

ANNUAL REPORT

2010/2011

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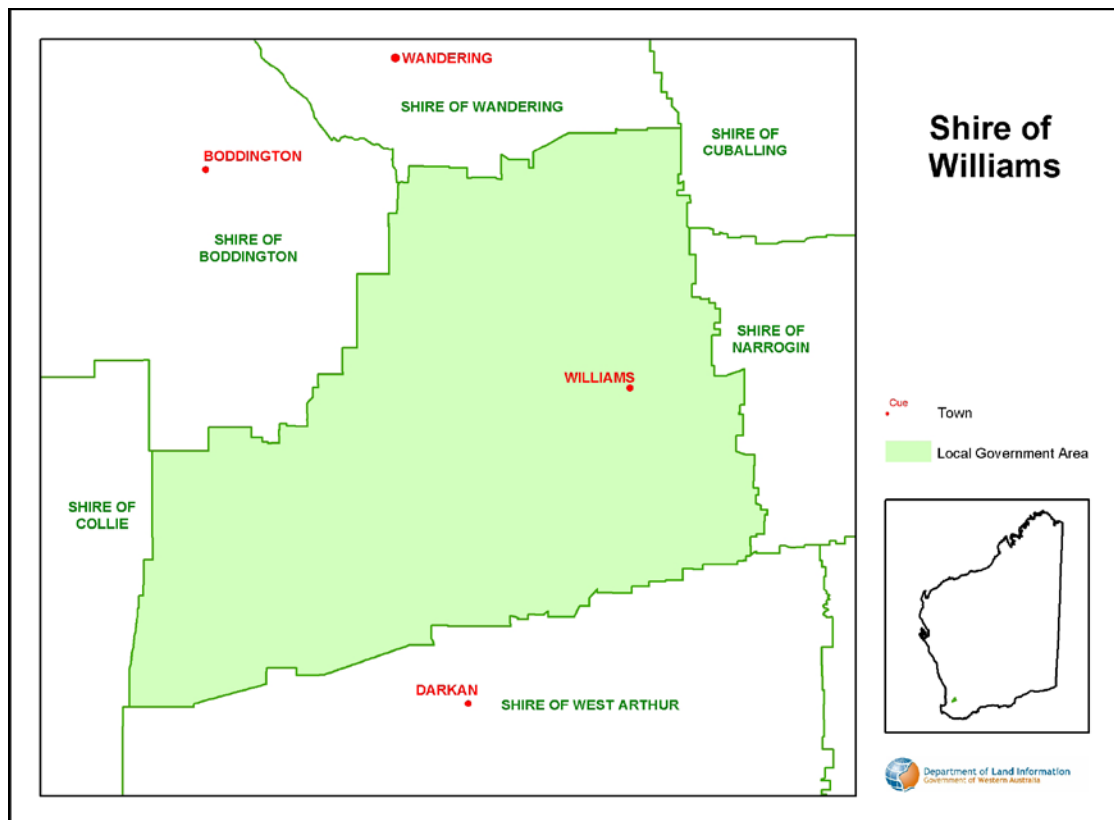
SHIRE OF WILLIAMS

Authority and Legislation

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

Williams Shire Location

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



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

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

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MISSION STATEMENT

Vision

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

Mission

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

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



Photo - Roses in Brooking Street, Williams

COUNCIL MEMBERS

JES (John) Cowcher – President

Elected to Office in 1993

Retiring 2011

Phone: 9885 6013

Fax: 9885 6067

DS (David) Earnshaw – Deputy President

Elected to Office in 2005

Retiring 2013

Phone: 9885 8070

Fax: 9885 8075

NA (Natalie) Major

Elected to Office in 2009

Retiring 2011

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 2011

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 2011

Phone: 9885 7092

Fax: 9885 7092

GH (Gilbert) Medlen

Elected to Office in 2007

Retiring 2011

Phone: 9885 8077

Fax: 9885 8077

PC (Peter) Paterson

Elected to Office in 2009

Retiring 2011

Phone: 9885 1130

Fax: 9885 1349



COUNCIL STAFF

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



SHIRE STATISTICS & INFORMATION

Distance from Perth (km)	161
Area (sq km)	2,295
Length sealed roads (km)	166
Length unsealed roads (km)	388
Population	1006
Councillors	9
Electors	718
Dwellings	455
Employees (FTE's)	23
Rates (2011)	\$ 1,243,082
Revenue (2011)	\$ 4,171,452

History of Shire:

The District of Williams was first explored in 1831 by Captain Bannister en route from Perth to King George 111 Sound (Albany). Williams has been a convenient stopping place for travellers on the same route since the 1850's. With the tendering of a reliable mail service around 1853, the road was upgraded and Williams became an important stop over point for passengers and changing of horses. It subsequently developed as the District Centre for Local Government, which was granted in 1877. The small town was subject to increasing floods due to the clearing of the land for intensive farming, therefore the town was relocated to the Perth side of the bridge. The town site was surveyed in 1905 and most of the buildings in the present town site were constructed after that time. Williams is still reliant on wool and coarse grains and caters for about 2,500 vehicles per day. The population has stabilised in the district to around 1,000 with about 400 in the town.

Economy:

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

Climate:

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

MANAGEMENT STRUCTURE

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

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

COUNCIL

Nine (9) Councillors

Chief Executive Officer

Mr Ryan Duff

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

**Deputy
Chief Executive Officer
Mr Ian Ball**

**Works Supervisor
Mr Tony Kett**

Responsible for:

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

Responsible for:

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

Responsible for:

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

COUNCIL FACILITIES

Public Library:

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

Sports Pavilion:

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

Town Hall and RSL Hall:

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

Aquatic Centre:

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

Tourist Information Bay:

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

Aged Persons' Facilities:

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

Single Persons' Units:

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

Chemical Container Compound:

Situated inside the 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 2010/11

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.

Amalgamations are still on the State Government's agenda. Whilst we have had talks with neighbouring Councils, it is still the Shire of Williams' opinion that there are no real advantages or cost savings, and therefore is not attractive for our Council or community at this stage. The Shire continues to support the notion of the sharing of resources between neighbouring Councils, as this is seen as mutually beneficial and a significant cost saving for our Council. We continue to work with the 4WD VROC, which provides an opportunity for the Shire of Williams to be involved with regional based projects with significant local benefits.

One of these projects is 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 is being sourced from the Country Local Government Fund Regional component of the 7 shires, as well as funding from the Royalties for Regions Action Agenda Funding. The project totals over \$16 million, and if successful at least 10 units will be built in Williams, dedicated to aged persons. The first year of the CLGF Regional funding has been approved.

Aside from the usual road maintenance and construction, Council has also seen capital work expenditure on the Shire hall (replacement of the roof), Tarwonga Tennis Courts (resealing 6 courts), improvements on shire houses and the Williams Swimming Pool Amenities upgrade.

February 2011 saw the official opening by local MP Terry Waldron of the refurbished amenities at the Williams Swimming Pool. The refurbishments included a new kiosk and entry, additional storage, disabled toilet and changeroom (with baby change facilities) and revamped ablutions (retiling, painting, new fit out and most notably hot water in the showers) and a solar blanket for the 25m pool. Funding was secured from the Regional & Local Community Infrastructure Fund (RLCIP – Federal), Country Local Government Fund (State) and the Department of Sport and Recreation's Community Sport and Recreation Facilities Fund (CSRFF). Shire funds committed the balance of the cost.

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 is working with external developers to assist with the development of the much anticipated land release.

