

SHIRE OF WILLIAMS



The Northern Entry Statement, Albany Highway

ANNUAL REPORT

2008/2009

2008/2009 ANNUAL REPORT

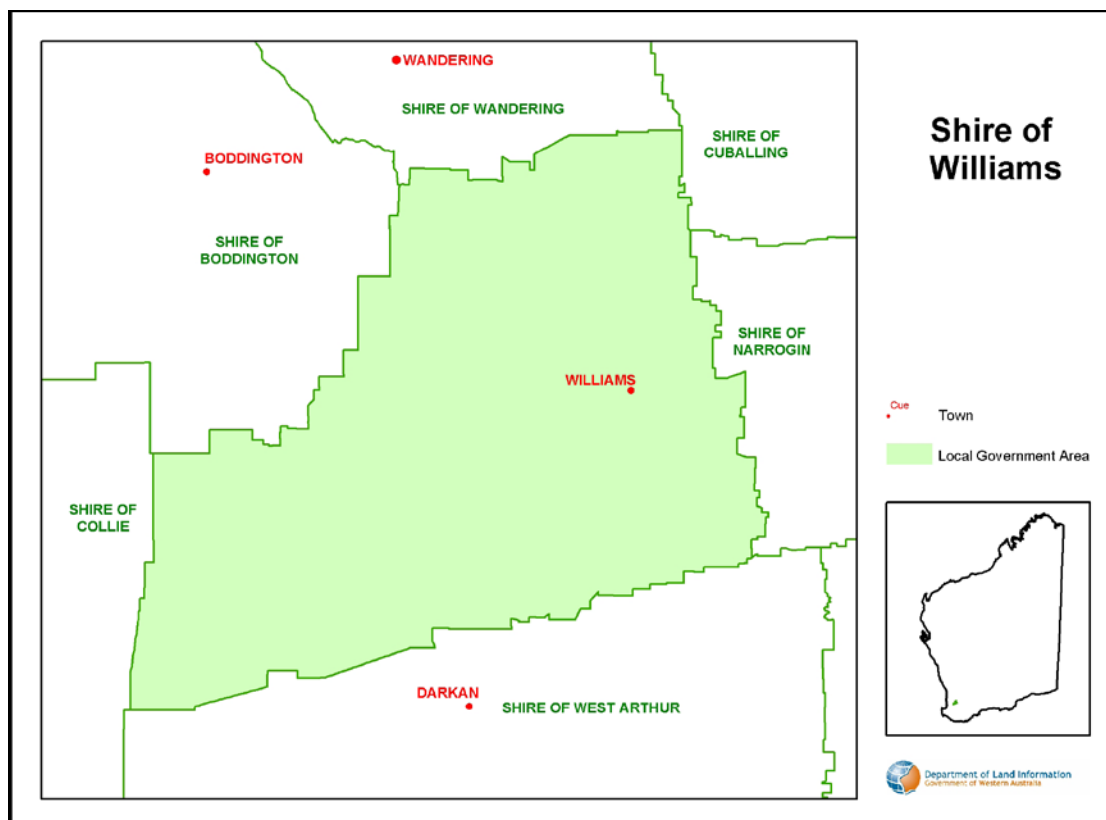
SHIRE OF WILLIAMS

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:	8:30am – 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

Council will endeavour to maintain and improve the quality of life in the Shire of Williams. The Council will strive for recognition of a thriving community with an historical identity and encourage its future development.



Photo - Roses in Brooking Street, Williams

COUNCIL MEMBERS

JES (John) Cowcher – President

Elected to Office in 1993

Retiring 2011

Phone: 9885 6013

Fax: 9885 6067

DS (David) Earnshaw – Deputy President

Elected to Office in 2005

Retiring 2009

Phone: 9885 8070

Fax: 9885 8075

AJ (Ashley) Stone

Elected to Office in 1999

Retiring 2011

Phone: 9885 6045

Fax: 9885 6064

RF (Richard) Johnstone

Elected to Office in 2005

Retiring 2009

Phone: 9885 1113

Fax: 9885 1413

M (Moya) Carne

Elected to Office in 2003

Retiring 2011

Phone: 9885 1053

Fax: 9885 1053

GC (Graham) Prowse

Elected to Office in 2005

Retiring 2009

Phone: 9885 1134

Fax: 9885 1334

GM (Greg) Cavanagh

Elected to Office in 2005

Retiring 2011

Phone: 9885 7092

Fax: 9885 7092

GH (Gilbert) Medlen

Elected to Office in 2007

Retiring 2011

Phone: 9885 8077

Fax: 9885 8077

Position Vacant

Retiring 2011

COUNCIL STAFF

NUMBER OF EMPLOYEES: 23 (FTE's)

CHIEF EXECUTIVE OFFICER: V (Jim) Epiro (To December 2008)
RN (Ryan) Duff (From February 2009)

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

LANDCARE COORDINATOR: N (Nicholas) Samson

COMMUNITY DEVELOPMENT OFFICER: HJ (Heidi) Cowcher

SWIMMING POOL MANAGER: DC (Dennis) Valenta

SHIRE STATISTICS & INFORMATION

Distance from Perth (km)	161
Area (sq km)	2,295
Length sealed roads (km)	166
Length unsealed roads (km)	388
Population	970
Councillors	9
Electors	718
Dwellings	455
Employees (FTE's)	23
Rates (2009)	\$ 1,127,825
Revenue (2009)	\$ 3,629,973

History of Shire:

The District of Williams was first explored in 1831 by Captain Bannister en route from Perth to King George 111 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

Nine (9) Councillors

Chief Executive Officer

Mr Jim Epiro (To December 2008)

Mr Ryan Duff (From February 2009)

**Environmental Health Officer/
Building Surveyor
Mr Steve Friend**

**Deputy
Chief Executive Officer
Mr Ian Ball**

**Works Supervisor
Mr Tony Kett**

Responsible for:

Town Planning Functions
Health Administration and
Inspections
Building Applications
Swimming Pool
Refuse Site Management

Responsible for:

Community Service
Finance Administration
Accounting and Budgeting
Rents, Rates and Charges
Shire Housing
Library Management
Payroll
Asset and Stock Control
Grant Applications
Financial Reporting
Compliance Attending
Personnel Management
Statutory Obligations
Recreation Pavilion, Hall,
Public Buildings

Responsible for:

Road Construction
and Maintenance
Parks, Gardens
Ovals & Reserves
Street Cleaning
Private Works
Drainage
Footpaths
Street Trees

COUNCIL FACILITIES

WILLIAMS

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 2 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 Works Depot compound in which approved chemical containers may be deposited when inspectors are in attendance on a designated *DRUM MUSTER* day. 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.

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.

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.

FINANCIAL SNAPSHOT

Financial Sustainability

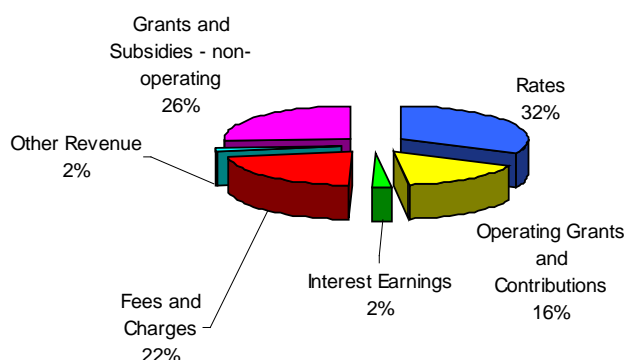
The Shire of Williams has been classified “**sustainable**” as a Council in a report compiled by Access Economics produced in June 2009 and based on Council balance sheets from June 2005 to June 2008. The report assessed Council’s current financial position, current financial performance, infrastructure-related obligations and performance, financial capacity and financial sustainability.

Operating Result

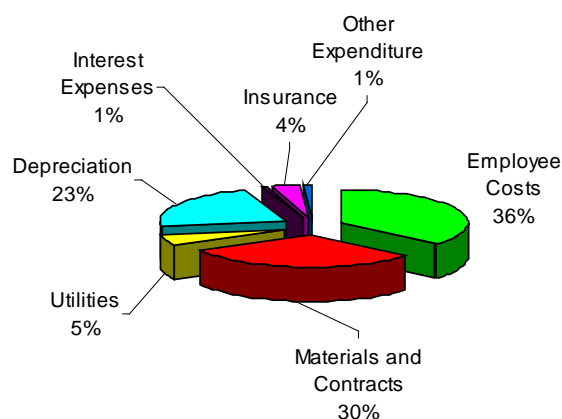
The operating surplus reported for 2008/2009 is \$1.216 million. This was \$760,912 more than the 2007/2008 actual result (which was influenced by the introduction of the Royalties for Regions Grant and Main Roads contribution for taking on the Darkan-Williams Rd) and \$1.016 million more than the 2008/2009 Budget.

