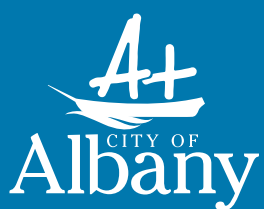


CITY OF ALBANY
2011-2012
Annual
Report

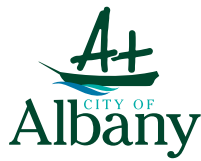


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The Annual Report is produced in a digital format again this year, continuing the City of Albany's commitment to sustainability and the environment. Producing the Report digitally saves on both production costs and the need for paper, conserving resources.

The Report can be viewed on the City's website: www.albany.wa.gov.au/your-council/

If you have any comments or questions regarding the Report, the City of Albany welcomes feedback:

By email		medialiaison@albany.wa.gov.au
By phone		(08) 9841 9333
In person		102 North Rd, Yakamia WA 6330
By mail		Chief Executive Officer, PO Box 484, Albany WA 6331

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Mayor's Message



Looking back at the 2011-2012 financial year, it is pleasing to see the City continued to successfully balance the important roles of providing quality and value-for-money services to the Albany community.

This annual report addresses the many exciting activities of Council and the City that contributed to a very busy 12 months as we focused on meeting the needs and priorities of the local community.

Last October Council welcomed newly elected members Greg Stocks, Yvonne Attwell, Sarah Bowles, Vince Calleja, Alan Hortin, Carolyn Dowling and Gerry Gregson.

I acknowledge the commitment and drive of former Mayor Milton Evans, as well as the efforts of Councillors Roley Paver, Joy Matla, Jim Swann, Mervyn Leavesley, Jill Bostock and Des Wolfe, who completed their terms serving on Council.

As well as demonstrating an ongoing commitment to represent community, we continued to meet on a regular basis for site visits, committee meetings, workshops and monthly meetings of Council. Highlights of our yearly Council activities were:

- The 2014-2019 ANZAC Centenary commemoration plans. This secured more than \$18 million in State and federal funds.

- The Albany Regional Airport security upgrade and new Master Plan.
- Consolidating the City's Local Planning Scheme No1.
- The adoption of the 2011-2021 Strategic Plan.

The Council continued to be financially supportive of the Albany Entertainment Centre (AEC), providing significant funds and in-kind support to the Centre's operation.

I had the pleasure of welcoming hundreds of new citizens to our community at seven citizenship ceremonies. We celebrated the achievements of community through four civic receptions.

One of my most rewarding roles as Mayor during this period has been to formally recognise the efforts of some of our community's most inspiring role models. Chief among these honours in 2011-2012 was endorsing the appointment of Annette Knight AM JP Cit. WA as new Freeman of the City. Mrs Knight is, most would agree, thoroughly deserving of the City's highest acclaim.

Council delivered a minimal five per cent increase to rates' calculations at the beginning of the 2011-2012 period, which was one of the lowest in the State and four percent less than the previous year.

I would like to thank my fellow elected members for their leadership as we continue to provide a shared vision in our governance role of the City of Albany and the Albany community, which I believe is one of exciting possibilities.

On behalf of Council, I also extend thanks to the City of Albany Executive team and their staff who have maintained, improved and delivered quality services to our community. Following the departure of former Chief Executive Officer Faileen James, we remained committed as a team of Council and staff in facing the many challenges during a change of leadership. I commend all City of Albany staff who were robust, resilient and enduring during a complex period of change. I would like to thank the Acting Chief Executive Officer, Linda Hill, who provided staff guidance, leadership and stability, while the City consolidated and prepared for a new Chief Executive Officer in 2013.

Finally, without community we don't have a City. I would like to convey my sincere thanks to those in our community who have, over the past 12 months, contributed so much of their time, expertise and energy to helping make Albany one of the most desirable locations in the Great Southern.

Dennis Wellington

Mayor

Chief Executive Officer's Report



As you would be aware, the Council appointed me to assume the role of chief executive officer during a time of transition. I had been working as part of the executive team as the Acting Executive Director of Community Services and along with the other Directors, I was familiar with the operations of the City. My primary role was to ensure that we as a team continued to move forward during the transition period and a managed transition process of leadership.

The report from the auditor stated that we presented all financial information with compliance to the Australian Accounting Standards (including the Australian Accounting Interpretations) and in accordance with the requirements of the *Local Government Act 1995 Part 6 (as amended) and Regulations under the Act*. It was satisfying to see that the auditor found no instances of non-compliance in our financial statements.

It is a legislative requirement to prepare an annual financial report. The challenge for any organisation is to clearly explain how municipal funds are spent. The City of Albany successfully did so through the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other information to the financial report,

and my statement accepting the auditor's report which is contained in *Part b* of this report.

The City of Albany has made every effort in meeting the needs of current and future generations through a range of environmental, social and economic programs and services aimed at giving the local community a range of healthy lifestyle choices and options. Solid progress was made on high priority projects including drainage improvement, infrastructure planning, building better community engagement processes, reducing debt and finalising an equitable staff enterprise agreement.

Community feedback validated the role of the City's Works and Services team as staff responded promptly to calls during the higher-than-usual rainfall period last June. To ensure continued best practice, we continued to focus on repairing and maintaining City infrastructure, keeping the community safe and responding to community needs promptly and efficiently.

A draft planning scheme was developed replacing the five different schemes inherited when the Town and Shire amalgamated in 1998. Once adopted by Council, the new scheme will guide the City's planning team in administering Albany's land use and development over the next five years.

The Albany Regional Airport security upgrade was undertaken over the year in response to federal legislation. The security upgrade enabled the airport to cater for increasing numbers of air travellers, ensuring it is well prepared to support increased security requirements. The City also began preparing a new Albany Regional Airport Master Plan which will continue into the next financial year. Additional funds will be resourced to complete further plans with final completion in 2013-2014 ready for further works.

In closing, I'd like to acknowledge and thank all staff at the City of Albany for their hard work and commitment over the past extremely busy year. We have achieved a lot.

I must say thank you to the outgoing Council members, Chief Executive Officer and Mayor, who all made a contribution to the year. Special thanks to Mayor Dennis Wellington, for his selfless commitment towards making this city one of Western Australia's most sought after and unique regional cities to visit, live and work in.

Linda Hill

Acting Chief Executive Officer

Albany in Brief



Albany, Western Australia's oldest European settlement, lies adjacent to beautiful natural harbours. Forest, coastal bush and farmland surround its thriving urban centre.

Aboriginal connection to Albany and its surrounding areas goes back at least 25,000 years.

Albany's European settlement history started on Christmas Day 1826, when Major Edmund Lockyer sailed into Princess Royal Harbour in the Brig Amity. Major Lockyer created a British penal outpost called Frederickstown, which was renamed Albany in 1832 by WA Governor Sir James Stirling.

Albany evolved into a busy port, servicing the Goldfields' immigration and produce needs, and exporting timber and agricultural products. In November 1914, Australian and New Zealand troops departed from Albany on a voyage via Egypt to Gallipoli, where they landed on April 25, 1915.

Many soldiers' last glimpse of Australia was of Albany, the place where their ANZAC journey began.

The Shires of Denmark, Plantagenet and Jerramungup surround the municipality. Albany is an established holiday playground – its natural attractions, history and recreation and adventure opportunities attract Australian and international visitors.

Tourism ventures in accommodation, recreation, food and hospitality continue to grow in and around the City, with prime development opportunities available at the Albany Waterfront and at Middleton Beach.

Albany has a temperate climate, characterised by soft winters and mild, sparkling summers. The average annual rainfall is approximately 930mm.

Albany is the administrative and service hub for the Great Southern region, which has a population of about 58,000 living in an area of approximately 39,000km².

Albany has a busy port, modern airport, vibrant CBD

and a newly developed waterfront boasting a state-of-the-art entertainment centre alongside the new marina and ANZAC Peace Park.

Our Economy

- A combination of agriculture, forestry and fishing is the largest industry in Albany, accounting for 20.46 per cent of all people employed (2011)
- Albany's labour force³ is estimated at 26,150 persons
- Unemployment³ is approximately 4.9 per cent (compared with WA 4.7 per cent and Australia 5.6 per cent)
- Average total personal income⁴ in Albany is \$514/week (compared with WA at \$577 a week)
- The City of Albany issued 707 building permits during 2011-2012 to a construction value of \$98.51 million⁵

Our People

- Resident population in Albany (2011)²: 34,579 and in the Great Southern 55,357;
- Ten-year average annual growth rate¹: 1.7 per cent per annum to 2009 (compared with 2.6% pa for WA)
- Number of households (2011)²: 26,241
- Median age of residents (2011)²: 41 (compared with 36 for WA)
- Percentage of indigenous people²: 3.78 per cent (compared with 3.11 per cent for WA);
- Percentage of Great Southern regional population residing in Albany: 62.4 per cent¹
- Compared with WA, Albany has a greater proportion of persons aged 65 plus and a lesser proportion of persons aged 20-24.

Source:

1 ABS (Estimated as at 30 June 2011)

2 ABS - Albany Local Government Area (Census 2011)

3 Department of Education, Employment and Workplace Relations (June Quarter 2011)

4 ABS (Estimated as at 30 June 2011)

5 City of Albany Building Report

6 Regional Development Australia (Great Southern)

Strategic Planning

Strategic Plan 2011-2021

The City's Strategic Plan outlines community priorities for the next 10-year period.

The Department of Local Government complimented the City on the plan, which identified the importance of continued sustainable economic development, protection of the environment, improvement to City assets and enhanced lifestyles for residents. It also considered Albany's role as regional hub for the Great Southern Region, and strategies to improve organisational performance.

The Strategic Plan provides a framework for future application of the City's physical, human and financial resources.

The plan was developed by engaging with the broader community. This was achieved through community surveys, consultations, one-on-one interviews and

meetings with both internal and external stakeholder groups.

The plan can be downloaded from www.albany.wa.gov.au by following the link [2011-2021 Strategic Plan](#).

The City of Albany will be appointing an officer in 2013 to lead the process towards compliance with the integrated planning and reporting framework, as regulated under *the Local Government Act 1995*. This involves the City of Albany developing a strategic plan incorporating elements such as:

- A strategic Community Plan
- A Corporate Business Plan
- An Annual Budget
- Finance, Workforce, Assets, Services
- Issues Specific Strategies

Vision and Values

The City of Albany's elected members and staff commit to:

Results

- Striving for business excellence and continuous improvement;
- Providing best value in applying council and community resources; and

Ethics

- Being ethical at all times;
- Being open and honest in all our dealings;
- Being respectful of colleagues and community members; and
- Operating within our strategic and policy framework.

Accountability

- Respecting community needs;
- Fostering community involvement in decision making;
- Acting as custodians with respect to Council assets; and
- Applying Council funds carefully.

