

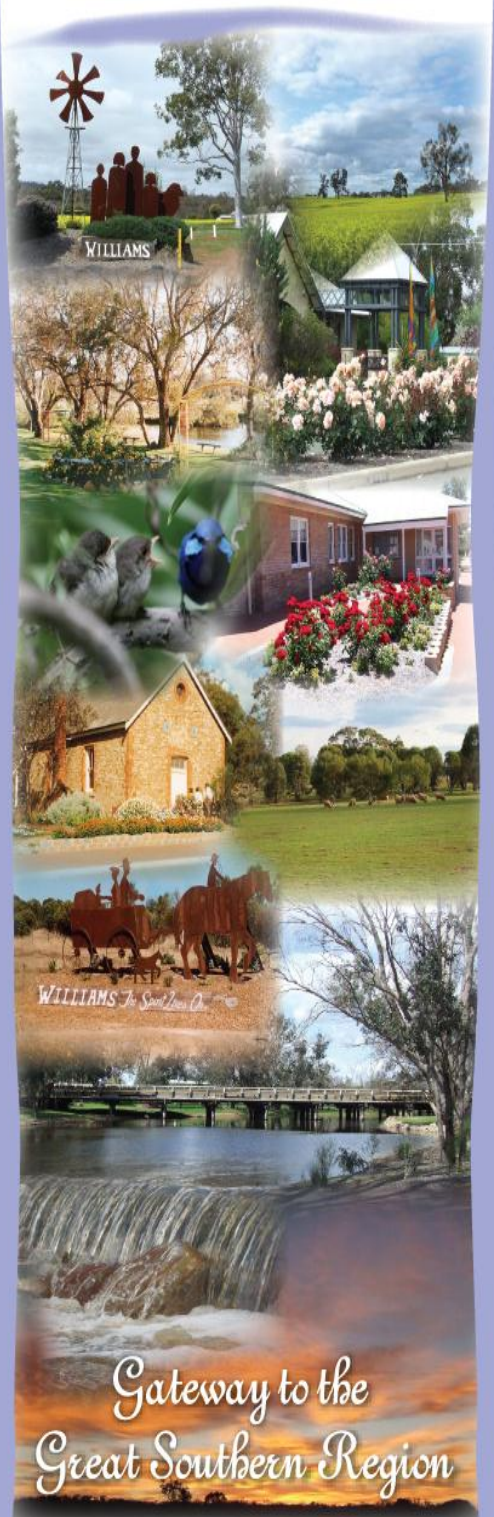
SHIRE OF WILLIAMS

ANNUAL REPORT

27 September 2013

2012/2013

SHIRE OF WILLIAMS



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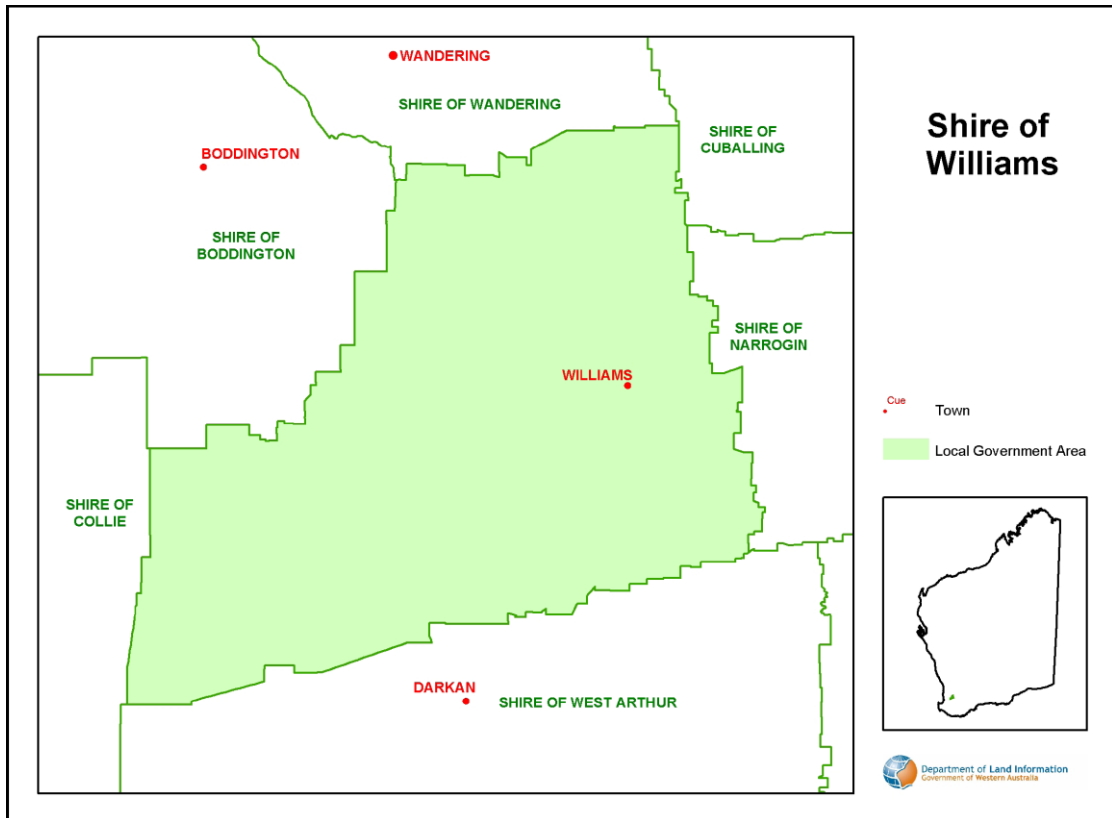
SHIRE OF WILLIAMS

Authority and Legislation

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

Williams Shire Location

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



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

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

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COMMUNITY STRATEGIC PLAN

Vision and Values

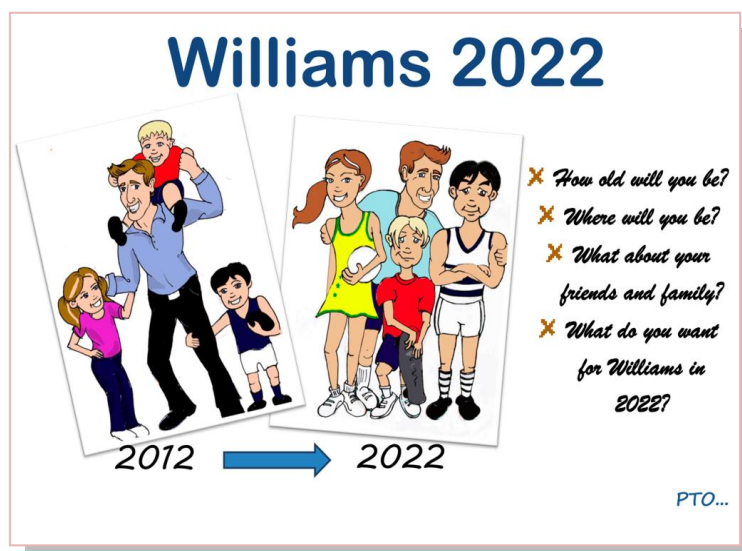
The Shire's Strategic Community Plan "Williams 2022" sets out the Community's vision, values and priorities. The corporate Business Plan aims to fulfill the strategic directions set by Council and progress the Council's vision while keeping with the community's aspirations and values.

Our Vision

"In 2022 Williams is an independent, growing and vibrant community. This will be achieved by maintaining a balanced and caring approach to its people, economy and environment."

Our Values:

- Community connectedness and great lifestyle
- Friendly people
- Safety
- Location
- Relevant and well maintained facilities



COUNCIL MEMBERS

JES (John) Cowcher – President

Elected to Office in 1993

Retiring 2015

Phone: 9885 6013

Fax: 9885 6067

DS (David) Earnshaw – Deputy President

Elected to Office in 2005

Retiring 2013

Phone: 9885 8070

Fax: 9885 8075

NA (Natalie) Major

Elected to Office in 2009

Retiring 2015

Phone: 9885 1021

Fax: 9885 1084

RF (Richard) Johnstone

Elected to Office in 2005

Retiring 2013

Phone: 9885 1113

Fax: 9885 1413

M (Moya) Carne

Elected to Office in 2003

Retiring 2015

Phone: 9885 1053

Fax: 9885 1053

JW (Jarrad) Logie

Elected to Office in 2009

Retiring 2013

Phone: 9885 1357

Fax: 9885 1357

GM (Greg) Cavanagh

Elected to Office in 2005

Retiring 2015

Phone: 9885 7092

Fax: 9885 7092

GH (Gilbert) Medlen

Elected to Office in 2007

Retiring 2015

Phone: 9885 8077

Fax: 9885 8077

PC (Peter) Paterson

Elected to Office in 2009

Retiring 2015

Phone: 9885 1130

Fax: 9885 1349



COUNCIL STAFF

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



SHIRE STATISTICS & INFORMATION

Distance from Perth (km)	161
Area (sq km)	2,295
Length sealed roads (km)	166
Length unsealed roads (km)	388
Population	953
Councillors	9
Electors	657
Dwellings	468
Employees (FTE's)	23
Rates (2013)	\$ 1,343,510
Revenue (2013)	\$ 4,251,145

History of Shire:

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

Economy:

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

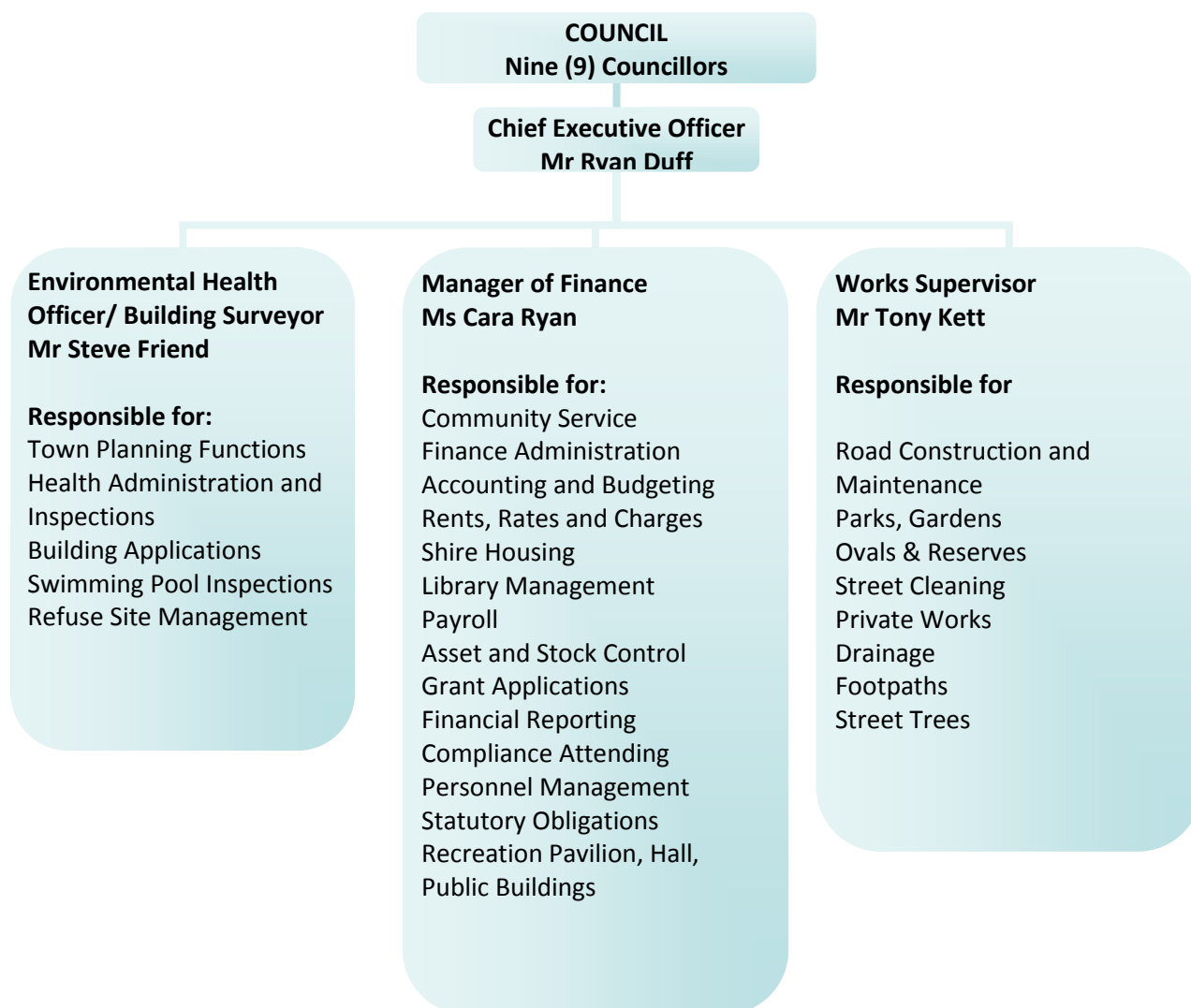
Climate:

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

MANAGEMENT STRUCTURE

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

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



COUNCIL FACILITIES

Public Library:

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

Sports Pavilion:

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

Town Hall and RSL Hall:

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

Aquatic Centre:

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

Tourist Information Bay:

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

Aged Persons' Facilities:

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

Single Persons' Units:

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

Chemical Container Compound:

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

Oil Recycling Depot:

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

Recycling Depot:

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

Refuse Disposal Site:

Situated off Narrogin Williams Road 2.5km east of town.

COUNCIL SERVICES

Private Works:

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

Rubbish Removals:

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

Dog Registration:

Dog Registrations become due on 1st November each year.

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

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

Dog belonging to pensioner: 50% of ordinary fee.

Dog Impoundments:

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

Drivers, Motor Vehicle, Boat and Firearm Renewals:

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

Health and Building Information:

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

Mosquito Control:

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

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

SHIRE PRESIDENT'S REPORT

Shire President Report 2012/13

It is my pleasure, to once again present my report to the community of Williams on some of the activities and achievements of Council over the last twelve months.

It has been a busy year, with significant amount of the administration time taken up with the requirements of the new Integrated Planning legislation. The Community Strategic Plan was completed in early 2013 following the engagement of Labyrinth Consultancy to assist with the community consultation. Following on from this Plan has been the commencement of work on the remaining plans, including the Workforce Plan, Asset Management Plan, Long Term Financial Plan and the Corporate Business Plan. The CEO has undertaken much of this work and is appreciated for the extra workload that this created.

August 2012 saw the culmination of around 9 months work for our administration team with the official opening of Willi Wag Tails Childcare Centre. Childcare has been bandied around for many years as something that was desperately needed for our community but the logistics of how and where were always difficult to resolve. With St John Ambulance building their own premises in Brooking Street, this resulted in a community building that if renovated was an ideal location. The centre has now been operational for 12 months and has generated an income of around \$250,000 and employs 10 local community people. Rhonda Willcocks as Coordinator does an exemplary job and should be commended along with her team of staff for the successes that the Centre has achieved in the first year of operation.

The Shire continues to play an active role in the 4WD/Lakes Regional Aged Housing Project. This project involves 7 local governments (Williams, West Arthur, Wagin, Woodanilling, Dumbleyung, Lake Grace and Kent), proposing to construct at least 42 dedicated aged persons units across the 7 shires over the next 5 years. Funding for the project has been secured to date from the Royalties for Regions Country Local Government Fund (\$3,074,605) to construct 10 units across the region. January 2013 saw the announcement by the State Government of a further \$5,023,646 to the project to construct a further 14 units across the region. Further funding continues to be sought to fund the remaining proposed units. The Shire manages this project on behalf of the 7 local governments involved; including all the reporting required on the expenditure of the funding which is a significant workload on our administration team, but congruently also demonstrates the capacity for smaller local councils to manage significant regional priority projects.

Plans continue to take shape for the proposed light industrial area for Williams. The purchase of the land has been approved, and a loan secured to finance the purchase. Council has partnered with Landcorp to undertake the development of the first 6 blocks in the subdivision, and it is hoped that these blocks will be available for sale towards the end of 2013. The Shire has secured Country Local Government Funding to construct rental industrial units on one of the blocks to attract businesses to the industrial area. These units are currently in the design phase.

The Shire has also secured funding for the proposed upgrade of the Williams Sport and Recreation precinct, with plans for a refurbishment of the pavilion kitchen, re-sealing and multi-marking for tennis and netball of the 3 bottom tennis courts, lighting of the top 3 tennis courts, re-sealing and multi-marking of the ram shed for netball and basketball and the construction of a new rectangular field (for hockey) between the ram shed and tennis courts. The project is estimated to cost around \$625,000 and has been funded through the Country Local Government Fund, Community Sport and additional funding to offset as much of the Shire's cash contribution as possible. It is hoped that this works on this project will commence on the ground in late 2013.

Councillors continue to provide a significant time commitment to their duties to the Shire of Williams, of which the community should be proud. They take the time to commit to so much more than a once a month meeting commitment. Many of the Councillors also represent the Shire on local and regional committees and attend

these meetings as part of their commitment to serving the community. I thank them for their efforts and extend my appreciation to their service to our community, which is often above and beyond. Our team is a strong team and one that works hard to serve the community to the best of their ability.

On a rather sad note, during the year, we have experienced an unfortunate incident during mop up of a fire in Quindanning where a volunteer tragically lost his life due to a freak accident. Council extended their condolences to the family and friends and has endeavoured to provide support through the investigation phase. Unfortunately, out of tragedy almost always comes a review of policies, procedures and practices and the Shire of Williams has not been immune to this following this incident. Council has had to invest significant funds in the past year to the legal costs associated with this incident which has still not been completed as we wait for a Coroner's report. It is likely that Council may have continued costs needing to be committed to this investigation. The Shire is actively promoting the registration of all volunteers who may participate in bush fire mitigation during the fire season with their local bush fire brigade to ensure that they have filled in a registration form available from your Brigade Captain or the Shire Office. This is a once off commitment and will register you to actively participate in fire fighting across the district - for which we are very appreciative as without volunteers we could not protect our community. Help us to protect you!

As in previous years, the last twelve months has seen the Works Crew busy once again. The Works Crew have been involved with widening a 4km stretch of the York-Williams Road, the sealing of a 4.2km section of the Quindanning-Darkan Road and gravel sheeting and widening of a 5km section of the Tarwonga-Dardadine Road.

The Shire purchased a new second-hand front end loader during 2012/13. With a tight budget, Council has had to delay significant capital purchases, including replacing some of the plant. It is hoped that these purchases are not postponed too much longer as it has always been Council's policy to endeavour to keep the plant and machinery as up to date as financially possible.

The works crew has seen the resignation of Kevin Burman and Aaron Gouldon, and the employment of Stuart Cowcher over the past twelve months. In addition, the works crew has been augmented at peak times with a number of casuals, including Lauren Stewart and Lindsay Wood. The cleaning and management of all the Shire facilities is capably undertaken by Starr Gillett. On behalf of Council, I would like to extend our appreciation to the entire works crew.

Administration staff are a credit to themselves and our community. The small administration team provide an outstanding level of service to our community, and this rivals many larger Councils. Ryan Duff as CEO, leads a strong, dedicated team of Ian Ball as Deputy CEO until his retirement in April 2013, Sharon Wilkie as Senior Administration Officer, Manuela Lenehan as Administration Officer, Heidi Cowcher as Community Development Officer and Steve Friend as Environmental Health/Building Officer.

April 2013 saw the retirement of the Deputy CEO, Ian Ball. Ian has worked for the Shire of Williams since 2000 coming to Williams from Naremburn. His entire working life was in local government, some 30+ years. Council farewelled Ian and his wife Louise at a function following his retirement. We wish him well and lots of success on the bowling green.

The position of Deputy CEO was changed to a Manager of Finance, and this saw the employment of Cara Ryan to the position in May 2013. We are very fortunate to have her as part of our administration team as she has proved to be very efficient at her job as well as fitting in very well in the office with excellent people and customer service skills.

On behalf of Council, I extend our appreciation to them and thank them for providing our community with excellent customer service, second to none.

Cr John Cowcher
Shire President

CHIEF EXECUTIVE OFFICER'S REPORT

It is with great pleasure that I present the Chief Executive Officer's report to the ratepayers of the Shire of Williams for the year ended 30th June 2013.

Financial Sustainability

The Shire has a reasonable financial position given our low debt and low reliance on external operating grants to provide quality services to our ratepayers. In 2012/13 the Shire has experienced some fiscal tightening due to the outstanding storm damage claims from the June 2012 storm event. It is expected that the Shire will receive reimbursement for the clean-up of the storm damage but until the claim has been paid the Shire continue to carry this financial burden.

The Workcrew continue to provide private works to external sources in an effort to increase Shire revenue and ensure future rate increases remain at reasonable levels. In 2012/2013 extensive private works were done on the new Landcorp subdivision.

The focus of the Administration has been the new mandatory integrated planning and reporting framework for Western Australian Local Government which has been introduced by the WA State Government with the reforms to be introduced by 30 June 2013. This has taken substantial resources from within the office and to date the Community Strategic Plan has been finalised and substantial progress has been made towards the completion of the remaining planning documents with the adoption of these plans to be done by Council early in the new financial year.

At a glance

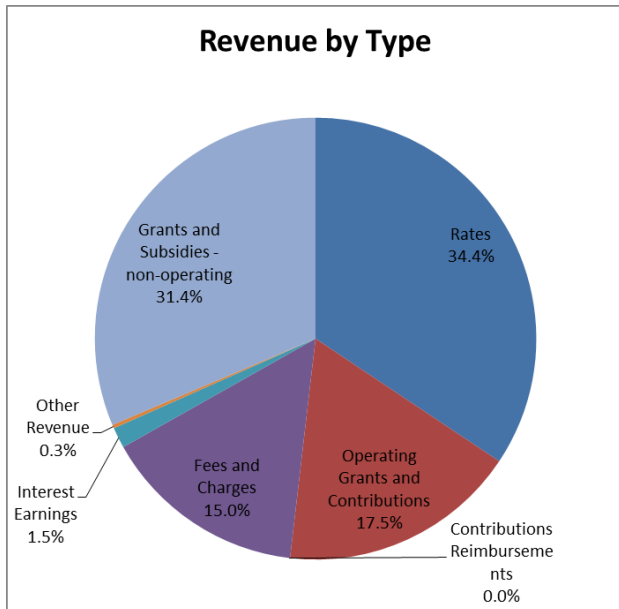
- The operating budget for 2012/13 was \$3 million (including depreciation).
- Staff costs for 23 permanent and casual employees were \$1.34 million.
- Rates and charges comprised \$1.9 million of total income received (49 percent).
- Council's grant funding for the year was \$1.91 million.
- Operating surplus of almost \$524k was down from \$705k last year.
- A \$1.71 million capital works program was delivered.
- Cash and investments totalled \$1.04 million.
- Council borrowing remained at low levels of \$298,000 at the end of the year.