The diagrams below show the break up of revenue and expenditure.

Operating Revenue



Operating Expenditure



Summary	Actual 2008/2009	Budget 2008/2009	Actual 2007/2008
Total Operating Revenues	\$ 3,570,813	\$ 2,417,130	\$ 2,329,750
Total Operating Expenditure	\$ 2,414,233	\$ 2,241,170	\$ 2,222,858
Net gain/(loss) on disposal of assets	\$ 59,160	\$ 23,330	\$ 343,936
Net Operating Result	\$ 1,215,740	\$ 199,290	\$ 450,828

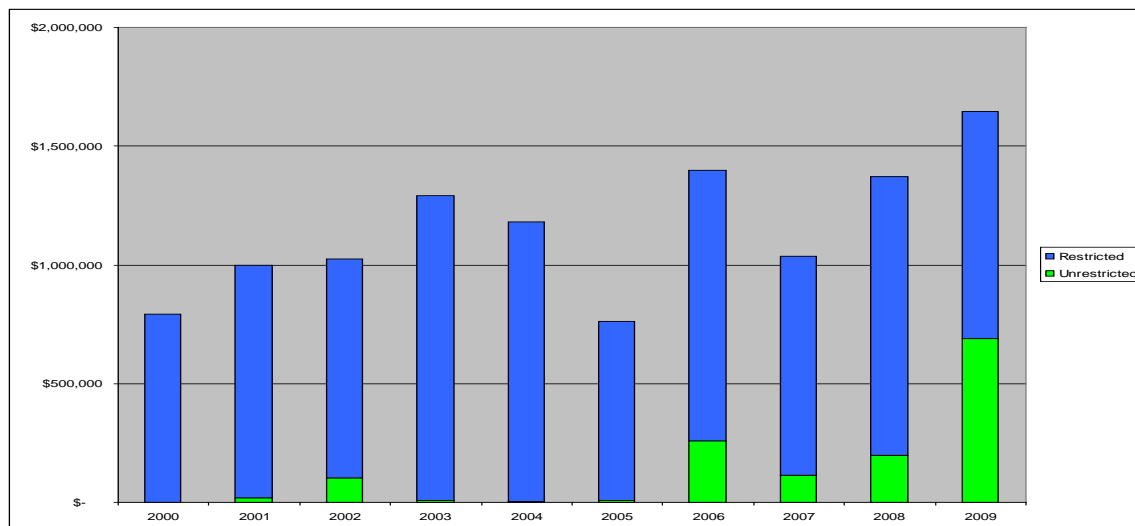
Capital Expenditure

Council capital expenditure for 2008/09 is listed below:

CEO Residence - Completion total \$489,068	172,301.48
Refuse Site Recycling Shed	6,670.00
Recreation Ground Shade Sails	48,056.00
Swimming Pool Amenities Upgrade	3,000.00
Swimming Pool Blanket	15,109.09
Pavilion PA System	6,740.97
Swimming pool Heart Start Machine	5,535.00
Drawn Roller	32,143.00
Boddington Doctor's Vehicle	8,074.00
Tandem Pig Trailer	55,200.00
Isuzu 6 Wheel Truck	189,895.00
Transportable Radar Speed Display	17,237.70
Narrakine Road - Re-align, widen and seal 4km	431,909.53
Quindanning Darkan Rd - Widen and seal 2km	159,160.04
York Williams Road	3,771.87
Zilko Road - various small seals	12,104.86
Piesse Street - Drainage	61,349.41
Marradong Road - Widen and seal 2km	142,664.78
Dual Use Footpath - Piesse/Fry St	59,603.13
Total Capital Expenditure 2008/2009	1,430,525.86

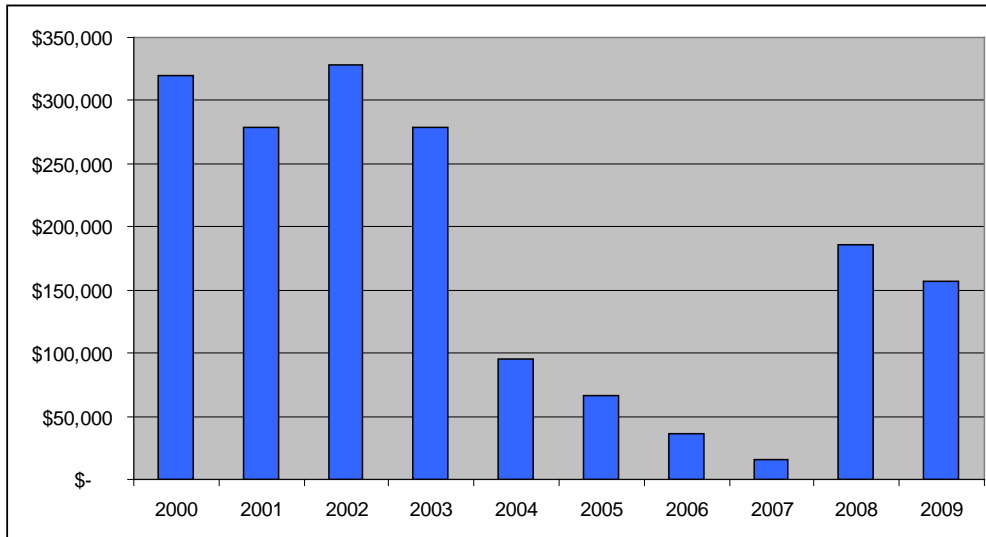
Cash and Reserves

Council had cash holdings of \$1.645 million as at the 30th June 2009. This was some \$276,127 more than the 2007/2008 actual result.



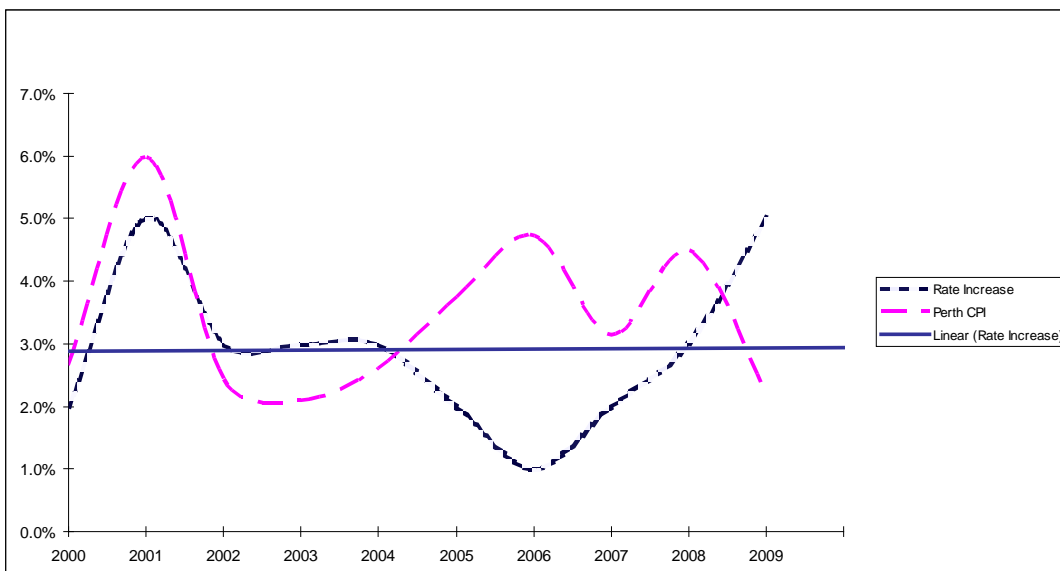
Loans

Council loan liability for the year ended 30th June 2009 was \$156,545 repayable at an interest rate of 6.93%. The Shire of Williams has extremely low external debt and has additional scope for appropriate borrowings to finance long-lived infrastructure assets.



Rates

Council adopted a 5% general rate increase in 2008/09. This resulted in a total rate collection of \$1,127,825 compared to \$1,074,069 the previous year. Although the increase this financial year is slightly higher than previous years, the average rate increase since 2000 has been 3% which is slightly below the average CPI increase for the same period.