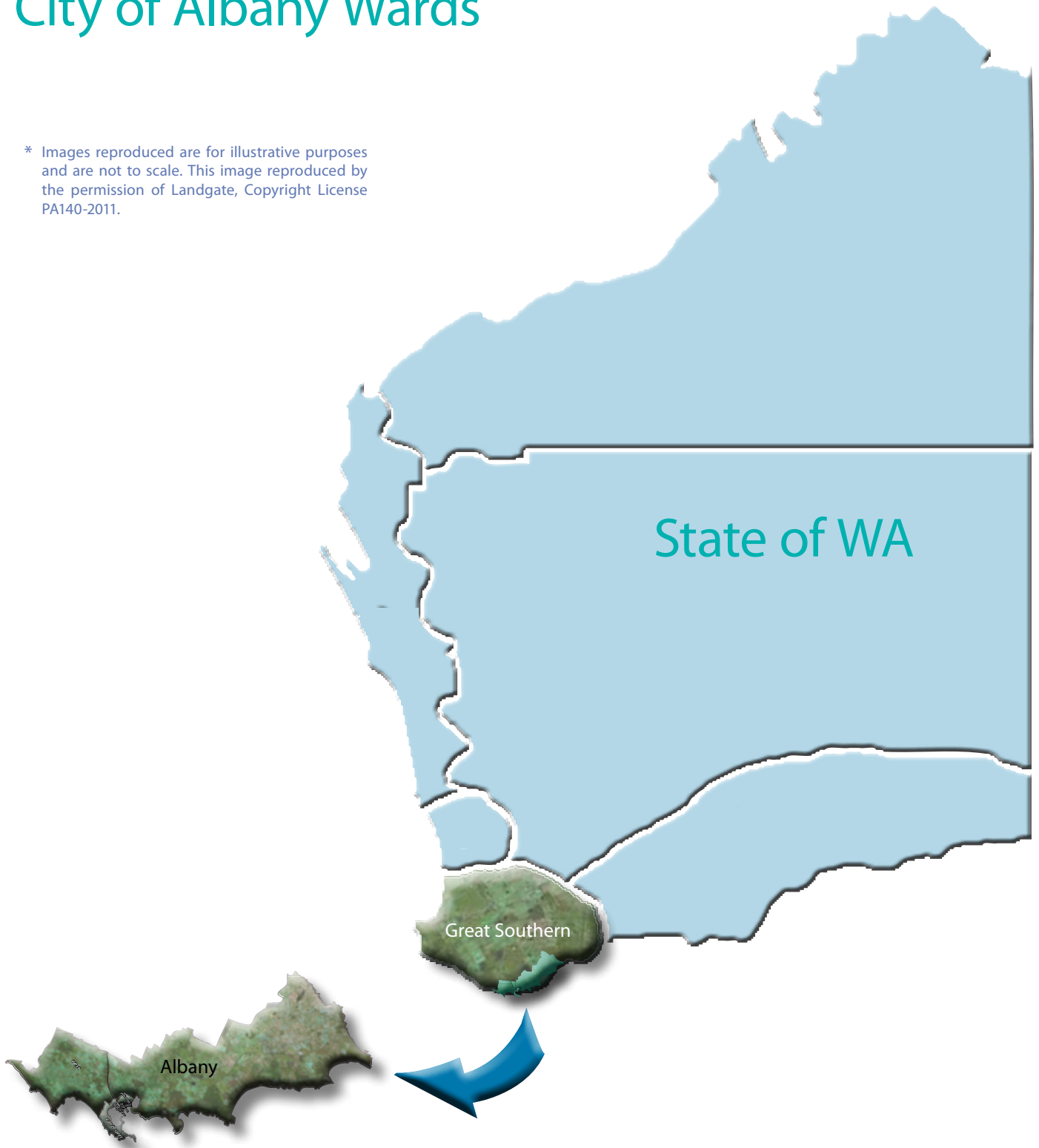
Leadership

- Developing and empowering to deliver expectations and promises;
- Encouraging our people to meet the community's service expectations;
- Being team focused and actively contributing to the team;
- Recognising and acknowledging all contributions regularly; and
- Providing a role model for these values.

**Albany is one of
Western Australia's
most sought after
and unique regional
cities to live in,
work in and visit.**

City of Albany Wards

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Yakamia

Electors: 4046
Councillor to Elector ratio: 1 to 2023
Land area: 25.52km²



Councillor Robert Sutton, term 2009-2013.
This is Cr Sutton's second representation in local government.



Councillor Alan JP Hortin, term 2011-2015.
This is Cr Hortin's first term as a local government Council member.

Vancouver

Electors: 3543
Councillor to Elector ratio: 1 to 1772
Land area: 83.498km²



Councillor Sarah Bowles, term 2011-2015.
This is Cr Bowles' first term as a local government Council member.



Councillor David Bostock, term 2009-2013. Cr Bostock was elected to the City of Albany Council in October 2009.

West

Electors: 4308
Councillor to Elector ratio: 1 to 2154
Land area: 831.29km²



Councillor Gerry Gregson, term 2011-2015.
This is Cr Gregson's first term as a local government Council member.



Councillor Don Dufty, term 2009-2013.
Cr Dufty was a City of Albany Councillor from 1999-2001 and was re-elected in 2009.

Frederickstown

Electors: 3543
Councillor to Elector ratio: 1 to 1772
Land area: 83.498km²



Councillor Greg Stocks, term 2011-2015.
This is Cr Stocks' first term in local government.



Councillor Carolyn Dowling, term 2009-2013.
Cr Dowling has previous local government experience.

Breaksea

Electors: 3866
Councillor to Elector ratio: 1 to 1933
Land area: 9.07km²



Councillor Vince Calleja, term 2011-2015.
Cr Calleja was a Town of Albany Councillor from 1996-1997.



Councillor Ray Hammond, term 2009-2013.
This is Cr Hammond's second term in Local Government.

Kalgan

Electors: 3824
Councillor to Elector ratio: 1 to 1912
Land area: 2447km²



Deputy Mayor Yvonne Attwell, term 2011-2015. Cr Attwell represented the Town of Albany from 1981-1987 and 1996-1997.



Councillor Chris Holden, term 2010-2013. Cr Holden was re-elected to the City of Albany Council in 2011 for a two-year term.

City of Albany Council Attendance Record 2011-2012

	OCM 19/7/2011	SCM 09/08/2011	OCM 16/08/2011	SCM 30/08/2011	SCM 06/09/2011	OCM 20/09/2011	OCM 11/10/2011	SCM 18/10/2011	SCM 15/11/2011	OCM 06/12/2011	OCM 13/12/2011	AGM Electorals 15/12/2011	OCM 14/02/2012	SCM 21/02/2012	OCM 20/03/2012	SCM 03/04/2012	OCM 17/04/2012	SCM 26/04/2012	SCM 01/05/2012	OCM 15/05/2012	SCM 22/05/2012	OCM 05/06/2012	OCM 19/06/2012	SCM 26/06/2012
Mayor Milton Evans JP	X	X	X	X	X	X	X	Retired																
Dep. Mayor Dennis Wellington	X	X	X	X	X	X	X	Elected Mayor	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Cr Ray Hammond		X	X	X	X			X	X	X	X		X	X	X	X	X							
Cr Jill Bostock	X		X	X		X	X	Retired																
Cr Chris Holden		X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Cr Merryn Leavesley	X				X	X	X	Retired																
Cr Des Wolfe	X	X	X	X	X	X	X	Retired																
Cr Don Duffy	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Cr Joy Matia	X		X	X		X	X	Retired																
Cr Rob Sutton	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Cr Roley Paver				X		X	X	Retired																
Cr David Bostock	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Dep. Mayor Yvonne Attwell								Elected Dep. Mayor	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Cr Sarah Bowles								Elected	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Cr Vince Calleja								Elected	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Cr Gerry Gregson								Elected	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Cr Alan Horlin JP								Elected	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Cr Greg Stocks								Elected	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Cr Carolyn Dowling															Elected	X	X	X	X	X	X	X	X	X

X indicates attendance at Ordinary Council Meetings and Special Council Meetings

Office of the CEO



Governance
Records Management
Community Safety

Governance

The City of Albany corporate governance committee system was revised and the committee continues to meet to address strategic issues and formulate Council policy positions.

No formal complaints were lodged against the City of Albany during the reporting period under section 5.121 of the *Local Government Act 1995*.

Records Management

To ensure best practice an external consultant was engaged to review and report on the City's record-keeping practices and processes. This review supported the need for business continuity planning for records and the transition to a digitised medium.

Community Safety

The City of Albany provides strategic linkages, financial support (if appropriate) and facilitates community groups to address local community needs as opposed to directly providing social and human services. In 2011-2012 the City of Albany continued to support and ensure the City's 16 volunteer bush fire brigades were appropriately resourced through the Emergency Services Levy (ESL) contribution and municipal funds.

The Ranger Team continued to conduct community initiatives to mitigate public nuisances (dog complaints, stock on roads, parking, off road vehicles, fire prevention) through daily public engagement and education.

Freedom of Information

The City of Albany is committed to ensuring timely, equitable access to publicly available information as set out in the *Freedom of Information Act 1992*.

In 2011-2012, nine of 10 Freedom of Information requests were granted.



Office of the CEO



Communications and Events

Communications

The City of Albany communications team continued to provide support services to both internal and external stakeholders during the year with the following activities:

- Maintaining the monthly Community Information Page published in the Great Southern Weekender;
- Maintaining the City of Albany website;
- Advertising and placing notices to ratepayers in various local and State newspapers, radio and television;
- Supporting the Mayor, CEO and the Executive with media briefs and responses;
- Coordinating conversations with the CEO sessions;
- Initiating co-branding in all City of Albany activities;
- Distributing updates on City activities via weekly emails to community stakeholders; and
- Managing of City of Albany events with a marketing connectivity.

In 2011-2012, 216 media releases were distributed. The team administered 163 responses to media enquiries. The Mayor and staff undertook 83 radio interviews and 39 television interviews. This activity represented a greater engagement with the community on Council matters.

The City of Albany hosted the inaugural Great Southern Staffing Forum in February, attracting more than 80 participants to a two-day industry conference. The conference was coordinated by the communications unit.

City and Community Events

The City of Albany's events program continued to progress, encouraging community engagement and celebrations. Community events supported by the City of Albany in 2011-2012 included:

- Christmas Pageant and Concert (at Ellen Cove, with Apex Carols by Candlelight);
- New Year's Eve Concert and Fireworks;
- Proclamation Day;
- NAIDOC Awards Night;
- Australia Day Family Fun Day and Fireworks;

- Volunteer Week Thank You event;
- Submariners Memorial;
- Dedication of Lone Pine Grove at ANZAC Peace Park; and
- 2012 Hollow Log Golf Tournament in Albany.

The City of Albany provided community grants to identified events in 2011-2012 as follows:

- Albany Classic (Albany Classic event)
- Albany Agricultural Society (Albany Show)
- Perth International Arts Festival (PIAF Great Southern)
- Albany Returned and Services League (ANZAC Day)
- Artsouth WA Inc. (Bendigo Bank Southern Art and Craft Trail)
- APEX (Carols by Candlelight)
- Albany Maritime Foundation (Festival of the Sea)

Guest Town Event

Destination promotion was undertaken at Albany's 2011 IGA Perth Royal Show Guest Town event. An estimated 40,000 potential visitors had the chance to sample *amazingalbany* through a range of expertly crafted local sensory samples tailored to a range of audiences.

Guest Town visitors were further enticed by more than \$15,000 worth of prizes donated by local businesses and tourism operators, resulting in thousands of potential Albany customers registering to learn more about what *amazingalbany* has to offer.



Office of the CEO



Indigenous Liaison Services

Indigenous Services

In honouring our culture, we take this opportunity to acknowledge our Noongar people who have passed away, especially our Elders who have provided an enormous contribution to Albany and their community.

The Albany Aboriginal Accord continued to be implemented in 2011-2012, fostering active engagement with local Noongar people. Community groups and staff members worked positively to include cultural contributions in the City's events and projects especially in interpretive displays that exchanged and promoted traditional stories.

National Aborigines and Islanders Day Observance Committee (NAIDOC) celebrations continued to successfully showcase Noongar excellence.

Congratulations to Glenda Williams who was awarded the 2012 Noongar Citizen of the Year. Sam Williams and Hazel Brown were awarded Elders of the Year; their significant contribution is appreciated and deserved.

The Indigenous Liaison Officer actively influenced opportunities to promote social, economic and civic activities with the City of Albany.

During the period Noongar people displayed an active willingness to participate in cultural teachings and practices that enhanced a continual connection to their unique heritage. This ensured that Noongar culture is strong and can be experienced by locals and visitors to Albany.

Aboriginal Heritage and Native Title legal requirements were successfully implemented during 2011-2012. Ongoing review and enhancements to the process and delivery minimised potential risk.

Albany's Noongar community is proud of the City of Albany's commitment to acknowledging traditional custodian connections.

The inclusion of an entry statement at the boundary of Minang Country was welcomed.

Indigenous culture

Aboriginal peoples of the South West Region of Western Australia are known as Noongar peoples.

The territory around Albany is the traditional country of the Minang (spelt Meananger by Nind in 1831).

Aboriginal occupation of the South West Region of WA has been dated more than 50,000 years.



Human Resources Occupational Safety and Health

Human Resources

The City of Albany reached agreement with employees for a new Enterprise Agreement for General Workers at the conclusion of a secret ballot held in late May 2011.

The new agreement, titled *City of Albany General Workers Agreement 2011*, was lodged with Fair Work Australia for approval at the end of the reporting period.

Training was conducted for City of Albany employees in the areas of computing skills, high-risk safety and first aid.

The City of Albany also provided assistance to employees undertaking further studies, and attending seminars and conferences.

A total of 59 positions of employment were filled through a formal recruitment process managed by the Human Resources team during the reporting period.

Occupational Safety and Health

A dedicated Occupational Safety and Health Officer was appointed to assist the City in providing a safe workplace and work practices for all employees.

Manual handling training and ergonomic assessments were also conducted in May 2011, for the purpose of lowering risk for the employees.

