

CITY OF ALBANY  
2010-2011  
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. It saves on both production costs and on the need for paper, conserving resources. The Report can be viewed on the City's website: [www.albany.wa.gov.au/your-council/](http://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](mailto: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



# mayor's message



The City of Albany has met, and indeed exceeded, expectations raised in the Better Practice Review conducted by the Department of Local Government in July 2010 and many of the recommendations have already been implemented.

It is with great pleasure that I present to you the City of Albany Annual Report for 2010-2011. It illustrates a challenging 12 months from which we have emerged financially stronger, more resolved and committed to a new strategic direction.

The City of Albany has met, and indeed exceeded, the expectations raised in the Better Practice Review conducted by the Department of Local Government in July 2010 and many of the recommendations have already been implemented.

The Council has worked closely in the past 12 months with the Minister, and the Council and City has satisfied the Minister of concerns.

Mr John Bonker, as caretaking Chief Executive Officer for a nine month period, set the foundation for improved stability of management. Changes for the better have been made with a new Chief Executive Officer, Faileen James, directing the City's operational activities and a fresh City of Albany Strategic Plan 2011-2021 to guide the organisation.

I would like to thank the dedicated Albany Centenary of ANZAC Alliance in attracting critical funds to plan commemorations for 2014-2019. It was a highlight for Albany to welcome Minister Assisting the Prime Minister on the Centenary of ANZAC, Warren Snowdon, and to receive support from Premier Colin Barnett for the re-enactment of the departure of troops event and infrastructure improvements to Mt Clarence and Mt Adelaide.

Albany has significant cultural heritage and its international links were deepened when the City met with international countries who are official "friends" to Albany.

The friendship agreement declaration with Peronne in northern France was officially signed in Albany at a special ceremony recognising Remembrance Day in Australia and reciprocating a similar ceremony held in Peronne the previous year. The City of Albany was honoured by the visit from the Mayor of Peronne, Valerie Kumm, in November.

The City of Albany also hosted representatives and students from its Japanese Sister City, Tomioka.

The Port of Aburatsu in Nichinan is the destination for a significant quantity of plantation timber woodchips exported from Albany. Delegates from Nichinan in Japan visited Albany to strengthen the synergetic agreement between the local governments in the two municipalities.

This year the City's friendship agreement with Gallipoli in Turkey was also strengthened with the unveiling of a bronze plaque at the ANZAC Peace Park. The interpretative plaque tells the story of the AEII submarine that departed Albany on 1 November 1914 to support the allied forces at Gallipoli. It describes the central role the AEII played in the battle of the Dardanelles, and will serve as a permanent reminder of the

Gallipoli encounter between the AEII (the 'silent ANZAC') and Turkish naval forces.

At a local level, Albany is recognised as the Great Southern region's hub with our population making up 61% of people living in the region. I would like to acknowledge our hinterland/rural communities which contribute significantly to our community and its economy.

The City of Albany Council's ability to play a major role in the regional population boom expected over the next 30 years was galvanised by the formation of the Regional Cities Alliance. This partnership achieved significant acknowledgement through the State Government Premier, Minister for Local Government and Minister for Regional Development as an important step in planning strategically to build credibility and opportunity for regional cities collectively. Even though our regional cities are diverse, they play a major role in the expected population growth over the next 30 years and we need to be ready.

Last December, the Albany Entertainment Centre (AEC) was officially opened after many years of planning and advocacy work by the City of Albany.

The \$70m AEC is the centrepiece of the Albany Waterfront redevelopment, including the City's ANZAC Peace Park and a new marina which was constructed by Landcorp. The AEC opening program was supported by the City of Albany and showcased the talent of performing artists in Albany and the Great Southern.

A challenge faced by Council each year is balancing the needs of a growing community with available resources. The City, like a household, is not immune from rising costs, and in particular the recent well-publicised rise in the cost of salaries and electricity has seen Council make greater budget allowances in these areas. Council has reviewed budgets, prioritised, and made cost savings while maintaining excellent service delivery to the community.

The Council had expected to increase rates by nine percent this year; we were able to tighten the belt in other areas and so were able to reduce the increase to just five percent. The new valuations for residential and commercial properties had some impact to rates with some people receiving an increase and others receiving lower rates.

Council fully recognises the importance of a dedicated and professional staff. We are all proud of the great team that work for the City of Albany, willingly going the extra mile to ensure that services are of the highest quality. The senior executive team is enthusiastic and highly professional. I thank each staff member for their efforts.