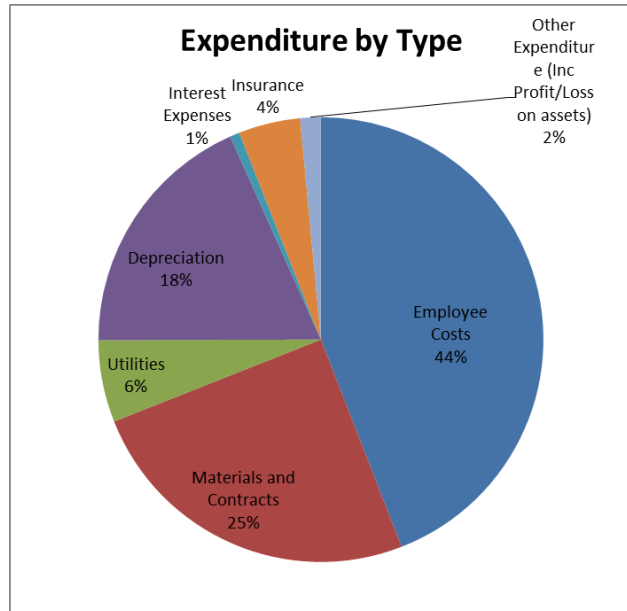
Operating Result

The operating surplus reported for 2012/2013 is \$524,128 which included a revaluation of non-current assets which has reduced the surplus by \$341,865. The diagrams below show the break up of revenue and expenditure:

Operating Revenue



Operating Expenditure



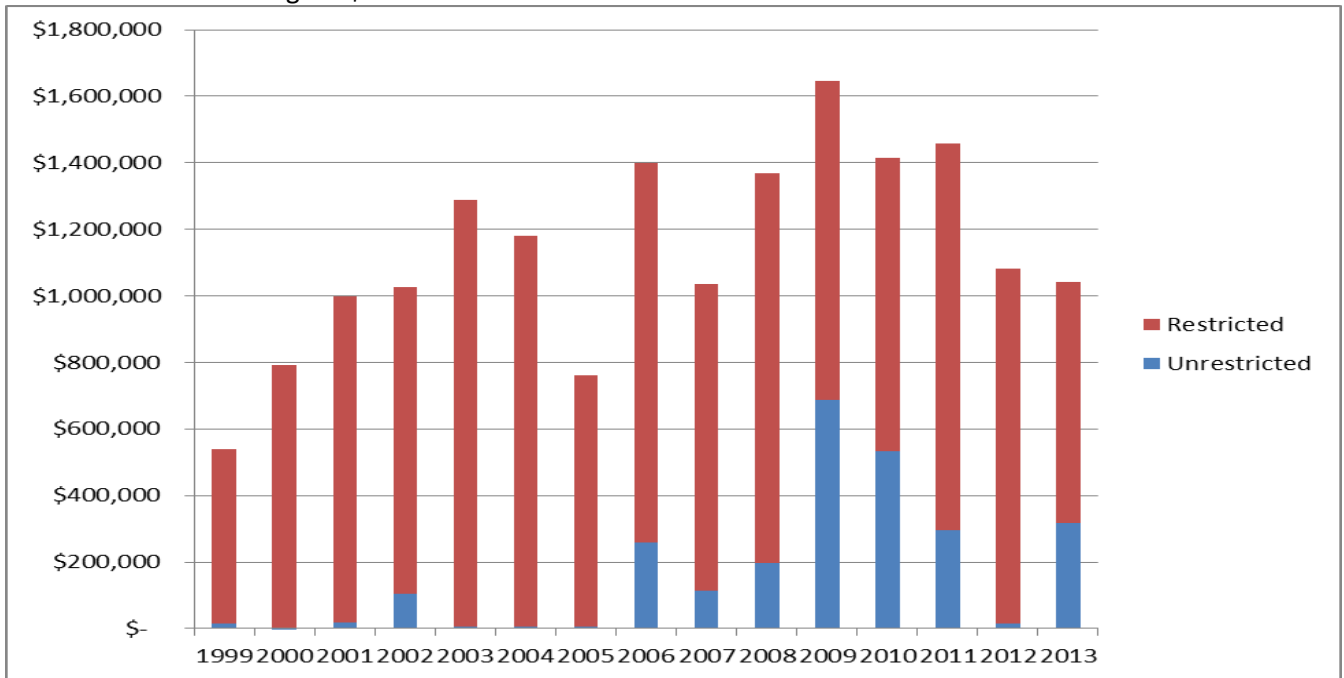
Summary	Actual	Actual	Actual
	2012/2013	2011/2012	2010/2011
Total Operating Revenues	\$ 3,911,326	\$ 3,930,953	\$ 4,109,495
Total Operating Expenditure	\$ 3,010,049	\$ 3,256,352	\$ 2,743,899
Net gain/(loss) on disposal of assets	\$ (35,284)	\$ 31,227	\$ (8,075)
Revaluation of Assets	\$ 341,865		
Net Operating Result	\$ 524,128	\$ 705,828	\$ 1,357,521

Photo – Williams Nature Reserve



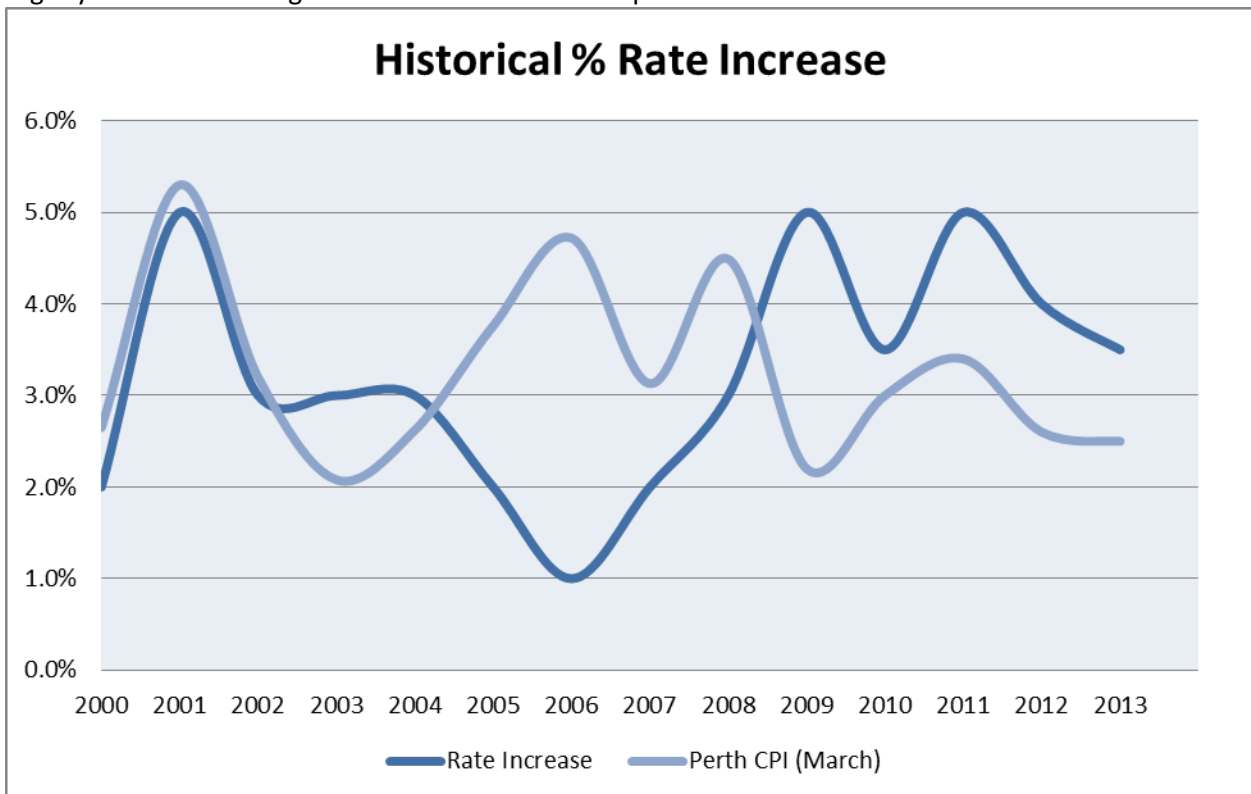
Cash and Reserves

Council had cash holdings of \$1.041 million as at the 30th June 2013.



Rates

Council adopted a 4% general rate increase in 2012/13. This resulted in a total rate collection of \$1,343,510 compared to \$1,279,135 the previous year. The average rate increase since 2000 has been 3.26% which is slightly below the average CPI increase for the same period.



Capital Expenditure

Council capital expenditure for 2012/13 is listed below:

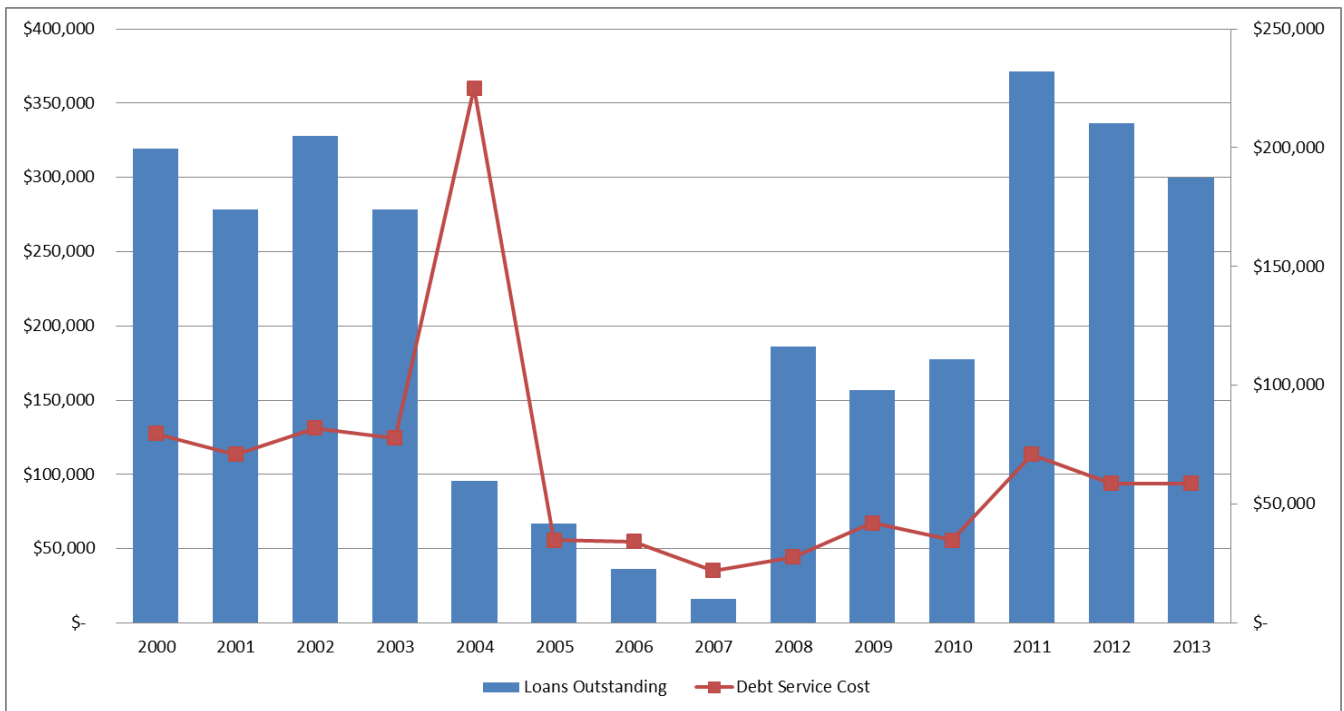
	30th June 2013 Actual	2012/2013 Revised Budget
Governance		
Westinghouse 520L Fridge	\$ 1,090	\$ -
Office Equipment	\$ -	\$ 10,000
Office Exterior Restoration	\$ 22,015	\$ 20,000
Education and Welfare		
Childcare Centre	\$ 231,886	\$ 213,075
Housing		
Regional Housing Project - 2 Units	\$ 142,854	\$ 661,000
Recreation and Culture		
Pool Plant Room/Balance tanks	\$ -	\$ 35,000
Tarwonga Hall - Roof	\$ 12,969	\$ 12,969
Oval Reticulation Upgrade	\$ 115,053	\$ 115,050
Cricket Wickets	\$ 5,960	\$ 2,460
Recreation Facilities Upgrade	\$ 17,500	\$ 488,380
Transport		
Sewer Extension Lot 14 Growse St	\$ 6,874	\$ 10,000
Brooking Street Footpath Land	\$ -	\$ 3,000
3 tonne Dual Cab Truck	\$ 62,277	\$ 67,000
Isuzu Tip Truck Tray	\$ 8,145	\$ -
Front End Loader	\$ 124,825	\$ 124,825
FE Loader Rake	\$ 11,778	\$ 11,780
Infrastructure - Roads	\$ 901,159	\$ 672,270
Adam Street Footpath	\$ 49,582	\$ 57,315
Community Amenities		
Industrial Land Development	\$ 2,250	\$ 246,000
	\$ 1,716,217	\$ 2,504,124

Photo – New Williams Waste Water Treatment Plant



Loans

Council's loan liability for the year ended 30th June 2012 was \$299,526 repayable at a weighted average interest rate of 6.50%. The Shire of Williams has extremely low external debt and has additional scope for appropriate borrowings to finance long-lived infrastructure assets.



