the Commonwealth Disability Discrimination Act 1992 (DDA), both of which make discrimination on the basis of a person's disability unlawful.

The Disability Service Act (1993) was amended in 2004, and now requires public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs). The requirements of DAIPs build on those of DSPs, so that people with disabilities can access services provided by public authorities in WA in a way that facilitates increased independence, opportunities and inclusion within the community.

Progress since 1995

The Shire of Williams is committed to facilitating the inclusion of people with disabilities through the improvement of access to its information, facilities and services. In achieving this goal the Shire prepared and adopted its first Disability Service Plan in 1995. The Plan included the following:

- Information on council's functions, facilities and services – both in-house and contracted;
- A policy statement about council's commitment to addressing the issue of access for people with disabilities, their families and careers;
- A description of the process used to consult with people with disabilities, their families, careers, disability organisations and relevant community groups;
- The identification of objectives and strategies to overcome barriers that people with disabilities identified during the consultation process;
- Dates and the identification of the process responsible for the proposed strategies; and
- Information about how the plan is being communicated to staff and people with disabilities.

Since the adoption of the initial DSP in 1995, the Shire has continually implemented best management practice in terms of addressing disability related access issues and has made significant progress towards ensuring better access for all community members.

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 careers.

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 careers who live in country areas should be supported to remain in the community of their choice.

The Shire of Williams is committed to consulting with people with disabilities, their families and careers 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

Existing functions, facilities and services are adopted to meet the needs of people with disabilities.

- Council will endeavour to be adaptable in responding to the barriers experienced by people with various disabilities, including people with physical, sensory, cognitive and psychiatric disabilities.
- Council will ensure that all policies and practices that govern the operation of council facilities, functions and services are consistent with Council's policy on access.

Outcome 2

Access to building and facilities is improved.

- Council will undertake to incorporate the priorities regarding access for people with disabilities, identified during public consultation, into its capital works program where practical. Further modifications will be made as funds are made available.
- Council will undertake to liaise with developers to increase their awareness of the access requirements of people with disabilities.

Outcome 3

Information about functions, facilities and services is provided in formats, functions which meet the communication requirements of people with disabilities.

- Council will produce all of its information on Council facilities, functions and services using clear, concise language.
- Council will advise the community that, subject to demand, information about functions, facilities and services can be made available in alternative formats, such as large print, electronically, audio and email.

Outcome 4

Staff awareness of the needs of people with disabilities and skills in delivering advice and services are improved.

- Council will undertake to ensure that all staff are aware of the key access needs of residents with disabilities and people who visit the local government area in relation to the provision of all services.
- Where required, council will seek expert advice from the relevant disability service organisations on how to meet the access needs of people with disabilities.

Outcome 5

Opportunities for people with disabilities to participate in public consultations, grievance mechanisms and decision making processes are provided.

- Council will ensure that information is available in clear, concise language on how residents can participate in decision making processes, public consultations and grievance mechanisms.
- Council will advise the community that the information can be made in alternative formats on request.
- Council will also undertake to support people with disabilities to attend meetings of Council.

RN Duff
Chief Executive Officer
13 September 2012

New Footpaths Completed in early 2012



REPORT ON RECORD KEEPING PLAN

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

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

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

RN Duff
Chief Executive Officer
13 September 2012

REPORT ON PLAN FOR THE FUTURE

The Local Government Act 1995 requires Councils to prepare a Plan for the Future for a minimum of two (2) year period. Council has continued with a five (5) year plan in a similar format to the previous Principal Activities Plan.

Submissions are invited from residents/local organisations around March/April each year for consideration by Council in conjunction with preparation and review of the plan.

The Plan is structured into four key result areas that will guide the Shire's principal activities. The four key result areas are:

- **ECONOMIC DEVELOPMENT**
- **SOCIAL AND CULTURAL DEVELOPMENT**
- **LAND USE AND THE ENVIRONMENT**
- **ORGANISATIONAL PERFORMANCE**

Following is a summary of activities and outcomes for the 2010/2011 year:

Status:

- ✓ Planned activities / project fully funded and to be completed in 2010/11 budget period
- Ongoing activity / project with 2011/12 component funded in budget
- ✗ Activity / project planned for completion in 2011/12 but not included in budget
- ✘ Activity / project planned for completion in 2011/12 but only partially funded or delayed
- Ongoing activity / project with 2011/12 not funded in budget
- Ongoing activity / project with 2011/12 component not fully funded in budget
- Activity / project not planned to commence in 2011/12 and not included in budget
- ⦿ Activity / project not planned in 2011/12 but some activity brought forward into budget

1.1	Develop a welcoming environment to encourage more tourism by:
	<ul style="list-style-type: none"> Information/Welcome packs for new residents, business owners and visitors alike ✓
	<ul style="list-style-type: none"> Work with existing tourism based businesses to promote Williams ●
1.2	Encourage the private development of historical buildings so as to promote them as significant tourist facilities ●
1.3	Develop a Marketing Strategy to promote the Shire ✗
1.4	Investigate options to provide short term accommodation if required within the Shire ●
2.1	Encourage the establishment of quality infrastructure by Government and the private sector in order to encourage economic development.
2.2	Encourage particular commercial enterprises into the district by:
	<ul style="list-style-type: none"> Investigate feasibility of establishing commercial facilities available for rental and future purchase by prospective businesses ●
	<ul style="list-style-type: none"> Offering low rental premises on establishment (to be reviewed annually) ○
	<ul style="list-style-type: none"> Targeting specific businesses to establish in Williams to fill service gap (eg: tradespersons) ○
2.3	Develop a Marketing Program to promote the Shire as a good place to conduct business ✗
2.4	Make available suitable land for light industry ●
2.5	To ensure there is enough housing to satisfy a growing business sector ●
3.1	To identify and encourage services and facilities to enable elderly residents to remain in the district (eg: support services ie: HACC, visiting specialists and other medical professionals) ●
3.2	Develop and implement an Active Ageing Plan including:
	<ul style="list-style-type: none"> Engagement in activities. ●
	<ul style="list-style-type: none"> Services and support. ●
	<ul style="list-style-type: none"> Participation and volunteering. ●
	<ul style="list-style-type: none"> Residential care. ●
3.3	Construction of Aged Accommodation Complex with:
	<ul style="list-style-type: none"> Units available to be leased on a whole of life basis ○
	<ul style="list-style-type: none"> Units to be rented out ○
	<ul style="list-style-type: none"> Incorporating Communal Facilities for dining and recreation etc. ○
3.4	To upgrade facilities for disabled persons.
3.5	Continued implementation and review of the Disability Access and Inclusion Plan ●
3.6	Assist the community to source a centre to cater for children's services and childcare
3.7	Assist the community with the establishment of childcare and children's services including the sourcing of funding. ○
3.8	Develop and implement programs to strengthen community connections:
	<ul style="list-style-type: none"> Continuation of the Club Development program ●
	<ul style="list-style-type: none"> Support to create strong and vibrant clubs, associations, activity groups and residents' associations ●
	<ul style="list-style-type: none"> Work with Community Resource Centre network, TAFE and others to strengthen involvement and opportunities for young people ●
3.9	Be proactive to ensure the ratepayers have adequate medical facilities located in Williams ●