Within the next twelve months we should see the completion of the waste water treatment plant and associated upgrades required to support the use of recycled water on our recreation facilities. This will result in considerable cost savings to the Williams community, as there will no longer be a reliance on expensive scheme water to water the town facilities over the warm summer months, rather the use of recycled, treated wastewater will ensure that the oval remains green year round. This is an exciting initiative, and one that has taken many years to implement in consultation with the Water Corporation.

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.

The compensation claim on the compulsorily acquired Emergency Services Communication Tower has proved costly for the Shire of Williams. It has required many meetings and visits to the State Administration Tribunal (SAT), together with the engagement of lawyers, but when this matter is finally settled hopefully late in 2011, it is anticipated that some of the legal costs incurred will be covered by contributions from the emergency service organisations and State government.

As in previous years, the last twelve months has seen the works crew busy once again. The Shire works crew were called on to assist the Shire of Wandering in cleaning up after the storms earlier this year. This private work has generated over \$260,000 for the Shire of Williams. Private works such as this, are necessary to ensure that the Shire of Williams continue to remain in the strong financial position that we are currently in, as the Financial Assistance Grants continue to be far below what we consider would be a fair and reasonable amount compared to similar shires across the state. We are working on attempting to resolve this anomaly with the recent submission to the Grants Commission identifying major discrepancies that have disadvantaged Williams in the past. The simple fact that Williams is in a sound financial state with good community services and facilities is testament to previous Councils who have engaged astute financial acumen without scrimping on ensuring that our community is a great place to live and work.

The works crew has seen the resignation of Anthony Brayshaw and Andrew Bunch, and the employment of Roger Gillett over the past twelve months. In addition, the works crew has been augmented at peak times with a number of casuals, including Brendan Haddrick and Mick Bourden. 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.

Earlier this year, the Shire resolved to make the Pool Manager's position redundant and contract out the management of the pool to an external provider which will provide staff to manage the pool commencing in season 2011/12. We look forward to a long and favourable relationship with this provider.

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, 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. 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 2011.

Financial Sustainability

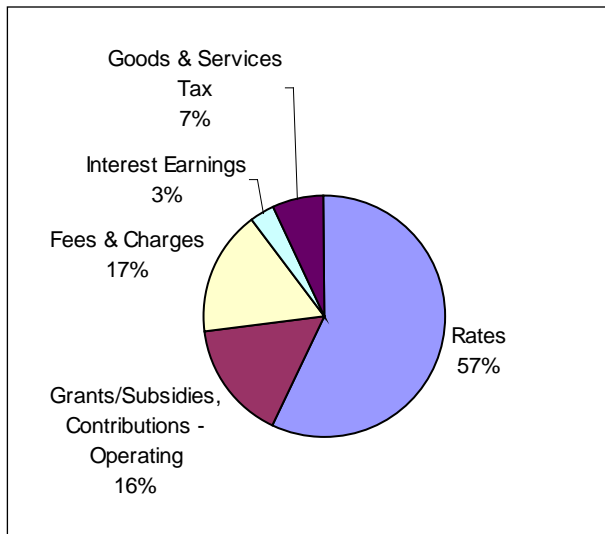
The Council remains in a strong financial position at June 30, 2011. The financial performance and management of the Shire of Williams is a critical factor in gauging the success of the year and it is satisfying that we have ended the year on strong grounds. This is due largely to a significant amount of private works carried out for the Shire of Williams clearing trees from the significant storm event in January 2011. To date works to the value of \$267,000 have been completed. In addition a \$34,948 storm damage claim, \$45,000 fuel rebate and additional budget savings were made throughout the financial year.

Without the private works the Shire of Williams would have been significantly disadvantaged by the pending compensation claim on the land compulsorily acquired for the Emergency Services Communications tower. The matter is still currently before the State Administrative Tribunal as to date the Shire of Williams has incurred expenses, both legal and part compensation payments in excess of \$220,000. It is hoped that the Shire's exposure to these payments will be offset by contributions from Police, FESA and the St John Ambulance.

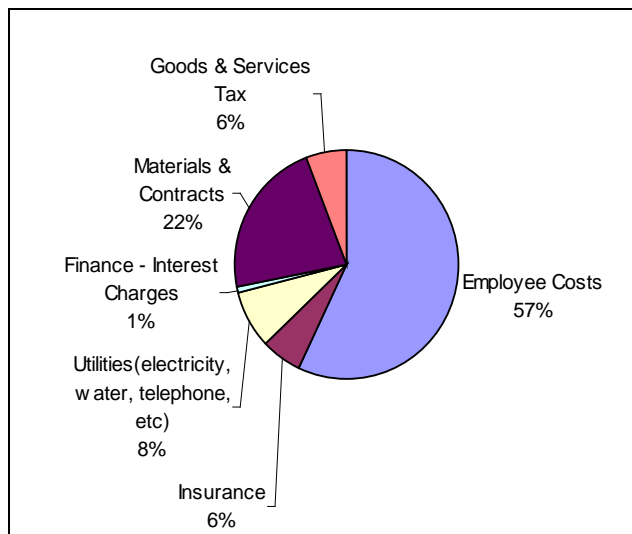
Operating Result

The operating surplus reported for 2010/2011 is \$1,362,084. This was \$619,795 more than the 2009/2010 actual result and \$372,249 more than the 2009/2010 Budget. The diagrams below show the break up of revenue and expenditure:

Operating Revenue



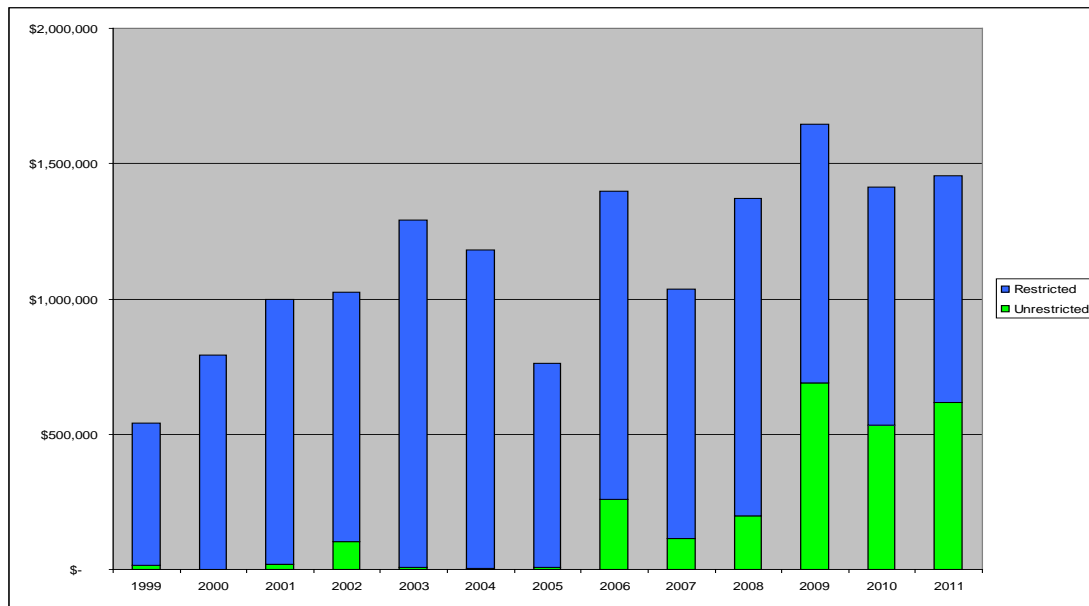
Operating Expenditure



Summary	Actual 2010/2011	Budget 2010/2011	Actual 2009/2010
Total Operating Revenues	\$ 4,109,495	\$ 3,400,073	\$ 3,008,739
Total Operating Expenditure	\$ 2,737,239	\$ 2,405,098	\$ 2,261,723
Net gain/(loss) on disposal of assets	\$ (10,172)	\$ (5,140)	\$ (4,727)
Net Operating Result	\$ 1,362,084	\$ 989,835	\$ 742,289