Employee remuneration*

Salary range \$	2012	2011
250,000 – 259,000		1
200,000 – 209,999	1	
170,000 – 179,999		1
160,000 – 169,999		
150,000 – 159,999	1	
140,000 – 149,999		2
130,000 – 139,999	1	
120,000 – 129,999	2	
110,000 – 119,999	1	
100,000 – 109,999	4	3

* as at 30 June 2012

Community Services



OUR CUSTOMERS SAY... ALAC Services

"Thank you to all the pool deck crew for their fantastic support of our school outing"

"It's great to be greeted by happy smiling staff when I arrive at six in the morning"

"The kids have a great time in the creche while I do an exercise class with my friends - and I love the new tinted windows in the gym"



**Albany Leisure
and Aquatic
Centre**

Albany Leisure and Aquatic Centre (ALAC) is one of the largest indoor aquatic and recreation centres in Australia and attracted 470,000 visitors in 2011-2012.

ALAC boasts seven indoor courts and is home to many local sporting associations such as the Albany Basketball, Netball and Volleyball clubs. The centre also caters to a wide range of recreational activities such as indoor tennis, badminton, climbing wall and indoor hockey.

The indoor aquatic facility is home to the Albany Swimming and Aussie Masters Swimming Club and the ALAC Swim2Survive swim school.

The Swim2Survive swim school is the largest regional swim school in Western Australia, with more than 4,000 annual enrolments in 2011-2012. The swim school caters to infants through to adults in small groups and also provides one-on-one tuition.

The Centre has a state-of-the-art gymnasium and group exercise facilities and programs, catering for both casual use and membership options.

A highlight of the year was the hosting of the Youyi Games (game two), featuring Australian Boomers versus China Men's Olympic Basketball team. The sell-out event was an international basketball feast for those lucky enough to secure a ticket. Future international basketball fixtures are likely in coming years due to Albany's first class facilities.

The City of Albany invested in pool blankets in 2011-2012. In addition to providing consistent pool temperatures, the blankets will result in savings of approximately \$55,000 per annum in gas consumption.

The ALAC Business Plan and Budget for 2012-2013 was developed with input from the 2011 community survey and the following initiatives have been developed in direct response to feedback from the community:

- Increased cardiovascular and audiovisual equipment provided in the gymnasium;
- Increased summer weekend opening hours including opening on the majority of public holidays; and
- Increased opening hours for the cafe.

The City of Albany looks forward to welcoming the Albany community to ALAC in 2012-2013.

Community Services



Albany Regional Daycare

Albany Regional Daycare proudly provides high-quality care and early-years education for families. The Daycare caters to children aged six weeks to six years and opens Monday-Friday, 7.45am-5.45pm, 51 weeks of the year.

During 2011-2012, the Daycare worked to strengthen children's links and awareness within the community with many excursions to explore outdoors, including visits to the library, fire station, local parks and businesses.

The 2011-2012 financial year was busy, with care provided to 168 children and a consistent 20 to 40 bookings on a wait list. During the year, 320 families were enrolled and able to access services.

Albany Regional Daycare also supported the Great Southern Institute of Technology and local schools by providing work placement and experience for local students.

The Daycare implemented the new national Quality Framework for Early Childhood Education and Care. This framework placed a strong emphasis on play-based learning to enhance children's development from birth to five years.

The Framework aligns with the current Albany Regional Daycare practices and will assist children in making a seamless transition from Daycare to school.

OUR CUSTOMERS SAY...

Day Care Services

"The care, love and homeliness of your centre has made our life so much easier, "

"We will always be grateful for the nurturing and loving environment that you provided to our family"

"Congratulations on the fun, caring and educational environment you have created"



Albany Visitor Centre (AVC)

The Albany Visitor Centre (AVC) provides an important welcoming and information service for visitors and residents to Albany. It is open every day except Christmas Day. The AVC plays an important role in promoting visits to the Albany region, introducing and booking customers to local businesses (both tourism and non-tourism) and delivering a friendly and professional service to visitors.

OUR CUSTOMERS SAY...

Visitor Centre Services

"Got great friendly help at the Visitor Centre, thank you, "

"Outstanding organisation, valuable information & efficient"

"Very well organised staff - excellent"

In 2011-2012 the AVC delivered information to visitors and residents by responding to more than 60,000 telephone enquiries, attracting 114,650 *amazingalbany* unique website visits, and welcoming approximately 107,500 walk-in visitors.

This year was the first 12-month period in which the City delivered both the Visitor Information and Albany Regional Booking Services as a combined business.

A key focus was to build a cohesive AVC team and to create strong working relationships with local industry and government agencies. Major achievements included improved staff training and streamlined operational procedures. The AVC also conducted more than 65 familiarisation tours, enabling staff to better understand the range of products and visitor experiences.

The AVC worked collaboratively to successfully promote Albany at the 2011 Perth Royal Show and respond to many hundreds of visitor enquiries. The Visitor Centre also played a major coordinating role in welcoming eight cruise ships during the year, bringing an additional 16,000 visitors plus crew to Albany.

Community Services



The Albany Regional Airport is the gateway for air travel to the South West of the State, effectively serving the needs of the business community, local residents, visitors and a vibrant general aviation sector.

In 2011-2012 the Airport welcomed 60,946 travelling passengers, representing an increase of 7.9% on 2010-2011 numbers.

Both general aviation and regular public transport services use the Airport, with Skywest Airlines operating 20 scheduled flights per week to and from Perth and with two of the flights linked via Busselton Airport.

The Future Airport Development Plan was prepared in 2012 after consultation with a large number of airport users. The Plan provided an easy-to-understand planning framework that addressed both the aviation and non-aviation development of Albany Regional Airport for the next 20 years.

A major security upgrade, required by federal legislation, was successfully delivered at the end of the period as a result of effective collaboration between all City of Albany directorates.

Key considerations in delivering the project were value for money, operational functionality and passenger terminal user amenity.

The Airport also played a major role in providing an opportunity for Albany residents to share the benefits of significant mining sector activity across the northern regions of the State.

With strong support from the City of Albany, mining giant Rio Tinto offered closed charter air services in March 2012, ferrying its workforce directly between Albany and the Pilbara.

The Royal Flying Doctor Service (RFDS) provides a highly beneficial service to the Albany regional community by helping those in need of medical attention.

During 2011-2012, the RFDS visited Albany 427 times, of which 412 visits were patient evacuations. In support of this essential, self-funded service, the City discounted its landing fees to the value of \$26,250.



visit

albanyairport.com.au

Community Services



Community Development

Community Development

Community Development provides assistance, information and support to community groups to build their capacity, as well as facilitating events and activities that target identified gaps in the community. Key focus areas include:

- Youth
- Seniors
- Access and Inclusion
- Culturally and Linguistically Diverse groups
- People from indigenous backgrounds
- Volunteers

Key achievements in 2011-2012 included building the capacity of Albany Neighbourhood Watch, finalising a Memorial Garden at Albany Aboriginal Centre, delivering of two Safer Albany Expos and hosting a number of successful community events for youth and seniors.

Additionally, the City of Albany successfully applied for a Count Me In grant through the Disability Services Commission to expand the Sailability program at Princess Royal Sailing Club. The project seeks to improve access to clubs and recreation groups for people with a disability.

The City of Albany took part in the Department of Sport and Recreation KidSport program, removing financial barriers that prevented young people joining local sporting and recreation clubs. A total of 586 participants were funded from across 39 localities within Albany.

Outside of these special projects, community development continued to support community groups through the provision of information relating to grants, awards, training opportunities and other initiatives.

Under the Disability Access and Inclusion Plan the City of Albany:

- Installed automatic doors at the Vancouver Arts Centre;
- Provided free entry to carers of people with disabilities at the Princess Royal Fortress Military Museum and Albany Leisure and Aquatic Centre through the Companion Card program;
- Provided all-terrain wheelchairs at Middleton Beach and Emu Point for free use by people with disabilities; and
- Installed a tactile statue at Mills Park, Little Grove for enjoyment by people whose vision is impaired.



Heritage Development

Princess Royal Fortress Military Museum (Forts)

During 2011-2012, the Forts attracted more than 18,000 visitors.

A highlight of the Forts public program was the nine-pound gun firing series. The program attracts significant visitor interest by recreating scenes from the life of an artilleryman stationed at the Forts in 1893.

The first phase of a Lotterywest-supported interpretive signage project was completed during the period with the installation of key directional signs. The signs mark significant locations and provide directions to visitors throughout the precinct on Mt Adelaide.

The Forts collection was enhanced during 2011-2012 with the receipt of all remaining artifacts and documents from the Ellam-Innes Collection. The collection features detailed histories and memorabilia related mainly to the Western Australian 11th Battalion Australian Imperial Force that served in the First World War. The collection continues to be a drawcard for visitors, descendants of soldiers in the Battalion and military researchers.

The Brig Amity (Brig)

The City continued its partnership with the Albany Historical Society to present the Brig to the public during 2011-2012. The ship is a superb replica of the original Brig that brought settlers to Albany in 1826 and is a key attraction for the Museum precinct as well as an iconic visitor attraction in Albany.



Community Services



Albany Public Library

Library Services

The Albany Public Library continued to be a leader in the provision of public library services in Western Australia, providing a world of information to more than 20,000 members.

During 2011-2012, the Library hosted a significant number of literary and community events. Highlights included Book Chat and Creative Writing groups. More than 20 events took place during the year with about 1500 patrons attending presentations by celebrated authors such as Susan Swingler and Kim Scott, as well as host of local authors.

Ongoing youth literacy support and engagement programs included Your Tutor, Better Beginnings, Rhymetime, Storytime and school holiday programs. More than 4700 children took part in Rhymetime and Storytime, and the school holiday programs were fully booked. In addition, Children's Book Week celebrations were a success with more than 800 students from seven surrounding schools and home-schooled children participating in a week of events.



Foundation library services were well supported, in 2011-2012 with more than 199,291 patron visits and 752,884 transactions across 100,000 stock items. The Library also maintained its partnership with the University of Western Australia Albany Centre, providing access and reference services to Albany students and continuing to provide a highly valued home library service for seniors.

Library Services

- 20,000 members
- 752,884 transactions
- 104,821 stock items
- 199,291 patron visits
- 42,205 web hits
- 4718 youth literacy patrons

OUR CUSTOMERS SAY...

Library Services

*"Thank you all again for your wonderful service,
you have a library to be proud of"*

"New books, new ideas, brilliant service"

*"It's impossible to imagine life without
the Library"*

Community Services



Cultural Services

The Albany History Collection continued to be a resource for the ongoing research into Albany's unique heritage and history, with more than 1687 research enquires during 2011-2012. Digitisation projects took place during the year, with a significant portion of the collection now digitised for reference and preservation, including 4372 historical maps, 30 reels of microfilmed local newspapers, and the conversion of 49 oral histories from cassette tape to mp3 format.



visit

library.albany.wa.gov.au

City of Albany Cultural Services in 2011-2012 included the Vancouver Arts Centre (VAC), Centennial Art Prize, Albany Art Prize, Art Collection and Town Hall.

in 2011-2012 the VAC supported 15 user groups, had 300 members and more than 25,000 visits. It delivers a year-round program of exhibitions, workshops and special projects, is a cultural space for hire and offers a range of professional development programs including residencies and funding.

VAC program highlights during 2011-2012 included the workshop program a series of 21 workshops with 390 participant, and the exhibition program which featured 16 exhibitions and attracted 10,474 patrons. Ten artists participated in the Artist in Residence program during 2011-2012 and the VAC continued to grow and develop its communication with 900 e-newsletters distributed each month.

The Centennial Art Prize and the Albany Art Prize were also features of the Cultural Services program during 2011-12. Both art prizes were well attended, with more than 4000 patrons attending the Albany Art Prize at the Town Hall. The Albany Art Prize is an acquisitive prize and the winning work for 2012, Arc drawing #3 by Helen Smith, was a striking addition to the City's collection.

The Town Hall underwent some minor maintenance to the lower floor during 2011-2012, including painting and sanding of the timber floors. It is now an attractive and practical multi-use community space. Programming in the theatre included author talks and Southern Edge Arts workshops were included in the theatre's program.



Planning & Development Services



Environmental Health Inspections, Audits and Compliance

Environmental Health

The work of the City of Albany's Environmental Health team enables local residents and visitors to shop for groceries, eat out, enjoy community events and use public facilities, safe in the knowledge that the City works to maintain the highest standards of health.