Thank you also to my fellow Council members who have contributed ideas and efforts to ensure that the City of Albany is moving forward. I would especially like to send my best wishes to Councillors who resigned during the year; Cr Roley Paver and Cr Jim Swann, and also to Cr Jill Bostock, Cr Mervyn Leavesley and Cr Joy Matla who planned not to re-stand in the October, 2011 elections.

Milton Evans JP  
His Worship the Mayor





# chief executive officer's report



July 2011 closes a year of comprehensive change, challenging but necessary to establishing a new, stronger base from which the City of Albany will work for its local community.

On my arrival as the City of Albany's Chief Executive Officer, the interim CEO John Bonker had begun a cycle of change, addressing matters raised by the Minister for Local Government, John Castrilli MLA, and his Department in the *Better Practice Review*.

I acknowledge Mr Bonker's foundational work to meet Council and community expectations of organisational change.

Soon after my commencement, I undertook comprehensive community engagement to listen and learn about community concerns.

Among those concerns was the need for greater consultation with stakeholders, particularly those living in rural areas. My focus has been on listening to the community, and the community has given me a resounding message that the City must undertake greater public consultation, to which I am committed.

A number of strategies have been put in place, including the Conversations with the CEO initiative to ensure we continue to listen to our community.

We are now making solid progress on some of the most pressing issues which I became aware of on my arrival, including a revised strategic plan for the City, which was a requirement of the state government.

The City is addressing community concerns over debt and revenue, particularly as a result of losses incurred from investments in 2006-2008, from the collapse in Lehman Brothers asset-backed securities, and generally as a result of global financial circumstances. A further write-down in value of financial assets worth \$727,470 was undertaken in 2010-2011.

The City has actively sought to recover those losses.

During the 2010-2011 financial year the City of Albany, along with 72 other councils, churches and charities in Australia, became party to a \$250 million class action against Lehman Brothers Australia with support from IMF Australia. The judge's decision in this action is expected soon. Further opportunities for recovery of losses are also being considered.

The City has moved towards more sustainable debt levels, with the gross debt to revenue ratio being 46.7 percent at 30 June 2011, down from 56.9 percent at the beginning of the 2010-2011 financial year.

I look forward to working with a strong team to meet the challenges posed by a growing Albany community with its full spectrum of demographic groups.

The gross debt to revenue ratio measures a Local Government's ability to service debt in any given year from total revenue, and the decrease in this ratio is a very positive sign. Over time, debt management must be linked to all financial strategies and considered in the context of the City's long-term financial sustainability. This is very important to me so we can ensure the long-term financial sustainability of the City.

Longer-term revenue increases and/or reductions in operating expenditure are also expected as a result of increased financial accountability and rigor applied to the budgets of the City's operating entities over the 2010-2011 year. While Stage Two of the Albany Leisure and Aquatic Centre (ALAC) development was completed to provide the community with a large and well-resourced community sporting facility, urgent steps have been taken to reduce expenditure with rigorous analysis of costs and the development of a three year business plan underway.

... the City has begun engaging local rural communities to prioritise road assets, including enhancement and maintenance programs.

The Albany Regional Booking Service and the Albany Visitor Centre amalgamated on 1 June 2011, paving the way for better customer service to our City's visitors and tourism operators, and enhanced use of the City's tourism infrastructure.

The Town Hall is an iconic building in Albany, previously the home of Council, currently used for exhibitions, seminars and workshops. It is the City's intention to ensure that the community of Albany can access this historic building, and has started a consultation process to determine short, medium and long-term options for use of this community space.

The City has also commenced enhancement projects for the Albany Regional Airport, Princess Royal Fortress Museum, the City's Art and Historical collections, including maximising opportunities presented by the ANZAC Centenary commemoration events taking place between 2014-2019.

One of the maintenance challenges facing the City of Albany is its extensive road and drainage infrastructure network. The majority of the City's 1700km of roads are unsealed (approximately 950km). The above-average rainfall this winter increased the extent of the usual wear and tear on our roads.

As the City grows, increased traffic volumes are also contributing to ongoing deterioration of gravel road conditions. These issues will continue to challenge the City. Along with the use of traffic counting technology, the City has commenced engagement with local rural communities to prioritise road enhancement and maintenance programs.

Albany's \$70m foreshore precinct, complemented by the Albany Entertainment Centre (AEC) and the ANZAC Peace Park, is a tangible result of Albany's move toward a waterfront lifestyle development including enhanced recreation and hospitality services.