Cash and Reserves

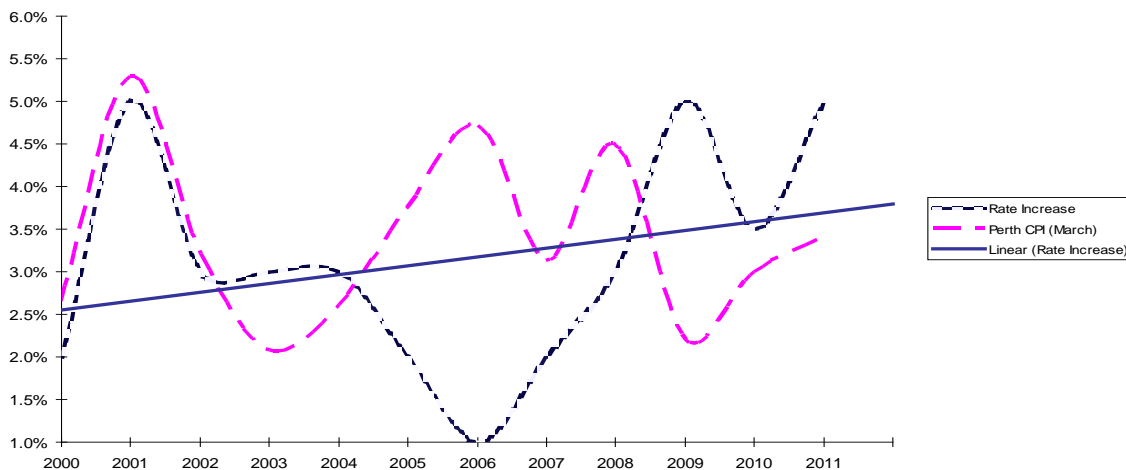
Council had cash holdings of \$1.456 million as at the 30th June 2011.



Rates

Council adopted a 5% general rate increase in 2010/11. This resulted in a total rate collection of \$1,243,082 compared to \$1,186,089 the previous year. Although the increase this financial year is slightly higher than previous years, the average rate increase since 2000 has been 2.95% which is slightly below the average CPI increase for the same period.

Shire of Williams
Historic Rate Increases 2000 to 2011



Capital Expenditure

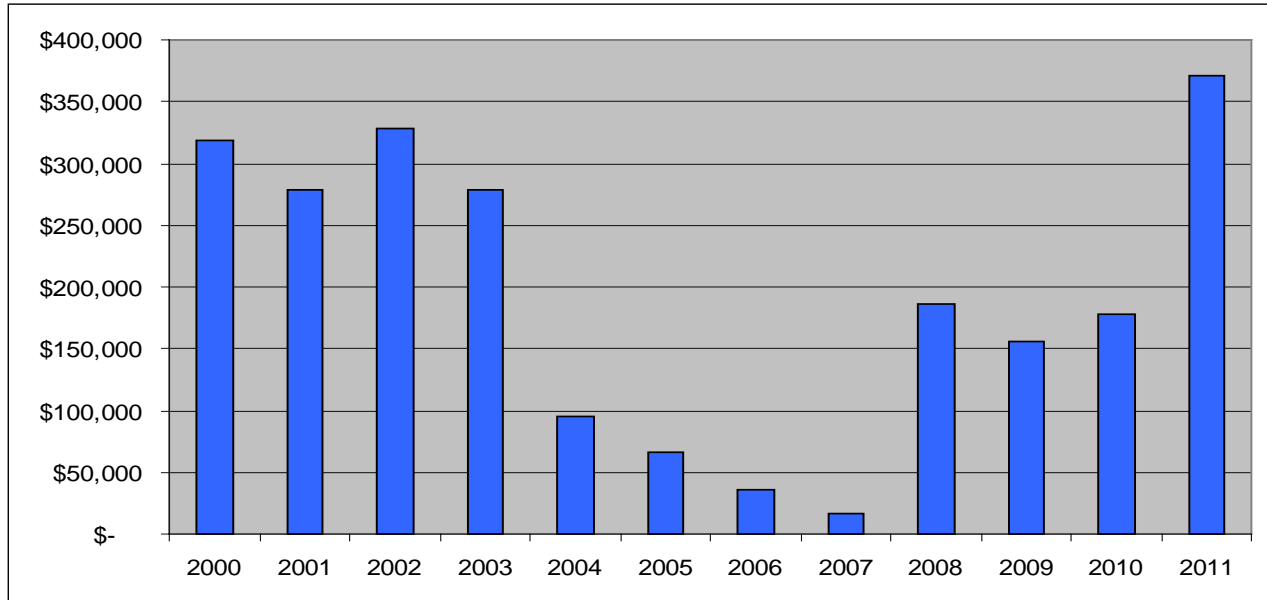
Council capital expenditure for 2010/11 is listed below:

	30 June 2010 Actual \$	2010/11 Revised Budget \$
ACQUISITION OF ASSETS		
<u>By Program</u>		
Governance		
CEO Vehicle	38,636	37,000
Photocopier	7,616	6,000
Community Amenities		
Cardboard Press Generator	19,000	16,000
Cardboard Press Shed	0	10,000
Industrial Land	41,001	0
Recreation and Culture		
Williams Town Hall	103,806	250,000
Tarwonga Tennis Courts Resurfacing	77,727	60,000
Swimming Pool Amenities Upgrade	320,588	367,720
Mower Trailer	7,750	8,000
Transport		
UHF Radios	0	5,500
Garage/ Patio 1 Growse Street	0	30,000
External Wall Cladding 14 Adam Street	15,364	20,000
Road Construction	674,317	1,029,200
	<u>1,305,805</u>	<u>1,839,420</u>



Loans

Council's loan liability for the year ended 30th June 2011 was \$371,273 repayable at an interest rate of 6.73%. The Shire of Williams has extremely low external debt and has additional scope for appropriate borrowings to finance long-lived infrastructure assets. The Shire Debt service ratio is 0.0293 which is well below the industry allowable standard of 0.08.



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:

- Hall Upgrade Works
- Light Industrial Land – Design and planning
- Childcare Centre set up and implementation
- Quindanning Townsite Residential Lots
- Construction of 2 x Aged Housing Units
- Completion of the New Waste Water Treatment Plant and associated reticulation upgrades
- Regional Waste site project investigations

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
7 September 2011

Report on National Competition Policy

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

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

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

COMPETITIVE NEUTRALITY

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

In 2010/2011 the Shire of Williams some significant business activity; with private works were carried out for the Shire of Wandering clearing storm damage to the value of \$267,000. This is one off arrangement with the Shire of Wandering in order for them to resume their works program as quickly as possible after the event.

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

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

While it can feasibly be argued that Council has a competitive cost advantage in the provision of private works by virtue of its public sector ownership, examination of available information reveals that Council is charging more for its services than they would cost if Council’s advantage via public sector ownership was removed. Therefore it is Council’s belief that competitive neutrality has been implemented fully in the business activity private works for 2010/2011.

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

No complaints were received regarding Council carrying out private work during 2010/2011.

LEGISLATIVE REVIEW

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

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

STRUCTURAL REFORM

The Shire of Williams did not privatise any activities in 2010/2011. As a result there were no obligations for structural reform under National Competition Policy.

RN Duff
Chief Executive Officer
14 September 2011



Report on Disability Access and Inclusion Plan

Planning for better access

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

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

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

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

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

Progress since 1995

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

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

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

Access and Inclusion Plan

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

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

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

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

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

Outcome 1

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

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

Outcome 2

Access to building and facilities is improved.