The Environmental Health team worked on preventative health programs, in the reporting period, to assure the safety of food preparation premises and water supply sources. Activities consisted of:

- 435 development applications, including 80 applications for onsite waste water disposal systems;
- Investigating and working with private industry and community to resolve 144 complaints relating to excessive noise, smoke nuisance, dust nuisance, mosquito infestations, vermin infestations and food and hygiene matters; and
- Assisting with numerous telephone, front counter, email and written enquiries in regards to a wide range of issues.

Over all about 430 health inspections were undertaken at various premises including monitoring of:

- Restaurants, cafes and other food outlets;
- Caravan parks and other visitor accommodation;
- Public buildings; and
- Other health premises such as hairdressers, beauty therapists, massage clinics, and offensive trades.

Water quality assessments were carried out, with 140 drinking water and 156 swimming pool samples taken for chemical, bacterial and amoebic analysis.

The team also attended to mosquito control, baiting mosquito larvae in 20 known breeding locations. This activity was supported by providing community information advising how to avoid mosquitoes and remove potential breeding sources.



Building Services

Building

The introduction of the *Building Act 2011* on 2 April 2012 introduced major changes to the way building approvals are processed. Its introduction provided a greater flexibility to builders by allowing for private certification of compliance with building standards. The building surveying team worked closely with the industry to ensure the changes had minimal impact on processing building permit applications.

New home approvals fell by 51 percent during the year with 175 new homes approved, down from 355 approvals issued in 2010-2011. Four demolition permits were also issued.

Over all, 707 building permits were issued during the year with a construction value of \$98.51 million.

Major building applications approved during the year included:

- Bayonet Head Shopping Centre for Cuscuna Nominees Pty Ltd;
- Additions to the University of Western Australia Albany Campus;
- Six new wind turbines for Verve Energy at the Albany Wind Farm;
- Stage Two of the St Ives Village development at Lange; and
- A senior school building at Great Southern Grammar.



Planning & Development Services



Planning Services

Planning

During 2011-12 the City of Albany widely promoted the Draft City of Albany Local Planning Scheme No 1 (LPS1).

LPS1 is the City's main statutory tool for implementing the Albany Local Planning Strategy (ALPS) and achieving the City's aims and objectives in developing land within the City of Albany's boundaries.

While LPS1 mainly deals with land use, development control and infrastructure coordination, it also incorporates broad environmental, social and economic goals using the following methods:

- Controlling and guiding land use and development;
- Zoning land for defined uses;
- Setting out procedures to guide planning application assessment; and
- Setting aside land as reserves for public use.

Advertising the draft LPS1 began in April 2012 and ends during the 2012-2013 financial year.

The City of Albany has five planning schemes which will remain in operation until the gazetting of the LPS1.

During the reporting period, 21 scheme amendment applications were processed and are at various stages of the approval process. Of these applications, 16 were completed by the City of Albany and are now awaiting final approval from the Western Australian Planning Commission (WAPC).

A moratorium on the initiation of new scheme amendments was introduced in February 2012. The moratorium affected all new amendment applications except for seven scheme amendment requests (SAR) and 23 town planning scheme amendment applications that had already been initiated.

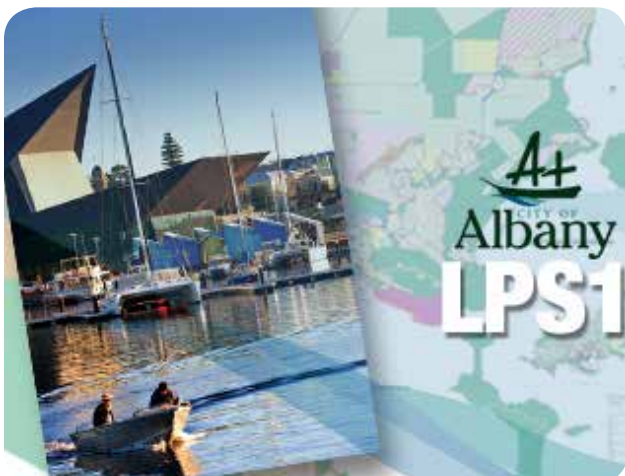
Applications during 2011-2012 included the approval of a long-awaited neighbourhood shopping centre in Orana and several large residential projects, including an 86-dwelling application in Lange, a 75-group dwelling application in Centennial Park and the re-approval of an application to construct 40 units in Earl St.

Overall planning activity decreased, with 333 applications received, compared with 449 applications received during the previous financial year.

Several structure plans were submitted to Council for consideration during the year, in localities including Kalgan Village, Catalina Rd, Big Grove and Emu Point. The structure plans, each at various stages of the approval process, are important for ensuring adequate short-to-medium-term lot supply consistent with demand.

Work also began on a number of major projects that will have an impact on Albany in the next few years, including:

- A Public Open Space Strategy;
- Structure Planning for Yakamia, Lange and Bayonet Head;
- A preliminary assessment of the planned Albany Waterfront hotel development, and
- A proposed residential development of about 140 units with an estimated development value of about \$40 million.



Works & Services



Works and Services

Works & Services

Works and Services are responsible for planning, maintaining and enhancing the City of Albany asset base which includes sealed roads, unsealed roads, pathways, parks, developed reserves, undeveloped reserves, drainage networks, City-owned buildings and waste management services.

Customer Service

In 2011-2012 the Works and Services team focused on improving customer service through better recording and allocation of customer service requests.

Capital Projects

In 2011-2012 capital projects included:

- Significant expenditure on road reconstruction, second coats seals and gravel re-sheets;
- Further improving Lower Denmark Rd with the Elleker townsite and final two sections to be constructed in 2012-2013;
- A number of pathways including Martin Rd, Middleton Rd, Bayview Dve, Flinders Pde and Ulster Rd;
- A number of water and drainage projects highlighted by the Centennial Park Living Stream restoration; and
- Ongoing maintenance and enhancement of City-owned buildings and structures.



Corporate Services



Corporate Services

Land Administration

The Corporate Services Team continued to improve its processes for ensuring that native title, Aboriginal heritage and European heritage matters were identified and addressed in all its works and projects.

The improved consultation processes with local Noongar groups on Aboriginal heritage issues continued to yield positive outcomes.

Many long-outstanding land tenure matters relating to road reserves were resolved.

Procurement

A new procurement position was established within the the Corporate Services team during the year to better manage the City's major procurement needs.

The area is responsible for the management of the City's tender processes and major quotations, with the intention of ensuring compliance with legislative and policy requirements.

The team continued to review its procurement policies and procedures to improve value-for-money outcomes for all procurement activities.

Revenue Development

A revenue development officer joined the team during the year with the specific aim of improving the management and success rate of grant applications.

The officer is responsible for the identification of new funding sources for priority projects and for ensuring that all applications and acquittals are completed within the required timeframes.

Corporate Services

Rates

Every four years, Landgate conducts revaluations of Gross Rental Value (GRV) rated properties.

The latest revaluation was provided in May 2011 and was applied to rates for the 2011-2012 year. Most residential properties were valued upwards.

These values were applicable for rating purposes from 1 July 2011.

During 2011-12, the City of Albany applied rates to properties in the following categories:

- GRV Occupied – includes residential dwellings. The rate for the reporting period was 9.0758 cents;
- GRV Vacant – includes vacant land that is non-rural. The rate for the reporting period was 7.402 cents in the dollar; and
- UV (Unimproved Value) is applied to rural properties. The rate for the reporting period was .3124 cents.

The overall increase in income from rates was 6.3% for the reporting period.

Information Technology

An Information and Communications Technology review was undertaken and significant progress in the development of its ICT strategy was achieved.

The ICT strategy takes into account the City's current ICT needs and will provide guidance for the development of ICT solutions for the future.

Property

The City of Albany leases land and buildings under its ownership and control, including freehold and Crown Land. The leasing portfolio consists of more than 230 leases that are categorised as commercial, community and residential.



During the reporting period, the City conducted an extensive review of its leasing policy to improve equity and provide guidance for future leases. This included consultation with leaseholders and in particular, community groups that currently lease Council land and buildings.

The revised leasing policy was scheduled to go before Council in the new financial year.

Risk Management

The City further developed its risk management systems and processes in order to refine its approach to identifying, treating, managing and reporting organisational risks. This included the commencement of the Business Continuity Planning process to ensure that the City has the ability to operate if unforeseen events disrupt the normal course of business.



City of Albany Financial Report for the year ended 30 June 2012

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CITY OF ALBANY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 21st day of December 2012



Graham Foster
Acting Chief Executive Officer

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

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue				
Rates	23	25,642,947	25,619,665	24,114,001
Operating Grants & Subsidies	29	4,887,130	2,710,582	3,570,141
Contributions, Reimb. & Donations		665,327	349,697	1,215,224
Fees and Charges	28	13,302,006	13,327,249	11,401,816
Interest Earnings	2(a)	1,376,091	697,000	1,184,412
Other Revenue		873,063	617,625	860,784
		<u>46,746,563</u>	<u>43,321,818</u>	<u>42,346,378</u>
Expenses				
Employee Costs		(16,597,830)	(16,948,783)	(15,295,323)
Materials & Contracts		(11,382,651)	(12,973,799)	(11,290,975)
Utility Charges		(1,910,194)	(1,319,732)	(1,507,429)
Depreciation on Non-Current Assets	2(a)	(11,640,078)	(11,817,938)	(11,449,614)
Interest Expenses	2(a)	(1,046,166)	(1,042,761)	(1,114,199)
Insurance Expenses		(587,694)	(584,845)	(543,500)
Other Expenditure		(1,904,522)	(223,994)	(1,665,462)
		<u>(45,069,137)</u>	<u>(44,911,852)</u>	<u>(42,866,502)</u>
		1,677,427	(1,590,034)	(520,124)
Non-Operating Grants, Subsidies & Contributions	29	3,957,734	6,770,372	9,180,800
Non- Operating Contributions, Reimb. & Donations		2,165,726	3,148,907	1,567,374
Fair value - Investments adjustments	2(a)	(113,739)		(727,470)
Profit/(Loss) on Asset Disposals	21	(18,345)	(905,815)	142,634
Net Result		7,668,802	7,423,430	9,643,214
Other Comprehensive Income				
Cash Backing of Reserves		0	718,230	0
Total Other Comprehensive Income		<u>0</u>	<u>718,230</u>	<u>0</u>
Total Comprehensive Income		<u><u>7,668,802</u></u>	<u><u>8,141,660</u></u>	<u><u>9,643,214</u></u>

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

CITY OF ALBANY
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2012

	\$		
Revenue			
Governance	39,061	37,800	43,231
General Purpose Funding	31,647,325	29,117,247	28,776,537
Law, Order & Public Safety	296,746	282,080	325,982
Health	73,718	92,800	65,443
Education & Welfare	1,076,136	890,436	732,184
Community Amenities	6,603,921	7,123,056	5,792,371
Recreation & Culture	2,609,586	2,609,341	2,342,321
Transport	1,821,824	1,368,964	2,367,594
Economic Services	776,729	991,786	617,103
Other Property & Services	1,801,518	808,308	1,283,612
2(b)	46,746,563	43,321,818	42,346,378
Expenses			
Governance	(1,694,965)	(7,896,067)	(2,509,651)
General Purpose Funding	(659,734)	(306,674)	(788,410)
Law, Order & Public Safety	(1,523,194)	(1,001,286)	(1,231,848)
Health	(674,283)	(477,620)	(545,305)
Education & Welfare	(1,206,983)	(1,014,712)	(1,052,965)
Community Amenities	(7,570,612)	(6,636,271)	(6,797,549)
Recreation & Culture	(12,336,224)	(10,073,205)	(10,765,599)
Transport	(15,430,534)	(14,877,616)	(15,139,508)
Economic Services	(2,073,033)	(1,463,431)	(1,630,907)
Other Property & Services	(853,409)	(122,210)	(1,290,562)
2(b)	(44,022,971)	(43,869,092)	(41,752,304)
Finance Costs			
Governance	(157,275)	(154,391)	(167,288)
Community Amenities	(17,386)	(17,386)	(19,678)
Recreation & Culture	(315,767)	(315,767)	(329,393)
Transport	(514,076)	(513,554)	(540,808)
Economic Services	(38,347)	(38,347)	(42,318)
Other Property & Services	(3,315)	(3,315)	(14,713)
2(a)	(1,046,166)	(1,042,760)	(1,114,198)
Fair value - Investments adjustments	(113,739)		(727,470)
Non-Operating Grants, Subsidies & Contributions			
Grants & Subsidies - Non-operating	3,957,734	9,620,163	9,180,800
Contribution Reim. And Donations - Non-operating	2,165,726	299,116	1,567,374
	6,123,459	9,919,279	10,748,174
Profit/(Loss) on Disposal of Assets			
Profit/(Loss) on Disposal of Assets	(18,345)	(905,815)	142,634
Net Result	7,668,802	7,423,430	9,643,214
Other Comprehensive Income			
Cash Backing of Reserves Adjustment	0	718,230	0
Total Other Comprehensive Income	0	718,230	0
Total Comprehensive Income	7,668,802	8,141,660	9,643,214