PRESIDENT'S REPORT

Once again, it gives me great pleasure as Shire President to be reporting on the achievements of Council over the last twelve months. It has been a significant year in Council's recent history, with the resignation of our long serving Chief Executive Officer, Jim Epiro, and the employment of his replacement Ryan Duff. We all wish Jim the very best in his retirement and welcome Ryan, Sara and family back to Williams and employment at the Shire where he commenced his Local Government career.

Other staff changes that have occurred over the last 12 months have included the resignation of Natalie Thomas as Natural Resource Management Officer, replaced by Nicholas Samson. Unfortunately with funding no longer available for the position, Nick too has resigned. The Shire does not currently have a NRMO. The Shire, together with the Bowling Club and the Golf Club resolved to employ a Greenkeeper to assist with the maintenance of the various sporting greens throughout town, and has employed Aaron Goulden.

As in previous years, Council has overseen a number of significant capital works projects over the last 12 months. These are inevitable as we strive to provide excellent facilities for our community. Some of these have included the completion of new CEO residence at Lot 3 Munthoola Road, dual use pathways along Rosselloty, Piesse and Fry Streets, Roads to Recovery Funding which has assisted with the ongoing upgrading of roads throughout the Shire, shade sails at the Williams Recreation ground Pavilion and significant drainage works on Piesse Street. Council has also been working on the further development of a number of projects, which should come to fruition over the next few years – these include the Williams Swimming Pool amenities building upgrade and the proposed Industrial subdivision project.

During the year the Landcorp subdivision was released onto the market. The initial stage of the subdivision includes 18 blocks. It is hoped that this alleviates the pressure of the lack of blocks that have been available in the townsite in the past. We look forward to stage 2 being completed ready for sale.

The Works Crew continue their good work in maintaining and upgrading the Shire roads. Much time has been spent on significant roads throughout the Shire and others that needed to be upgraded to bring them to a reasonable standard. It is once again a credit to the Shire Works Supervisor, Tony Kett and his team.

The Shire of Williams, together with the Shires of Narrogin and West Arthur and the Town of Narrogin, received funding to assist with the purchase of a Speed Alert Mobile (SAM) trailer. This can be programmed to alert oncoming traffic of road conditions, work or simply highlight the vehicle speed.

Council has also embarked on introducing kerbside recycling for the town residents. This follows the community's request that this be introduced to reduce the amount of recyclable waste that is deposited at the refuse site. In addition, the Shire completed the construction of the recycling shed located at the refuse site. This shed has been designed to accommodate pre-loved goods that can be sold for a small donation (currently being forwarded to Williams SJA to assist with their fundraising for their new building), and thereby reducing the amount of unwanted items being dumped.

The Shire received \$469,371 from the Royalties for Regions Country Local Government Fund program. This amount of money allowed the Shire help sporting and community groups with projects that otherwise

would have had to have been funded through the Shire. A conscious decision was made not to spend the funding on road works, as this would affect future road funding. The distribution was made to the following groups and projects: Williams Swimming Pool \$311,371; Tarwonga Tennis Club \$60,000; Williams St John Ambulance sub-centre \$50,000; Williams Tennis Club \$40,000 and Williams Cricket Association \$8000. Further funding from this source will be made available for the next two years at least.

During the year we have held talks with representatives from the Shire of West Arthur re: boundary changes that may have been beneficial to both Shires, but due to negative feedback from concerned property owners, it was decided not to proceed and leave the boundaries as they currently are.

A community survey was conducted by Council to get feedback from electors on many issues including Council services and the amalgamation issue that came to the forefront of Council's mind in early 2009. Council has been forced to consider amalgamations along with Councillor representation and ward boundaries. Council considered all of these issues over the year, taking a considerable amount of time and staff resources to present its position to the Minister for Local Government in September 2009. Council unreservedly has resolved to "stand alone" and not consider or support amalgamations of any description for the Shire of Williams. Williams is a sustainable Council, despite the low General Purpose Grant we receive, and one that can serve and provide for the community well into the future. In addition to this, Council supported the retention of the status quo for Councillor representation, ie: 9 Councillors and supported the retention of no wards for the Shire of Williams. Council has indicated its desire to continue to work with the 4WD Alliance of Councils (Williams, West Arthur, Wagin, Woodanilling and Dumbleyung), with a view of continued resource sharing to benefit the services provided in each respective Shire. I would like to take this opportunity, on behalf of Council, to extend our appreciation to all staff who have contributed to the addressing of the amalgamation issue over the past year. It has been significant and at times frustrating, as the Minister gave no clear direction as to the process that was expected to be undertaken.

Even though not in this reporting period, Council has held elections recently. Cr Ashley Stone tendered his resignation which resulted in a vacancy, together with the vacancy left when Cr Gary Cowcher resigned, this meant we had 5 vacancies, as there were 3 standing Councillors due for re-election. The election was held in October 2009, with 7 nominations being received. The successful candidates were David Earnshaw, Richard Johnstone, Peter Paterson, Jarrad Logie and Natalie Major. I congratulate those re-elected and welcome the new Councillors. Cr Graham Prowse was not re-elected to Council. He was a dedicated Councillor who strove to do the best for the community at all times. I would like to thank him for his contribution over the last 4 years. I have been re-elected President and David Earnshaw has been elected Deputy for the next 2 years.

I wish to take this opportunity to thank Council for their dedication and support over the last twelve months. Council is not a "half a day, once a month" commitment, but much more than that. Many of the Councillors also represent the Shire on local and regional committees and attend these meetings as part of their commitment to serving the community. I thank them for their efforts and extend my appreciation to their commitment, which is often above and beyond, especially over the last twelve months, where there have been many more meetings to attend or represent Council at.

Administration staff are a credit to themselves and our community. Ryan Duff as CEO leads a strong, dedicated team of Ian Ball as Deputy CEO, Sharon Wilkie as Senior Administration Officer, Manuela Lenahan as Administration Officer, Heidi Cowcher as Community Development Officer and Steve Friend as Environmental Health/Building Officer. On behalf of Council, I extend our appreciation to them and thank them for providing our community with excellent customer service.

Cr JES Cowcher
Shire President
12 November 2009



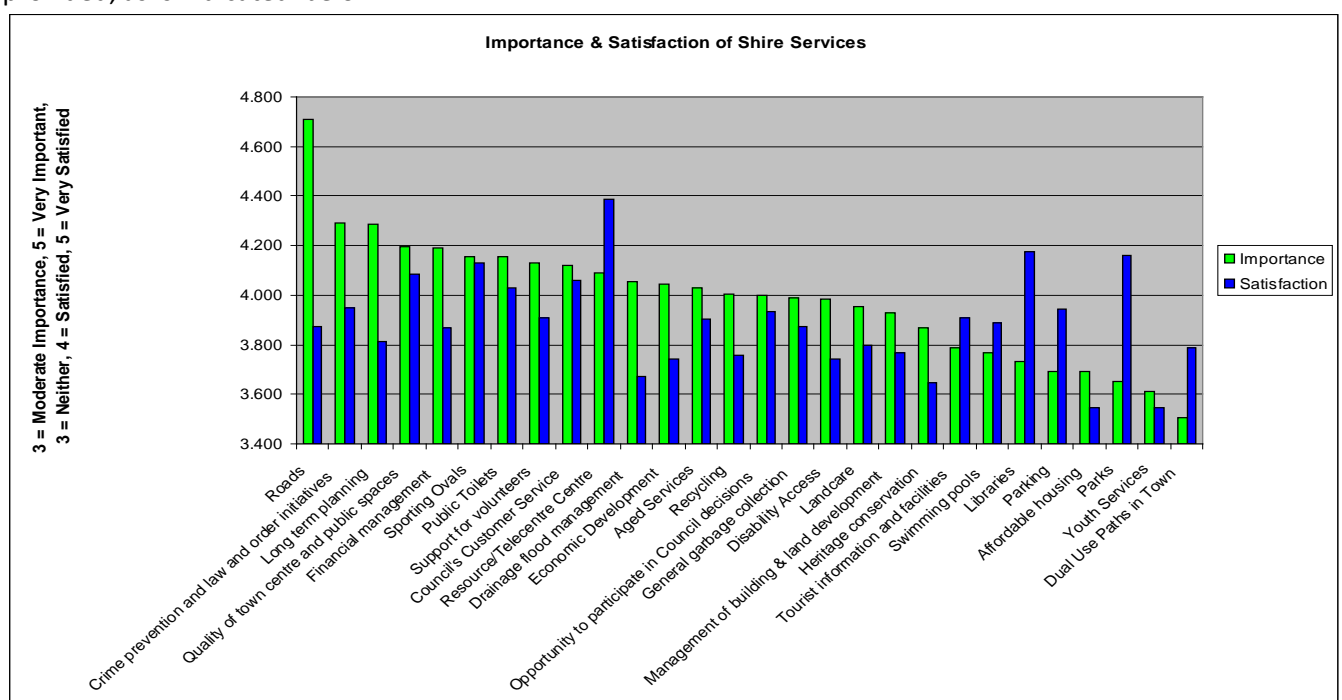
CHIEF EXECUTIVE OFFICER'S REPORT

It is with great pleasure that I present the Chief Executive Officer's report to the ratepayers of the Shire of Williams, having returned in February 2009 to the office where my local government career started and replacing the man who gave me my first job. Jim Epiro resigned in December 2008 after 17 years of loyal service to the Williams community.