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

Outcome 3

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

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

Outcome 4

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

- Council will undertake to ensure that all staff are aware of the key access needs of residents with disabilities and people who visit the local government area in relation to the provision of all services.

- Where required, council will seek expert advice from the relevant disability service organisations on how to meet the access needs of people with disabilities.

Outcome 5

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

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

RN Duff
Chief Executive Officer
7 September 2011



Report on Record Keeping Plan

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

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

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

RN Duff
Chief Executive Officer
7 September 2011



Photo – Clayton Road Bridge Widening & Resurfacing

Report on Plan for the Future

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

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

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

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

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

Status:

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

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

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

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

SHIRE OF WILLIAMS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

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SHIRE OF WILLIAMS

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2011

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Williams being the annual financial report and other information for the financial year ended 30th June 2011 are in my opinion properly drawn up to present fairly the financial position of the Shire of Williams at 30th June 2011 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 18th day of August 2011

Ryan Duff
Chief Executive Officer

SHIRE OF WILLIAMS
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2011

	NOTE	2011 \$	2011 Budget \$	2010 \$
REVENUE				
Rates	22	1,243,082	1,243,898	1,186,089
Operating Grants, Subsidies and Contributions	28	894,236	448,755	579,973
Fees and Charges	27	588,966	368,220	307,230
Service Charges	24	0	0	0
Interest Earnings	2(a)	72,431	74,100	78,166
Other Revenue		10,653	2,000	18,570
		<u>2,809,368</u>	<u>2,136,973</u>	<u>2,170,028</u>
EXPENSES				
Employee Costs		(1,108,379)	(960,100)	(855,547)
Materials and Contracts		(757,423)	(625,143)	(588,841)
Utility Charges		(165,743)	(140,000)	(139,790)
Depreciation on Non-Current Assets	2(a)	(562,716)	(557,480)	(555,540)
Interest Expenses	2(a)	(12,791)	(12,375)	(11,421)
Insurance Expenses		(111,439)	(100,500)	(99,826)
Other Expenditure		(25,408)	(9,500)	(14,235)
		<u>(2,743,899)</u>	<u>(2,405,098)</u>	<u>(2,265,200)</u>
		65,469	(268,125)	(95,172)
Non-Operating Grants, Subsidies and Contributions	28	1,300,127	1,263,100	838,711
Fair value adjustments to financial assets at fair value through profit or loss	2(a)	0	0	0
Profit on Asset Disposals	20	800	0	0
Loss on Asset Disposal	20	(8,875)	(5,140)	(4,727)
NET RESULT		1,357,521	989,835	738,812
Other Comprehensive Income			0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u><u>1,357,521</u></u>	<u><u>989,835</u></u>	<u><u>738,812</u></u>

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

SHIRE OF WILLIAMS
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2011

	NOTE	2011 \$	2011 Budget \$	2010 \$
REVENUE				
Governance		46,431	18,820	61,566
General Purpose Funding		1,659,934	1,569,740	1,583,167
Law, Order, Public Safety		316,172	51,630	27,710
Health		6,343	1,100	8,270
Education and Welfare		61,960	50,030	49,125
Housing		66,395	63,100	60,830
Community Amenities		133,009	170,880	220,437
Recreation and Culture		365,400	477,720	219,479
Transport		978,574	882,940	702,785
Economic Services		54,515	23,610	20,440
Other Property and Services		<u>421,562</u>	<u>90,500</u>	<u>54,930</u>
2 (a)		4,110,295	3,400,070	3,008,739
EXPENSES EXCLUDING FINANCE COSTS				
Governance		(208,190)	(183,255)	(171,169)
General Purpose Funding		(11,351)	(10,450)	(18,341)
Law, Order, Public Safety		(240,302)	(88,740)	(57,125)
Health		(57,486)	(59,650)	(55,127)
Education and Welfare		(97,413)	(94,010)	(91,828)
Housing		(70,175)	(62,620)	(67,764)
Community Amenities		(187,723)	(260,860)	(224,258)
Recreation & Culture		(603,774)	(586,360)	(581,428)
Transport		(923,802)	(883,860)	(838,853)
Economic Services		(111,154)	(90,760)	(91,025)
Other Property and Services		<u>(226,179)</u>	<u>(77,300)</u>	<u>(62,177)</u>
2 (a)		(2,737,549)	(2,397,865)	(2,259,095)
FINANCE COSTS				
General Purpose Funding		(610)	(800)	(877)
Health		(3,110)	(2,740)	(238)
Transport		(7,947)	(8,830)	(9,717)
Other Property & Services		<u>(3,558)</u>	<u>0</u>	<u>0</u>
2 (a)		(15,225)	(12,370)	(10,832)
NET RESULT		<u>1,357,521</u>	<u>989,835</u>	<u>738,812</u>
Other Comprehensive Income			0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u><u>1,357,521</u></u>	<u><u>989,835</u></u>	<u><u>738,812</u></u>

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

**SHIRE OF WILLIAMS
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2011**

	NOTE	2011 \$	2010 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	1,456,751	1,414,783
Trade and Other Receivables	4	572,529	82,334
Inventories	5	19,090	23,002
TOTAL CURRENT ASSETS		<u>2,048,370</u>	<u>1,520,119</u>
NON-CURRENT ASSETS			
Other Receivables	4	1,851	42,705
Inventories	5	0	0
Property, Plant and Equipment	6	6,366,464	6,118,674
Infrastructure	7	8,987,072	8,019,334
TOTAL NON-CURRENT ASSETS		<u>15,355,387</u>	<u>14,180,713</u>
TOTAL ASSETS		<u>17,403,757</u>	<u>15,700,832</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	579,908	446,111
Long Term Borrowings	9	34,671	29,367
Provisions	10	138,216	135,548
TOTAL CURRENT LIABILITIES		<u>752,795</u>	<u>611,026</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	336,602	147,898
Provisions	10	27,828	12,857
TOTAL NON-CURRENT LIABILITIES		<u>364,430</u>	<u>160,755</u>
TOTAL LIABILITIES		<u>1,117,225</u>	<u>771,781</u>
NET ASSETS		<u>16,286,532</u>	<u>14,929,051</u>
EQUITY			
Retained Surplus		14,533,467	13,134,609
Reserves - Cash Backed	11	839,478	880,815
Reserves - Asset Revaluation	12	913,587	913,587
TOTAL EQUITY		<u>16,286,532</u>	<u>14,929,011</u>

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

**SHIRE OF WILLIAMS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2011**

NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2009	12,318,579	958,033	913,587	14,190,199
Net Result	738,812	0	0	738,812
Total Other Comprehensive Income				0
Reserve Transfers	77,218	(77,218)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2010	13,134,609	880,815	913,587	14,929,011
Net Result	1,357,521	0	0	1,357,521
Total Other Comprehensive Income				0
Reserve Transfers	41,337	(41,337)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2011	<u>14,533,467</u>	<u>839,478</u>	<u>913,587</u>	<u>16,286,532</u>