3.10	Lobby the State Government for the construction of a new multipurpose medical centre ●
4.1	Ensure the Community is satisfied with the facilities and services provided ●
4.2	Manage existing facilities and develop new facilities to meet community needs.
	<ul style="list-style-type: none"> Identify future needs for all sporting clubs and endeavour to cater for them ●
	<ul style="list-style-type: none"> Investigate feasibility of establishing a community based gym ○
	<ul style="list-style-type: none"> Investigate feasibility of solar heating swimming pool ○
4.3	Prepare Recreation Strategy Plan in consultation with sporting clubs based on 4.2 ●
4.4	Provide safe access to Recreation Ground facilities. ●
4.5	Upgrade the Williams Shire Hall complex to meet the needs of all users ●
4.6	Acquire art pieces in accordance with Art Acquisition Policy. ●
4.7	Implement systems to gather, collate and disseminate our History ○
4.8	Display Heritage information in prominent public places ○
4.9	Continued Provision of a Library Service ●
4.1	Consider future development of old Caravan Park site (eg: seating, play equipment, static exercise equipment) ○
4.11	Identify, develop and implement Cemetery Improvement Plans for Williams and Marling Cemeteries ○
5.1	Establish required Local Laws. ●
5.2	Review Local Laws regarding townscape program. ●
5.3	Establish and maintain an up to date Local Emergency Management Plan. ●
5.4	Work with stakeholders to continue to implement the Community Safety and Crime Prevention Plan ●
6.1	Develop partnerships with government, education sector, private sector and the community to work to common goals in providing facilities and services in relation to social and cultural needs. ●
7.1	Develop and maintain a planned road maintenance program ●
7.2	Develop and maintain programs for the replacement of road plant and capital works on roads ●
7.3	Develop and implement a townscape plan for the townsite of Williams. ○
7.4	Maintain and upgrade footpath network. Stabilisation of unpaved footpaths ●
7.5	Develop a program to seal sections of roads prone to washaways ○
7.6	Develop a program to widen culverts to match road standards ○
7.7	Maximise safe access to Restricted Access Vehicles (RAV) across the road network ●
7.8	Re-develop Lions Park in conjunction with the Albany Highway re-alignment ○
8.1	Provide and source best practice planning and development systems, to facilitate and enhance the timely processing of land development and building projects within the Shire ●
8.2	Ensure Planning schemes promote development without conflicting with Rural agriculture ●
8.3	Maintain the Shire of Williams Municipal Heritage Inventory and seek funds to restore buildings contained within ○

8.4	Develop and implement a comprehensive Asset Management System for all public assets owned by Council. ✘
9.1	Provide an efficient and safe collection and disposal service for all waste material (including recyclables). ●
9.2	Identify, develop and implement a water harvesting program from Council facilities and utilise this water on council parks and gardens ●
9.3	Identify, develop and install renewal energy sources into Council facilities (eg: solar, wind) ○
9.4	Investigate the Establishment of a Regional Waste site ●
10.1	Ensure the management structure meets the corporate requirements. ●
10.2	Provide systems which measure efficiency and effectiveness of all staff. ●
10.3	Recognise Risk Management as an important function. ●
10.4	Ensure the Strategic Plan is updated annually. ●
10.5	Continue to effective plan for future capital expenditure and asset renewal ●
10.6	Ensure Council is adequately insured. ●
10.7	Ensure that adequate and up-to-date computer software and office equipment is available. ●
10.8	Ensure planning framework is established that will guide the successful development of Council Online Services. ●
10.9	Operate an effective accounting system. ●
10.10	Continue reporting procedures to facilitate financial reporting and accountability to Council ●
10.11	Operate an effective budget system. ●
10.12	Regularly review raising and distribution of rates among the various sections of the community
10.13	Continue to review the Grants Commission Methodology to get the best outcome for the Shire ●
10.14	To upgrade and modernise staff housing by: <ul style="list-style-type: none"> ● Continuing to dedicate significant budget funds for housing maintenance ● ● Upgrading and modernising existing staff houses ○ ● Building a new Staff House ○ ● Disposing of old housing stock ○
10.15	Develop and implement initiatives to achieve improved two-way communication with the community and community awareness of Council services and facilities ●
10.16	Foster and encourage Councillor participation in organisational training programs to enhance their understanding of their responsibilities in effective Corporate governance ●
10.17	Develop and implement initiatives to achieve improved two-way communication with the community and community awareness of Council services and facilities ●
11.1	Commit to the 4WD VROC or other appropriate VROC's to gain benefits to the Williams Community through collaboration ●
11.2	Continue to hold meetings and develop relationships with neighbouring Councils outside the 4WD VROC ●

SHIRE OF WILLIAMS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

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SHIRE OF WILLIAMS

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2012

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Williams being the annual financial report and other information for the financial year ended 30th June 2012 are in my opinion properly drawn up to present fairly the financial position of the Shire of Williams at 30th June 2012 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 29th day of August 2012



Ryan Duff
Chief Executive Officer

SHIRE OF WILLIAMS
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue				
Rates	22	1,279,135	1,281,350	1,243,082
Operating Grants, Subsidies and Contributions	28	857,010	468,900	894,236
Fees and Charges	27	898,983	429,150	588,966
Service Charges	24	0	0	0
Interest Earnings	2(a)	77,540	74,800	72,431
Other Revenue		<u>0</u>	<u>0</u>	<u>10,653</u>
		<u>3,112,668</u>	<u>2,254,200</u>	<u>2,809,368</u>
Expenses				
Employee Costs		(1,243,352)	(1,060,956)	(1,108,379)
Materials and Contracts		(1,146,822)	(564,588)	(757,423)
Utility Charges		(129,470)	(165,000)	(165,743)
Depreciation on Non-Current Assets	2(a)	(566,511)	(571,700)	(562,716)
Interest Expenses	2(a)	(24,941)	(24,536)	(12,791)
Insurance Expenses		(115,550)	(112,000)	(111,439)
Other Expenditure		<u>(29,706)</u>	<u>(22,000)</u>	<u>(25,408)</u>
		<u>(3,256,352)</u>	<u>(2,520,780)</u>	<u>(2,743,899)</u>
		(143,684)	(266,580)	65,469
Non-Operating Grants, Subsidies and Contributions				
	28	818,285	1,523,100	1,300,127
Profit on Asset Disposals	20	31,227	0	800
Loss on Asset Disposal	20	<u>0</u>	<u>(52,220)</u>	<u>(8,875)</u>
Net Result		705,828	1,204,300	1,357,521
Other Comprehensive Income				
		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>705,828</u></u>	<u><u>1,204,300</u></u>	<u><u>1,357,521</u></u>