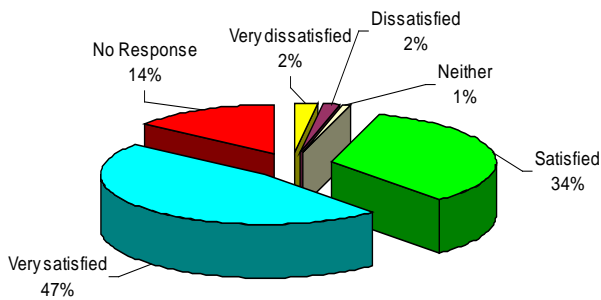
It has been a hectic return to Williams as there have been several issues that have consumed much of my time. The emotive GM debate was raised again after the Minister for Agriculture announced that GM Canola Trials would be allowed in Western Australia. A survey of the community was undertaken to give direction to the Council, and as a result a letter was sent to the Premier of Western Australia requesting that no GM Canola be allowed to be grown in the Shire for a 3 year period. To date no definitive answer has been given to the Shire as the moratorium on GM Canola in Western Australia is still current.

The other major issue this year was the Structural Reform Process implemented by the Minister for Local Government. In response to the Minister's request for all Councils to seriously look at structural reform, the Shire of Williams is preparing our reform submission to be submitted to the Minister by the 30th September 2009. The Shire of Williams response will be based on a stand alone Council scenario.

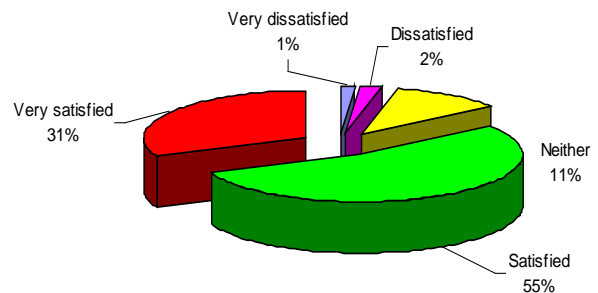
To gauge the Williams community's response to amalgamation and other structural reform issues the Shire surveyed all residents on what their preferred option of future local government will be and also how our local government is currently performing. The survey not only gave Council direction on structural reform but was also an excellent data set to help Shire staff improve their delivery of services to the community. The results also showed that the community were generally satisfied with the level and quality of service provided, as is indicated below:



Customer Service Satisfaction



Overall Council Performance



It is hoped to conduct another community survey in years to come to compare these results and continue to seek feedback from the community. I thank all those people who took the time out to complete this very important survey.

Volunteers

There are many ways that people volunteer their time for the betterment of the community, many who go unrecognised or unnoticed. Whether it be junior sport, umpiring, coaching, Tidy Towns, St Johns, Bushfire Brigades, charities and many others, you all make our community a better place to live.

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, especially the Shire President John Cowcher who has made my transition to Williams an easy one.

RN Duff

Chief Executive Officer

12th November 2009



Photo - New Shade Sails – Williams Recreation Ground

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 2008/2009 the Shire of Williams had no significant business activity; some private works were carried out for Main Roads WA and private resources.

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 2008/2009.

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 2008/2009.

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 2008/2009. As a result there were no obligations for structural reform under National Competition Policy.

RN Duff
Chief Executive Officer
12th November 2008



Photo – Williams Expo, April 2009

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. Some of these initiatives are listed in Appendix 1.

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 addresses 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
12th November 2009



Photo – Pride in Your Town Committee, Tidy Towns Competition

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.

In June 2007 Council was granted a five year approval. A fully revised plan will be provided to the State Records Commission before 15th September 2010.

RN Duff
Chief Executive Officer
12th November 2008



Photo – Williams Resource Centre

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.

Following is a summary of activities and outcomes for the 2008/2009 year:

ACTIVITY:	OUTCOME:
Council/Community Interaction	<ul style="list-style-type: none"> - News and Views published in "The Williams" - Hosting of the ANZAC Day Service and Australia Day Community Breakfast - Councillor's profiles on website - Monthly Radio interviews
Corporate Management	<ul style="list-style-type: none"> - Staff performance appraisals conducted annually - Insurances reviewed annually
Administration	<ul style="list-style-type: none"> - Council website: www.williams.wa.gov.au updated regularly - Computer software program upgraded - Records kept and maintained as per Record Keeping Plan
Plant Replacement Program	<ul style="list-style-type: none"> - Plant purchased: 6 Wheel tipper and pig trailer purchased from Plant Reserve Funds.
Works Program	<ul style="list-style-type: none"> - Marradong Rd – widening and sealing of 2.0km completed - Quindanning Darkan Rd – widening and sealing of 2.0km completed - Narrakine Rd – realignment and seal completed
Community Welfare	<ul style="list-style-type: none"> - No Action
Staff Housing	<ul style="list-style-type: none"> - Building of new CEO residence completed February 2009
Community Amenities	<ul style="list-style-type: none"> - Recycling service continued
Recreation & Culture	<ul style="list-style-type: none"> - Extension of dual use path from Fry Street, Piesse Street to Williams School - Plans drawn up for upgrade of Swimming pool amenities building - PA System purchased for the Sports Pavilion
Townscape	<ul style="list-style-type: none"> - Town signage improved



Photo – New Pool Blankets – Williams Swimming Pool

SHIRE OF WILLIAMS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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FINANCIAL REPORT

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

The attached financial report of the Shire of Williams being the annual financial report and other information for the financial year ended 30th June 2009 are in my opinion properly drawn up to present fairly the financial position of the Shire of Williams at 30th June 2009 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 _____ day of _____ 2009.

Ryan Duff
Chief Executive Officer

**SHIRE OF WILLIAMS
INCOME STATEMENT
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	22	1,136,677	1,127,825	1,074,069
Operating Grants, Subsidies and Contributions	28	583,400	462,750	504,467
Fees and Charges	27	785,812	349,680	353,552
Interest Earnings	2(a)	84,806	85,545	110,698
Other Revenue		54,685	50,000	8,676
		<u>2,645,380</u>	<u>2,075,800</u>	<u>2,051,462</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(882,746)	(804,340)	(739,051)
Materials and Contracts		(735,803)	(653,030)	(690,224)
Utility Charges		(124,461)	(110,000)	(105,797)
Depreciation on Non-Current Assets	2(a)	(545,093)	(543,490)	(537,687)
Interest Expenses	2(a)	(13,528)	(12,310)	(8,045)
Insurance Expenses		(87,059)	(97,000)	(96,882)
Other Expenditure		(25,543)	(21,000)	(45,172)
		<u>(2,414,233)</u>	<u>(2,241,170)</u>	<u>(2,222,858)</u>
		231,147	(165,370)	(171,396)
Non-Operating Grants, Subsidies and Contributions				
	28	925,433	341,330	278,288
Profit on Asset Disposals	20	59,160	23,330	357,822
Loss on Asset Disposal		<u>0</u>	<u>0</u>	<u>(13,886)</u>
NET RESULT		<u>1,215,740</u>	<u>199,290</u>	<u>450,828</u>