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

**SHIRE OF WILLIAMS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2011**

	NOTE	2011 \$	2011 Budget \$	2010 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,273,245	1,175,600	1,172,013
Operating Grants, Subsidies and Contributions		355,692	496,011	571,734
Fees and Charges		379,379	353,108	356,454
Service Charges		0	0	0
Interest Earnings		72,431	74,100	78,166
Goods and Services Tax		154,561	150,000	174,097
Other Revenue		0	0	0
		<u>2,235,308</u>	<u>2,248,819</u>	<u>2,352,464</u>
Payments				
Employee Costs		(1,108,379)	(960,100)	(890,533)
Materials and Contracts		(440,285)	(627,874)	(483,039)
Utility Charges		(163,426)	(141,826)	(144,352)
Insurance Expenses		(111,439)	(100,500)	(99,826)
Interest expenses		(12,553)	(12,375)	(11,421)
Goods and Services Tax		(112,508)	(150,000)	(174,097)
Other Expenditure		0	0	0
		<u>(1,948,590)</u>	<u>(1,992,675)</u>	<u>(1,803,268)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>286,718</u>	<u>256,144</u>	<u>549,196</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(557,518)	(730,220)	(548,262)
Payments for Construction of Infrastructure		(1,241,258)	(1,362,612)	(1,085,505)
Advances to Community Groups		0	0	0
Payments for Purchase of Investments		0	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,300,127	1,263,100	824,561
Proceeds from Sale of Plant & Equipment		14,891	20,000	8,000
Proceeds from Advances		0	0	0
Proceeds from Sale of Investments		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In) Investing Activities		(483,758)	(809,732)	(801,206)
Cash Flows from Financing Activities				
Repayment of Debentures		(70,992)	(29,367)	(24,280)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		45,000	3,375	0
Proceeds from New Debentures		265,000	0	45,000
		<u>265,000</u>	<u>0</u>	<u>45,000</u>
Net Cash Provided By (Used In) Financing Activities		239,008	(25,992)	20,720
Net Increase (Decrease) in Cash Held		41,968	(579,580)	(231,290)
Cash at Beginning of Year		1,414,783	1,414,890	1,645,864
Cash and Cash Equivalents at the End of the Year	13(a)	<u>1,456,751</u>	<u>835,310</u>	<u>1,414,574</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 2011**

	NOTE	2011 \$	2011 Budget \$
REVENUE			
Governance		46,431	18,820
General Purpose Funding		416,852	325,845
Law, Order, Public Safety		316,172	51,630
Health		6,343	1,100
Education and Welfare		61,960	50,030
Housing		66,395	63,100
Community Amenities		133,009	170,880
Recreation and Culture		365,400	477,720
Transport		978,574	882,940
Economic Services		54,515	23,610
Other Property and Services		<u>421,562</u>	<u>90,500</u>
		2,867,213	2,156,175
EXPENSES			
Governance		(208,190)	(183,255)
General Purpose Funding		(11,961)	(11,250)
Law, Order, Public Safety		(240,302)	(88,740)
Health		(60,596)	(62,390)
Education and Welfare		(97,413)	(94,010)
Housing		(70,175)	(62,620)
Community Amenities		(187,723)	(260,860)
Recreation & Culture		(603,774)	(586,360)
Transport		(931,749)	(892,690)
Economic Services		(111,154)	(90,760)
Other Property and Services		<u>(229,737)</u>	<u>(77,300)</u>
		(2,752,774)	(2,410,235)
Net Operating Result Excluding Rates		114,439	(254,060)
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals		8,075	5,140
Movement in Accrued Interest		2,435	0
Movement in Deferred Pensioner Rates (Non-Current)		771	0
Movement in Accrued Salaries and Wages		0	0
Movement in Employee Benefit Provisions		17,640	0
Depreciation and Amortisation on Assets		562,716	557,480
Capital Expenditure and Revenue			
Purchase Land Held for Resale		0	0
Purchase Land and Buildings		(504,931)	(677,720)
Purchase Infrastructure Assets - Roads		(1,145,551)	(1,024,520)
Purchase Infrastructure Assets - Parks		(77,726)	(60,000)
Purchase Plant and Equipment		(65,386)	(66,500)
Purchase Furniture and Equipment		(7,616)	(6,000)
Purchase of Investments		0	0
Proceeds from Disposal of Investments		0	0
Proceeds from Disposal of Assets		14,891	20,000
Repayment of Debentures		(70,992)	(29,370)
Proceeds from New Debentures		265,000	0
Self-Supporting Loan Principal Income		45,000	3,375
Transfers to Reserves (Restricted Assets)		(60,485)	(44,995)
Transfers from Reserves (Restricted Assets)		101,821	120,500
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		(127,707)	217,772
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		315,476	5,000
Amount Required to be Raised from Rates	22	<u>(1,243,082)</u>	<u>0 (1,243,898)</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 2011

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

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

(d) Cash and Cash Equivalents

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

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

(e) Trade and Other Receivables

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

General

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

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

Land Held for Resale

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

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

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

(g) Fixed Assets

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

Initial Recognition

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

Revaluation

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

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying

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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Land under Roads

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

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

Depreciation of Non-Current Assets

All non-current assets having a limited useful life 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	2% Straight Line Method
Sewerage piping	2% Straight Line Method
Furniture and Equipment	
Electronic	20% Straight Line Method
Other	5% Straight Line Method
Motor Vehicles	
Light Vehicles	10% Reducing Balance Method
Trucks	12% Reducing Balance Method
Graders and Loaders	9% Reducing Balance Method
Other Licensed Plant	5% Reducing Balance Method
Other Minor Plant	5% Reducing Balance Method
Infrastructure	
Bridges	1.3% Straight Line Method
Major Culverts	2.0% Straight Line Method
Dams	2% Straight Line Method
Drains	1.3% Straight Line Method
Gardens	1.3% Straight Line Method
Irrigation	0.0% Straight Line Method
Kerbs and Channels	2.0% Straight Line Method
Median Strips	2.0% Straight Line Method

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets (Continued)

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

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

Capitalisation Threshold

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

(h) Financial Instruments

Initial Recognition and Measurement

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

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

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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

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
- (b) 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 exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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

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

(ii) Loans and receivables

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period (classified as non-current assets).

(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.

Held-to-maturity financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period (classified as current assets).

If the Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(iv) Available-for-sale financial assets

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

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period (classified as current assets).

(v) Financial liabilities

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

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(i) Estimation of Fair Value

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

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

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

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

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 and are usually paid within 30 days of recognition.

(l) Employee Benefits

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

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

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

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

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

(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 2011

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 to settle the obligation; 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.

Provisions are not recognised for future operating losses.

(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 equal to the present

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) 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.

(q) Rates, Grants, Donations and Other Contributions

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

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees.

(s) 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.

(t) Rounding Off Figures

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

(u) Comparative Figures

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

(v) 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 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2011.

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

	Title and Topic	Issued	Applicable (*)	Impact
(i)	AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii)	AASB 124 – Related Party Disclosures	December 2009	01 January 2011	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.
(iii)	AASB 1053 - Application of Tiers of Australian Accounting Standards	June 2010	01 July 2013	Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iv)	AASB 2009 -12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	December 2009	01 January 2011	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(vi) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	01 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(vii) AASB 2010 - 4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101, 134, and Interpretation 13]	June 2010	01 January 2011	Nil - The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 2010 - 5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	October 2010	01 January 2011	Nil - The revisions embodied in this standard are largely editorial in nature or relate to standards not applicable to the Council and will have minimal effect (if any) on the accounting practices of the Council.
(ix) AASB 2010 - 6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 & 7]	November 2010	01 July 2011	Nil - The revisions embodied in this standard amend disclosures required on transfers of financial assets. The Council is not expected to have any qualifying transfers.
(x) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	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).
(xi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 1 & 7]	December 2010	01 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(xi) (Continued)			
AASB 2010 - 9 Amendments to Australian Accounting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]	December 2010	01 July 2011	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2009– 14 Amendments to Australian Interpretations – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	December 2009	01 January 2011	
AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009 - 11 & 2010 - 7]	December 2010	01 January 2013	

Notes:

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) 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 2009 - 5
AASB 2009 - 8
AASB 2009 - 10
AASB 2009 - 13
AASB 2010 - 1
AASB 2010 - 3

Interpretation 19

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

2. REVENUE AND EXPENSES	2011	2010	
	\$	\$	
(a) Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
- Audit	8,000	3,300	
- Other Services	5,295	342	
Depreciation			
Buildings	110,332	93,606	
Furniture and Equipment	9,237	14,577	
Plant and Equipment	187,607	185,512	
Roads	230,000	230,000	
Parks & Reserves	25,540	31,845	
	<u>562,716</u>	<u>555,540</u>	
Interest Expenses (Finance Costs)			
Overdraft Interest	610	877	
Debentures (<i>refer Note 21(a)</i>)	12,181	10,544	
	<u>12,791</u>	<u>11,421</u>	
Rental Charges			
- Operating Leases		0	
		<u>0</u>	
(ii) Crediting as Revenue:	2011	2011	2010
	\$	Budget	\$
		\$	
Interest Earnings			
Investments			
- Reserve Funds	48,739	34,600	39,125
- Other Funds	13,156	30,400	27,677
Other Interest Revenue (<i>refer note 26</i>)	10,536	9,100	11,364
	<u>72,431</u>	<u>74,100</u>	<u>78,166</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

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.

GENERAL PURPOSE FUNDING

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

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

LAW, ORDER, PUBLIC SAFETY

Objective: To provide services to ensure a safer community.

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

HEALTH

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

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

EDUCATION AND WELFARE

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

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

HOUSING

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

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

COMMUNITY AMENITIES

Objective: Provision of amenities required by the community.

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

RECREATION & CULTURE

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

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

TRANSPORT

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

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

(b) Statement of Objective (Continued)

ECONOMIC SERVICES

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

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

OTHER PROPERTY & SERVICES

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

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-09 \$	Received (+) 2009/10 \$	Expended (#) 2009/10 \$	Closing Balance (*) 30-Jun-10 \$	Received (+) 2010/11 \$	Expended (#) 2010/11 \$	Closing Balance 30-Jun-11 \$
Roads to Recovery	Transport	0	143,059	(135,715)	7,344	189,669	(236,385)	(39,372)
CLG - Swimming Pool	Recreation	469,371	0	(255,717)	213,654	35,900	(249,554)	0
CLG - Town Hall	Recreation				0	128,000	-74,778	53,222
CLG - Tarwonga Tennis Courts	Recreation				0	60,000	-60,000	0
CLG - Quindanning Townsite	OP & Services				0	71,992	0	71,992
RLCIP	Recreation	76,356	30,000	(76,356)	30,000		(30,000)	0
Waste Authority	Community	0	9,226	0	9,226	9,226	(18,452)	0
Department of Agriculture	Community	0	29,100	(16,365)	12,735		(5,582)	7,153
Department of Regional Dev.	Governance	0	35,000	0	35,000	0	(35,000)	0
Department of Agriculture	Governance			0	0	20,000	(14,401)	5,599
					0			0
					0			0
Total		545,727	246,385	(484,153)	307,959	514,787	(724,152)	98,594

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 2011

	2011	2010
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	294,679	226,009
Restricted	1,162,072	1,188,774
	<u>1,456,751</u>	<u>1,414,783</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	26,644	25,205
Plant Reserve	39,174	44,562
Building Reserve	533,163	581,707
Joint Venture Housing Reserve	181,928	160,999
Recreation Facilities Reserve	49,582	46,906
Sewerage Reserve	0	12,933
Art Acquisition Reserve	8,988	8,503
Unspent Loan Funds	223,999	0
Unspent Grants	98,594	307,959
	<u>1,162,072</u>	<u>1,188,774</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	8,645	45,266
Provision for Doubtful Debts	(15,267)	(15,267)
Sundry Debtors	577,939	34,081
GST Receivable	1,212	14,879
Loans - Clubs/Institutions	0	3,375
	<u>572,529</u>	<u>82,334</u>
Non-Current		
Rates Outstanding - Pensioners	1,851	1,080
Loans - Clubs/Institutions	0	41,625
	<u>1,851</u>	<u>42,705</u>
5. INVENTORIES		
Current		
Fuel and Materials	18,940	22,816
History Books	150	186
Land Held for Resale - Cost		
Cost of Acquisition	0	0
Development Costs	0	0
	<u>19,090</u>	<u>23,002</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 2011

	2011	2010
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	5,820,195	5,315,265
Less Accumulated Depreciation	<u>(1,182,540)</u>	<u>(1,072,208)</u>
	4,637,655	4,243,057
Furniture and Equipment - Cost	381,355	382,410
Less Accumulated Depreciation	<u>(255,430)</u>	<u>(254,864)</u>
	125,925	127,546
Plant and Equipment - Cost	2,757,613	2,720,604
Less Accumulated Depreciation	<u>(1,154,729)</u>	<u>(972,533)</u>
	1,602,884	1,748,071
Plant and Equipment Under Lease	0	0
Less Accumulated Amortisation	<u>0</u>	<u>0</u>
	0	0
	<u><u>6,366,464</u></u>	<u><u>6,118,674</u></u>

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011**

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Total \$
Balance as at the beginning of the year	4,243,057	127,546	1,748,071	6,118,674
Additions	504,931	7,616	65,386	577,933
(Disposals)	0	0	-22,966	-22,966
Revaluation - Increments				0
- (Decrements)	0	0	0	0
Impairment - (losses)				0
- reversals	0	0	0	0
Depreciation (Expense)	-110,333	-9,237	-187,607	-307,177
				0
Carrying amount at the end of year	<u>4,637,655</u>	<u>125,925</u>	<u>1,602,884</u>	<u>6,366,464</u>

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011**

	2011	2010
	\$	\$
7. INFRASTRUCTURE		
Roads - management valuation 2011		
Roads - management valuation 2010		
Roads - Cost	14,767,688	13,622,137
Less Accumulated Depreciation	<u>-6,571,192</u>	<u>-6,341,192</u>
	8,196,496	7,280,945
Parks, Gardens Reserves - Cost	1,131,130	1,053,403
Less Accumulated Depreciation	<u>-340,554</u>	<u>-315,014</u>
	790,576	738,389
	<u><u>8,987,072</u></u>	<u><u>8,019,334</u></u>

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

This policy also accords with AASB 116.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

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.

	<u>Roads</u> \$	<u>Parks, Gardens, Reserves</u> \$	<u>Total</u> \$
Balance at the beginning of the year	7,280,945	738,389	8,019,334
Additions	1,145,551	77,727	1,223,278
(Disposals)			0
Revaluation - Increments			0
- (Decrements)			0
Impairment - (losses)			0
- reversals			0
Depreciation (Expense)	-230,000	-255,540	-485,540
			0
Carrying amount at the end of year	<u>8,196,496</u>	<u>560,576</u>	<u>8,757,072</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

	2011	2010
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	572,674	441,312
Accrued Interest on Debentures	7,234	4,799
Accrued Salaries and Wages	0	0
	<u>579,908</u>	<u>446,111</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	34,671	29,367
Lease Liability	0	0
	<u>34,671</u>	<u>29,367</u>
Non-Current		
Secured by Floating Charge		
Debentures	336,602	147,898
Lease Liability	0	0
	<u>336,602</u>	<u>147,898</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	70,813	68,882
Provision for Long Service Leave	67,403	66,666
	<u>138,216</u>	<u>135,548</u>
Non-Current		
Provision for Long Service Leave	27,828	12,857
	<u>27,828</u>	<u>12,857</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