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

SHIRE OF WILLIAMS
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue				
Governance		38,269	20,370	45,931
General Purpose Funding		1,826,552	1,634,420	1,659,934
Law, Order, Public Safety		130,112	61,060	316,172
Health		3,449	2,700	6,343
Education and Welfare		64,351	65,050	61,960
Housing		70,235	87,910	66,395
Community Amenities		124,966	102,090	123,783
Recreation and Culture		100,117	86,080	75,363
Transport		89,771	51,370	49,702
Economic Services		47,712	37,650	54,515
Other Property and Services		617,134	105,500	349,570
	2(a)	3,112,668	2,254,200	2,809,668
Expenses				
Governance		(223,386)	(207,560)	(199,315)
General Purpose Funding		(13,027)	(12,600)	(11,351)
Law, Order, Public Safety		(244,397)	(90,700)	(240,302)
Health		(58,498)	(60,910)	(57,486)
Education and Welfare		(122,626)	(100,600)	(97,413)
Housing		(67,225)	(87,620)	(70,175)
Community Amenities		(188,255)	(204,220)	(187,723)
Recreation and Culture		(647,161)	(601,560)	(603,774)
Transport		(1,176,691)	(966,170)	(923,802)
Economic Services		(84,404)	(94,810)	(111,154)
Other Property and Services		(405,741)	(69,490)	(226,179)
	2(a)	(3,231,411)	(2,496,240)	(2,728,674)
Finance Costs				
General Purpose Funding		(1,005)	(600)	(610)
Health		0	0	(3,110)
Transport		(7,000)	(7,000)	(7,947)
Other Property and Services		(16,936)	(16,940)	(3,558)
	2(a)	(24,941)	(24,540)	(15,225)
Non-Operating Grants, Subsidies and Contributions				
Other Education		70,000	220,000	0
Housing		19,174	419,430	0
Community Amenities		0	0	9,226
Recreation and Culture		453,681	243,000	289,037
Transport		275,430	379,570	929,872
Other Property and Services		0	261,100	71,992
		818,285	1,523,100	1,300,127
Profit/(Loss) on Disposal of Assets				
Governance			0	500
Governance			0	(8,875)
Transport		31,227	(52,220)	
		31,227	(52,220)	(8,375)
Net Result		705,828	1,204,300	1,357,521
Other Comprehensive Income		0	0	0
Total Other Comprehensive Income		0	0	0
Total Comprehensive Income		705,828	1,204,300	1,357,521

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

**SHIRE OF WILLIAMS
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2012**

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	1,081,762	1,456,751
Trade and Other Receivables	4	455,840	572,529
Inventories	5	26,074	19,090
TOTAL CURRENT ASSETS		<u>1,563,676</u>	<u>2,048,370</u>
NON-CURRENT ASSETS			
Other Receivables	4	5,938	1,851
Inventories	5	0	0
Property, Plant and Equipment	6	6,979,006	6,366,464
Infrastructure	7	9,116,657	8,987,072
TOTAL NON-CURRENT ASSETS		<u>16,101,601</u>	<u>15,355,387</u>
TOTAL ASSETS		<u>17,665,277</u>	<u>17,403,757</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	120,153	579,908
Long Term Borrowings	9	37,077	34,671
Provisions	10	188,579	138,216
TOTAL CURRENT LIABILITIES		<u>345,809</u>	<u>752,795</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	299,525	336,602
Provisions	10	27,583	27,828
TOTAL NON-CURRENT LIABILITIES		<u>327,108</u>	<u>364,430</u>
TOTAL LIABILITIES		<u>672,917</u>	<u>1,117,225</u>
NET ASSETS		<u>16,992,360</u>	<u>16,286,532</u>
EQUITY			
Retained Surplus		15,297,721	14,533,467
Reserves - Cash Backed	11	781,052	839,478
Reserves - Asset Revaluation	12	913,587	913,587
TOTAL EQUITY		<u>16,992,360</u>	<u>16,286,532</u>

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

**SHIRE OF WILLIAMS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2012**

NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2010	13,134,609	880,815	913,587	14,929,011
Changes in Accounting Policy				0
Correction of Errors				0
	<hr/>	<hr/>	<hr/>	<hr/>
Restated Balance	13,134,609	880,815	913,587	14,929,011
Net Result	1,357,521	0	0	1,357,521
Total Other Comprehensive Income				0
Reserve Transfers	41,337	(41,337)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2011	14,533,467	839,478	913,587	16,286,532
Net Result	705,828	0	0	705,828
Total Other Comprehensive Income	0	0	0	0
Reserve Transfers	58,426	(58,426)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2012	<u>15,297,721</u>	<u>781,052</u>	<u>913,587</u>	<u>16,992,360</u>

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

**SHIRE OF WILLIAMS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2012**

	NOTE	2012 \$	2012 Budget \$	2011 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,276,115	1,292,615	1,273,245
Operating Grants, Subsidies and Contributions		853,757	470,820	355,692
Fees and Charges		734,523	423,660	379,379
Service Charges		0	0	0
Interest Earnings		74,226	74,800	72,431
Goods and Services Tax		490,603	150,000	154,561
Other Revenue		0	0	0
		<u>3,429,224</u>	<u>2,411,895</u>	<u>2,235,308</u>
Payments				
Employee Costs		(1,286,654)	(1,060,950)	(1,108,379)
Materials and Contracts		(1,453,504)	(511,781)	(440,285)
Utility Charges		(127,430)	(165,000)	(163,426)
Insurance Expenses		(115,550)	(112,000)	(111,439)
Interest expenses		(25,007)	(24,540)	(12,553)
Goods and Services Tax		(286,895)	(150,000)	(112,508)
Other Expenditure		0	0	0
		<u>(3,295,040)</u>	<u>(2,024,271)</u>	<u>(1,948,590)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>134,184</u>	<u>387,624</u>	<u>286,718</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		(22,825)	(941,000)	0
Payments for Purchase of Property, Plant & Equipment		(988,337)	(1,558,220)	(557,518)
Payments for Construction of Infrastructure		(394,525)	(612,364)	(1,241,258)
Advances to Community Groups		0	0	0
Payments for Purchase of Investments		0	0	0
Non-Operating Grants, Subsidies and Contributions		818,285	1,523,100	1,300,127
Proceeds from Sale of Plant & Equipment		115,000	110,000	14,891
Proceeds from Advances		0	0	0
Proceeds from Sale of Investments		0	0	0
		<u>(472,402)</u>	<u>(1,478,484)</u>	<u>(483,758)</u>
Net Cash Provided By (Used In) Investing Activities		<u>(472,402)</u>	<u>(1,478,484)</u>	<u>(483,758)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(34,671)	(34,671)	(70,992)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	45,000
Proceeds from New Debentures		0	303,000	265,000
		<u>(34,671)</u>	<u>268,329</u>	<u>239,008</u>
Net Cash Provided By (Used In) Financing Activities		<u>(34,671)</u>	<u>268,329</u>	<u>239,008</u>
Net Increase (Decrease) in Cash Held		(372,889)	(822,531)	41,968
Cash at Beginning of Year		1,456,751	1,456,724	1,414,783
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>1,083,862</u></u>	<u><u>634,193</u></u>	<u><u>1,456,751</u></u>