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

**SHIRE OF WILLIAMS
INCOME STATEMENT
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
REVENUES FROM ORDINARY ACTIVITIES				
Governance		90,660	63,240	282,432
General Purpose Funding		1,620,914	1,532,850	1,489,169
Law, Order, Public Safety		51,497	28,440	26,895
Health		50,930	800	610
Education and Welfare		51,092	46,090	44,795
Housing		61,422	61,460	58,371
Community Amenities		159,451	153,530	179,104
Recreation and Culture		558,949	58,980	88,787
Transport		411,650	372,520	382,919
Economic Services		49,876	32,050	28,274
Other Property and Services		523,532	90,500	106,217
	2 (a)	<u>3,629,973</u>	<u>2,440,460</u>	<u>2,687,573</u>
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		(217,968)	(208,240)	(158,628)
General Purpose Funding		(10,024)	(12,850)	(11,373)
Law, Order, Public Safety		(44,184)	(41,260)	(32,462)
Health		(46,586)	(27,280)	(41,583)
Education and Welfare		(88,787)	(83,820)	(79,055)
Housing		(48,541)	(51,560)	(59,158)
Community Amenities		(217,564)	(117,440)	(180,439)
Recreation & Culture		(503,464)	(466,143)	(471,164)
Transport		(958,356)	(1,060,030)	(988,296)
Economic Services		(86,343)	(85,070)	(83,615)
Other Property and Services		(180,093)	(74,570)	(122,927)
	2 (a)	<u>(2,401,910)</u>	<u>(2,228,263)</u>	<u>(2,228,700)</u>
BORROWING COSTS EXPENSE				
General Purpose Funding		(687)	(600)	(542)
Recreation & Culture		(33)	(57)	(274)
Transport		(11,445)	(12,060)	(6,709)
Economic Services		(158)	(190)	(520)
	2 (a)	<u>(12,323)</u>	<u>(12,907)</u>	<u>(8,045)</u>
NET RESULT		<u><u>1,215,740</u></u>	<u><u>199,290</u></u>	<u><u>450,828</u></u>

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

**SHIRE OF WILLIAMS
BALANCE SHEET
AS AT 30TH JUNE 2009**

	NOTE	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	1,645,864	1,369,737
Trade and Other Receivables	4	97,990	79,544
Inventories	5	11,514	10,280
TOTAL CURRENT ASSETS		<u>1,755,368</u>	<u>1,459,561</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	5,873,276	5,633,686
Infrastructure	7	6,972,298	6,357,327
TOTAL NON-CURRENT ASSETS		<u>12,845,574</u>	<u>11,991,013</u>
TOTAL ASSETS		<u>14,600,942</u>	<u>13,450,574</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	101,459	108,385
Long Term Borrowings	9	24,280	29,277
Provisions	10	109,453	168,211
TOTAL CURRENT LIABILITIES		<u>235,192</u>	<u>305,873</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	132,265	156,545
Provisions	10	43,286	13,697
TOTAL NON-CURRENT LIABILITIES		<u>175,551</u>	<u>170,242</u>
TOTAL LIABILITIES		<u>410,743</u>	<u>476,115</u>
NET ASSETS		<u>14,190,199</u>	<u>12,974,459</u>
EQUITY			
Retained Surplus		12,318,579	10,888,413
Reserves - Cash Backed	11	958,033	1,172,459
Reserves - Asset Revaluation	12	913,587	913,587
TOTAL EQUITY		<u>14,190,199</u>	<u>12,974,459</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 2009**

	NOTE	2009 \$	2008 \$
RETAINED SURPLUS			
Balance as at 1 July 2008		10,888,413	10,687,676
Net Result		1,215,740	450,828
Transfer from/(to) Reserves		214,426	(250,091)
Balance as at 30 June 2009		<u>12,318,579</u>	<u>10,888,413</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2008		1,172,459	922,368
Amount Transferred (to)/from Retained Surplus		(214,426)	250,091
Balance as at 30 June 2009	11	<u>958,033</u>	<u>1,172,459</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2008		913,587	913,587
Revaluation Increment		0	0
Revaluation Decrement		0	0
Balance as at 30 June 2009	12	<u>913,587</u>	<u>913,587</u>
TOTAL EQUITY		<u>14,190,199</u>	<u>12,974,459</u>

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

**SHIRE OF WILLIAMS
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,120,019	1,137,825	1,126,703
Operating Grants, Subsidies and Contributions		608,885	462,750	498,219
Fees and Charges		743,265	350,680	353,552
Service Charges		0	0	0
Interest Earnings		81,727	86,000	110,699
Goods and Services Tax		171,655	140,000	137,130
Other Revenue		0	0	0
		<u>2,725,551</u>	<u>2,177,255</u>	<u>2,226,303</u>
Payments				
Employee Costs		(891,755)	(804,340)	(749,495)
Materials and Contracts		(686,498)	(646,203)	(622,357)
Utility Charges		(120,565)	(110,000)	(105,271)
Insurance Expenses		(87,059)	(97,000)	(96,882)
Interest expenses		(12,830)	(12,310)	(13,959)
Goods and Services Tax		(171,655)	(150,000)	(151,165)
Other Expenditure		0	0	0
		<u>(1,970,362)</u>	<u>(1,819,853)</u>	<u>(1,739,129)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>755,189</u>	<u>357,402</u>	<u>487,174</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(559,962)	(474,000)	(828,659)
Payments for Construction of Infrastructure		(910,548)	(842,990)	(342,045)
Advances to Community Groups		0	0	0
Payments for Purchase of Investments		0	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		925,433	341,330	278,288
Proceeds from Sale of Plant & Equipment		90,032	88,000	562,545
Proceeds from Advances		0	0	0
Proceeds from Sale of Investments		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In) Investing Activities		<u>(455,045)</u>	<u>(887,660)</u>	<u>(329,871)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(29,275)	(29,820)	(20,174)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		5,258	5,300	6,969
Proceeds from New Debentures		0	0	190,000
		<u>0</u>	<u>0</u>	<u>190,000</u>
Net Cash Provided By (Used In) Financing Activities		<u>(24,017)</u>	<u>(24,520)</u>	<u>176,795</u>
Net Increase (Decrease) in Cash Held		276,127	(554,778)	334,098
Cash at Beginning of Year		1,369,737	1,369,727	1,035,639
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>1,645,864</u></u>	<u><u>814,949</u></u>	<u><u>1,369,737</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 2009**

	NOTE	2009 \$	2008 Budget \$
REVENUES			
Governance		90,660	63,240
General Purpose Funding		484,237	405,025
Law, Order, Public Safety		51,497	28,440
Health		50,930	800
Education and Welfare		51,092	46,090
Housing		61,422	61,460
Community Amenities		159,451	153,530
Recreation and Culture		558,949	57,330
Transport		411,650	372,520
Economic Services		49,876	30,050
Other Property and Services		523,532	90,500
		<u>2,493,296</u>	<u>1,308,985</u>
EXPENSES			
Governance		(217,968)	(208,240)
General Purpose Funding		(10,711)	(13,450)
Law, Order, Public Safety		(44,184)	(41,260)
Health		(46,586)	(27,280)
Education and Welfare		(88,787)	(83,820)
Housing		(48,541)	(51,560)
Community Amenities		(217,564)	(117,440)
Recreation & Culture		(503,497)	(466,200)
Transport		(969,801)	(1,072,090)
Economic Services		(86,501)	(85,260)
Other Property and Services		(180,093)	(74,570)
		<u>(2,414,233)</u>	<u>(2,241,170)</u>
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals	20	(59,160)	(23,330)
Movement in Accrued Interest		(780)	0
Movement in Deferred Pensioner Rates (Non-Current)		0	0
Movement in Accrued Salaries and Wages		19,950	0
Movement in Employee Benefit Provisions		(29,169)	0
Depreciation and Amortisation on Assets	2(a)	545,093	543,490
Capital Expenditure and Revenue			
Purchase Land Held for Resale		0	0
Purchase Land and Buildings		(230,027)	(167,500)
Purchase Infrastructure Assets		(870,564)	(868,180)
Purchase Plant and Equipment		(302,550)	(286,500)
Purchase Furniture and Equipment		(27,385)	(20,000)
Purchase of Investments		0	0
Proceeds from Disposal of Investments		0	0
Proceeds from Disposal of Assets	20	90,032	88,000
Repayment of Debentures	21(a)	(29,277)	(29,280)
Proceeds from New Debentures	21	0	0
Self-Supporting Loan Principal Income		5,258	5,300
Transfers to Reserves (Restricted Assets)	12	(255,860)	(55,000)
Transfers from Reserves (Restricted Assets)	12	470,286	422,500
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		243,736	199,716
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		785,323	4,856
Amount Required to be Raised from Rates	22	<u><u>(1,136,677)</u></u>	<u><u>(1,127,825)</u></u>

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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 report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

The report has also been prepared on the accrual basis under the convention of historical cost accounting as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at fair value through profit and loss and certain classes of non-current assets.

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 this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities 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 this financial report.

(c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Balance Sheet are stated inclusive of applicable GST.

(d) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity 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.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the balance sheet.