	2011 \$	2011 Budget \$	2010 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	25,205	25,205	24,131
Amount Set Aside / Transfer to Reserve	1,439	1,385	1,074
Amount Used / Transfer from Reserve	0	0	0
	<u>26,644</u>	<u>26,590</u>	<u>25,205</u>
(b) Plant Reserve			
Opening Balance	44,562	44,562	150,006
Amount Set Aside / Transfer to Reserve	2,362	1,108	3,399
Amount Used / Transfer from Reserve	-7,750	-25,000	-108,843
	<u>39,174</u>	<u>20,670</u>	<u>44,562</u>
(c) Building Reserve			
Opening Balance	581,707	581,707	556,907
Amount Set Aside / Transfer to Reserve	31,856	30,043	24,800
Amount Used / Transfer from Reserve	-80,400	-85,500	0
	<u>533,163</u>	<u>526,250</u>	<u>581,707</u>
(d) Joint Venture Housing Reserve			
Opening Balance	160,999	160,999	154,135
Amount Set Aside / Transfer to Reserve	20,929	8,851	6,864
Amount Used / Transfer from Reserve	0	0	0
	<u>181,928</u>	<u>169,850</u>	<u>160,999</u>
(e) Recreation Facilities Reserve			
Opening Balance	46,906	46,906	52,333
Amount Set Aside / Transfer to Reserve	2,676	2,574	2,073
Amount Used / Transfer from Reserve	0	0	-7,500
	<u>49,582</u>	<u>49,480</u>	<u>46,906</u>
(f) Sewerage Reserve			
Opening Balance	12,933	12,933	12,381
Amount Set Aside / Transfer to Reserve	738	567	552
Amount Used / Transfer from Reserve	-13,671	-10,000	0
	<u>0</u>	<u>3,500</u>	<u>12,933</u>
(g) Art Acquisition Reserve Reserve			
Opening Balance	8,503	8,503	8,140
Amount Set Aside / Transfer to Reserve	485	467	363
Amount Used / Transfer from Reserve	0	0	0
	<u>8,988</u>	<u>8,970</u>	<u>8,503</u>
TOTAL CASH BACKED RESERVES	<u><u>839,479</u></u>	<u><u>805,310</u></u>	<u><u>880,815</u></u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

All of the reserve accounts are supported by money held in financial institutions and match the amounts shown as restricted cash of 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 long service leave requirements.

Plant Reserve

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

Building Reserve

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

Heritage Reserve

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

Community Homes Reserve

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

Joint Venture Housing Reserve

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

Recreation Facilities Reserve

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

Sewerage Reserve

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

Art Acquisition Reserve

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

12. RESERVES - ASSET REVALUATION	2011	2010
	\$	\$
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) Roads		
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	<u><u>913,587</u></u>	<u><u>913,587</u></u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

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:

	2011 \$	2011 Budget \$	2010 \$
Cash and Cash Equivalents	<u>1,456,751</u>	<u>815,310</u>	<u>1,414,783</u>

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

Net Result	1,357,521	989,835	738,812
Amortisation	0	0	0
Depreciation	562,716	557,480	555,540
(Profit)/Loss on Sale of Asset	8,075	5,140	4,727
(Increase)/Decrease in Receivables	-494,380	60,427	19,243
(Increase)/Decrease in Inventories	3,912	18,001	-11,488
Increase/(Decrease) in Payables	131,361	-94,863	106,413
Increase/(Decrease) in Employee Provisions	17,640	7,500	-39,320
Grants/Contributions for the Development of Assets	<u>-1,300,127</u>	<u>-1,287,376</u>	<u>-824,561</u>
Net Cash from Operating Activities	<u>286,718</u>	<u>256,144</u>	<u>549,366</u>

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

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

Loan Facilities

Loan Facilities - Current	34,671	29,367
Loan Facilities - Non-Current	<u>336,602</u>	<u>147,898</u>
Total Facilities in Use at Balance Date	<u>371,273</u>	<u>177,265</u>
Unused Loan Facilities at Balance Date	<u>223,999</u>	<u>0</u>

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011**

14. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2011.

15. CAPITAL AND LEASING COMMITMENTS

There were no financial lease commitments at 30 June 2011.

(b) Operating Lease Commitments

There were no operating lease commitments at 30 June 2011.

(c) Capital Expenditure Commitments

There were no capital expenditure commitments at 30 June 2011.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

16. JOINT VENTURE

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

	2011	2010
	\$	\$
Non-Current Assets		
Land & Buildings	213,392	213,392
Plant & Equipment	8,074	8,074
Less: Accumulated Depreciation	-46,234	-41,562
	<u>175,232</u>	<u>179,904</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	1,555,376	1,607,148
General Purpose Funding	10,146	31,108
Law, Order, Public Safety	306,265	23,934
Health	102,186	150,089
Education and Welfare	676,975	693,295
Housing	438,799	425,052
Community Amenities	44,954	59,558
Recreation and Culture	3,165,373	2,743,794
Transport	10,044,077	9,084,474
Economic Services	203,235	304,543
Other Property and Services	239,099	43,869
Unallocated	617,272	533,758
	<u>17,403,757</u>	<u>15,700,622</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

18. FINANCIAL RATIOS	2011	2010	2009
Current Ratio	1.1773	0.5992	1.0697
Untied Cash to Unpaid Trade Creditors Ratio	0.5145	0.5116	11.2604
Debt Ratio	0.0642	0.0492	0.0281
Debt Service Ratio	0.0293	0.0163	0.0158
Gross Debt to Revenue Ratio	0.1319	0.0812	0.0579
Gross Debt to Economically Realisable Assets Ratio	0.0440	0.0231	0.0205
Rate Coverage Ratio	0.3055	0.0400	0.3167
Outstanding Rates Ratio	0.0078	0.0367	0.0266

The above ratios are calculated as follows:

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

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-10 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-11 \$
Housing Bonds	8,058	2,188	0	10,246
Building Deposits	2,012	500	0	2,512
Sale of Land for Rates	60,007	0	0	60,007
Subdivision Bond	49,178	0	0	49,178
Public Open Space Contribution	20,000	0	0	20,000
Recycling Shed Community Fund	0	1,226	0	1,226
				0
	<u>139,255</u>			<u>143,169</u>

20. DISPOSALS OF ASSETS - 2010/11 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Administration						
Ford BF Falcon Sedan	22,966	25,140	14,091	20,000	-8,875	-5,140
Lanier LD 127 Photocopier	0	0	800	0	800	0
	<u>22,966</u>	<u>25,140</u>	<u>14,891</u>	<u>20,000</u>	<u>-8,075</u>	<u>-5,140</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1-Jul-10 \$	New Loans \$	Principal Repayments		Principal 30-Jun-11		Interest Repayments		Loan Expires
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	
Health									
(*) Loan #64 St John Ambulance	45,000		45,000	3,375	0	41,625	3,348	2,742	Loan Paid in Full
Transport									
Loan #63 Plant	132,265		25,992	25,992	106,273 0	102,673	8,833	8,833	02-Jul-14
Other Property & Services									
Loan # 65 Industrial Land		265,000	0	0	265,000	0	0	0	15-Apr-31
	177,265	265,000	70,992	29,367	371,273	144,298	12,181	11,575	

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

(b) New Debentures - 2010/11

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Loan # 65 Industrial Land	265,000	0	WATC	Debenture	20	210,651	6.37	41,001	0	223,999

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

21. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-10 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-11 \$
Loan # 65 Industrial Land	17-Oct-11	0	265,000	41,001	223,999
		0	265,000	41,001	223,999

(d) Overdraft

Council established an overdraft facility of \$150,000 in 2006 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2010 and 30 June 2011 was \$Nil.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