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

**SHIRE OF WILLIAMS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012**

NOTE	2012 Actual \$	2012 Budget \$	2011 Actual \$
Revenue			
Governance	38,269	20,370	46,431
General Purpose Funding	547,399	354,990	416,852
Law, Order, Public Safety	130,112	61,060	316,172
Health	3,449	2,700	6,343
Education and Welfare	134,351	283,130	61,960
Housing	89,409	507,340	66,395
Community Amenities	124,966	363,190	133,009
Recreation and Culture	553,798	329,080	365,400
Transport	392,870	430,940	978,574
Economic Services	48,018	37,650	54,515
Other Property and Services	620,691	105,500	421,562
	<u>2,683,332</u>	<u>2,495,950</u>	<u>2,867,213</u>
Expenses			
Governance	(221,662)	(207,560)	(208,190)
General Purpose Funding	(13,432)	(13,200)	(11,961)
Law, Order, Public Safety	(244,397)	(90,700)	(240,302)
Health	(58,498)	(60,910)	(60,596)
Education and Welfare	(122,625)	(100,600)	(97,413)
Housing	(67,225)	(87,620)	(70,175)
Community Amenities	(188,255)	(204,220)	(187,723)
Recreation and Culture	(646,819)	(601,560)	(603,774)
Transport	(1,183,233)	(1,025,390)	(931,749)
Economic Services	(84,404)	(94,810)	(111,154)
Other Property and Services	(422,852)	(86,430)	(229,737)
	<u>(3,253,402)</u>	<u>(2,573,000)</u>	<u>(2,752,774)</u>
Net Result Excluding Rates	(570,070)	(77,050)	114,439

**SHIRE OF WILLIAMS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012**

(Continued)

Adjustments for Cash Budget Requirements:

Non-Cash Expenditure and Revenue

(Profit)/Loss on Asset Disposals	20	(31,227)	52,220	8,075
Movement in Accrued Interest		(1,039)	0	2,435
Movement in Deferred Pensioner Rates (Non-Current)		(773)	0	771
Movement in Employee Benefit Provisions (Non-Current)		(53,093)	0	17,640
Depreciation and Amortisation on Assets	2(a)	556,511	571,700	562,716

Capital Expenditure and Revenue

Purchase Land Held for Resale		0	(941,000)	0
Purchase Land and Buildings		(648,918)	(1,171,420)	(504,931)
Purchase Infrastructure Assets - Roads		(292,296)	(518,760)	(1,145,551)
Purchase Infrastructure Assets - Parks		(102,229)	(155,000)	(77,726)
Purchase Plant and Equipment		(352,875)	(371,800)	(65,386)
Purchase Furniture and Equipment		(5,000)	(15,000)	(7,616)
Purchase of Investments		0	0	0
Proceeds from Disposal of Investments		0	0	0
Proceeds from Disposal of Assets	20	115,000	430,000	14,891
Repayment of Debentures	21(a)	(34,671)	(34,670)	(70,992)
Proceeds from New Debentures	21	0	303,000	265,000
Self-Supporting Loan Principal Income		0	0	45,000
Transfers to Reserves (Restricted Assets)	11	(45,289)	(33,834)	(60,485)
Transfers from Reserves (Restricted Assets)	11	104,256	244,120	101,821

ADD	Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	746,163	427,774	302,980
LESS	Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	663,585	(8,370)	746,163

Amount Required to be Raised from Rates	22(a)	<u>(1,279,135)</u>	<u>(1,281,350)</u>	<u>(1,243,082)</u>
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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 2012

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis of Preparation

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the local Government Act 1995 and accompanying regulations.

Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of the 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.

(b) The Local Government Reporting Entity

All Funds through which the Council 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, but a separate statement of those monies appears at Note 19 to these financial statements.

(c) Goods and Services Tax

Revenues, expenses and assets capitalised are stated net of any GST recoverable.

Receivables and payables in the statement of financial position are stated inclusive of applicable GST. 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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

(e) Trade and Other Receivables

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

(f) Inventories

General

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

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

Land Held for Resale

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

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing an unconditional contract of sale.

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

(g) Fixed Assets

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation or impairment losses.

Initial Recognition

All assets are initially recognised at cost. 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 Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

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

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

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 AASB1051 - 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 Council.

Depreciation of Non-Current Assets

All non-current assets having a limited useful life (excluding freehold land) are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets (Continued)

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement seal	50 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Formed roads formation	not depreciated
pavement	50 years
Footpaths - slab	40 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

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

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

Gains and losses on disposals are determined by comparing proceeds with with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Capitalisation Threshold

Expenditure on items of equipment under \$2,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(h) Financial Instruments

Initial Recognition and Measurement

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

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement

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

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost.

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

Derecognition

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. 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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment

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

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

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

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

(j) Trade and Other Payables

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

(k) Employee Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for the benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

(l) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(m) Provisions

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result; and
- c) 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 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Leases

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

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

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

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

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

(o) Joint Venture

The Council's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is set out in Note 16.

The Council's interest in joint venture entities are recorded using the equity method of accounting in the financial report.

When the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of gain or loss not attributable to the Council's share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

(p) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

(r) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

(s) Rounding Off Figures

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

(t) Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(u) Budget Comparative Figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2012.