(e) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectibility of trade 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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

General

Inventories are valued 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. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

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 and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the Income Statement as at the time of signing a binding 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

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 includes the cost of all materials, direct labour and variable and fixed overheads.

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 a basis to reflect the already consumed or expired future economic benefits.

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 significantly 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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Depreciation of Non-Current Assets

All non-current assets having a limited useful life 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.

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

Buildings	2% Straight Line Method
Sewerage piping	2% Straight Line Method
Furniture and Equipment	
Electronic	20% Straight Line Method
Other	5% Straight Line Method
Motor Vehicles	
Light Vehicles	10% Reducing Balance Method
Trucks	12% Reducing Balance Method
Graders and Loaders	9% Reducing Balance Method
Other Licensed Plant	5% Reducing Balance Method
Other Minor Plant	5% Reducing Balance Method
Infrastructure	
Bridges	1.3% Straight Line Method
Major Culverts	2.0% Straight Line Method
Dams	2% Straight Line Method
Drains	1.3% Straight Line Method
Gardens	1.3% Straight Line Method
Irrigation	0.0% Straight Line Method
Kerbs and Channels	2.0% Straight Line Method
Median Strips	2.0% Straight Line Method

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets

Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(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. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets (Continued)

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(j) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) 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 estimate of the recoverable amount of the asset is made in accordance with AASB 136 '*Impairment of Assets*' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

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.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality 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.

(m) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(p) 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 company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under 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.

(q) Joint Venture

The municipality'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 relevant items reported in the Balance Sheet and Income Statement. Information about the joint venture is set out in Note 16.

(r) 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.

(s) Superannuation

The Council contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) 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 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.

(u) Rounding Off Figures

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

(v) Comparative Figures

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

(w) 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 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations

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 2009

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

	Title and Topic	Issued	Applicable (*)	Impact
(i)	AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(ii)	Revised AASB 123 Borrowing Costs (includes AASB 2009-1) and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007 and April 2009	1 January 2009	Nil – There have been two revisions to the Standard. The first removed the option to expense all borrowing costs and required the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The second (AASB2009-1) reinstated the choice to either expense or capitalise in the case of not-for-profit entities. There will be no impact on the financial report of the Council as it already capitalises borrowing costs relating to qualifying assets and will continue to do so.
(iii)	Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

	Title and Topic	Issued	Applicable (*)	Impact
(iv)	AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 January 2009	Nil – The revisions are part of the AASBs annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs.
	AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 July 2009	<p>The revisions embodied in these standards relate largely to terminology or editorial comments and will have a minimal effect on the accounting practices of the Council.</p> <p>It is not anticipated the more significant changes will have any effect on the financial report as the topics are not relevant to the operations of the Council.</p>
(v)	AASB 2008-11 Amendments to Australian Accounting Standard – Business Considerations Among Not-for-Profit Entities	November 2008	1 July 2009	Nil – Whilst this standard has the effect of applying AASB 3 Business Combinations to the Not-for-Profit sector, specific provisions are provided in respect of local government. These specific provisions are very similar to the previous requirements of AAS 27.
(vi)	AASB 2008-1 Amendments to Australian Accounting Standard – Share-Based Payments: Vesting Conditions and Cancellations	February 2008	1 January 2009	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 2008-2 Amendments to Australian Accounting Standards Puttable Financial Instruments and Obligations Arising on Liquidation	March 2008	1 January 2009	

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(vi) (Continued)			
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	March 2008	1 January 2009	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 2007-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	July 2008	1 January 2009	
AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items	August 2008	1 July 2009	
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	September 2008	1 January 2009	
AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
Interpretation 1 – Changes in Existing, Decommissioning, Restoration and Similar Liabilities	June 2008	1 January 2009	

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

(vi)	Title and Topic (Continued)	Issued	Applicable (*)	Impact
	Interpretation 12 – Service Concession Arrangements	June 2007	1 January 2009	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.
	Interpretation 15 – Agreements for the Construction of Real Estate	August 2008	1 January 2009	
	Interpretation 16 – Hedges of a Net Investment in a Foreign Operation	August 2008	1 October 2008	
	Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
	Interpretation 18 – Transfers of Assets from Customers	March 2009	Ending 1 July 2009	

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 2009

2. REVENUES AND EXPENSES	2009	2008
	\$	\$
(a) Result from Ordinary Activities		
The Result from Ordinary Activities includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit	5,400	5,350
- Other Services	45	55
Depreciation		
Buildings	90,853	83,724
Furniture and Equipment	15,703	15,975
Plant and Equipment	182,944	182,696
Roads	230,000	230,000
Parks & Reserves	25,593	25,292
	<u>545,093</u>	<u>537,687</u>
Interest Expenses		
Overdraft Interest	687	542
Debentures (<i>refer Note 21(a)</i>)	12,841	7,503
	<u>13,528</u>	<u>8,045</u>
Rental Charges		
- Operating Leases	0	0
	<u>0</u>	<u>0</u>
(ii) Crediting as Revenue:	2009	2009
	\$	Budget
		\$
Interest Earnings		
Investments		
- Reserve Funds	50,040	55,000
- Other Funds	24,072	25,000
Other Interest Revenue (<i>refer note 26</i>)	10,694	5,545
	<u>84,806</u>	<u>85,545</u>
		<u>110,698</u>

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009**

2. REVENUES 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.

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 2009

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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.

	2009	2008
	\$	\$
(c) Conditions Over Contributions		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Roads to Recovery Grant	60,287	88,922
Australian Government Envirofund Grant	<u>18,260</u>	<u>10,000</u>
	78,547	98,922
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Australian Government Envirofund Grant	0	18,260
Country Local Government Fund Grant	469,371	0
RLCIP Grant	76,356	0
Less:		
Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
Office of Crime Prevention Grant	0	(10,000)
Roads to Recovery Grant	(60,287)	(28,635)
Australian Government Envirofund Grant	<u>(18,260)</u>	<u>0</u>
Closing balances of unexpended grants	<u><u>545,727</u></u>	<u><u>78,547</u></u>
Comprises:		
Roads to Recovery Grant	0	60,287
Australian Government Envirofund Grant	0	18,260
Country Local Government Fund Grant	469,371	0
RLCIP Grant	76,356	0
	<u><u>545,727</u></u>	<u><u>78,547</u></u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	687,831	197,278
Restricted	958,033	1,172,459
	<u>1,645,864</u>	<u>1,369,737</u>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Leave Reserve	24,131	79,985
Plant Reserve	150,006	181,032
Building Reserve	556,907	698,112
Joint Venture Housing Reserve	154,135	128,074
Recreation Facilities Reserve	52,333	71,746
Sewerage Reserve	12,381	11,778
Art Acquisition Reserve	8,140	1,732
Industrial Land Development Reserve	0	0
Unspent Grants	545,727	78,547
	<u>1,503,760</u>	<u>1,251,006</u>

4. TRADE AND OTHER RECEIVABLES

Current

Rates Outstanding	31,190	21,377
Provision for Doubtful Debts	(15,267)	(15,267)
Sundry Debtors	81,281	68,175
GST Receivable	786	0
Loans - Clubs/Institutions	0	5,259
	<u>97,990</u>	<u>79,544</u>

5. INVENTORIES

Current

Fuel and Materials	11,310	10,058
History Books	204	222
	<u>11,514</u>	<u>10,280</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	4,899,302	4,669,275
Less Accumulated Depreciation	<u>(973,572)</u>	<u>(882,720)</u>
	3,925,730	3,786,555
 Furniture and Equipment - Cost	 363,837	 336,452
Less Accumulated Depreciation	<u>(240,287)</u>	<u>(224,584)</u>
	123,550	111,868
 Plant and Equipment - Cost	 2,622,069	 2,435,135
Less Accumulated Depreciation	<u>(798,073)</u>	<u>(699,872)</u>
	1,823,996	1,735,263
	 <u><u>5,873,276</u></u>	 <u><u>5,633,686</u></u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

The following represents the 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 1 July 2008	3,786,555	111,868	1,735,263	5,633,686
Additions	230,028	27,385	302,550	559,963
(Disposals)			(30,872)	(30,872)
Revaluation - Increments				0
- (Decrements)				0
Impairment - (losses)				0
- reversals				0
Depreciation (Expense)	(90,853)	(15,703)	(182,945)	(289,501)
Other Movements				0
Balance as at 30 June 2009	<u>3,925,730</u>	<u>123,550</u>	<u>1,823,996</u>	<u>5,873,276</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
7. INFRASTRUCTURE		
Roads - Cost	12,393,022	11,582,062
Less Accumulated Depreciation	<u>(6,111,192)</u>	<u>(5,881,192)</u>
	6,281,830	5,700,870
Parks, Gardens & Reserves - Cost	978,666	919,063
Less Accumulated Depreciation	<u>(288,198)</u>	<u>(262,606)</u>
	690,468	656,457
	<u><u>6,972,298</u></u>	<u><u>6,357,327</u></u>