22. RATING INFORMATION - 2010/11 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate											
GRV - Residential	3.9000	46	657,968	25,661	0	0	25,661	25,666	0	0	25,666
GRV - Industrial/Commercial	4.8500	19	737,510	35,769	0	0	35,769	35,769	0	0	35,769
UV - Rural	0.4815	296	219,030,500	1,056,933	0	0	1,056,933	1,057,598	0	0	1,057,598
UV - Mining	0.4815	0	0	0	0	0	0	0	0	0	0
Sub-Totals		361	220,425,978	1,118,363	0	0	1,118,363	1,119,033	0	0	1,119,033
Minimum Rates	Minimum \$										
GRV - Townsites	435	248	2,246,091	107,880	0	0	107,880	106,575	0	0	106,575
UV - Rural	435	12	444,200	4,350	0	0	4,350	5,220	0	0	5,220
UV - Mining	435	2	80,064	870	0	0	870	870	0	0	870
Sub-Totals		262	2,770,355	113,100	0	0	113,100	112,665	0	0	112,665
Ex-Gratia Rates							1,231,463				1,231,698
Specified Area Rate (refer note 23)							11,619				12,200
							0				0
							1,243,082				1,243,898
Discounts (refer note 25)							0				0
Totals							1,243,082				1,243,898

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

23. SPECIFIED AREA RATE - 2010/11 FINANCIAL YEAR

The Shire of Williams did not raise specified area rates in 2010/2011.

24. SERVICE CHARGES - 2010/11 FINANCIAL YEAR

The Shire of Williams did not raise any service charges for 2010/2011.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2010/11 FINANCIAL YEAR**

The Shire of Williams did not grant any discount on rates, waiver or write of charges for 2010/2011.

26. INTEREST CHARGES AND INSTALMENTS - 2010/11 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		5,712	4,000
Interest on Instalments Plan	5.50%		4,824	5,100
Charges on Instalment Plan		20	2,100	2,400
			12,636	11,500

Ratepayers had the option of paying rates in four equal instalments, due on 22nd September 2010, 24th November 2010, 2nd February 2011 and 6th April 2011. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2011 \$	2010 \$
Governance	13,588	15,542
General Purpose Funding	2,602	3,078
Law, Order, Public Safety	1,019	975
Health	2,995	1,120
Education and Welfare	10,962	12,139
Housing	66,247	60,830
Community Amenities	91,979	104,496
Recreation and Culture	33,976	30,383
Transport	45,731	32,608
Economic Services	35,745	9,031
Other Property and Services	284,122	37,028
	<u>588,966</u>	<u>307,230</u>

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 2011

28. GRANT REVENUE

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

	2011	2010
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	894,236	579,973
Non-Operating Grants, Subsidies and Contributions	<u>1,300,127</u>	<u>838,711</u>
	<u><u>2,194,363</u></u>	<u><u>1,418,684</u></u>
By Program:		
Governance	32,043	42,951
General Purpose Funding	341,818	315,833
Law, Order, Public Safety	315,153	26,735
Health	3,348	7,150
Education and Welfare	45,989	34,989
Housing	148	0
Community Amenities	39,046	115,725
Recreation and Culture	327,765	184,279
Transport	932,843	661,711
Economic Services	18,770	11,409
Other Property and Services	<u>137,440</u>	<u>17,902</u>
	<u><u>2,194,363</u></u>	<u><u>1,418,684</u></u>

29. ELECTED MEMBERS REMUNERATION

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

	2011	2011	2010
	\$	Budget	\$
		\$	
Meeting Fees	16,067	15,000	13,150
President's Allowance	2,675	2,675	2,596
Deputy President's Allowance	0	0	0
Travelling Expenses	3,216	3,500	2,639
Telecommunications Allowance	0	0	0
	<u>21,958</u>	<u>21,175</u>	<u>18,385</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

	2011	2010
	<u>19</u>	<u>19</u>

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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31. MAJOR LAND TRANSACTIONS

The Shire of Williams has not been involved in any major land transactions in the 2009/2010 financial year or the 2010/2011 financial year.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2010/11 financial year.

SHIRE OF WILLIAMS
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FOR THE YEAR ENDED 30TH JUNE 2011

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	
	2011	2010	2011	2010
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	1,456,751	1,414,574	1,456,751	1,414,574
Receivables	574,380	95,307	574,380	95,307
	<u>2,031,131</u>	<u>1,509,881</u>	<u>2,031,131</u>	<u>1,509,881</u>
Financial Liabilities				
Payables	572,674	441,312	572,674	441,312
Borrowings	371,273	177,265	371,273	177,265
	<u>943,947</u>	<u>618,577</u>	<u>943,947</u>	<u>618,577</u>

Fair value is determined as follows:

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

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.

	2011	2010
	\$	\$
Impact of a 10% (*) movement in interest rates on cash and investments:		
- Equity	120,071	119,926
- Statement of Comprehensive Income	120,071	119,926

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	1,201	11,993
- Statement of Comprehensive Income	1,201	11,993

**SHIRE OF WILLIAMS
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FOR THE YEAR ENDED 30TH JUNE 2011**

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:

	2011	2010
Percentage of Rates and Annual Charges		
- Current	100.00%	42.99%
- Overdue	0.00%	57.01%
Percentage of Other Receivables		
- Current	61.89%	43.07%
- Overdue	38.11%	56.93%

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

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>2011</u>					
Payables	572,673	0	0	572,673	572,673
Borrowings	<u>106,273</u>	<u>265,000</u>	<u>371,273</u>	<u>371,273</u>	<u>371,273</u>
	<u><u>572,673</u></u>	<u><u>106,273</u></u>	<u><u>265,000</u></u>	<u><u>943,946</u></u>	<u><u>943,946</u></u>
<u>2010</u>					
Payables	101,459	0	0	101,459	101,459
Borrowings	<u>24,280</u>	<u>132,265</u>	<u>156,545</u>	<u>156,545</u>	<u>156,545</u>
	<u><u>125,739</u></u>	<u><u>132,265</u></u>	<u><u>0</u></u>	<u><u>258,004</u></u>	<u><u>258,004</u></u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings (Continued)

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

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

	<u><1 year</u>	<u>>1<2 years</u>	<u>>2<3 years</u>	<u>>3<4 years</u>	<u>>4<5 years</u>	<u>>5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
<u>Year Ended 30 June 2011</u>								
Payables								
Borrowings								
Fixed Rate								
Debtentures	34,671	37,076	39,647	25,040	8,799	226,040	371,273	6.61%
Weighted Average Effective Interest Rate	6.65%	6.65%	6.65%	6.65%	6.65%	6.37%		
<u>Year Ended 30 June 2010</u>								
Payables								
Borrowings								
Fixed Rate								
Debtentures					132,265	45,000	177,265	6.732%
Weighted Average Effective Interest Rate					6.93%	6.15%		

SHIRE OF WILLIAMS

INDEPENDENT AUDIT REPORT TO THE ELECTORS OF THE SHIRE OF WILLIAMS

I have audited the accompanying financial report of the **Shire of Williams** which comprises the balance sheet, income statements, cash flow statement, rate setting statement and supporting notes for the year ended **30 June 2011**.

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain evidence about amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial report whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council and the overall presentation of the financial report.

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

Independence

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

Auditor's Opinion

In my opinion the financial report of the **Shire of Williams** is in accordance with the Act and the Regulations including giving a true and fair view of the shire's financial position as at **30 June 2011** and the results of its operations for the year ended on that date and complying with Australian Accounting Standards.

Other Matters

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

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



Gregory Froomes Wyllie CPA

Perth, Western Australia

23 August 2011