Council's assessment of these new and amended standards and interpretations is set out below:

	Title and Topic	Issued	Applicable (*)	Impact
(i)	AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii)	AASB 1053 - Application of Tiers of Australian Accounting Standards	June 2010	01 July 2013	Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iii)	AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(iv) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	01 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(v) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12,19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(vi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]	December 2010	01 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(vii) AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009 - 11 & 2010 - 7]	December 2010	01 January 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2011 - 2 Amendments to Australian Accounting Standards - Arising from the Trans-Tasman Consequence Project - Reduced Disclosure Requirements. [AASB 101 & 1054]	May 2011	01 July 2013	
AASB 2011 - 3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to ABS GFS manual and related Amendments. [AASB 1049]	May 2011	01 July 2012	
AASB 2011 - 6 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127, 128 & 131]	July 2011	01 July 2013	

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	01 January 2013	Nil - None of these, except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(ix) AASB 13 - Fair Value Measurement, AASB 2011 - 8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	September 2011	01 January 2013	AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 requires inputs to all fair value measurements to be categorised in accordance with fair value hierarchy. AASB 13 also requires enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value. AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards. The amendments to the legislation requires the phasing in of fair value in relation to fixed assets over the three years from 1 July 2012. It is not possible to estimate the likely amount of any revaluations.
(x) AASB 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(xi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(xii) AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	September 2011	01 July 2013	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2011 – 12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]	November 2011	01 January 2013	
AASB 2011 – 13 Amendments to Australian Accounting Standards – Improvements to AASB 1049	December 2011	01 July 2012	

Notes:

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

- AASB 124
- AASB 1054
- AASB 2009 - 12
- AASB 2009 - 14
- AASB 2010 - 4
- AASB 2010 - 5
- AASB 2010 - 6
- AASB 2010 - 9
- AASB 2011 - 1

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES	2012	2011	
	\$	\$	
(a) Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
- Audit	9,150	8,000	
- Other Services	0	5,295	
Depreciation			
Buildings	116,134	110,332	
Furniture and Equipment	8,929	9,237	
Plant and Equipment	185,414	187,607	
Roads	230,000	230,000	
Parks & Reserves	26,034	25,540	
	<u>566,511</u>	<u>562,716</u>	
Interest Expenses (Finance Costs)			
Overdraft Interest	1,005	610	
Debentures (<i>refer Note 21(a)</i>)	23,936	12,181	
	<u>24,941</u>	<u>12,791</u>	
Rental Charges			
- Operating Leases	0	0	
	<u>0</u>	<u>0</u>	
(ii) Crediting as Revenue:	2012	2012	2011
	\$	Budget	\$
		\$	
Interest Earnings			
Investments			
- Reserve Funds	45,830	33,800	48,739
- Other Funds	23,329	31,200	13,156
Other Interest Revenue (<i>refer note 26</i>)	8,381	9,800	10,536
	<u>77,540</u>	<u>74,800</u>	<u>72,431</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of Williams is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

GOVERNANCE

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

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.

GENERAL PURPOSE FUNDING

Objective: To collect revenue to allow for the provision of services.

Activities: Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective: To provide services to ensure a safer community.

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

HEALTH

Objective: To provide an operational framework for good community health.

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

EDUCATION AND WELFARE

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

Activities: Provision and maintenance of premises for Williams Telecentre, payroll administration Williams Telecentre, provision of scholarships, sponsorship and administration of Williams Community Aged Care Packages.

HOUSING

Objective: To help ensure availability of adequate housing for community needs.

Activities: Management, administration and maintenance of Williams Community Homes and Sandalwood Court.

COMMUNITY AMENITIES

Objective: Provision of amenities required by the community.

Activities: Refuse management, maintenance and administration of sewage system, protection of environment, maintenance of cemeteries and public conveniences. Administrative support to Williams - Narrogin Community Landcare Coordinator.

RECREATION & CULTURE

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

Activities: Maintenance of hall, recreational facilities and reserves, operation of library, compilation of and maintenance of local heritage register.

TRANSPORT

Objective: To provide effective and efficient transport services to the community.

Activities: Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, depot maintenance and on-line agent for Department of Transport collections.

SHIRE OF WILLIAMS NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2012

Statement of Objective (Continued)

(b)

ECONOMIC SERVICES

Objective: Promotion of Williams and improvement of the economic wellbeing of the district and it's inhabitants.

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

OTHER PROPERTY & SERVICES

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

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-10 \$	Received (+) 2010/11 \$	Expended (#) 2010/11 \$	Closing Balance (*) 30-Jun-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Closing Balance 30-Jun-12 \$
Roads to Recovery	Transport	7,344	189,669	(236,385)	(39,372)	39,372	(1,309)	(1,309)
CLG - Swimming Pool	Recreation	213,654	35,900	(249,554)	0		0	0
CLG - Town Hall	Recreation	0	128,000	(74,778)	53,222		(53,222)	0
CLG - Tarwonga Tennis Courts	Recreation	0	60,000	(60,000)	0		0	0
CLG - Quindanning Townsite	OP & Services	0	71,992	0	71,992		(60,470)	11,522
RLCIP	Recreation	30,000	0	(30,000)	0		0	0
Waste Authority	Community	9,226	9,226	(18,452)	0		0	0
Department of Agriculture	Community	12,735	0	(5,582)	7,153		(3,000)	4,153
Department of Regional Dev.	Governance	35,000	0	(35,000)	0		0	0
Department of Agriculture	Governance	0	20,000	(14,401)	5,599	0	(5,599)	0
Wheatbelt Regional - Childcare	Education	0	0	0	0	70,000	(59,832)	10,168
CLGF Regional - Housing	Housing	0	0	0	0	19,174	(19,174)	0
Lotterywest - Town Hall	Recreation	0	0	0	0	193,577	(193,577)	0
CLG - Recreation Facilities	Recreation	0	0	0	0	260,104	0	260,104
MRD - Direct Grant	Transport	0	0	0	0	46,672	(46,672)	0
MRD - Road Project Grant	Transport	0	0	0	0	160,728	(160,728)	0
Country Pathways	Transport	0	0	0	0	28,658	(28,658)	0
Total		<u>307,959</u>	<u>514,787</u>	<u>(724,152)</u>	<u>98,594</u>	<u>818,285</u>	<u>(632,241)</u>	<u>284,638</u>

Notes:

(*) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(+) - 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.

(#) - 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 2012

	2012	2011
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	16,071	294,679
Restricted	1,065,691	1,162,072
	<u>1,081,762</u>	<u>1,456,751</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	28,098	26,644
Plant Reserve	39,086	39,174
Building Reserve	497,886	533,163
Joint Venture Housing Reserve	191,860	181,928
Recreation Facilities Reserve	14,644	49,582
Art Acquisition Reserve	9,479	8,988
Unspent Grants	284,638	98,594
Unspent Loans	0	223,999
	<u>1,065,691</u>	<u>1,162,072</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	10,892	8,645
Provision for Doubtful Debts	(15,267)	(15,267)
Sundry Debtors	456,838	577,939
GST Receivable	3,377	1,212
Loans - Clubs/Institutions	0	0
	<u>455,840</u>	<u>572,529</u>
Non-Current		
Rates Outstanding - Pensioners	2,624	1,851
Accrued Interest on Investments	3,314	0
	<u>5,938</u>	<u>1,851</u>
5. INVENTORIES		
Current		
Fuel and Materials	25,936	18,940
History Books	138	150
Land Held for Resale - Cost		
Cost of Acquisition	0	0
Development Costs	0	0
	<u>26,074</u>	<u>19,090</u>
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	0	0
Development Costs	0	0
	<u>0</u>	<u>0</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	6,469,114	5,820,195
Less Accumulated Depreciation	<u>(1,298,674)</u>	<u>(1,182,540)</u>
	5,170,440	4,637,655
Furniture and Equipment - Cost	386,355	381,355
Less Accumulated Depreciation	<u>(264,360)</u>	<u>(255,430)</u>
	121,995	125,925
Plant and Equipment - Cost	2,817,327	2,757,613
Less Accumulated Depreciation	<u>(1,130,756)</u>	<u>(1,154,729)</u>
	1,686,571	1,602,884
Plant and Equipment Under Lease	0	0
Less Accumulated Amortisation	<u>0</u>	<u>0</u>
	0	0
	<u>6,979,006</u>	<u>6,366,464</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