A Busy 12 months ahead

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

- Light Industrial Complex
- Construction of 4 x Aged Housing Units (Continuing Project)
- Regional Waste site project investigations (Continuing Project)
- Recreation Facilities Upgrade
- Continuing Road Infrastructure Improvement Program

Councillors and Staff

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

RN Duff

Chief Executive Officer

27th September 2013

STATUTORY REPORTING

Report on disability access and inclusion plan

Access and Inclusion Plan

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

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

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

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

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

Outcome 1

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

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

Outcome 2

Access to building and facilities is improved.

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

Outcome 3

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

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

Outcome 4

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

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

Outcome 5

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

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

Equal Opportunity

The Shire of Williams is committed to providing a workplace where every individual is treated with respect in an environment free from discrimination and harassment.

During 2012-13 the Shire reviewed its obligations under the *Western Australian Equal Opportunity Act 1984*. In addition, the Shire's processes for resolving EEO grievances and complaints were reviewed.

National Competition Policy

The Competition Principles Agreement (CPA) is a contractual agreement between Federal Government and all States and Territory Governments. The CPA aims to ensure that all public enterprises operate in a transparent manner in the best interests of the public. Under the CPA, public enterprises are required to review their operations to ensure that they have no competitive advantage or disadvantages as a result of their public status.

Competitive Neutrality (under the CPA)

During the financial year the Shire met its obligations under the National Competition Policy, competitive neutrality addresses potential advantages and disadvantages that public enterprises may have compared to businesses operating within the private sector. Local Government is only required to implement these principles to the extent that the benefits to be realised from implementation far outweigh the costs in respect of individual activities exceeding \$500,000 in income. The Shire of Williams did not have any major undertakings reportable under CPA in the 2012/13 Financial Year.

Complaints of Minor Breaches

In accordance with Sections 5.53(2) and 5.121 of the *Local Government Act 1995*, the Annual Report is required to disclose the number of complaints of minor breaches received each year.

No. of complaints 2012-13	Outcome	Action taken
Nil.		

Report on record keeping plan

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

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

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

Employees Remuneration

The *Local Government (Administration) Regulation 19B* requires the annual report to contain details of the number of employees of the local government entitled to an annual salary of \$100,000 or more in bands of \$10,000 for each such band over \$100,000.

Salary Range	2012	2013
\$100,000 - \$110,000	1	1

RN Duff
Chief Executive Officer
27 September 2013

COMMUNITY PLAN STRATEGIES & OUTCOMES

Objective: To support industry and business development success towards 2022.		
Strategy Ref	Proposed Strategy	Proposed Outcome
ED 1.1	Develop the industrial estate to offer affordable and appropriately serviced allotments.	Affordable and serviced industrial blocks available incrementally over the next ten years.
ED 1.2	Market Williams as an attractive place to do business for new investment and encourage existing businesses to invest in improving their businesses for the future sustainability of our town.	New investment in the town and existing business investing in their own improvement and future.
ED 1.3	Alleviate any shortcomings the building of the by-pass may bring to our businesses by developing and investing in a playground attraction that encourages travellers to pull off the Albany Highway and visit our town.	Numbers of visitors increase and using businesses in the town during their stay.
ED 1.4	Establish a Chamber of Commerce that creates a network of support for business in the town. The Chamber can meet with the Shire on a regular basis.	Businesses supporting each other developing innovative business solutions.
ED 1.5	Develop and promote tourism in Williams to ensure ongoing visitors to our town.	Number of visitors increase. Business turnover improves.
ED 1.6	Develop a strategy as a community to encourage employees (short and long term) to work and stay in Williams.	Larger labour pool for work.
Objective: To have appropriate levels of housing to attract people to stay and or work in Williams		
ED 2.1	Offer land for residential development at a reasonable cost and consider the development of housing for professionals and trades people needed to service Williams.	Land is affordable for development, plans for or completed project housing for visiting professionals or trades people.
ED 2.2	Plan and deliver relevant aged housing for our ageing population (linked to SCD 1.1).	Our aged community is staying in Williams and are satisfied with the outcome.
ED 2.3	Seek out investors to develop accommodation for young people and casual workers to encourage them to stay and work in our town. (Linked to ED 1.5).	Investors purchasing land and accommodation units built.
ED 2.4	Encourage the use of sustainable practices in housing development.	New builds are in a sustainable style and construction.
Objective: To ensure people who choose to spend their senior years in our community are supported in a caring and productive manner		
Strategy Ref	Proposed Strategy	Proposed Outcome
SCD 1.1	Ensure development of aged housing plans take into consideration the numbers of people wanting to personally invest and ensure that they are planned and constructed with the needs of these people in mind. (Linked with ED 2.2).	Relevant planning and construction of aged housing.
SCD 1.2	Oversee the support service needs of our aging community to ensure that these services are appropriate. Act where these are under threat.	Seniors feel supported and their wellbeing needs are understood.

SCD 1.3	Continue the Community Resource Centres involvement in senior activities to create an environment where our aging community can remain connected with each other and the community at large.	The people in this demographic feel stimulated from events and activities run by the CRC, feel they are contributing and consider themselves connected with each other.
SCD 1.4	Investigate the opportunities for employment to attract people in the care of our aging community.	More people employed and possibly living in Williams as a consequence.
Objective: To have appropriate medical services in Williams to support our aging demographic and the growing number of young families who choose to work and live in our community		
Strategy Ref	Proposed Strategy	Proposed Outcome
SCD 2.1	Retain and expand our current medical and health services to meet the needs of our community by developing a new and relevant medical and health facility in a location that is multipurpose, accessible and central.(Linked to SCD 4.3).	Medical and Health Services meeting the needs of our community.
SCD 2.2	Attract and sponsor a long term family doctor to visit the town on a more regular basis.	Contract signed and a family doctor service available in the community for a minimum of 2 days per week.
SCD 2.3	Expand our allied health services at the medical facility (SCD 2.1) to include pathology, pharmacy, dental services and health education services.	Expanded services available to the community.
SCD 2.4	Collectively develop a strategy to ensure suitable resourcing (staffing) for our health and medical needs (including volunteers).	Suitable numbers of employed and volunteer resources supporting the health of our community.
SCD 2.5	Investigate the plausibility of establishing a pharmacy or pharmacy services for Williams	Pharmacy service available in the interim as an external service and then as part of the possible new medical centre.
Objective: To have our children and youth engaged with the community		
Strategy Ref	Proposed Strategy	Proposed Outcome
SCD 3.1	Provide development opportunities for our children and youth that teaches life skills, leadership and a community consciousness to support their own future and the future of our town.	Well adjusted, skilled young leaders and volunteers learning new skills and supporting the longevity of our community.
SCD 3.2	Create relevant activities for youth by asking them what they want.	Activities match what is asked for.
SCD 3.3	Create a space for youth to meet in town.	A place is made available for youth to meet and undertake meaningful activities. The place should be part of a multi-purpose arrangement.
SCD 3.4	Continue to engage with our youth via various mediums to foster a sense of belonging and a sense that they are being heard and understood.	Communication mediums are established such as Face Book, Twitter ... to keep them informed.
SCD 3.5	Continue to maintain and upgrade facilities for use by young families and children (e.g. Willi Wag Tails to remain open and by upgrading the baby pool).	A planned approach to the upgrade of facilities is known to the community, it is happening and they are able to contribute to the plans.
SCD 3.6	Encourage the bringing together of young people of both genders into the town (balancing the genders).	Equalising of genders living in the town particularly younger people.
SCD 3.7	Increase the level of community policing in the town so that there is a partnership developed between the police and the community in keeping our town safe and secure.	Increased level of partnering with police at events and in the development of community information and campaigns.
SCD 3.8	Partner with the school to introduce programs for children of primary school age.	More partnering in health, leadership development, community policing, emergency volunteers etc.
SCD 3.9	Invest in a community bus for use by the various groups in town (particularly the young and the aged).	A community bus purchased and used in the community.

Objective: To have a high level facilities that service our growing community's needs and social wellbeing.		
Strategy Ref	Proposed Strategy	Proposed Outcome
SCD 4.1	Add to or expand on current facilities that are relevant to community needs and to make them attractive for the majority to use.	Shire is aware of people's suggestions and where appropriate including as part of the asset management plan.
SCD 4.2	Create an attraction to encourage people into the town after the Bypass has been established (linked to ED 1.3 and LU&E 2.1).	Number of people visiting the town is increased and attraction benefits the social wellbeing of our community.
SCD 4.3	Investigate and create a Medical and Aged facility that is appropriate for the needs of our community, is multipurpose and centrally located (Linked to SCD 1.1 and SCD 2.1).	Medical and aged facility appropriate to needs, centrally located and multi- purpose.
SCD 4.4	Build a facility to promote Williams – cultural centre/tourism.	A facility is in place that guides visitors about our town.
SCD 4.5	Enhance the shopping precinct in our town to attract more investment by our community and visitors.	Shopping precinct in centre of Williams is enhanced, functional and has more people using the facilities.
Objective: To enhance our community connectedness		
Strategy Ref	Proposed Strategy	Proposed Outcome
SCD 5.1	Keep people informed and communicating with each other through a sound communications strategy for the community – expand the frontiers of “The Williams”. (Linked to SCD 3.1)	People feel connected and informed.
SCD 5.2	Create a connection with other communities to help develop our arts appreciation in Williams.	Road trips and cross town exhibitions and activities.
SCD 5.3	Encourage people to stay in touch with those that are working or studying away from Williams to expand our community definition and to make them feel a part of it.	A flexible community that stays in touch and cares wherever community members might be.
Objective: To have a sustainable environment that is cared for in a balanced way by those that live within it		
Strategy Ref	Proposed Strategy	Proposed Outcome
LU&E 1.1	Educate and share ideas on how to care for our Williams environment.	Community have a higher appreciation of how to live amongst and care for the unique Williams environment.
LU&E 1.2	Maintain a program to ensure our town is clean and tidy, free of unnecessary pollution and rubbish, particularly our townscape and the river.	Town (including the river, road verges and townscape) is clean and free of pollution and rubbish.
LU&E 1.3	Maintain a vigilant control over pests and weeds in our town (feral animals, noxious weeds and a balanced insect control).	Pests and weeds are kept to an acceptable level.
LU&E 1.4	Reintroduce NRMO to the District.	Coordinated approach to land care
LU&E 1.5	Introduce the most appropriate way to maintain our verges so that there is a balance of safety and care for the natural vegetation and fauna.	Shire investigates the challenge and new processes introduced.
LU&E 1.6	Develop programs that focus on the sustainability of our water in the town including its quality for the benefit of all (town water supply, shire planting programs and the river).	Program developed and in place.
LU&E 1.7	Ensure that burning and clearing is conscious of future environmental effects.	Burning and clearing is conducted with sustainability in mind.
LU&E 1.8	Maintain a well vegetated landscape for environmental and aesthetic purposes.	Our community is well vegetated for environmental, social and aesthetic reasons.
LU&E 1.9	Continue to be aware of sustainability in agriculture.	Continued awareness and practice.