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

**CITY OF ALBANY
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2012**

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash - Municipal	3	9,898,720	5,767,118
Restricted Cash (Trust)	3	1,020,686	1,318,300
Reserve Funds - Other	3	8,049,459	4,988,985
Reserve Funds - Financial Assets	4	68,771	327,010
Trade & Other Receivables	5	2,947,666	2,136,618
Investment Land	6	1,705,899	2,398,674
Inventories	6	559,596	804,150
TOTAL CURRENT ASSETS		<u>24,250,796</u>	<u>17,740,855</u>
NON-CURRENT ASSETS			
Other Receivables	5	396,292	416,969
Inventories	6	4,714,703	4,509,155
Property, Plant & Equipment	7	71,796,000	71,237,891
Infrastructure	8	188,652,376	190,555,179
Local Government House Shares		19,501	19,501
TOTAL NON-CURRENT ASSETS		<u>265,578,871</u>	<u>266,738,695</u>
TOTAL ASSETS		<u>289,829,668</u>	<u>284,479,551</u>
CURRENT LIABILITIES			
Trade & Other Payables	9	4,290,072	4,142,110
Trust Liabilities		949,363	1,259,559
Long Term Borrowings	10	3,286,606	7,138,175
Provisions	11	2,562,505	2,381,578
TOTAL CURRENT LIABILITIES		<u>11,088,545</u>	<u>14,921,422</u>
NON-CURRENT LIABILITIES			
Long-Term Borrowings	10	14,139,788	12,626,394
Provisions	11	465,710	464,911
TOTAL NON-CURRENT LIABILITIES		<u>14,605,498</u>	<u>13,091,305</u>
TOTAL LIABILITIES		<u>25,694,043</u>	<u>28,012,727</u>
NET ASSETS		<u>264,135,624</u>	<u>256,466,822</u>
EQUITY			
Retained Surplus		236,353,994	231,648,724
Reserves - Cash/Investments Backed	12	9,006,996	6,043,464
Reserves - Asset Revaluation	13	18,774,634	18,774,634
TOTAL EQUITY		<u>264,135,624</u>	<u>256,466,822</u>

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

**CITY OF ALBANY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2012**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2010		221,268,685	6,780,289	18,774,634	246,823,609
Changes in Accounting Policy					0
Correction of Errors					0
<hr/>					
Restated Balance		221,268,685	6,780,289	18,774,634	246,823,609
Net Result		9,643,214	0	0	9,643,214
Total Other Comprehensive Income					0
Reserve Transfers		736,824	(736,824)	0	0
<hr/>					
Balance as at 30 June 2011		231,648,723	6,043,465	18,774,634	256,466,823
Net Result		7,668,802	0	0	7,668,802
Total Other Comprehensive Income					0
Reserve Transfers		(2,963,531)	2,963,531	0	0
<hr/>					
Balance as at 30 June 2012		236,353,994	9,006,996	18,774,634	264,135,625

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

**CITY OF ALBANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2012**

	NOTE	2012 \$	2012 Budget \$	2011 \$
Cash Flows From Operating Activities				
Receipts				
Rates		25,471,266	25,619,665	24,565,587
Operating Grants & Subsidies, Contributions, Reimb.		5,552,456	3,060,279	4,785,365
Fees & Charges		12,624,066	11,565,322	12,751,633
Interest Earnings		1,376,091	697,000	1,175,076
Goods & Services Tax		163,037	1,431,450	
Other Revenue		873,063	617,625	703,035
		<u>46,059,979</u>	<u>42,991,341</u>	<u>43,980,696</u>
Payments				
Employee Costs		(16,296,360)	(17,234,783)	(15,004,817)
Materials & Contracts		(10,068,912)	(14,265,727)	(9,932,075)
Utility Charges		(1,910,194)	(1,369,732)	(1,507,429)
Insurance Expenses		(587,694)	(584,845)	(543,500)
Interest Expenses		(1,055,174)	(1,042,761)	(1,119,742)
Goods & Services Tax		(474,034)	(1,468,098)	
Other Expenditure		(2,214,718)	(222,602)	(4,677,036)
		<u>(32,607,087)</u>	<u>(36,188,548)</u>	<u>(32,784,599)</u>
Net Cash Provided By (Used In)				
Operating Activities	14(b)	<u>13,452,892</u>	<u>6,802,793</u>	<u>11,196,097</u>
Cash Flows from Investing Activities				
Payment for purchase & construction of assets		(8,281,755)	(18,484,440)	(18,248,882)
Movement from capital to inventory		(205,548)		
Proceeds from the sales of assets		87,190	3,912,017	953,757
Proceeds from sale of investments		144,500		
Non-Operating Grants & Suddisies		3,957,734		8,364,643
Capital Contributions		46,562		424,143
Net Cash Provided By (Used In)				
Investing Activities		<u>(4,251,318)</u>	<u>(14,572,423)</u>	<u>(8,506,339)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(7,138,175)	(7,138,175)	(2,532,106)
Proceeds from Self Supporting Loans		31,063	31,061	29,049
Proceeds from New Debentures		4,800,000	3,800,000	1,500,000
Net Cash Provided By (Used In)				
Financing Activities		<u>(2,307,112)</u>	<u>(3,307,114)</u>	<u>(1,003,057)</u>
Net Increase (Decrease) in Cash Held		6,894,461	(11,076,744)	1,686,701
Cash at Beginning of Year		12,074,403	10,851,132	10,714,712
Cash and Cash Equivalents				
at the End of the Year	14(a)	<u>18,968,865</u>	<u>(225,612)</u>	<u>12,401,413</u>

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

**CITY OF ALBANY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012**

	NOTE	2012 Actual \$	2012 Budget \$	2011 Actual \$
Revenue				
Governance		39,061	37,800	43,231
General Purpose Funding		6,004,377	3,497,582	4,662,536
Law, Order & Public Safety		296,746	282,080	325,982
Health		73,718	92,800	65,443
Education & Welfare		1,076,136	890,436	732,184
Community Amenities		6,603,921	7,123,056	5,792,371
Recreation & Culture		2,609,586	2,609,341	2,342,321
Transport		1,821,824	1,368,964	2,367,594
Economic Services		776,729	991,786	617,103
Other Property & Services		1,801,518	808,308	1,283,611
		<u>21,103,616</u>	<u>17,702,153</u>	<u>18,232,376</u>
Expenses				
Governance		(1,852,240)	(8,050,458)	(2,676,940)
General Purpose Funding		(659,734)	(306,674)	(788,410)
Law, Order & Public Safety		(1,523,194)	(1,001,286)	(1,231,848)
Health		(674,283)	(477,620)	(545,305)
Education & Welfare		(1,206,983)	(1,014,712)	(1,052,965)
Community Amenities		(7,587,998)	(6,653,657)	(6,817,227)
Recreation & Culture		(12,651,991)	(10,388,972)	(11,094,992)
Transport		(15,944,610)	(15,391,170)	(15,680,317)
Economic Services		(2,111,380)	(1,501,778)	(1,673,225)
Other Property & Services		(988,808)	(125,525)	(1,305,273)
		<u>(45,201,221)</u>	<u>(44,911,852)</u>	<u>(42,866,502)</u>
Net Result Excluding Rates		(24,097,605)	(27,209,699)	(24,634,126)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	21	18,345		
Movement in Deferred Pensioner Rates (non-current)	5	(12,543)		
Movement in Employee Benefit Provision (non-current)	9	799		
Movement in Accruals		23,117		
Carrying Value of Investment Land Sold		692,774		267,675
Depreciation on Assets	2(a)	11,640,078	11,817,938	11,449,614
Capital Expenditure and Revenue				
Purchase Plant, Equipment & Infrastructure		(10,400,919)	(23,345,274)	(19,628,976)
Movement from Capital to Inventory		(205,548)		
Capital Grants and Contributions		6,123,459	9,919,279	10,748,174
Proceeds from Disposal of Assets	21	87,190	3,912,017	953,757
Repayment of Debentures	22(a)	(7,138,175)	(7,138,175)	(2,532,106)
Proceeds from New Debentures	22	4,800,000	3,800,000	1,500,000
Self-Supporting Loan Principal Income		31,062	31,061	29,049
Restricted Cash Funds - Grants	2(c)	(2,753,521)		
Transfers to Reserves (Restricted Assets)	12	(3,556,747)	(3,856,237)	(4,953,248)
Transfers from Reserves (Restricted Assets)	12	593,215	4,855,084	5,690,072
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	23(b)	1,494,511	3,651,643	1,578,986
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		2,982,441	2,057,303	4,582,872
Amount Required to be Raised from Rates	23(a)	<u>(25,642,947)</u>	<u>(25,619,666)</u>	<u>(24,114,001)</u>

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 20 to these financial statements.

(c) Goods and Services Tax

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Cash and Cash Equivalents

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

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

(e) Trade and Other Receivables

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

(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 cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until finance costs and holding charges incurred after development is completed are expensed.

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

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

(g) Fixed Assets

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

Initial Recognition

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Revaluation

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

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

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

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

Land under Roads

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

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

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

While 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, that Local Government (Financial Management) Regulations prevail.

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

Depreciation of Non-Current Assets

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets (Continued)

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

Buildings	50 to 100 years
Furniture and Equipment	10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement seal	50 years
bituminous seals	20 years
asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement gravel sheet	50 years 12 years
Formed roads formation	not depreciated
pavement	50 years
Footpaths - slab	40 years

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. 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 \$1,000 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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

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

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

Impairment

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

Derecognition

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment

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

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

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

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

(j) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Employee Benefits

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

(l) Borrowing Costs

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

(m) Provisions

Provisions are recognised when:

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Leases

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

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

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

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

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

(o) Joint Venture

The Council's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is set out in Note 17.

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

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

(p) Rates, Grants, Donations and Other Contributions

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Superannuation

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

(r) Current and Non-Current Classification

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

(s) Rounding Off Figures

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

(t) Comparative Figures

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

(u) Budget Comparative Figures

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Notes:

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

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

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

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

2. REVENUE AND EXPENSES

2012
\$

2011
\$

(a) Net Result

The Net Result includes:

(i) Charging as an Expense:

Significant Expense

General Purpose Funding

(113,739)

(727,470)

This significant expense in both years relates to the reduction in the fair value of the City's investments.

Amortisation

Capitalised Leased Assets

Auditors Remuneration

- Audit

34,035

23,661

- Other Services

5,458

Depreciation

Buildings

1,315,928

1,150,165

Furniture and Equipment

718,804

816,363

Plant and Equipment

1,438,750

1,465,597

Roads

5,283,579

5,158,616

Footpaths

190,593

191,883

Drainage

382,366

372,866

Infrastructure - Other

2,310,058

2,294,124

11,640,078

11,449,614

Interest Expenses (Finance Costs)

Finance Lease Charges

1,046,166

1,114,199

Debentures (refer Note 22(a))

1,046,166

1,114,199

(ii) Crediting as Revenue:

2012
\$

2012
Budget
\$

2011
\$

Interest Earnings

Investments

- Reserve Funds

184,639

140,000

254,951

- Other Funds

937,471

450,000

606,413

Other Interest Revenue (refer note 27)

253,981

107,000

323,048

1,376,091

697,000

1,184,412

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

GOVERNANCE

Members of Council, elections, citizenship ceremonies, receptions/functions general administration and public relations.

GENERAL PURPOSE FUNDING

General purpose grants, untied road grants, interest on deferred rates.

LAW, ORDER & PUBLIC SAFETY

Fire prevention/fighting, WA fire brigades levy, contributions to local brigades, animal control, general ranger duties to ensure public safety.

HEALTH

Health inspections, analytical/bacteriological testing, donations to organisations and clinic operations.

EDUCATION AND WELFARE

Pre-school, day care centre operations, senior citizens centre and community development officer expenditure.

COMMUNITY AMENITIES

Rubbish collections, recycling, refuse site operations, education and compliance control and studies, pollution control, urban drainage and donations to organisations. Public conveniences operations and protection of the environment issues.