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 & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Total \$
Balance as at the beginning of the year	4,637,655	125,925	1,602,884	6,366,464
Additions	648,919	5,000	352,875	1,006,794
(Disposals)			-83,774	-83,774
Revaluation - Increments - (Decrements)				0 0
Impairment - (Losses) - Reversals				0 0
Depreciation (Expense)	-116,134	-8,930	-185,414	-310,478
				0
Carrying amount at the end of year	<u>5,170,440</u>	<u>121,995</u>	<u>1,686,571</u>	<u>6,979,006</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
7. INFRASTRUCTURE		
Roads - Management Valuation 2012		
Roads - Management Valuation 2011		
Roads - Cost	15,051,077	14,767,688
Less Accumulated Depreciation	<u>(6,801,192)</u>	<u>(6,571,192)</u>
	8,249,885	8,196,496
Parks, Gardens, Reserves - Cost	1,233,359	1,131,130
Less Accumulated Depreciation	<u>(366,587)</u>	<u>(340,554)</u>
	866,772	790,576
	<u>9,116,657</u>	<u>8,987,072</u>

Council have adopted a policy of re-valuing with sufficient regularity to ensure the carrying amount of each road asset is fairly stated at reporting date.

This policy also accords with AASB 116.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

7. INFRASTRUCTURE (Continued)

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.

	Roads	Parks, Gardens, reserves		Total
	\$	\$		\$
Balance at the beginning of the year	8,187,589	790,576		8,978,165
Additions	292,296	102,230		394,526
(Disposals)				0
Revaluation - Increments				0
- (Decrements)				0
Impairment - (Losses)				0
- Reversals				0
Depreciation (Expense)	-230,000	-26,034		-256,034
				0
Carrying amount at the end of year	<u>8,249,885</u>	<u>866,772</u>	<u>0</u>	<u>9,116,657</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	113,958	572,674
Accrued Interest on Debentures	6,195	7,234
Accrued Salaries and Wages	0	0
	<u>120,153</u>	<u>579,908</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	37,077	34,671
Lease Liability	0	0
	<u>37,077</u>	<u>34,671</u>
Non-Current		
Secured by Floating Charge		
Debentures	299,525	336,602
Lease Liability	0	0
	<u>299,525</u>	<u>336,602</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	91,773	70,813
Provision for Long Service Leave	96,806	67,403
	<u>188,579</u>	<u>138,216</u>
Non-Current		
Provision for Long Service Leave	27,583	27,828
	<u>27,583</u>	<u>27,828</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012 \$	2012 Budget \$	2011 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	26,644	26,644	25,205
Amount Set Aside / Transfer to Reserve	1,454	1,066	1,439
Amount Used / Transfer from Reserve	0	0	0
	<u>28,098</u>	<u>27,710</u>	<u>26,644</u>
(b) Plant Reserve			
Opening Balance	39,174	39,174	44,562
Amount Set Aside / Transfer to Reserve	2,139	1,576	2,362
Amount Used / Transfer from Reserve	(2,227)	(1,800)	(7,750)
	<u>39,086</u>	<u>38,950</u>	<u>39,174</u>
(c) Building Reserve			
Opening Balance	533,163	533,163	581,707
Amount Set Aside / Transfer to Reserve	29,107	21,560	31,856
Amount Used / Transfer from Reserve	(64,384)	(52,320)	(80,400)
	<u>497,886</u>	<u>502,403</u>	<u>533,163</u>
(d) Joint Venture Housing Reserve			
Opening Balance	181,928	181,928	160,999
Amount Set Aside / Transfer to Reserve	9,932	7,282	20,929
Amount Used / Transfer from Reserve	0	(150,000)	0
	<u>191,860</u>	<u>39,210</u>	<u>181,928</u>
(e) Recreation facilities Reserve			
Opening Balance	49,582	49,582	46,906
Amount Set Aside / Transfer to Reserve	2,706	1,988	2,676
Amount Used / Transfer from Reserve	(37,645)	(40,000)	0
	<u>14,643</u>	<u>11,570</u>	<u>49,582</u>
(f) Art Acquisition Reserve			
Opening Balance	8,988	8,988	8,503
Amount Set Aside / Transfer to Reserve	491	362	485
Amount Used / Transfer from Reserve	0	0	0
	<u>9,479</u>	<u>9,350</u>	<u>8,988</u>
TOTAL CASH BACKED RESERVES	<u><u>781,052</u></u>	<u><u>629,193</u></u>	<u><u>839,479</u></u>

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

11. RESERVES - CASH BACKED (Continued)

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

Leave Reserve

- to be used to fund long service leave requirements.

Plant Reserve

- to be used for the purchase of plant items as per Council's Plant Replacement Program.

Building Reserve

- to be used for the construction and acquisition of buildings.

Heritage Reserve

- to be used to fund projects of a heritage nature.

Community Homes Reserve

- to be used to to finance the operation of the Williams Aged Persons Housing in New Street, Williams and to finance the construction of future Community Homes.

Joint Venture Housing Reserve

- to be used to finance long term maintenance requirements of Sandalwood Court and to finance new joint venture housing construction.

Recreation Facilities Reserve

- to be used to finance capital improvements of existing recreation facilities and to fund acquisition of future recreation facilities.

Art Acquisition Reserve

- to be used for the purchase of art pieces for the Williams Art Collection.