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

This policy accords with the requirements of AASB 116.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

The following represents the 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 as at 1 July 2008	5,700,870	656,457	6,357,327
Additions	810,960	59,604	870,564
(Disposals)			0
Revaluation - Increments			0
- (Decrements)			0
Impairment - (losses)			0
- reversals			0
Depreciation (Expense)	(230,000)	(25,593)	(255,593)
Other Movements			0
Balance as at 30 June 2009	<u>6,281,830</u>	<u>690,468</u>	<u>6,972,298</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2009
\$

2008
\$

8. TRADE AND OTHER PAYABLES

Current

Sundry Creditors	61,084	87,181
Accrued Interest on Debentures	5,389	6,168
Accrued Salaries and Wages	34,986	15,036
	<u>101,459</u>	<u>108,385</u>

9. LONG-TERM BORROWINGS

Current

Secured by Floating Charge Debentures	<u>24,280</u>	<u>29,277</u>
	<u>24,280</u>	<u>29,277</u>

Non-Current

Secured by Floating Charge Debentures	<u>132,265</u>	<u>156,545</u>
	<u>132,265</u>	<u>156,545</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Current

Provision for Annual Leave	80,501	75,447
Provision for Long Service Leave	28,952	92,764
	<u>109,453</u>	<u>168,211</u>

Non-Current

Provision for Long Service Leave	<u>43,286</u>	<u>13,697</u>
	<u>43,286</u>	<u>13,697</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009 \$	2009 Budget \$	2008 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	79,985	79,985	75,018
Amount Set Aside / Transfer to Reserve	3,146	2,600	4,967
Amount Used / Transfer from Reserve	(59,000)	(59,000)	0
	<u>24,131</u>	<u>23,585</u>	<u>79,985</u>
(b) Plant Reserve			
Opening Balance	181,032	181,032	130,481
Amount Set Aside / Transfer to Reserve	154,904	3,000	178,594
Amount Used / Transfer from Reserve	(185,930)	(181,000)	(128,043)
	<u>150,006</u>	<u>3,032</u>	<u>181,032</u>
(c) Building Reserve			
Opening Balance	698,112	698,112	479,369
Amount Set Aside / Transfer to Reserve	31,095	35,000	535,509
Amount Used / Transfer from Reserve	(172,300)	(167,500)	(316,766)
	<u>556,907</u>	<u>565,612</u>	<u>698,112</u>
(d) Joint Venture Housing Reserve			
Opening Balance	128,074	128,074	106,067
Amount Set Aside / Transfer to Reserve	26,061	8,500	22,007
Amount Used / Transfer from Reserve	0	0	0
	<u>154,135</u>	<u>136,574</u>	<u>128,074</u>
(e) Recreation Facilities Reserve			
Opening Balance	71,746	71,746	117,265
Amount Set Aside / Transfer to Reserve	33,643	5,000	34,606
Amount Used / Transfer from Reserve	(53,056)	(5,000)	(80,125)
	<u>52,333</u>	<u>71,746</u>	<u>71,746</u>
(f) Sewerage Reserve			
Opening Balance	11,778	11,778	11,047
Amount Set Aside / Transfer to Reserve	603	800	0
Amount Used / Transfer from Reserve	0	(10,000)	731
	<u>12,381</u>	<u>2,578</u>	<u>11,778</u>
(g) Art Acquisition Reserve			
Opening Balance	1,732	1,732	3,121
Amount Set Aside / Transfer to Reserve	6,408	100	202
Amount Used / Transfer from Reserve	0	0	(1,591)
	<u>8,140</u>	<u>1,832</u>	<u>1,732</u>
TOTAL CASH BACKED RESERVES	<u><u>958,033</u></u>	<u><u>804,959</u></u>	<u><u>1,172,459</u></u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

11. RESERVES - CASH BACKED (Continued)

All of the cash backed reserve accounts are supported by money held in financial institutions and match the amounts shown as restricted cash in Note 3.

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves 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.

Sewerage Reserve

- to be used to finance construction and long term maintenance to the Williams Sewerage System.

Art Acquisition Reserve

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

12. RESERVES - ASSET REVALUATION

2009
\$

2008
\$

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

(a) **Land and Buildings**

Balance as at 1 July 2008	891,189	891,189
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2009	<u>891,189</u>	<u>891,189</u>

(b) **Roads**

Balance as at 1 July 2008	22,398	22,398
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2009	<u>22,398</u>	<u>22,398</u>

TOTAL ASSET REVALUATION RESERVES

<u><u>913,587</u></u>	<u><u>913,587</u></u>
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SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

13. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the balance sheet as follows:

	2009 \$	2009 Budget \$	2008 \$
Cash and Cash Equivalents	<u>1,645,864</u>	<u>799,959</u>	<u>1,369,737</u>

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

Net Result	1,215,740	199,290	450,828
Depreciation	545,093	543,490	537,687
Impairment (Loss)/Reversal	0	0	0
(Profit)/Loss on Sale of Asset	(59,160)	(23,330)	(343,936)
(Increase)/Decrease in Receivables	(22,920)	8,548	21,120
(Increase)/Decrease in Inventories	(1,233)	(4,720)	6,069
Increase/(Decrease) in Payables	(26,067)	3,754	49,922
Increase/(Decrease) in Employee Provisions	29,169	(28,300)	43,772
Grants/Contributions for the Development of Assets	<u>(925,433)</u>	<u>(341,330)</u>	<u>(278,288)</u>
Net Cash from Operating Activities	<u><u>755,189</u></u>	<u><u>357,402</u></u>	<u><u>487,174</u></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	0	0
Credit Card Balance at Balance Date	<u>0</u>	<u>0</u>
Total Amount of Credit Unused	<u><u>100,000</u></u>	<u><u>100,000</u></u>

Loan Facilities

Loan Facilities - Current	24,280	29,277
Loan Facilities - Non-Current	<u>132,265</u>	<u>156,545</u>
Total Facilities in Use at Balance Date	<u><u>156,545</u></u>	<u><u>185,822</u></u>

Unused Loan Facilities at Balance Date	<u><u>0</u></u>	<u><u>0</u></u>
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SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

14. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2009.

15. CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

There were no finance lease commitments at 30 June 2009.

(b) Operating Lease Commitments

There were no operating lease commitments at 30 June 2009.

(c) Capital Expenditure Commitments

There were no capital expenditure commitments at 30 June 2009.

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:

	2009	2008
	\$	\$
Non-Current Assets		
Land & Buildings	213,392	213,392
Plant & Equipment	8,074	0
Less: Accumulated Depreciation	<u>(32,623)</u>	<u>(28,301)</u>
	<u><u>188,843</u></u>	<u><u>185,091</u></u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	1,571,854	1,569,266
General Purpose Funding	15,923	8,894
Law, Order, Public Safety	26,371	25,054
Health	31,864	23,813
Education and Welfare	709,109	725,529
Housing	425,370	406,491
Community Amenities	55,550	43,548
Recreation and Culture	2,382,265	2,331,144
Transport	8,314,228	7,677,196
Economic Services	303,102	308,142
Other Property and Services	77,655	134,219
Unallocated	687,831	197,278
	<u>14,601,122</u>	<u>13,450,574</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008	2007
18. FINANCIAL RATIOS			
Current Ratio	1.0697	0.6818	0.7800
Untied Cash to Unpaid Trade Creditors Ratio	11.2604	2.2628	3.0425
Debt Ratio	0.0281	0.0354	0.0161
Debt Service Ratio	0.1580	0.0117	0.0024
Gross Debt to Revenue Ratio	0.0579	0.0773	0.0079
Gross Debt to			
Economically Realisable Assets Ratio	0.0205	0.0263	0.0020
Rate Coverage Ratio	0.3167	0.4034	0.4510
Outstanding Rates Ratio	0.0266	0.0185	0.0673

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted current assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
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 2009

21. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-08 \$	New Loans \$	Principal Repayments		Principal 30-Jun-09		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Recreation & Culture								
Loan #33 Housing	716		716	716	0	0	32	32
Loan #61 Golf Club	900		900	900	0	0	120	120
Transport								
Loan #34 Housing	581		581	581	0	0	26	26
Loan #63 Plant	179,226		22,681	22,681	156,545	156,545	12,143	12,143
Economic Services								
Loan #59 Ram Pavilion	3,261		3,261	3,261	0	0	354	354
Loan #62 Ram Pavilion	1,138		1,138	1,138	0	0	166	166
	185,822	0	29,277	29,277	156,545	156,545	12,841	12,841

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

(b) New Debentures - 2008/09

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

21. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 39,630 \$	Borrowed During Year \$	Expended During Year \$	Balance 39,994 \$
		0	0	0	0

(d) Overdraft

Council established an overdraft facility of \$100,000 in 2000 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2008 and 30 June 2009 was \$Nil.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

22. RATING INFORMATION - 2008/09 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate											
GRV - Residential	7	53	384,020	27,686	0	0	27,686	27,244	0	0	27,244
GRV - Industrial/Commercial	6	19	511,820	32,861	0	0	32,861	32,862	0	0	32,862
UV - Rural	1	298	122,516,604	974,007			974,007	974,006	0	0	974,006
UV - Mining	1	1	64,488	513			513	513	0	0	513
Sub-Totals		371	123,476,932	1,035,067	0	0	1,035,067	1,034,625	0	0	1,034,625
Minimum Rates	Minimum \$										
GRV - Townsites	400	224		89,600			89,600	90,000	0	0	90,000
UV - Rural	400	7	134,200	2,800			2,800	2,800	0	0	2,800
UV - Mining	400	1	15,576	400			400	400	0	0	400
Sub-Totals		232	149,776	92,800	0	0	92,800	93,200	0	0	93,200
Ex-Gratia Rates							1,127,867				1,127,825
Specified Area Rate (refer note 23)							8,810				0
							0				0
							1,136,677				1,127,825
							0				
Totals							1,136,677				1,127,825

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

23. SPECIFIED AREA RATE - 2008/09 FINANCIAL YEAR

The Shire of Williams did not raise specified area rates for 2008/2009.

24. SERVICE CHARGES - 2008/09 FINANCIAL YEAR

The Shire of Williams did not raise any service charges for 2008/2009.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2008/09 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	0.00%	0	0
Minimum Rate	Discount	0.00%	0	0
			0	0
Photocopy Charge	Waiver		0	0
Rate Assessment	Write-Off		0	0

The Shire of Williams did not grant any discount on rates, waiver or write off charges for 2008/2009.

26. INTEREST CHARGES AND INSTALMENTS - 2008/09 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		6,290	3,505
Interest on Instalments Plan	5.50%		4,404	2,040
Charges on Instalment Plan		20	2,320	1,460
			13,014	7,005

Ratepayers had the option of paying rates in four equal instalments, due on 5th September 2008, 7th November 2008, 3rd January 2009 and 6th March 2009. Administration charges and interest applied for the final three instalments.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

27. FEES & CHARGES	2009 \$	2008 \$
Governance	8,469	8,819
General Purpose Funding	2,599	1,460
Law, Order, Public Safety	975	720
Health	930	610
Education and Welfare	16,886	15,735
Housing	61,215	58,371
Community Amenities	91,798	87,748
Recreation and Culture	21,953	27,758
Transport	36,803	35,658
Economic Services	34,842	18,065
Other Property and Services	509,342	98,608
	<u>785,812</u>	<u>353,552</u>

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

28. GRANT REVENUE	2009 \$	2008 \$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	583,400	504,467
Non-Operating Grants, Subsidies and Contributions	925,433	278,288
	<u>1,508,833</u>	<u>782,755</u>
By Program:		
Governance	27,937	0
General Purpose Funding	396,859	295,528
Law, Order, Public Safety	50,522	25,994
Health	50,000	0
Education and Welfare	33,749	0
Housing	207	0
Community Amenities	67,653	82,267
Recreation and Culture	536,996	35,910
Transport	315,687	245,084
Economic Services	15,033	7,918
Other Property and Services	14,190	6,420
	<u>1,508,833</u>	<u>699,121</u>

29. COUNCILLORS' REMUNERATION	2009 \$	2009 Budget \$	2008 \$
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	11,812	14,200	13,600
President's Allowance	2,400	2,520	2,400
Deputy President's Allowance	0	0	0
Travelling Expenses	2,777	3,500	3,100
Telecommunications Allowance	0	0	0
	<u>16,989</u>	<u>20,220</u>	<u>19,100</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

30. EMPLOYEES' REMUNERATION

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

Salary Range \$	2009	2008
100,000 - 109,999	0	0
110,000 - 119,999	0	0
120,000 - 129,999	0	0
130,000 - 139,999	0	0
140,000 - 149,999	0	0
150,000 - 159,999	0	0
160,000 - 169,999	0	0

31. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

2009	2008
<u>19</u>	<u>18</u>

32. MAJOR LAND TRANSACTIONS

The Shire of Williams has not been involved in any major land transactions in the 2007/2008 financial year or the 2008/2009 financial year.

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2008/09 financial year.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

34. 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	
	2009	2008	2009	2008
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	1,645,864	1,369,737	1,645,864	1,369,737
Receivables	97,990	79,544	97,990	79,544
	<u>1,743,854</u>	<u>1,449,281</u>	<u>1,743,854</u>	<u>1,449,281</u>
Financial Liabilities				
Payables	101,459	108,835	101,459	108,835
Borrowings	156,545	185,822	156,545	185,822
	<u>258,004</u>	<u>294,657</u>	<u>258,004</u>	<u>294,657</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 2009**

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) 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:

	30-Jun-09	30-Jun-08
Percentage of Rates and Annual Charges		
- Current	30.26%	32.04%
- Overdue	69.74%	67.96%
Percentage of Other Receivables		
- Current	11.24%	18.80%
- Overdue	88.76%	81.20%

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

34. FINANCIAL RISK MANAGEMENT (Continued)

**(b) 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>2009</u>					
Payables	101,459	0	0	101,459	101,459
Borrowings	24,280	132,265	0	156,545	156,545
	<u>125,739</u>	<u>132,265</u>	<u>0</u>	<u>258,004</u>	<u>258,004</u>
<u>2008</u>					
Payables	108,385	0	0	108,385	108,385
Borrowings	29,277	139,769	16,776	185,822	185,822
	<u>137,662</u>	<u>139,769</u>	<u>16,776</u>	<u>294,207</u>	<u>294,207</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

34. FINANCIAL RISK MANAGEMENT (Continued)

(b) 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:

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<u>Year Ended 30 June 2009</u>								
Borrowings								
Fixed Rate								
Debentures					156,545		156,545	6.930%
Weighted Average Effective Interest Rate					6.930%			
<u>Year Ended 30 June 2008</u>								
Borrowings								
Fixed Rate								
Debentures	(6,596)				(179,226)		(185,822)	6.921%
Weighted Average Effective Interest Rate	7.118%				6.930%			

PJC:BL
SHIR07

Chartered
Accountants



18 November 2009

The Chief Executive Officer
Shire of Williams
PO Box 96
WILLIAMS WA 6391

Dear Sir

2008/2009 AUDIT REPORT

We enclose one copy of our audit report to the Shire for the year ended 30 June 2009.

Yours faithfully
BUTLER SETTINERI (AUDIT) PTY LTD



PAUL J CHABREL
Director

Enc

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SETTINERI**

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A.C.N. 112 942 373

Registered Company Auditor Number 289109

Liability limited by a scheme approved under Professional Standards Legislation

www.butlersettineri.com.au

SHIRE OF WILLIAMS
AUDIT REPORT TO SHIRE OF WILLIAMS RATEPAYERS

Chartered
Accountants



**BUTLER
SETTINERI**

A. Scope

We have audited the accompanying financial report, being a general purpose financial report of the Shire of Williams for the financial year ended 30 June 2009.

Council's Responsibility for the Financial Report

Council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

This responsibility also includes establishing and maintaining internal control 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

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

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A.C.N. 112 942 373

Registered Company Auditor Number 289109

Liability limited by a scheme approved under Professional Standards Legislation

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B. Audit Opinion

In our opinion, the financial report of the Shire of Williams is drawn up in accordance with the books of the Council, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

C. Statutory Compliance

We did not, during the course of our audit, become aware of any instances where the Shire did not comply with the statutory requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

D. Other Matters

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

- a) There are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).
- c) All information and explanations required were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



PAUL J CHABREL
Director

Date: 18th November 2008