RECREATION & CULTURE

Beaches, parks, reserves, boat ramp maintenance, financial assistance grants to sporting bodies, library, town hall and community arts programmes operations. Sporting grounds, gardens maintenance and heritage buildings.

TRANSPORT

Roads, footpaths, drainage, road verges, street lighting, traffic management and airport.

ECONOMIC SERVICES

Building control, saleyards, plant nursery, contributions to tourism bodies and tourist information bays. Economic development and Albany Business Centre.

OTHER PROPERTY & SERVICES

Public works overheads, plant/vehicle operations, stock and materials, depot operations, strategic planning operations, studies and private works.

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

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-10	Received (+) 2010/11	Expended (#) 2010/11	Closing Balance (*) 30-Jun-11	Received (+) 2011/12	Expended (#) 2011/12	Closing Balance 30-Jun-12
		\$	\$	\$	\$	\$	\$	\$
I Can Project	Education and Welfare	4,545		(4,545)	0			0
Lotterywest	Economic Services	20,000		(20,000)	0			0
Department of Health and Ageing	Education and Welfare	16,215		(16,215)	-0			-0
Department of Regional Development	Education and Welfare	35,000		(35,000)	0			0
Lotterywest - "Forts Artillery Shelter"	Recreation and Culture	5,820		(5,820)	0			0
Department of Infrastructure - Capital Grants	Transport	274,000		(274,000)	0			0
Department of Infrastructure - "Roads to Recovery"	Transport	844,968		(844,968)	0			0
Department of State Development - Down Road	Transport	180,000		(180,000)	0			0
Department of Infrastructure - ALAC Stage 2	Recreation and Culture	1,384,704		(1,384,704)	0			0
Office of Crime Prevention	Law, Order, Public Safety		20,000	(4,597)	15,403		(15,403)	-0
WA Police Community Engagement Division	Law, Order, Public Safety		18,000	(17,086)	914			914
Lotterywest - Library Equipment	Recreation and Culture		37,424	(37,424)	0			0
Royalties for Regions Regional Funds - Peace Park	Community Amenities		897,773	(51,916)	845,857		(845,857)	-0
Main Roads - Federal Blackspot	Transport		364,800	(364,800)	0			0
Main Roads - State Blackspot	Transport		220,735	(220,735)	0			0
RLCIPR - Centennial Wetlands Funding	Community Amenities		97,500		97,500		(97,500)	0
RLCIPR - Centennial Bunding Funding	Transport		40,500		40,500		(40,500)	0
Department of Infrastructure - "Roads to Recovery"	Transport		844,968	(844,968)	0			0
Main Roads - Down Road	Transport		1,840,000	(1,840,000)	0			0
Local Government Grant 11/12	General Purpose Income				0	1,351,641	(1,351,641)	0
Local Government Grant 11/12 - Local Roads	General Purpose Income				0	1,231,149	(1,231,149)	0
Local Government Grant 11/12 - Bridges	Transport				0	344,000		344,000
Local Government Grant 12/13 in advance	General Purpose Income				0	944,662		944,662
Local Government Grant 12/13 in advance - Local Roads	General Purpose Income				0	935,171		935,171
Sport 4 All Kidsport Program	Education and Welfare				0	216,000	(44,192)	171,808
Disability Services - Count Me In Project	Education and Welfare				0	49,999		49,999
WA Police Strategic Crime Prevention	Law, Order, Public Safety				0	6,900	(5,400)	1,500
City of Belmont - Library	Recreation and Culture				0	8,896	(4,010)	4,886
Children's Book Council of Australia	Recreation and Culture				0	8,471	(4,341)	4,130
Lotterywest - "Forts Interpretive Signage"	Recreation and Culture				0	39,892	(39,892)	0
Healthway	Recreation and Culture				0	1,500	(1,500)	0
Country Arts WA	Recreation and Culture				0	40,880	(40,880)	0
Main Roads - Great Southern Region Roads Street Lighting	Transport				0	12,080	(12,080)	0
Main Roads - 11/12 Verge Maintenance	Transport				0	7,500	(7,500)	0
South Coast Management Group	Recreation and Culture				0	7,727	(6,888)	839
Keep Australia Beautiful Committee	Recreation and Culture				0	2,727		2,727
Department of Environment & Conservation - E-Waste	General Purpose Income				0	18,776	(18,776)	0
Lotterywest - Senior Citizens Wooden Floor	General Purpose Income				0	47,904	(47,904)	0

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

Department of Transport				35,000		35,000
Great Southern Development Commission - Padre White Lookout		Recreation and Culture		-		-
Main Roads - Anti-Hoon Speed Humps Program		Recreation and Culture	(667)	(667)		(667)
RLCIPR - Centennial Wetlands Funding		Transport	(20,880)	(20,880)		(20,880)
RLCIPR - Centennial Bunding Funding		Community Amenities	(72,842)	(72,842)		(72,842)
Department of Regional Development and Land - Path Fundings		Transport	(37,038)	(37,038)		(37,038)
Department of Transport - Regional Bicycle Network		Transport	(809,314)	(809,314)		(809,314)
Main Roads - Direct Grant		Transport	(40,000)	(40,000)		(40,000)
Main Roads - Road Project Grant		Transport	(274,865)	(274,865)		(274,865)
Department of Infrastructure - "Roads to Recovery"		Transport	(510,293)	(510,293)		(510,293)
Main Roads - TIRES Funding		Transport	(559,000)	(559,000)		(559,000)
State NRM Office		Transport	(160,000)	(160,000)		(160,000)
		Recreation and Culture	(23,269)	(23,269)		(23,269)
Total			8,076,930	(6,323,582)	1,000,173	2,753,521
			4,381,700	(6,146,778)	1,000,173	2,765,252

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.

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

	2012	2011
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted		
Municipal Fund	9,009,953	5,767,118
Restricted		
Restricted Funds - Cash held in Municipal Fund	888,767	0
Restricted Trust	1,020,686	1,318,300
Reserve Funds - Other	8,049,459	4,988,985
	<u>18,968,865</u>	<u>12,074,403</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Unspent Grants	<u>2,753,521</u>	<u>1,000,173</u>
	<u>2,753,521</u>	<u>1,000,173</u>
4. INVESTMENTS		
Financial assets at fair value through profit or loss	<u>68,771</u>	<u>327,010</u>
Financial assets at fair value through profit or loss		
At beginning of the year	327,010	1,054,480
Revaluation to Income Statement	(113,739)	(727,470)
Additions		
Disposals	(144,500)	
At end of the year	<u>68,771</u>	<u>327,010</u>
Held for trading		
- FRNs		
- CDOs	68,771	327,010
- Managed Funds	<u>68,771</u>	<u>327,010</u>

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

	2012 \$	2011 \$
5. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	764,990	797,990
Sundry Debtors	1,322,639	691,236
Prepaid Expenses	109,430	160,185
Other Accrued Income	405,319	455,075
GST Receivable	311,841	844
Loans - Clubs/Institutions	33,447	31,288
	<u>2,947,666</u>	<u>2,136,618</u>
Non-Current		
Rates Outstanding - Pensioners	383,302	370,759
Loans - Clubs/Institutions	12,989	46,211
	<u>396,292</u>	<u>416,970</u>
6. INVENTORIES		
Current		
Construction Materials	482,660	699,514
History Books	8,798	9,482
Other	68,138	95,154
Land Held for Resale - Cost		
Cost of Acquisition	77,500	77,500
Development Costs	3,568,537	3,568,537
Transfer roads to Infrastructure	(723,577)	(723,577)
Disposals	(985,320)	(267,675)
Adjustment to Realisable Value	(231,241)	(256,111)
	<u>2,265,495</u>	<u>3,202,824</u>
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	2,150,000	2,150,000
Development Costs	2,564,703	2,359,155
	<u>4,714,703</u>	<u>4,509,155</u>
7. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	68,972,040	67,958,623
Less Accumulated Depreciation	<u>(13,205,465)</u>	<u>(11,889,537)</u>
	55,766,576	56,069,086
Furniture and Equipment - Cost	9,697,831	9,221,655
Less Accumulated Depreciation	<u>(7,652,710)</u>	<u>(6,938,493)</u>
	2,045,120	2,283,162
Plant and Equipment - Cost	17,422,845	16,852,107
Less Accumulated Depreciation	<u>(9,573,572)</u>	<u>(8,293,361)</u>
	7,849,273	8,558,746
Paintings at Council Valuation	<u>327,746</u>	<u>327,746</u>
	327,746	327,746
Total Property, Plant & Equipment	<u>65,988,715</u>	<u>67,238,740</u>
Work in Progress yet to be Classified	5,807,285	3,999,151
Total Property, Plant & Equipment, Work in progress	<u>71,796,000</u>	<u>71,237,891</u>

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

7. 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 \$	Paintings \$	Work in Progress \$	Total \$
Balance as at the beginning of the year	56,069,086	2,283,162	8,558,746	327,746	3,999,151	71,237,891
Additions	1,013,417	480,761	834,813	0	2,266,139	4,595,130
(Disposals)	-	(4,586)	(264,075)	-	(458,004)	(726,665)
Revaluation - Increments - (Decrements)	0	0	0	0	0	0
Impairment - (Losses) - Reversals	0	0	0	0	0	0
Depreciation (Expense)	(1,315,928)	(714,218)	(1,280,211)	-	-	(3,310,357)
Carrying amount at the end of year	55,766,575	2,045,119	7,849,273	327,746	5,807,286	71,795,999

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

	2012	2011
	\$	\$
8. INFRASTRUCTURE		
Roads - Cost	214,176,999	210,829,008
Less Accumulated Depreciation	<u>(80,705,983)</u>	<u>(75,422,404)</u>
	133,471,016	135,406,604
Footpaths - Cost	6,785,446	5,862,652
Less Accumulated Depreciation	<u>(2,376,797)</u>	<u>(2,186,204)</u>
	4,408,649	3,676,448
Drainage - Cost	19,255,727	18,412,686
Less Accumulated Depreciation	<u>(9,610,815)</u>	<u>(9,228,449)</u>
	9,644,912	9,184,237
Other - Cost	60,126,055	58,976,088
Less Accumulated Depreciation	<u>(18,998,256)</u>	<u>(16,688,198)</u>
	41,127,799	42,287,890
	<u>188,652,376</u>	<u>190,555,179</u>

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

8. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	Roads \$	Footpaths \$	Drainage \$	Other \$	Total \$
Balance at the beginning of the year	135,406,604	3,676,448	9,184,237	42,287,890	190,555,179
Additions	3,347,991	922,795	843,040	1,149,968	6,263,793
(Disposals)					0
Revaluation - Increments - (Decrements)					0 0
Impairment - (Losses) - Reversals					0 0
Depreciation (Expense)	(5,283,579)	(190,593)	(382,366)	(2,310,058)	(8,166,596)
Carrying amount at the end of year	133,471,016	4,408,649	9,644,912	41,127,799	188,652,376

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
9. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	2,233,170	2,107,994
Sundry Accruals	1,023,826	791,429
Prepaid Rates	355,873	548,011
Provision - Gravel Pit regeneration	179,062	210,980
Income received in advance	242,828	339,121
Accrued Interest	33,895	42,903
Accrued Salaries & Wages	221,417	101,672
	<u>4,290,072</u>	<u>4,142,110</u>
10. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	3,286,606	7,138,175
Lease Liability		
	<u>3,286,606</u>	<u>7,138,175</u>
Non-Current		
Secured by Floating Charge		
Debentures	14,139,788	12,626,394
Lease Liability		
	<u>14,139,788</u>	<u>12,626,394</u>
Additional detail on borrowings is provided in Note 22.		
11. EMPLOYEE PROVISIONS		
Current		
Provision for Annual Leave	1,297,066	1,219,992
Provision for Long Service Leave	1,265,439	1,161,586
	<u>2,562,504</u>	<u>2,381,578</u>
Non-Current		
Provision for Long Service Leave	465,710	464,911
	<u>465,710</u>	<u>464,911</u>