Objective: To have safe and well maintained roads that support our economy and our wellbeing		
Strategy Ref	Proposed Strategy	Proposed Outcome
LU&E 2.1	Keep people informed on the progress of the By Pass construction and facilitate a project with the shire, community and Main Roads in partnership to establish an attraction that compensates and value adds to the Lion Park having to be moved. (Linked to ED 1.3 and SCD 4.2).	People are informed and know what to expect and can contribute to the construction of a new attraction to encourage people to visit our town once the By-Pass is in place.
LU&E 2.2	Construct and maintain our local roads to ensure their safety and lobby Main Roads in partnership with other Albany Highway communities to upgrade the Albany Highway to be either dual carriageway or to have more over taking lanes.	Our roads both locally and regionally are safe.
LU&E 2.3	Continue to audit and maintain roads throughout the whole of the shire to ensure they are maintained in a skilled manner with quality resources.	Safe and well maintained roads throughout the whole of the Shire.
LU&E 2.4	Maintain verges conscious of a balanced safety, flora and fauna approach.(Linked to LU&E 1.5)	Verges maintained well.
LU&E 2.5	Update research on the safety aspects of the Albany Highway to assist in lobbying for dual carriageways or more passing lane s (Linked to LU&E 2.2).	Those lobbying have up to date knowledge.
LU&E 2.6	Improve footpaths in the town.	Footpaths are safe and accessible.
LU&E 2.7	Develop and maintain cycle and walker friendly roads.	Cyclists and walkers feel safe – no incidents.
Objective: To have visionary leadership within our elected members and to have continued quality service delivery from our Shire staff.		
Strategy Ref	Proposed Strategy	Proposed Outcome
OP 1.1	Monitor feedback from community on service delivery.	Feedback received and analysed for the purpose of quality improvement.
OP 1.2	Keep the community engaged on subjects or decisions that directly impact.	Community engagement follows policy and community members are actively involved.
OP 1.3	Have a communication plan that works for the majority.	Community and Shire have an infrastructure that works in a timely way.
OP 1.4	Retain and develop skilled staff.	Well skilled and knowledgeable staff happy in their jobs.
Objective: To ultimately not be amalgamated		
Strategy Ref	Proposed Strategy	Proposed Outcome
OP 2.1	Continue to keep updated on the amalgamation subject, keep community informed and do whatever we can to avoid it.	Council, shire administration and community informed and actively working towards remaining independent.
OP 2.2	Have a contingency plan if we do amalgamate.	Contingency plan in place.

SHIRE OF WILLIAMS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

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**SHIRE OF WILLIAMS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Williams being the annual financial report and supporting notes and other information for the financial year ended 30th June 2013 are in my opinion properly drawn up to present fairly the financial position of the Shire of Williams at 30th June 2013 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation for issue on the 27 day of September 2013



Ryan Duff
Chief Executive Officer

SHIRE OF WILLIAMS
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Rates	22	1,347,613	1,343,510	1,279,135
Operating Grants, Subsidies and Contributions	28	685,718	427,130	857,010
Fees and Charges	27	587,752	565,740	898,983
Service Charges	24	0	0	0
Interest Earnings	2(a)	59,449	75,930	77,540
Other Revenue		<u>0</u>	<u>0</u>	<u>0</u>
		2,680,532	2,412,310	3,112,668
Expenses				
Employee Costs		(1,347,198)	(1,272,400)	(1,243,352)
Materials and Contracts		(760,984)	(696,945)	(1,146,822)
Utility Charges		(181,975)	(128,050)	(129,470)
Depreciation on Non-Current Assets	2(a)	(561,282)	(568,500)	(566,511)
Interest Expenses	2(a)	(21,431)	(22,535)	(24,941)
Insurance Expenses		(137,179)	(135,390)	(115,550)
Other Expenditure		<u>0</u>	<u>(52,840)</u>	<u>(29,706)</u>
		(3,010,049)	(2,876,660)	(3,256,352)
		(329,517)	(464,350)	(143,684)
 Non-Operating Grants, Subsidies and Contributions	28	1,230,794	1,923,505	818,285
Fair value adjustments to financial assets at fair value through profit or loss	2(a)	0	0	0
Profit on Asset Disposals	20	10,302	14,000	31,227
Loss on Asset Disposal	20	<u>(45,586)</u>	<u>(52,840)</u>	<u>0</u>
Net Result		865,993	1,420,315	705,828
Other Comprehensive Income				
Changes on revaluation of non-current assets	6	(341,865)	0	0
Total Other Comprehensive Income		<u>(341,865)</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u>524,128</u>	<u>1,420,315</u>	<u>705,828</u>

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

SHIRE OF WILLIAMS
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Governance		44,491	20,250	38,269
General Purpose Funding		1,774,775	1,593,820	1,826,552
Law, Order, Public Safety		33,486	26,950	130,112
Health		3,016	2,700	3,449
Education and Welfare		266,171	300,140	64,351
Housing		63,596	74,810	70,235
Community Amenities		120,541	124,070	124,966
Recreation and Culture		98,729	86,650	100,117
Transport		80,876	50,270	89,771
Economic Services		38,607	23,150	47,712
Other Property and Services		156,244	109,500	617,134
	2(a)	<u>2,680,532</u>	<u>2,412,310</u>	<u>3,112,668</u>
Expenses				
Governance		(229,020)	(227,920)	(223,386)
General Purpose Funding		(10,391)	(13,650)	(13,027)
Law, Order, Public Safety		(103,417)	(78,080)	(244,397)
Health		(66,290)	(82,180)	(58,498)
Education and Welfare		(323,555)	(338,730)	(122,626)
Housing		(74,385)	(74,440)	(67,225)
Community Amenities		(195,586)	(199,080)	(188,255)
Recreation and Culture		(600,707)	(602,750)	(647,161)
Transport		(1,243,348)	(1,034,925)	(1,176,691)
Economic Services		(102,820)	(90,060)	(84,404)
Other Property and Services		(39,099)	(112,310)	(405,741)
	2(a)	<u>(2,988,618)</u>	<u>(2,854,125)</u>	<u>(3,231,411)</u>
Finance Costs				
General Purpose Funding		(1,012)	(1,000)	(1,005)
Transport		(4,023)	(5,040)	(7,000)
Other Property and Services		(16,396)	(16,495)	(16,936)
	2(a)	<u>(21,431)</u>	<u>(22,535)</u>	<u>(24,941)</u>
Fair Value Adjustments to Financial Assets at Fair Value through Profit or Loss				
		0	0	0
Non-Operating Grants, Subsidies and Contributions				
Education and Welfare		130,000	130,000	70,000
Housing		147,631	419,430	19,174
Recreation & Culture		33,661	480,370	453,681
Transport		659,398	647,705	275,430
Other Property & Services		260,104	246,000	0
		<u>1,230,794</u>	<u>1,923,505</u>	<u>818,285</u>
Profit/(Loss) on Disposal of Assets				
Governance		(2,748)	(11,240)	0
Education & Welfare		(6,283)	0	0
Health		(534)	0	0
Recreation & Culture		(824)	0	0
Transport		10,302	(41,600)	0
Transport		<u>(35,197)</u>	<u>14,000</u>	<u>31,227</u>
		<u>(35,284)</u>	<u>(38,840)</u>	<u>31,227</u>
Net Result		865,993	1,420,315	705,828
Other Comprehensive Income				
Changes on revaluation of non-current assets	6	<u>(341,865)</u>	<u>0</u>	<u>0</u>
Total Other Comprehensive Income		(341,865)	0	0
Total Comprehensive Income		<u>524,128</u>	<u>1,420,315</u>	<u>705,828</u>

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

**SHIRE OF WILLIAMS
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2013**

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	1,041,279	1,081,762
Trade and Other Receivables	4	530,729	459,154
Inventories	5	14,209	26,074
TOTAL CURRENT ASSETS		1,586,217	1,566,990
NON-CURRENT ASSETS			
Other Receivables	4	3,412	2,624
Inventories	5	0	0
Property, Plant and Equipment	6	6,891,944	6,979,006
Infrastructure	7	9,931,203	9,116,657
TOTAL NON-CURRENT ASSETS		16,826,559	16,098,287
TOTAL ASSETS		18,412,776	17,665,277
CURRENT LIABILITIES			
Trade and Other Payables	8	387,739	120,153
Long Term Borrowings	9	39,647	37,077
Provisions	10	166,484	188,579
TOTAL CURRENT LIABILITIES		593,870	345,809
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	259,879	299,525
Provisions	10	42,538	27,583
TOTAL NON-CURRENT LIABILITIES		302,417	327,108
TOTAL LIABILITIES		896,287	672,917
NET ASSETS		17,516,489	16,992,360
EQUITY			
Retained Surplus		15,877,698	15,297,721
Reserves - Cash Backed	11	725,203	781,052
Revaluation Surplus	12	913,587	913,587
TOTAL EQUITY		17,516,489	16,992,360

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 2013**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2011		14,533,467	839,478	913,587	16,286,532
Changes in Accounting Policy					
Correction of Errors					
Restated Balance		14,533,467	839,478	913,587	16,286,532
Comprehensive Income					
Net Result		705,828	0	0	705,828
Changes on Revaluation of Non-Current Assets	12	0	0	0	0
Total Comprehensive Income		705,828	0	0	705,828
Reserve Transfers		58,426	(58,426)	0	0
Balance as at 30 June 2012		15,297,721	781,052	913,587	16,992,360
Comprehensive Income					
Net Result		524,128	0	0	524,128
Changes on Revaluation of Non-Current Assets	12	0	0	0	0
Total Other Comprehensive Income		524,128	0	0	524,128
Reserve Transfers		55,849	(55,849)	0	0
Balance as at 30 June 2013		15,877,698	725,203	913,587	17,516,488

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

**SHIRE OF WILLIAMS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,317,527	1,350,260	1,276,115
Operating Grants, Subsidies and Contributions		685,718	563,153	853,757
Fees and Charges		546,171	865,660	734,523
Service Charges		0	0	0
Interest Earnings		59,449	79,244	74,226
Goods and Services Tax		324,416	150,000	490,603
Other Revenue		0	0	0
		<u>2,933,281</u>	<u>3,008,317</u>	<u>3,429,224</u>
Payments				
Employee Costs		(1,354,338)	(1,272,400)	(1,286,654)
Materials and Contracts		(480,421)	(778,708)	(1,453,504)
Utility Charges		(181,975)	(128,050)	(127,430)
Insurance Expenses		(137,179)	(135,390)	(115,550)
Interest expenses		(22,543)	(22,535)	(25,007)
Goods and Services Tax		(325,110)	(150,000)	(286,895)
Other Expenditure		0	0	0
		<u>(2,501,566)</u>	<u>(2,487,083)</u>	<u>(3,295,040)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>431,715</u>	<u>521,234</u>	<u>134,184</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	0	(22,825)
Payments for Purchase of Property, Plant & Equipment		(644,463)	(1,459,900)	(988,337)
Payments for Construction of Infrastructure		(1,071,754)	(1,401,004)	(394,525)
Advances to Community Groups				
Payments for Purchase of Investments				
Non-Operating Grants, Subsidies and Contributions		1,230,794	1,923,505	818,285
Proceeds from Sale of Plant & Equipment		50,302	75,500	115,000
Proceeds from Advances				
Proceeds from Sale of Investments				
Net Cash Provided By (Used In) Investing Activities		<u>(435,121)</u>	<u>(861,899)</u>	<u>(472,402)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(37,076)	(37,077)	(34,671)
Repayment of Finance Leases				
Proceeds from Self Supporting Loans				
Proceeds from New Debentures				
Net Cash Provided By (Used In) Financing Activities		<u>(37,076)</u>	<u>(37,077)</u>	<u>(34,671)</u>
Net Increase (Decrease) in Cash Held		<u>(40,482)</u>	<u>(377,742)</u>	<u>(372,889)</u>
Cash at Beginning of Year		1,081,762	1,083,862	1,456,751
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>1,041,279</u></u>	<u><u>706,120</u></u>	<u><u>1,083,862</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 2013**