12. RESERVES - ASSET REVALUATION

2012
\$

2011
\$

Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:

(a) **Land and Buildings**

Opening balance	891,189	891,189
Revaluation Increment	0	0
Revaluation Decrement	0	0
	891,189	891,189

(b) **Roads**

Opening Balance	22,398	22,398
Revaluation Increment	0	0
Revaluation Decrement	0	0
	22,398	22,398

TOTAL ASSET REVALUATION RESERVES

913,587

913,587

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	2012 \$	2012 Budget \$	2011 \$
Cash and Cash Equivalents	<u>1,081,762</u>	<u>634,193</u>	<u>1,456,751</u>

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

Net Result	705,828	1,204,300	1,357,521
Amortisation	0	0	0
Depreciation	566,511	571,700	562,716
(Profit)/Loss on Sale of Asset	(31,227)	52,220	8,075
(Increase)/Decrease in Receivables	160,822	538,742	(494,380)
(Increase)/Decrease in Inventories	(6,985)	(910)	3,912
Increase/(Decrease) in Payables	(492,598)	(492,698)	131,361
Increase/(Decrease) in Employee Provisions	50,118	24,000	17,640
Grants/Contributions for the Development of Assets	<u>(818,285)</u>	<u>(1,523,100)</u>	<u>(1,300,127)</u>
Net Cash from Operating Activities	<u>134,184</u>	<u>374,254</u>	<u>286,718</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft limit	100,000	100,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	20,000	20,000
Credit Card Balance at Balance Date	0	0
Total Amount of Credit Unused	<u>120,000</u>	<u>120,000</u>

Loan Facilities

Loan Facilities - Current	37,077	34,671
Loan Facilities - Non-Current	<u>299,525</u>	<u>336,602</u>
Total Facilities in Use at Balance Date	<u>336,602</u>	<u>371,273</u>

Unused Loan Facilities at Balance Date	<u>0</u>	<u>223,999</u>
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**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

14. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2012.

15. CAPITAL AND LEASING COMMITMENTS

2012	2011
\$	\$

There were no financial lease commitments at 30 June 2012.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

16. JOINT VENTURE

The Shire has a joint venture arrangement with Homeswest for the provision of housing at Sandalwood Court and Wandoo Cottages in Growse Street, Williams. The assets are land and 8 X 2 bedroom units. The ownership of the assets is determined by an equity agreement and Council's share of the assets are included in the Land & Buildings as follows. The Shire together with the Shire of Boddington has an arrangement for the supply of a vehicle for the medical service. The only assets are a motor vehicle. Council's share of the asset is included in Plant & Equipment as follows:

	2012	2011
	\$	\$
Non-Current Assets		
Land & Buildings	213,392	213,392
Plant & Equipment	8,074	8,074
Less: Accumulated Depreciation	<u>(50,905)</u>	<u>(46,234)</u>
	<u><u>170,561</u></u>	<u><u>175,232</u></u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	1,512,956	1,555,376
General Purpose Funding	16,830	10,146
Law, Order, Public Safety	15,305	306,265
Health	78,034	102,186
Education and Welfare	736,036	676,975
Housing	460,724	438,799
Community Amenities	59,259	44,954
Recreation and Culture	3,422,091	3,165,373
Transport	10,163,532	10,044,077
Economic Services	458,668	203,235
Other Property and Services	439,033	239,099
Unallocated	302,809	617,272
	<u><u>17,665,277</u></u>	<u><u>17,403,757</u></u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

18. FINANCIAL RATIOS	2012	2011	2,010
Current Ratio	1.4405	1.1773	0.5992
Untied Cash to Unpaid Trade Creditors Ratio	0.1410	0.5145	0.5116
Debt Ratio	0.0381	0.0642	0.0492
Debt Service Ratio	0.0189	0.0293	0.0163
Gross Debt to Revenue Ratio	0.1070	0.0132	0.0812
Gross Debt to Economically Realisable Assets Ratio	0.0393	0.0440	0.0231
Rate Coverage Ratio	0.3257	0.3055	0.0400
Outstanding Rates Ratio	0.0104	0.0078	0.0367

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{gross debt}}{\text{total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{gross debt}}{\text{economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{net rate revenue}}{\text{operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{rates outstanding}}{\text{rates collectable}}$

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

19. TRUST FUNDS

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

	Balance 1-Jul-11	Amounts Received	Amounts Paid	Balance 30-Jun-12
	\$	\$	(\$)	\$
Housing Bonds	10,246	2,652	(2,664)	10,234
Building Deposits	2,512	0	(500)	2,012
Sale of Land for Rates	60,008	0	0	60,008
Subdivision Bond	49,178	0	0	49,178
Public Open Space Contribution	20,000	0	0	20,000
Recycling Shed Community Fund	1,226	2,107	0	3,333
Nomination Deposit	0	200	(200)	0
CLGF Regional Fund	0	3,123,729	(263,483)	2,860,246
	<u>143,170</u>	<u>3,128,688</u>	<u>(266,847)</u>	<u>3,005,011</u>

20. DISPOSALS OF ASSETS - 2011/12 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Transport						
Caterpillar 12H Grader	83,773	135,820	115,000	100,000	31,227	-35,820
					0	0
					0	0
					0	0
	<u>83,773</u>	<u>135,820</u>	<u>115,000</u>	<u>100,000</u>	<u>31,227</u>	<u>-35,820</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1-Jul-11 \$	New Loans \$	Principal Repayments		Principal 30-Jun-12		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
transport								
Loan #63 Plant	106,273		27,824	27,824	78,449 0 0	78,449	7,000	7,000
Other Property & Services								
Loan #65 Industrial Land	265,000		6,847	6,847	258,153	258,153	16,936	16,936
	371,273	0	34,671	34,671	336,602	336,602	23,936	23,936

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

(b) New Debentures - 2011/12

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
		303,000								

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

21. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-11 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-12 \$
		0	0	0	0

(d) Overdraft

Council established an overdraft facility of \$150,000 in 2008 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2011 and 30 June 2012 was \$Nil.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

22. RATING INFORMATION - 2011/12 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate											
GRV Residential	4.0560	139	1,627,885	66,027	0	0	66,027	64,922			64,922
GRV Industrial/Commercial	5.0440	22	781,027	39,395	0	0	39,395	39,395			39,395
UV Rural/Mining	0.0515	299	212,959,029	1,096,739	0	0	1,096,739 0	1,098,973			1,098,973 0
Sub-Totals		460	215,367,941	1,202,161	0	0	1,202,161	1,203,290	0	0	1,203,290
Minimum Rates	Minimum \$										
GRV Townsites	380	138	600,361	52,440			52,440	52,440			52,440
GRV Industrial/Commercial	380	15	41,520	5,700			5,700	7,220			7,220
UV Rural/Mining	450	15	755,764	6,750			6,750 0	6,300			6,300 0
Sub-Totals		168	1,397,645	64,890	0	0	64,890	65,960	0	0	65,960
Ex-Gratia Rates							1,267,051				1,269,250
Specified Area Rate (refer note 23)							12,084 0				12,100 0
Discounts (refer note 25)							1,279,135				1,281,350 0
Totals							1,279,135				1,281,350

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

23. SPECIFIED AREA RATE - 2011/12 FINANCIAL YEAR

The Shire of Williams did not raise specified area rates in 2011/2012.