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

	2012 \$	2012 Budget \$	2011 \$
12. RESERVES - CASH BACKED			
(a) Airport Reserve			
Opening Balance	1,145,874	1,086,908	820,565
Amount Set Aside / Transfer to Reserve	2,237,200	271,200	375,309
Amount Used / Transfer from Reserve	(1,300,000)	(1,300,000)	(50,000)
	<u>2,083,074</u>	<u>58,108</u>	<u>1,145,874</u>
(b) Albany Entertainment Reserve			
Opening Balance	488,961	388,894	500,000
Amount Set Aside / Transfer to Reserve	14,506	375,000	613,961
Amount Used / Transfer from Reserve			(625,000)
	<u>503,467</u>	<u>763,894</u>	<u>488,961</u>
(c) ALAC Synthetic Surface "Carpet" Reserve			
Opening Balance	115,383	102,947	95,166
Amount Set Aside / Transfer to Reserve	10,715	6,114	20,217
Amount Used / Transfer from Reserve			
	<u>126,098</u>	<u>109,061</u>	<u>115,383</u>
(d) Albany Classics Reserve			
Opening Balance	42,812	42,477	40,635
Amount Set Aside / Transfer to Reserve	1,328		2,177
Amount Used / Transfer from Reserve			
	<u>44,140</u>	<u>42,477</u>	<u>42,812</u>
(e) ANZAC Centenary Reserve			
Opening Balance	151,196	150,013	83,508
Amount Set Aside / Transfer to Reserve	14,703	10,000	67,688
Amount Used / Transfer from Reserve	(40,102)		
	<u>125,797</u>	<u>160,013</u>	<u>151,196</u>
(f) Bayonet Head Infrastructure Reserve			
Opening Balance	54,082	53,659	51,332
Amount Set Aside / Transfer to Reserve	1,677		2,750
Amount Used / Transfer from Reserve			
	<u>55,759</u>	<u>53,659</u>	<u>54,082</u>
(g) Car Parking Reserve			
Opening Balance	84,281	52,258	49,992
Amount Set Aside / Transfer to Reserve	2,614		34,289
Amount Used / Transfer from Reserve			
	<u>86,895</u>	<u>52,258</u>	<u>84,281</u>
(h) Emu Point Boat Pens Development Reserve			
Opening Balance	291,541	281,428	210,682
Amount Set Aside / Transfer to Reserve	222,651	31,630	80,859
Amount Used / Transfer from Reserve	(150,000)	(150,000)	
	<u>364,192</u>	<u>163,058</u>	<u>291,541</u>

(i) Masterplan Funding Reserve			
Opening Balance	568,687	564,237	354,473
Amount Set Aside / Transfer to Reserve	16,870		342,713
Amount Used / Transfer from Reserve	<u>(132,463)</u>	<u>(550,000)</u>	<u>(128,500)</u>
	<u>453,094</u>	<u>14,237</u>	<u>568,686</u>
(j) Parks Development Reserve			
Opening Balance	72,444	71,876	68,760
Amount Set Aside / Transfer to Reserve	2,247		3,684
Amount Used / Transfer from Reserve			
	<u>74,691</u>	<u>71,876</u>	<u>72,444</u>
(k) Parks, Recreation Grounds & Open Space Reserve			
Opening Balance	764,426	637,535	435,796
Amount Set Aside / Transfer to Reserve	46,207		328,630
Amount Used / Transfer from Reserve			
	<u>810,633</u>	<u>637,535</u>	<u>764,426</u>
(l) Plant Replacement Reserve			
Opening Balance	407,894	133,997	286,684
Amount Set Aside / Transfer to Reserve	2,118,579	1,325,190	1,518,385
Amount Used / Transfer from Reserve	<u>(1,080,084)</u>	<u>(1,166,986)</u>	<u>(1,397,174)</u>
	<u>1,446,389</u>	<u>292,201</u>	<u>407,895</u>
(m) Refuse Depot Reserve			
Opening Balance	1,205,282	726,026	161,356
Amount Set Aside / Transfer to Reserve	2,476,861	1,185,553	1,490,986
Amount Used / Transfer from Reserve	<u>(1,956,791)</u>	<u>(1,400,000)</u>	<u>(447,060)</u>
	<u>1,725,352</u>	<u>511,579</u>	<u>1,205,282</u>
(n) Roadworks Reserve			
Opening Balance	180,106	164,513	133,572
Amount Set Aside / Transfer to Reserve	15,549		46,534
Amount Used / Transfer from Reserve		<u>(164,513)</u>	
	<u>195,655</u>	<u>0</u>	<u>180,106</u>
(o) Planning Reserve			
Opening Balance	470,496	2,027,095	3,487,768
Amount Set Aside / Transfer to Reserve	14,592		25,066
Amount Used / Transfer from Reserve	<u>(466,815)</u>	<u>(466,815)</u>	<u>(3,042,339)</u>
	<u>18,273</u>	<u>1,560,280</u>	<u>470,495</u>
(p) Waste Management			
Opening Balance			
Amount Set Aside / Transfer to Reserve	893,488	886,550	
Amount Used / Transfer from Reserve			
	<u>893,488</u>	<u>886,550</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u><u>9,006,997</u></u>	<u><u>5,376,786</u></u>	<u><u>6,043,464</u></u>

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

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

Airport Reserve

To facilitate the future development and improvements at the Albany Airport.

Albany Entertainment Centre (AEC)

To provide for future funding requirements of the AEC.

Albany Leisure & Aquatic Centre (ALAC) Synthetic Surface "Carpet" Reserve

To provide a replacement of the synthetic surface "carpet".

Albany Classic Barriers

To provide funding for the roadside barriers for the Albany Classic Event.

Anzac Centenary

To provide funding for the Anzac Centenary.

Bayonet Head Infrastructure Reserve

To hold owner funding for infrastructure items and works within the Bayonet Head Outline Development Plan Area.

Car Parking Reserve

To provide for the acquisition of land, the development of land for car parking within the Central Business District.

Emu Point Boat Pens Development Reserve

To provide for the development/redevelopment of the Emu Point Boat Pens.

Masterplan Funding Reserve

To provide for funding of asset masterplans.

Parks Development Reserve

To provide for the development/enhancement of parks and park facilities.

Parks, Recreation Grounds & Open Space Reserve

For the purchase of land for parks, recreation grounds.

Plant Replacement Reserve

To provide for the future replacement of plant, and reduce dependency on loans for this purpose.

Refuse Depot Reserve

To facilitate the rehabilitation, redevelopment and development of refuse sites.

Roadworks Reserve

To facilitate roadworks.

Planning Reserve

Carry over committed funds from prior years.

Waste Management

To facilitate the funding of future waste management requirements.

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

13. RESERVES - ASSET REVALUATION

2012
\$

2011
\$

No asset revaluation was undertaken during this year.

Asset revaluation reserves movements:

(a) **Asset Revaluation Reserve**

Opening balance

18,774,634

18,774,634

Revaluation Increment

0

0

Revaluation Decrement

0

0

18,774,634

18,774,634

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

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2012 \$	2012 Budget \$	2011 \$
Cash and Cash Equivalents	<u>18,968,865</u>	<u></u>	<u>12,074,403</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	7,668,802	7,423,430	9,643,214
Depreciation	11,640,078	11,817,938	11,449,614
(Profit)/Loss on Sale of Asset	132,084	905,815	584,836
(Increase)/Decrease in Receivables	(821,432)	(45,780)	1,293,735
(Increase)/Decrease in Inventories	937,329	(37,399)	1,404,367
Increase/(Decrease) in Payables	147,962	(3,601,066)	(2,564,252)
Increase/(Decrease) in Employee Provisions	181,725	61,222	290,505
Consolidation of Trust Controlled Transactions	(310,196)	197,912	(157,748)
Grants/Contributions for the Development of Assets	<u>(6,123,459)</u>	<u>(9,919,279)</u>	<u>(10,748,174)</u>
Net Cash from Operating Activities	<u>13,452,892</u>	<u>6,802,793</u>	<u>11,196,097</u>
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank Overdraft limit			
Bank Overdraft at Balance Date			
Credit Card limit	50,000		50,000
Credit Card Balance at Balance Date	<u>(6,255)</u>		<u>(3,714)</u>
Total Amount of Credit Unused	<u>43,745</u>		<u>46,286</u>
Loan Facilities			
Loan Facilities - Current	786,606		7,138,175
Loan Facilities - Non-Current	<u>16,639,788</u>		<u>12,626,394</u>
Total Facilities in Use at Balance Date	<u>17,426,394</u>		<u>19,764,569</u>
Unused Loan Facilities at Balance Date	<u>43,745</u>		<u>46,286</u>

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

15. CONTINGENT LIABILITIES

A claim by a former employee of the City has been lodged.
At this time no reliable estimate can be determined.
The matter will be defended.

	2012	2011
	\$	\$
16. CAPITAL AND LEASING COMMITMENTS		
(a) Finance Lease Commitments		
Payable:		
- not later than one year	Nil	Nil
- later than one year but not later than five years		
- later than five years		
Minimum Lease Payments	<u>0</u>	<u>0</u>
Less Future Finance Charges		
Total Lease Liability	<u><u>0</u></u>	<u><u>0</u></u>
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	48,709	51,217
- later than one year but not later than five years	51,413	65,341
- later than five years		
	<u>100,122</u>	<u>116,558</u>
(c) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	1,431,325	252,176
- plant & equipment purchases		4,091
Payable:		
- not later than one year	1,431,325	256,267
The capital expenditure project outstanding at the end of the current reporting period represents:		
Emu Point Ablution Block		14,728
Emu Point Path Realignment		39,550
Willyung Rd Design		10,800
Pfeiffer Rd Design		50,500
ANZAC Peace Park		36,250
Lower Denmark Rd Reconstruction	714,260	100,348
Palmdale Rd (C11020)	155,937	
Pfeiffer Rd Construction	356,721	
Down Rd Construction	179,749	
Centennial Park Wetlands	24,658	
	<u>1,431,325</u>	<u>252,176</u>

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

17. JOINT VENTURE

The City, together with the Water Corporation, has a joint venture arrangement with regard to the processing of liquid waste. The assets consist of liquid waste processing equipment. Council's half share of this asset is included in Property, Plant and Equipment as follows:

	2012	2011
	\$	\$
Non-Current Assets		
Plant & Equipment	350,982	350,982
Less: Accumulated Depreciation	(113,996)	(106,977)
	<u>236,986</u>	<u>244,005</u>
Revenue		
Joint Venture (Income)/Expenditure	<u>13,960</u>	<u>39,734</u>

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	6,672,694	7,311,271
Law, Order, Public Safety	2,425,849	2,277,092
Health	202,180	202,180
Education and Welfare	315,085	375,784
Community Amenities	19,955,356	20,072,523
Recreation and Culture	50,842,708	51,459,421
Transport	177,236,247	179,720,322
Economic Services	5,258,990	5,275,552
Other Property and Services	9,504,014	10,464,368
Unallocated	17,416,546	7,321,037
	<u>289,829,669</u>	<u>284,479,550</u>

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

19. FINANCIAL RATIOS	2012	2011	2010
Current Ratio	150.9%	81.3%	117.4%
Untied Cash to Unpaid Trade Creditors Ratio	443.3%	273.6%	51.2%
Debt Ratio	8.9%	9.8%	11.3%
Debt Service Ratio	7.6%	9.0%	7.5%
Gross Debt to Revenue Ratio	37.3%	46.7%	56.9%
Gross Debt to Economically Realisable Assets Ratio	17.2%	22.6%	25.9%
Rate Coverage Ratio	54.9%	46.0%	63.3%
Outstanding Rates Ratio	3.0%	3.3%	5.4%

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	$\frac{\text{rates outstanding}}{\text{rates collectable}}$

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

20. TRUST FUNDS

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

	Balance 1-Jul-11	Amounts Received	Amounts Paid	Balance 30-Jun-12
	\$	\$	(\$)	\$
Gala Flood Benefit	23,029			23,029
Albany Heartsafe	1,860	3,302	(5,162)	0
Amity Trust	31,302			31,302
Point King Lighthouse	1,980			1,980
Recycling Committee	3,871			3,871
Auspiced Grants	1,277	3,300	(3,300)	1,277
Commission Sales- AVC	105,934	1,846,364	(1,752,953)	199,345
	169,253			260,804

21. DISPOSALS OF ASSETS - 2011/12 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant & Equipment	105,535	2,320,933	87,190	1,912,017	(18,345)	(408,916)
	105,535	2,320,933	87,190	1,912,017	(18,345)	(408,916)