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
Revenue				
Governance		44,491	20,250	38,269
General Purpose Funding		427,161	250,310	547,399
Law, Order, Public Safety		33,486	26,950	130,112
Health		3,016	2,700	3,449
Education and Welfare		396,171	430,140	134,351
Housing		211,227	494,240	89,409
Community Amenities		120,541	124,070	124,966
Recreation and Culture		132,390	567,020	553,798
Transport		750,576	711,975	392,870
Economic Services		38,607	23,150	48,018
Other Property and Services		416,348	355,500	620,691
		<u>2,574,014</u>	<u>3,006,305</u>	<u>2,683,332</u>
Expenses				
Governance		(231,768)	(239,160)	(221,662)
General Purpose Funding		(11,403)	(14,650)	(13,432)
Law, Order, Public Safety		(103,417)	(78,080)	(244,397)
Health		(66,824)	(82,180)	(58,498)
Education and Welfare		(329,838)	(338,730)	(122,625)
Housing		(74,385)	(74,440)	(67,225)
Community Amenities		(195,586)	(199,080)	(188,255)
Recreation and Culture		(601,531)	(602,750)	(646,819)
Transport		(1,282,568)	(1,081,565)	(1,183,233)
Economic Services		(102,820)	(90,060)	(84,404)
Other Property and Services		(397,360)	(128,805)	(422,852)
		<u>(3,397,500)</u>	<u>(2,929,500)</u>	<u>(3,253,402)</u>
Net Result Excluding Rates		(823,486)	76,805	(570,070)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
Initial Recognition of Assets Due to Change to Regulations				
- Land				
(Profit)/Loss on Asset Disposals	20	35,284	38,840	(31,227)
Movement in Accrued Interest		0	0	(1,039)
Movement in Deferred Pensioner Rates (Non-Current)		(788)	0	(773)
Movement in Employee Benefit Provisions (Non-Current)		(13,022)	0	(53,093)
Decrement on Property Plant & Equipment		336,009	0	0
Decrement on Furniture & Equipment		5,856	0	0
Depreciation and Amortisation on Assets	2(a)	561,282	568,500	556,511
Capital Expenditure and Revenue				
Purchase Land Held for Resale		0	0	0
Purchase Land and Buildings		(436,348)	(1,188,075)	(648,918)
Purchase Infrastructure Assets - Roads		(901,159)	(840,890)	(292,296)
Purchase Infrastructure Assets - Parks		(170,595)	(540,110)	(102,229)
Purchase Plant and Equipment		(207,025)	(281,825)	(352,875)
Purchase Furniture and Equipment		(1,090)	(10,000)	(5,000)
Proceeds from Disposal of Investments				
Proceeds from Disposal of Assets	20	50,302	75,500	115,000
Repayment of Debentures	21	(37,076)	(37,080)	(34,671)
Proceeds from New Debentures	21			
Self-Supporting Loan Principal Income				
Transfers to Reserves (Restricted Assets)	11	(10,792)	(134,048)	(45,289)
Transfers from Reserves (Restricted Assets)	11	66,641	210,000	104,256
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	505,305	727,893	746,163
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	306,911	9,020	663,585
Total Amount Raised from General Rate	22(a)	<u>(1,347,613)</u>	<u>(1,343,510)</u>	<u>(1,279,135)</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 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

(a) Basis of Preparation

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

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

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 19 to these financial statements.

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to the ATO, is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Cash and Cash Equivalents

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

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

(e) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

(f) Inventories

General

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

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

Land Held for Resale

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

Gains and losses are recognised in the statement of comprehensive income at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at fair value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2013.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

Revaluation

When performing a revaluation, the Council uses mix of both independent and management valuations using the following as a guide.

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

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

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

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

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value, imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** methodology section as detailed above.

Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to fair value, *AASB 13 - Fair Value Measurement* does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in *AASB 13 - Fair Value Measurement* have been applied to this reporting period (year ended 30 June 2013).

Due to the nature and timing of the adoption (driven by legislation), the adoption of this standard has had no effect on previous reporting periods.

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 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets

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

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

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

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

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

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

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

Capitalisation Threshold

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

(h) Intangible Assets

Easements

Due to legislative changes, Easements are required to be recognised as assets.

If significant, they are initially recognised at cost and have an indefinite useful life.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

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

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Derecognition

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

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

(j) Impairment

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

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

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

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

(k) Trade and Other Payables

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

(l) Employee Benefits

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

(m) 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 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Provisions

Provisions are recognised when:

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(o) Leases

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

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

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

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

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

(p) Investments in Associates

Associates are entities in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate entity. In addition, Council's share of the profit or loss of the associate entity is included in the Council's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Joint Venture

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

The Council's interest in joint venture entities are recorded using the equity method of accounting (refer to Note 1(p) for details) in the financial report.

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

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

(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 the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

(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.

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

(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 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

	Title and Topic	Issued	Applicable (*)	Impact
(i)	AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
	AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	September 2012	Deferred AASB 9 until 1 January 2015	
(ii)	AASB 2009 – 11 Amendments to Australian Accounting Standards arising from AASB 9	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
	[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)			

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
<p>(iii) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</p> <p>[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]</p>	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
<p>(iv) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards</p> <p>[AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]</p>	August 2011	01 January 2013	Nil - None of these, except for AASB 128 , are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supersede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2011 - 9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	<p>The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.</p> <p>It effects presentation only and is not expected to significantly impact the Council.</p>
(vi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14]	September 2011	01 January 2013	<p>The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.</p>
(vii) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	01 January 2013	<p>Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.</p> <p>This Standard is not expected to significantly impact on the Council's financial statements.</p>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	01 January 2014	<p>This Standard adds application guidance to AASB 132: <i>Financial Instruments: Presentation</i> to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>This Standard is not expected to significantly impact on the Council’s financial statements.</p>
(ix) AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, 101, 116, 132, 134 and Interpretation 2]	June 2012	01 January 2013	<p>Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council’s financial statements.</p>
(x) AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	December 2012	01 January 2013	<p>Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.</p>

(*) 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 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

AASB 2010 – 8
AASB 2011 - 3
AASB 2011 - 13

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

The Council also chose to early adopt *AASB 13 – Fair Value Measurement* as allowed for in the standard. For further details with respect to this early adoption, refer to Note 1(g).

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES

2013
\$

2012
\$

(a) Net Result

The Net Result includes:

(i) Charging as an Expense:

Auditors Remuneration

- Audit of the financial report	8,800	9,150
- Financial Management Review	3,200	0

Depreciation

Land and Buildings	128,679	116,134
Furniture and Equipment	9,140	8,929
Plant and Equipment	166,255	185,414
Roads	230,000	230,000
Infrastructure Parks and Reserves	27,208	26,034

561,282	566,511
---------	---------

Interest Expenses (Finance Costs)

Overdraft Interest	1,012	1,005
Debentures (<i>refer Note 21(a)</i>)	20,419	23,936
	21,431	24,941

(ii) Crediting as Revenue:

2013
\$

2013
Budget
\$

2012
\$

Interest Earnings

Investments			
- Reserve Funds	33,151	39,048	45,830
- Other Funds	15,176	25,952	23,329
Other Interest Revenue (<i>refer note 26</i>)	11,122	10,930	8,381
	59,449	75,930	77,540

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

GOVERNANCE

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

Activities: Administration and operation of facilities and services to members of Council; Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.

GENERAL PURPOSE FUNDING

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

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

LAW, ORDER, PUBLIC SAFETY

Objective: To provide services to ensure a safer community.

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

HEALTH

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

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

EDUCATION AND WELFARE

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

Activities: Provision and maintenance of premises for Williams Community Resource Centre & Willi Wagtails Childcare Centre. Provide payroll administration for Williams Community Resource Centre and Willi Wagtails Childcare Centre and provision of scholarships.

HOUSING

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

Activities: Management, administration and maintenance of Williams Community Homes, Sandalwood Court, Wandoo Cottages and JamTree Lane Units

COMMUNITY AMENITIES

Objective: Provision of amenities required by the community.

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

REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

RECREATION AND CULTURE

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

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

TRANSPORT

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

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

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 the Williams Stud Breeders pavilion.

OTHER PROPERTY & SERVICES

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

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Closing Balance (*) 30-Jun-12 \$	Received (+) 2012/13 \$	Expended (#) 2012/13 \$	Closing Balance 30-Jun-13 \$
Roads to Recovery	Transport	(39,372)	39,372	(1,309)	(1,309)	214,960	(85,415)	128,236
CLGF - Town Hall	Recreation	53,222	0	(53,222)	0	0	0	0
CLGF - Quindanning Townsite	OP & Services	71,992	0	(60,470)	11,522	0	(11,522)	0
Department of Agriculture	Community	7,153	0	(3,000)	4,153	0	(780)	3,373
Department of Agriculture	Governance	5,599	0	(5,599)	0	0	0	0
Wheatbelt Regional - Childcare	Education	0	70,000	(59,832)	10,168	30,000	(40,168)	0
CLGF - Recreation Facilities	Recreation	0	260,104	0	260,104	0	(17,500)	242,604
CLGF Regional Housing	Housing	0	19,174	(19,174)	0	147,631	(147,631)	0
Lotterywest - Town Hall	Recreation	0	193,577	(193,577)	0	0	0	0
MRD - Direct Grant	Transport	0	46,672	(46,672)	0	50,855	(50,855)	0
MRD - Road Project Grant	Transport	0	160,728	(160,728)	0	298,047	(298,047)	0
Country Pathways	Transport	0	28,658	(28,658)	0	25,536	(25,536)	0
MRD - Special Project	Transport	0	0	0	0	70,000	(70,000)	0
CLGF - Industrial Subdivision	OP & Services	0	0	0	0	260,104	0	260,104
Department of Sport & Recreation	Recreation	0	0	0	0	33,661	(33,661)	0
Lotterywest - Childcare	Education	0	0	0	0	100,000	(100,000)	0
Total		98,594	818,285	(632,241)	284,638	1,230,794	(881,115)	634,317

Notes:

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

(+) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(#) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Cash on Hand - Unrestricted		
Cash at Bank - Municipal	316,076	16,071
Restricted - Reserves	725,203	1,065,691
	<u>1,041,279</u>	<u>1,081,762</u>
 Cash at Bank - Municipal		
Unrestricted Cash	(318,241)	0
Unspent Grants	634,317	284,638
	<u>316,076</u>	<u>284,638</u>
 The following restrictions have been imposed by regulations or other externally imposed requirements:		
 Leave Reserve	120	28,098
Plant Reserve	511	39,086
Building Reserve	499,261	497,886
Joint Venture Housing Reserve	200,147	191,860
Recreation Facilities Reserve	15,276	14,644
Art Acquisition Reserve	9,888	9,479
	<u>725,203</u>	<u>781,053</u>
 4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	40,190	10,892
Provision for Doubtful Debts	(15,267)	(15,267)
Sundry Debtors	501,733	456,838
GST Receivable	4,073	3,377
Accrued Interest on Investments	0	3,314
	<u>530,729</u>	<u>459,154</u>
 Non-Current		
Rates Outstanding - Pensioners	3,412	2,624
	<u>3,412</u>	<u>2,624</u>
 5. INVENTORIES		
Current		
Fuel and Materials	14,113	25,936
History Books	96	138
Land Held for Resale - Cost		
Cost of Acquisition	0	0
Development Costs	0	0
	<u>14,209</u>	<u>26,074</u>
 Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	0	0
Development Costs	0	0
	<u>0</u>	<u>0</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
- Cost	6,905,462	6,469,114
- Less Accumulated Depreciation	<u>(1,427,353)</u>	<u>(1,298,674)</u>
	5,478,109	5,170,440
Furniture and Equipment		
- Cost	0	386,355
- Management Valuation 2013	97,700	0
- Less Accumulated Depreciation	<u>0</u>	<u>(264,360)</u>
	97,700	121,995
Plant and Equipment		
- Cost	0	2,817,327
- Independent Valuation 2013	1,288,635	0
- Management Valuation 2013	27,500	0
- Less Accumulated Depreciation	<u>0</u>	<u>(1,130,756)</u>
	1,316,135	1,686,571
	<u><u>6,891,944</u></u>	<u><u>6,979,006</u></u>

Plant and Equipment:

The Shire's Plant and Equipment was revalued at 30 June 2013, by independent valuers and by management valuation. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy).

The revaluation resulted in an overall decrease of \$336,009, in the net value of the Shire's plant and equipment. All of this decrease was debited to the profit and loss as a revaluation decrement under Other Property and Services and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive income.

Furniture and Equipment:

The Shire's Furniture and Equipment were revalued at 30 June 2013, by management valuation having regard for their current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining estimated useful life (Level 3 inputs).internally.

Given the significance of the Level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs.

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

The revaluation resulted in an overall decrease of \$5,856, in the net value of the Shire's furniture and equipment. All of this decrease was debited to the profit and loss as a revaluation decrement to Governance and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive income.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land and Buildings	Plant and Equipment	Furniture and Equipment	Total
	\$	\$	\$	\$
Balance as at the beginning of the year	5,170,440	1,686,571	121,995	6,979,006
Additions	436,348	207,025	1,090	644,463
(Disposals)	0	(75,197)	(10,389)	(85,586)
Revaluation - Increments	0	0	0	0
- (Decrements)	0	(336,009)	(5,856)	(341,865)
Impairment - (Losses)	0	0	0	0
- Reversals	0	0	0	0
Initial Recognition of assets Due to Changes to Regulations	0	0	0	0
Depreciation (Expense)	(128,679)	(166,255)	(9,140)	(304,074)
Carrying amount at the end of year	<u>5,478,109</u>	<u>1,316,135</u>	<u>97,700</u>	<u>6,891,944</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
7. INFRASTRUCTURE		
Roads		
- Cost	15,952,236	15,051,077
- Less Accumulated Depreciation	<u>(7,031,192)</u>	<u>(6,801,192)</u>
	8,921,044	8,249,885
Parks, Gardens, Reserves		
- Cost	1,403,954	1,233,359
- Less Accumulated Depreciation	<u>(393,795)</u>	<u>(366,587)</u>
	1,010,159	866,772
	<u><u>9,931,203</u></u>	<u><u>9,116,657</u></u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Roads	Parks and Ovals	Total
	\$	\$	\$
Balance at the beginning of the year	8,249,885	866,772	9,116,657
Additions	901,159	170,595	1,071,754
(Disposals)			0
Revaluation - Increments			0
- (Decrements)			0
Impairment - (Losses)			0
- Reversals			0
Depreciation (Expense)	(230,000)	(27,208)	(257,208)
Carrying amount at the end of year	<u>8,921,044</u>	<u>1,010,159</u>	<u>9,931,203</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	382,656	113,958
Accrued Interest on Debentures	5,083	6,195
Accrued Salaries and Wages	0	0
	<u>387,739</u>	<u>120,153</u>

9. LONG-TERM BORROWINGS

Current

Secured by Floating Charge

Debentures	39,647	37,077
Lease Liability	0	0
	<u>39,647</u>	<u>37,077</u>

Non-Current

Secured by Floating Charge

Debentures	259,879	299,525
Lease Liability	0	0
	<u>259,879</u>	<u>299,525</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Analysis of Total Provisions

Current	166,484	188,579
Non-Current	42,538	27,583
	<u>209,022</u>	<u>216,162</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance as at 1 July 2012	91,773	124,389	216,162
Additional provisions	128,142	26,325	154,467
Amounts used	(134,371)	(27,236)	(161,607)
Used amounts reversed			0
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate			0
Balance at 30 June 2013	<u>85,544</u>	<u>123,478</u>	<u>209,022</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	28,098	28,098	26,644
Amount Set Aside / Transfer to Reserve	0	21,402	1,454
Amount Used / Transfer from Reserve	(27,978)	0	0
	<u>120</u>	<u>49,500</u>	<u>28,098</u>
(b) Plant Reserve			
Opening Balance	39,086	39,086	39,174
Amount Set Aside / Transfer to Reserve	88	51,954	2,139
Amount Used / Transfer from Reserve	(38,663)	(40,000)	(2,227)
	<u>511</u>	<u>51,040</u>	<u>39,086</u>
(c) Building Reserve			
Opening Balance	497,886	497,886	533,163
Amount Set Aside / Transfer to Reserve	1,375	24,894	29,107
Amount Used / Transfer from Reserve	0	(20,000)	(64,384)
	<u>499,261</u>	<u>502,780</u>	<u>497,886</u>
(d) Joint Venture Housing Reserve			
Opening Balance	191,860	191,860	181,928
Amount Set Aside / Transfer to Reserve	8,287	9,590	9,932
Amount Used / Transfer from Reserve	0	(150,000)	0
	<u>200,147</u>	<u>51,450</u>	<u>191,860</u>
(e) Recreation Facilities Reserve			
Opening Balance	14,643	14,643	49,582
Amount Set Aside / Transfer to Reserve	633	737	2,706
Amount Used / Transfer from Reserve	0	0	(37,645)
	<u>15,276</u>	<u>15,380</u>	<u>14,643</u>
(f) Art Acquisition Reserve			
Opening Balance	9,479	9,479	8,988
Amount Set Aside / Transfer to Reserve	409	471	491
Amount Used / Transfer from Reserve	0	0	0
	<u>9,888</u>	<u>9,950</u>	<u>9,479</u>
(f) Computer Replacement Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	25,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>25,000</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u>725,203</u>	<u>705,100</u>	<u>781,052</u>

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

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

Leave Reserve

- to be used to fund annual and 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, acquisition and major asset maintenance of buildings.

Joint Venture Housing

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

Recreation Facilities Reserve

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

Art Acquisition Reserve

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

Computer Replacement Reserve

- to be used to ensure that the administration computer system is maintained

The Leave, Plant, Recreation Facilities, Art Acquisition and Computer Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

The Building and Joint Venture Reserves are expected to be utilised in 2013/2014.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

12. RESERVES - ASSET REVALUATION

2013
\$

2012
\$

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

(a) Land and Buildings

Opening balance	891,189	891,189
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>891,189</u>	<u>891,189</u>

(b) Plant and Equipment

Opening Balance	22,398	22,398
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>22,398</u>	<u>22,398</u>

TOTAL ASSET REVALUATION RESERVES

913,587 913,587

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2013 \$	2013 Budget \$	2012 \$
Cash and Cash Equivalents	<u>1,041,279</u>	<u>706,120</u>	<u>1,081,762</u>

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

Net Result	524,128	1,420,315	705,828
Amortisation			
Depreciation	561,282	568,500	566,511
(Profit)/Loss on Sale of Asset	35,284	38,840	(31,227)
(Increase)/Decrease in Receivables	(72,360)	454,566	160,822
(Increase)/Decrease in Inventories	11,865	16,074	(6,985)
Increase/(Decrease) in Payables	267,586	(53,556)	(492,598)
Increase/(Decrease) in Employee Provisions	(7,140)	0	50,118
Grants/Contributions for	0	0	0
the Development of Assets	(1,230,794)	(1,923,505)	(818,285)
Non-Current Assets recognised due to changes in legislative requirements	<u>341,865</u>	<u>0</u>	<u>0</u>
Net Cash from Operating Activities	<u>431,716</u>	<u>521,234</u>	<u>134,184</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft limit	10,000	100,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	20,000	20,000
Credit Card Balance at Balance Date	<u>0</u>	<u>0</u>
Total Amount of Credit Unused	<u>30,000</u>	<u>120,000</u>

Loan Facilities

Loan Facilities - Current	39,647	37,077
Loan Facilities - Non-Current	<u>259,879</u>	<u>299,525</u>
Total Facilities in Use at Balance Date	<u>299,526</u>	<u>336,602</u>

Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>
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SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

14. CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2013

15. CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

There were no financial lease commitments at 30 June 2013

(b) Operating Lease Commitments

There were no operating lease commitments at 30 June 2013

(c) Capital Expenditure Commitments	2013 \$	2012 \$
Contracted for:		
- capital expenditure projects	867,720	0
- plant & equipment purchases	0	0
Payable:		
- not later than one year	867,720	0

The capital expenditure project outstanding at the end of the current reporting period represents the construction of the 4 x Aged Care Units located on New Street.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

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 for the assets is determined by an equity agreement and Council's share of the assets are included in the Land & Buildings as follows:

	2013	2012
	\$	\$
Non-Current Assets		
Land & Buildings	213,392	213,392
Less: Accumulated Depreciation	<u>(53,616)</u>	<u>(49,348)</u>
	<u><u>159,776</u></u>	<u><u>164,044</u></u>

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:

	2013	2012
	\$	\$
Non-Current Assets		
Plant & Equipment	0	8,074
- Management Valuation 2013	6,000	0
Less: Accumulated Depreciation	<u>0</u>	<u>(1,557)</u>
	<u><u>6,000</u></u>	<u><u>6,517</u></u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	1,486,373	1,512,956
General Purpose Funding	43,602	16,830
Law, Order, Public Safety	8,033	15,305
Health	71,598	78,034
Education and Welfare	955,753	736,036
Housing	648,409	460,724
Community Amenities	41,093	59,259
Recreation and Culture	3,476,338	3,422,091
Transport	10,481,390	10,163,532
Economic Services	463,405	458,668
Other Property and Services	420,706	439,033
Unallocated	<u>316,076</u>	<u>302,809</u>
	<u><u>18,412,776</u></u>	<u><u>17,665,277</u></u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012	2011
18. FINANCIAL RATIOS			
Current Ratio	0.38	1.44	1.18
Asset Sustainability Ratio	1.45	1.37	2.39
Debt Service Cover Ratio	3.72	7.72	13.34
Operating Surplus Ratio	(0.18)	(0.05)	0.03
Own Source Revenue Coverage Ratio	0.59	0.70	0.81

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

Notes:

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 59 of this document.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

19. TRUST FUNDS

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

	Balance 1-Jul-12 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-13 \$
Housing Bonds	10,234	958	(1,280)	9,912
Building Deposits	2,012			2,012
Sale of Land for Rates	60,008			60,008
Subdivision Bonds	49,178			49,178
Public Open Space Contribution	20,000			20,000
Recycling Shed Community Fund	3,333	1,329		4,662
Nomination Deposit	0			0
CLGF Regional Fund	2,860,246	113,663	(1,776,199)	1,197,710
	<u>3,005,011</u>			<u>1,343,482</u>

20. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Transport						
Mitsubishi Canter Dual Cab Truck	0	1,500	10,302	14,000	10,302	12,500
JCB Front End Loader	66,574	81,600	40,000	40,000	(26,574)	(41,600)
Mitsubishi Utility	0	0	0	1,500	0	1,500
Disposals & Write Offs	8,623	0	0	0	(8,623)	0
Governance						
Ford Sedan	0	31,240	0	20,000	0	(11,240)
Disposals & Write Offs	2,748	0	0	0	(2,748)	0
Education & Welfare						
Disposals & Write Offs	6,283	0	0	0	(6,283)	0
Health						
Disposals & Write Offs	534	0	0	0	(534)	0
Recreation & Culture						
Disposals & Write Offs	824	0	0	0	(824)	0
	<u>85,586</u>	<u>114,340</u>	<u>50,302</u>	<u>75,500</u>	<u>(35,284)</u>	<u>(38,840)</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1-Jul-12 \$	New Loans \$	Principal Repayments		Principal 30-Jun-13		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Transport								
Loan #63 Plant	78,449		29,786	29,787	48,663	48,662	4,023	4,498
Other Property & Services								
Loan #65 Industrial Land	258,153		7,290	7,290	250,863	250,863	16,396	16,493
	336,602	0	37,076	37,077	299,526	299,525	20,419	20,991

All debenture repayments are to be financed by general purpose revenue

(b) New Debentures - 2012/13

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 2013

21. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

Council had no unspent debenture funds as at the 30 June 2013

Particulars	Date Borrowed	Balance 1-Jul-12 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-13 \$
					0
		0	0	0	0

(d) Overdraft

Council established an overdraft facility for \$100,000 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2012 and 30 June 2013 was \$Nil.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

22. RATING INFORMATION - 2012/13 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate											
GRV Residential	4.8100	130	1,691,486	81,360			81,360	79,684			79,684
GRV Industrial/Commercial	5.2962	19	757,630	40,126			40,126	40,126			40,126
UV Rural/Mining	0.5340	301	212,433,000	1,134,392	1,002		1,135,394	1,135,410			1,135,410
Sub-Totals		450	214,882,116	1,255,878	1,002	0	1,256,880	1,255,220	0	0	1,255,220
Minimum Rates	Minimum \$										
GRV Residential	450	133	620,070	59,850		3,795	63,645	61,200			61,200
GRV Industrial/Commercial	450	18	64,920	8,100			8,100	8,100			8,100
UV Rural/Mining	450	14	666,764	6,300			6,300	6,300			6,300
Sub-Totals		165	1,351,754	74,250	0	3,795	78,045	75,600	0	0	75,600
Discounts <i>(refer note 25)</i>							1,334,925				1,330,820
Total Amount Raised from General Rate							1,334,925				1,330,820
Ex-Gratia Rates Specified Area Rate <i>(refer note 23)</i>							12,688				12,690
Total Rates							1,347,613				1,343,510

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

22. RATING INFORMATION - 2012/13 FINANCIAL YEAR (Continued)

		Correction	Reported 2011/2012 Annuals
(b) Information on Surplus/(Deficit) Brought Forward	2013 (30 June 2013 Carried Forward) \$	2013 (1 July 2012 Brought Forward) \$	2013 (1 July 2012 Brought Forward) \$
Surplus/(Deficit) - Rate Setting Statement	<u>306,911</u>	<u>505,305</u>	<u>663,585</u>
<u>Comprises:</u>			
Cash - Unrestricted	(318,241)	16,072	16,072
Cash - Restricted	634,317	284,638	284,638
Investments - Restricted	725,203	781,052	781,052
Rates - Current	40,190	10,892	10,892
Sundry Debtors	501,733	456,838	456,838
Accrued Interest on Investments		3,314	3,314
GST Receivable	4,073	3,380	3,380
Inventories			
- Fuel and Materials	14,113	25,936	25,936
- History Books	96	138	138
<u>Less:</u>			
Reserves - Restricted Cash			
- Leave Reserve	(120)	(28,098)	(28,098)
- Plant Reserve	(511)	(39,086)	(39,086)
- Building Reserve	(499,261)	(497,886)	(497,886)
- Joint Venture Housing Reserve	(200,147)	(191,860)	(191,860)
- Recreation Facilities Reserve	(15,276)	(14,644)	(14,644)
- Art Acquisition Reserve	(9,888)	(9,479)	(9,479)
<u>Add:</u>			
- Leave entitlements Cash Backed	120	28,098	
Sundry Creditors	(382,656)	(113,958)	(116,160)
Accrued Interest on Debentures	(5,083)	(6,195)	(6,195)
Accrued Salaries and Wages	0	0	0
Provision for Doubtful Debts	(15,267)	(15,267)	(15,267)
Current Employee Benefits Provision	(166,484)	(188,580)	
Surplus/(Deficit)	<u>306,911</u>	<u>505,305</u>	<u>663,585</u>
Difference:		158,280	

There is a difference of \$158,280 between the Surplus/(Deficit) 1 July 2012 brought forward position used in the 2013 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2012 audited financial report, due to the change in disclosure requirements.

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

23. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR

The Shire of Williams did not raise specified area rates in 2012/2013.

24. SERVICE CHARGES - 2012/13 FINANCIAL YEAR

The Shire of Williams did not raise any service charges for 2012/2013.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2012/13 FINANCIAL YEAR

The Shire of Williams did not grant any discount on rates, waiver or write of charges for 2012/2013

26. INTEREST CHARGES AND INSTALMENTS - 2012/13 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		4,494	5,000
Interest on Instalments Plan	5.50%		6,628	5,930
Charges on Instalment Plan		25	3,425	3,250
			14,547	14,180

Ratepayers had the option of paying rates in four equal instalments, due on 7th September 2012, 9th November 2012, 11th January 2013 and 8th March 2013. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2013 \$	2012 \$
Governance	13,223	13,600
General Purpose Funding	4,412	4,198
Law, Order, Public Safety	1,723	949
Health	3,016	2,435
Education and Welfare	159,681	12,965
Housing	63,596	70,234
Community Amenities	102,541	109,086
Recreation and Culture	41,571	47,715
Transport	51,810	45,299
Economic Services	21,201	16,755
Other Property and Services	124,978	575,747
	587,752	898,983

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

28. GRANT REVENUE

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

	2013	2012
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	685,718	857,010
Non-Operating Grants, Subsidies and Contributions	1,230,794	818,285
	<u>1,916,512</u>	<u>1,675,295</u>
By Program:		
Governance	31,269	24,669
General Purpose Funding	363,301	465,680
Law, Order, Public Safety	31,764	129,164
Health	0	1,014
Education and Welfare	236,490	121,386
Housing	147,631	19,175
Community Amenities	18,000	15,879
Recreation and Culture	90,818	506,083
Transport	688,464	319,901
Economic Services	17,406	30,957
Other Property and Services	291,370	41,387
	<u>1,916,513</u>	<u>1,675,295</u>

29. ELECTED MEMBERS REMUNERATION

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

	2013	2013	2012
	\$	Budget	\$
		\$	
Meeting Fees	14,516	18,000	13,549
President's Allowance	3,605	3,680	3,500
Travelling Expenses	3,322	3,500	2,978
	<u>21,442</u>	<u>25,180</u>	<u>20,027</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

2013	2012
<u>23</u>	<u>20</u>

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

31. MAJOR LAND TRANSACTIONS

The Shire of Williams has not been involved in any major land transactions in the 2011/12 financial year or the 2012/2013 financial year.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2012/13 financial year.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT

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

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	316,076	284,638	316,076	284,638
Receivables	534,141	461,778	534,141	461,778
Investments				
	<u>850,217</u>	<u>746,416</u>	<u>850,217</u>	<u>746,416</u>
Financial Liabilities				
Payables	387,739	120,153	387,739	120,153
Borrowings	299,526	336,602	255,125	290,490
	<u>687,265</u>	<u>456,755</u>	<u>642,864</u>	<u>410,643</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Investments – based on quoted market prices at the reporting date or at independent valuation.
- 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 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

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

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

	2013	2012
	\$	\$
Impact of a 10% (*) movement in interest rates on cash and investments:		
- Equity	112,198	115,636
- Statement of Comprehensive Income	112,198	115,636

Notes:

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

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

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

- Equity	11,220	11,564
- Statement of Comprehensive Income	11,220	11,564

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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

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

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

	2013	2012
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	12.42%	73.00%
- Overdue	87.58%	99.27%

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2013</u>					
Payables	387,739	0	0	387,739	387,739
Borrowings	58,607	95,128	307,060	460,795	299,525
	<u>446,346</u>	<u>95,128</u>	<u>307,060</u>	<u>848,534</u>	<u>687,264</u>
<u>2012</u>					
Payables	120,153	0	0	120,153	120,153
Borrowings	58,607	129,953	283,440	472,000	336,602
	<u>178,760</u>	<u>129,953</u>	<u>283,440</u>	<u>592,153</u>	<u>456,755</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings (Continued)

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

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

	<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 2013</u>								
Payables	387,739	0	0	0	0	0	387,739	0
Borrowings								
Fixed Rate								
Debentures	48,662	0	0	0	0	250,863	299,525	6.46%
Weighted Average Effective Interest Rate	6.93%	0.00%	0.00%	0.00%	0.00%	6.37%		
<u>Year Ended 30 June 2012</u>								
Payables	120,153	0	0	0	0	0	120,153	0
Borrowings								
Fixed Rate								
Debentures	0	78,449	0	0	0	258,153	336,602	6.50%
Weighted Average Effective Interest Rate	0.00%	6.93%	0.00%	0.00%	0.00%	6.37%		

**SHIRE OF WILLIAMS
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2013**

RATIO INFORMATION

The following information relates to these ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report.

	2013	2012	2011
Asset Consumption Ratio	0.601	N/A	N/A
Asset Renewal Funding Ratio	1	N/A	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

N/A -In keeping with amendments to Local Government (Financial Management) Regulation 50, comparatives for the two preceding years (being 2012 and 2011) have not been reported as financial information is not available.

SHIRE OF WILLIAMS
INDEPENDENT AUDIT REPORT
TO THE ELECTORS OF THE SHIRE OF WILLIAMS

I have audited the accompanying financial report of the **Shire of Williams** which comprises the statement of financial position, statements of income, statement of cash flows, rate setting statement and supporting notes for the year ended **30 June 2013**.

Management's Responsibility for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) (**the Act**) and the Local Government (Financial Management) Regulations 1996 (as amended) (**the Regulations**) and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain evidence about amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial report whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the shire's preparation of the financial report that gives a true and fair view 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 management, as well as evaluating the overall presentation of the financial report.

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

Auditor's Opinion

In my opinion the financial report of the **Shire of Williams** is in accordance with the Act and the Regulations including giving a true and fair view of the shire's financial position as at **30 June 2013** and of its performance for the year ended on that date and complying with Australian Accounting Standards and substantially complying with the Act and Regulations.

Report on other legal and regulatory requirements

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

- (a) There were no matters that indicated a significant adverse trend in the financial position or the financial management practices of the shire.
- (b) There were no material matters noted by me indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls in any other written law.
- (c) In relation to the supplementary ratio information in this report, which is not subject to audit, I have reviewed the calculations and they appear to be reasonably calculated.
- (d) All necessary information and explanations were obtained by me and
- (e) All audit procedures were satisfactorily completed in conducting my audit.



Gregory Froomes Wyllie CPA
Perth, Western Australia
14 October 2013