24. SERVICE CHARGES - 2011/12 FINANCIAL YEAR

The Shire of Williams did not raise any service charges for 2011/2012.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2011/12 FINANCIAL YEAR**

The Shire of Williams did not grant any discount on rates, waiver or write of charges for 2011/2012.

26. INTEREST CHARGES AND INSTALMENTS - 2011/12 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		2,450	5,000
Interest on Instalments Plan	5.50%		5,931	4,800
Charges on Instalment Plan		25	3,250	3,000
			11,631	12,800

Ratepayers had the option of paying rates in four equal instalments, due on 22nd September 2011, 24th November 2011, 2nd February 2012 and 5th April 2012. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2012 \$	2011 \$
Governance	13,600	13,588
General Purpose Funding	4,198	2,602
Law, Order, Public Safety	949	1,019
Health	2,435	2,995
Education and Welfare	12,965	10,962
Housing	70,234	66,247
Community Amenities	109,086	91,979
Recreation and Culture	47,715	33,976
Transport	45,299	45,731
Economic Services	16,755	35,745
Other Property and Services	575,747	284,122
	898,983	588,966

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

28. GRANT REVENUE

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

	2012	2011
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	857,010	894,236
Non-Operating Grants, Subsidies and Contributions	<u>818,285</u>	<u>1,300,127</u>
	<u><u>1,675,295</u></u>	<u><u>2,194,363</u></u>
By Program:		
Governance	24,669	32,043
General Purpose Funding	465,680	341,818
Law, Order, Public Safety	129,164	315,153
Health	1,014	3,348
Education and Welfare	121,386	45,989
Housing	19,175	148
Community Amenities	15,879	39,046
Recreation and Culture	506,083	327,765
Transport	319,901	932,843
Economic Services	30,957	18,770
Other Property and Services	<u>41,387</u>	<u>137,440</u>
	<u><u>1,675,295</u></u>	<u><u>2,194,363</u></u>

29. ELECTED MEMBERS REMUNERATION

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

	2012	2012	2011
	\$	Budget	\$
		\$	
Meeting Fees	13,549	17,000	16,067
President's Allowance	3,500	3,500	2,675
Deputy President's Allowance	0	0	0
Travelling Expenses	2,978	3,500	3,216
Telecommunications Allowance	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>20,027</u></u>	<u><u>24,000</u></u>	<u><u>21,958</u></u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

	2012	2011
	<u><u>20</u></u>	<u><u>19</u></u>

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012**

31. MAJOR LAND TRANSACTIONS

The Shire of Williams has not been involved in any major land transactions in the 2010/2011 financial year or the 2011/2012 financial year.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2011/12 financial year.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

33. FINANCIAL RISK MANAGEMENT

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

Council 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 Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	1,083,861	1,456,751	1,083,861	1,456,751
Receivables	459,671	574,380	459,671	574,380
	<u>1,543,532</u>	<u>2,031,131</u>	<u>1,543,532</u>	<u>2,031,131</u>
Financial Liabilities				
Payables	113,958	572,674	113,958	572,674
Borrowings	336,602	371,273	336,602	371,273
	<u>450,560</u>	<u>943,947</u>	<u>450,560</u>	<u>943,947</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

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

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2012	2011
	\$	\$
Impact of a 10% (*) movement in interest rates on cash and investments:		
- Equity		
- Statement of Comprehensive Income		

Notes:

(*) Sensitivity percentages based on management's expectation of future possible market movements.

Recent market volatility has seen large market movements for certain types of investments.

Impact of a 1% (*) movement in interest rates on cash and investments:

- Equity
- Statement of Comprehensive Income

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council 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 Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council 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.

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

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

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

	2012	2011
Percentage of Rates and Annual Charges		
- Current	30.19%	100.00%
- Overdue	69.81%	0.00%
Percentage of Other Receivables		
- Current	46.82%	61.89%
- Overdue	53.18%	38.11%

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2012</u>					
Payables	113,958	0	0	113,958	113,958
Borrowings	<u>0</u>	<u>78,449</u>	<u>258,153</u>	<u>336,602</u>	<u>336,601</u>
	<u><u>113,958</u></u>	<u><u>78,449</u></u>	<u><u>258,153</u></u>	<u><u>450,560</u></u>	<u><u>450,559</u></u>
<u>2011</u>					
Payables	572,673	0	0	572,673	572,673
Borrowings	<u>0</u>	<u>106,273</u>	<u>265,000</u>	<u>371,273</u>	<u>371,273</u>
	<u><u>572,673</u></u>	<u><u>106,273</u></u>	<u><u>265,000</u></u>	<u><u>943,946</u></u>	<u><u>943,946</u></u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings (Continued)

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

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

	<u><1 year</u>	<u>>1<2 years</u>	<u>>2<3 years</u>	<u>>3<4 years</u>	<u>>4<5 years</u>	<u>>5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
<u>Year Ended 30 June 2012</u>								
Payables								
Borrowings								
Fixed Rate								
Debentures	37,076	39,647	25,040	8,799	9,368	216,671	336,601	6.51%
Weighted Average Effective Interest Rate	6.65%	6.65%	6.65%	6.37%	6.37%	6.37%		
<u>Year Ended 30 June 2011</u>								
Payables								
Borrowings								
Fixed Rate								
Debentures	34,671	37,076	39,647	25,040	8,799	226,040	371,273	6.61%
Weighted Average Effective Interest Rate	6.65%	6.65%	6.65%	6.65%	6.65%	6.37%		

SHIRE OF WILLIAMS

INDEPENDENT AUDIT REPORT TO THE ELECTORS OF THE SHIRE OF WILLIAMS

I have audited the accompanying financial report of the **Shire of Williams** which comprises the balance sheet, income statements, cash flow statement, rate setting statement and supporting notes for the year ended **30 June 2012**.

Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) (**the Act**) and the Local Government (Financial Management) Regulations 1996 (as amended) (**the Regulations**). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain evidence about amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial report whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council and the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit I have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In my opinion the financial report of the **Shire of Williams** is in accordance with the Act and the Regulations including giving a true and fair view of the shire's financial position as at **30 June 2012** and the results of its operations for the year ended on that date and complying with Australian Accounting Standards.

Other Matters

In accordance with the Regulations I report that in my opinion,

- (a) There were no matters that indicated a significant adverse trend in the financial position or the financial management practices of the shire,
- (b) There were no material matters noted by me indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls in any other written law,
- (c) All necessary information and explanations were obtained by me and
- (d) All audit procedures were satisfactorily completed in conducting my audit.



Gregory Froomes Wyllie CPA

Perth, Western Australia

17 September 2012