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

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Loan No.	Principal 1-Jul-11 \$	New Loans \$	Principal Repayments		Principal 30-Jun-12		Interest Repayments	
				Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Saleyards Loan (3)	3	368,657		30,806	30,806	337,851	337,851	25,080	25,080
Liquid Waste Project	12	168,298		23,437	23,437	144,861	144,861	11,427	11,427
Dive Ship	13	210,373		29,296	29,296	181,077	181,077	14,283	14,283
Plant	14	64,780		64,781	64,781	-1	0	3,352	3,352
Airport-Loan 145 Renegotiated	15	14,186		14,186	14,186	0	0	734	734
Library Development	17	346,644		41,914	41,914	304,730	304,730	18,295	18,295
Recreation	18	116,114		14,040	14,040	102,074	102,074	6,128	6,128
Waste Management	19	114,415		13,834	13,834	100,581	100,581	6,039	6,039
Roadworks - Asset Upgrade	21A	1,468,032		80,782	80,782	1,387,250	1,387,250	104,413	104,413
Roadworks - Refinanced	22B	1,500,000		1,500,000	1,500,000	0	0	77,700	65,621
Roadworks - Refinanced	22C	0	1,500,000			1,500,000	1,500,000	0	0
Roadworks - 03/04	23	625,512		31,521	31,521	593,991	593,992	41,008	41,008
Admin Building 1	25	922,499		44,128	44,128	878,371	878,371	53,930	53,930
LGSHA (2) - Principal Balance *	27	20,959		20,958	20,958	1	0	958	958
Roadworks - 04/05	28	1,626,636		77,810	77,810	1,548,826	1,548,827	95,095	95,095
Asset Masterplan	29	3,078,137		200,660	200,660	2,877,477	2,877,477	194,865	194,865
ALAC Redevelopment	30	2,241,489		84,123	84,123	2,157,366	2,157,365	142,573	142,573
ALAC Redevelopment	32	2,077,838		65,899	65,899	2,011,939	2,011,939	148,197	148,197
Subdivision Funding	31A	3,300,000		3,300,000	3,300,000	0	0	175,890	175,890
Subdivision Funding-refinanced	31B	0	2,300,000			2,300,000	2,300,000	109,800	109,800
Admin Building 2 A	26C	1,500,000		1,500,000	1,500,000	0	0		
Admin Building 2 A	26D	0	1,000,000			1,000,000	1,000,000		
		19,764,569	4,800,000	7,138,175	7,138,175	17,426,394	16,426,395	1,229,767	1,217,688

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

Loan 23 secured over future rates income.

(b) New Debentures - 2011/12

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Roadworks	1,500,000	1,500,000	WATC	Interest Only	1	51,450	3.33%	1,500,000	1,500,000	0
Admin Building	1,000,000	1,000,000	WATC	Interest Only	1	32,900	3.19%	1,000,000	1,000,000	0
Subdivision - refinanced	2,300,000	1,300,000	WATC	Interest Only	2	156,615	3.30%	2,300,000	2,300,000	0
	4,800,000	3,800,000				240,965		4,800,000	4,800,000	

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

22. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

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

(d) Overdraft
 No overdraft facility is currently operated by the City.

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

23. RATING INFORMATION - 2011/12 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$
Differential General Rate										
GRV Occupied	9.0758	12,939	224,621,027	20,386,153			20,386,153	20,395,815		20,395,815
GRV Vacant	7.4020	546	10,939,372	809,733			809,733	812,527		812,527
UV	0.3124	1,265	754,042,000	2,355,628			2,355,628	2,355,643		2,355,643
Interim & Back Rates					217,939	4,017	221,956			0
Sub-Totals		14,750	989,602,399	23,551,514	217,939	4,017	23,773,470	23,563,985	0	23,563,985
Minimum Rates										
GRV Occupied	760	922	6,696,559	700,720			700,720	700,720		700,720
GRV Vacant	760	1,640	8,927,580	1,246,400			1,246,400	1,246,400	175,760	1,422,160
UV	760	280	49,186,544	212,800			212,800	212,800		212,800
							0			0
Sub-Totals		2,842	64,810,683	2,159,920	0	0	2,159,920	2,159,920	175,760	2,335,680
Discounts (refer note 26)							25,933,390			25,933,390
Ex-Gratia Rates							290,443			290,443
Specified Area Rate (refer note 24)							25,642,947			25,642,947
							69,106			69,106
Totals							25,712,053			25,712,053

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

23. RATING INFORMATION - 2011/12 FINANCIAL YEAR

(b) Information on Surplus/(Deficit) Brought Forward	2012 (1 July 2011 Brought Forward) \$	2011 (30 June 2011 Carried Forward) \$
Surplus/(Deficit) 1 July 2011 Brought Forward	<u>1,494,511</u>	<u>4,582,872</u>
Comprises:		
Cash - Unrestricted	5,767,118	5,767,118
Cash - Restricted	4,988,985	4,988,985
Investments - Restricted	327,010	327,010
Trust Restricted	58,741	
Sundry Debtors	2,136,618	2,136,618
GST Receivable		
Inventories		
- Fuel & Materials	804,150	804,150
- Investment Land	2,398,674	2,398,674
Less:		
Reserves - Restricted Cash		
- Leave Reserve		
- Plant Reserve		
- Reserves	(6,043,464)	(5,315,994)
Reserves - Restricted Investments		
- Building Reserve		
Sundry Creditors	(4,142,110)	(4,142,110)
Accrued Interest on Debentures		
Accrued Salaries & Wages		
Current Employee Benefits Provision	(2,381,578)	(2,381,578)
Self Supporting	(20,959)	
Add Back Investment Land Due to Inability to Sell	(2,398,674)	
Surplus/(Deficit)	<u>1,494,511</u>	<u>4,582,873</u>
Difference:		
There is a difference between the Surplus/(Deficit) 1 July 2011 Brought Forward position used in the 2012 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2011 audited financial report.		
The reason for the difference is:		
Trust Restricted amounts not controlled by the City	(58,741)	
Land held for resale	2,398,674	
Self Supporting Loans principal	20,959	
Non cash revaluation of investments	727,470	
	<u>3,088,362</u>	

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

24. SPECIFIED AREA RATE - 2011/12 FINANCIAL YEAR

The City of Albany had no specified area rate for the 2011/12 year.

25. SERVICE CHARGES - 2011/12 FINANCIAL YEAR

No service charge was levied by the City during 2011/12.

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

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates Minimum Rate	Discount Discount	2%	290,443	280,000
			290,443	280,000
Rate Assessment	Write-Off			1,000

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		134,039	125,000
Interest on Instalments Plan	5.50%		112,923	100,000
ESL Penalty Interest	11.00%		7,020	7,000
Charges on Instalment Plan		3	34,995	34,000
			<u>288,976</u>	<u>266,000</u>

Ratepayers had the option of paying rates in four equal instalments, due on 22nd September 2011, 22th November 2011, 24th January 2012 and 26th March 2012. Administration charges and interest applied for the final three instalments.

28. FEES & CHARGES	2012 \$	2011 \$
Governance	39,034	0
General Purpose Funding	50,337	0
Law, Order, Public Safety	82,226	88,488
Health	73,718	57,449
Education and Welfare	806,629	744,323
Community Amenities	6,590,040	5,705,186
Recreation and Culture	2,406,371	2,110,067
Transport	1,802,244	1,514,044
Economic Services	715,904	440,906
Other Property & Services	735,503	741,353
	<u>13,302,006</u>	<u>11,401,816</u>

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

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

29. GRANT REVENUE

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

	2012	2011
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies & Contributions	4,887,130	3,570,141
Non-Operating Grants, Subsidies & Contributions	3,957,734	9,180,800
	<u>8,844,863</u>	<u>12,750,941</u>
By Program:		
Governance		0
General Purpose Funding	4,529,303	3,387,502
Law, Order, Public Safety	6,900	38,000
Education & Welfare	265,999	-18,851
Community Amenities	97,500	1,032,108
Recreation & Culture	236,405	3,193,849
Transport	3,708,756	5,098,333
Economic Services		20,000
Other Property and Services		0
	<u>8,844,863</u>	<u>12,750,941</u>

30. ELECTED MEMBERS REMUNERATION

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

		2012	2012	2011
		\$	Budget	\$
			\$	
Mayor	Fees	13,924	65,000	14,000
	Allowances	36,170		13,800
Deputy Mayor	Fees	3,000	7,000	7,000
	Allowances		5,400	4,800
Councillors	Fees	83,798	77,000	71,477
	Allowances	31,247	26,400	16,580
Other Expenses		3,380		17,978
		<u>171,519</u>	<u>180,800</u>	<u>145,635</u>

31. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date.

	2012	2011
	<u>213</u>	<u>250</u>

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

32. MAJOR LAND TRANSACTIONS

The City did not participate in any major land transactions during the 2011/12 financial year.

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

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

34. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	18,968,865	12,074,403	18,968,865	12,074,403
Receivables	3,110,704	2,136,618	3,110,704	2,136,618
Investments	68,771	327,010	68,771	327,010
	<u>22,148,340</u>	<u>14,538,031</u>	<u>22,148,340</u>	<u>14,538,031</u>
Financial Liabilities				
Payables	4,453,110	4,142,110	4,453,110	4,142,110
Borrowings	17,426,394	19,764,569	17,426,394	19,764,569
	<u>21,879,504</u>	<u>23,906,679</u>	<u>21,879,504</u>	<u>23,906,679</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Investments – based on quoted market prices at the reporting date or at independent valuation.
- Borrowings – estimated future cash flows discounted by the current market interest rates

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

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

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

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

	2012 \$	2011 \$
Impact of a 10% (*) movement in price of investments:		
- Equity	6,877	32,701
- Statement of Comprehensive Income	6,877	32,701

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	236,618	178,726
- Statement of Comprehensive Income	236,618	178,726

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

34. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2012	2011
Percentage of Rates & Annual Charges		
- Current	67.00%	68.00%
- Overdue	33.00%	32.00%
Percentage of Other Receivables		
- Current	97.00%	97.00%
- Overdue	3.00%	3.00%

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

34. 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:

2012

Payables	4,464,970				4,464,970	4,464,970
Borrowings	1,761,023	11,343,018	10,647,123	23,751,164	17,426,394	
	<u>6,225,993</u>	<u>11,343,018</u>	<u>10,647,123</u>	<u>28,216,134</u>	<u>21,891,364</u>	

2011

Payables	4,142,110			4,142,110	4,142,110	
Borrowings	8,367,940	7,997,907	10,647,123	27,012,970	19,764,569	
	<u>12,510,050</u>	<u>7,997,907</u>	<u>10,647,123</u>	<u>31,155,080</u>	<u>23,906,679</u>	

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

34. FINANCIAL RISK MANAGEMENT (Continued)

**(c) Payables
Borrowings (Continued)**

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

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

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Year Ended 30 June 2012								
Payables	4,290,072							
Borrowings	3,286,606							
Fixed Rate								
Debentures	1,761,023	6,544,274	1,599,581	1,599,582	1,599,581	10,647,123	23,751,164	5.60%
Weighted Average Effective Interest Rate	5.56%	5.93%	6.48%	6.49%	6.50%	6.51%		
Year Ended 30 June 2011								
Payables	414,210							
Borrowings	6,756,280							
Fixed Rate								
Debentures	8,367,940	1,599,581	1,599,581	1,599,581	1,599,582	12,246,705	27,012,970	6.01%
Weighted Average Effective Interest Rate	5.76%	5.56%	5.93%	6.48%	6.49%	6.50%		

Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT TO THE RATEPAYERS OF THE CITY OF ALBANY

Report on the Financial Report

We have audited the accompanying financial report of the City of Albany, which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statements of changes in equity, and statements of cash flows for the year ended 30 June 2012, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

Council responsibility for the financial report

The Council of the City of Albany is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1995 Part 6. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

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We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 Part 6 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the City of Albany's financial position and of their performance.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's opinion on the financial report

In our opinion, the financial report of the City of Albany:

- (i) gives a true and fair view of the City of Albany's financial position as at 30 June 2012 and of its performance for the financial year ended 30 June 2012;
- (ii) complies with Australian Accounting Standards (including the Australian Accounting Interpretations), and
- (iii) is prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under that Act.

Statutory Compliance

I did not, during the course of my audit, become aware of any instance where the Council did not comply with the requirements of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996 as they relate to financial statements.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P W Warr
Partner— Audit & Assurance

Perth, 21 December 2012

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The City of Albany welcomes feedback regarding its publications. Your comments will help to improve future Annual Reports and other publications so they are more informative and easier to understand.

How would you rate the 2011-2012 Annual Report's content?

- Excellent
- Very Good
- Good
- Average
- Poor

How would you rate the 2011-2012 Annual Report's presentation?

- Excellent
- Very Good
- Good
- Average
- Poor

What would you like to see changed, added or removed to improve this publication?

Any other constructive comments or suggestions?

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