As at 30 June 2011, the AEC has only been operating for seven months, but early indications are that the ongoing operating costs are likely to run at a deficit into the future. Council has approached the State Government to look at how it can partner with the City to provide performing arts in the region without the entire cost being borne by City of Albany ratepayers.

In the coming months we will build on the organisational changes commenced to ensure the City and its staff are working as a high-performance team. The City now has enhanced financial stability, enabling it as an organisation to look to future challenges with more confidence.

The City will continue to strive to service the amenity of the Albany community in a financially sustainable and future-focused manner, drawing inspiration from best practice environments.

I thank both the City of Albany's elected members of Council and its employees who, through their dedication and efforts, have implemented change for the benefit of the Albany community.

I also thank the Albany community for contributing positively to supporting the City as it endeavours to work more closely with the community to make this vision become a reality.

Faileen James  
Chief Executive Officer





## albany in brief

Distance from Perth is 409km

Area is 4,312km<sup>2</sup>

Length of sealed roads is 750km

Length of unsealed roads approx 950km

Estimated resident population (2010) is 36,042<sup>1</sup>

Number of electors 47,194

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.

An Aboriginal Accord exists between the City of Albany and the Mineng Aboriginal people to guide corporate and community development.

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, then 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 municipality is bounded by the Shires of Denmark, Plantagenet and Jerramungup. 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 development and at Middleton Beach.

Drawcards, such as migrating whales and spring wildflowers, offer unique seasonal attractions, while year-round attractions like the impressive wind farm, coastal walk trails and museums provide abundant opportunities for adventure and cultural history experiences.

Albany has a temperate climate, characterised by soft winters and mild, sparkling summers. The average annual rainfall is approximately 930mm. Winter temperatures in July range from 8C to 15C on average, and mid-summer temperatures in February average a comfortable 15C to 22C.

Agricultural industries including wool, plantation timber, viticulture, horticulture, grain and livestock products support the City. Wine, aquaculture, timber processing, fishing, meat processing, olive oil, organic produce, dairy, essential oils and cosmetics are examples of adding value to local products.

Plantation timbers have changed the local landscape over the past two decades. Despite the collapse of some plantation timber companies in the global financial crisis, the industry still contributes significantly to Albany's economy.

Albany's first-class port facilities service industry in the Great Southern region. The Port boasts berthing facilities, cold storage and road and rail access, and is capable of

expanding to enable the future export of magnetite iron ore.

Albany has several industrial estates for processing timber, agricultural products and cosmetics. A world-class export abattoir is located near Albany.

Albany is the administrative and service hub for the Great Southern region, which has a population of around 60,000 people living in an area of approximately 39,000km<sup>2</sup>.

The Department of Regional Development and Lands (2011) estimated the Gross Regional Product at \$3.7 billion for 2008-2009, representing 2.1 percent of the Gross State Product. The agricultural industry is worth \$1.1 billion, retail turnover is (\$576m); manufacturing turnover (\$351m) and tourism (\$215m).

Albany's top six employers are WA Country Health Service; Department of Education; Fletchers International Abattoir; Great Southern Institute of Technology; City of Albany; and the Department of Corrective Services<sup>6</sup>.

Albany has a modern airport, and the waterfront boasts a state-of-the-art entertainment centre linked with a marina and sites for a major hotel, cafes and restaurants.

Next to the Albany Waterfront Project, the ANZAC Peace Park and commemorative AEII memorial were officially opened this year, and recognise Albany's historical links to the ANZAC legend.

## our economy

- Retail trade is the largest industry in Albany, accounting for 13.8 percent of all people employed (2006);
- Albany's labour force<sup>3</sup> is estimated at 19,013 persons;
- Unemployment<sup>3</sup> is approximately 5.1 percent (compared with WA 4.4 percent and Australia 5.1 percent);
- Average total income<sup>4</sup> for individuals is \$37,421 (compared with WA at \$47,488); and
- Building approvals (2009-2010)<sup>5</sup> were recently valued at \$181.4m.

## our people

- Resident population (2010)<sup>1</sup>: 36,042 persons;
- Five-yearly average annual growth rate<sup>1</sup>: 1.8 percent per annum (compared with 2.6% pa for WA);
- Number of households (2006)<sup>2</sup>: 11,540;
- Median age of residents (2006)<sup>2</sup>: 39 (compared with 36 for WA);
- Percentage of indigenous people<sup>2</sup>: 3.1 percent (compared with 3.4 percent for WA);
- Percentage of Great Southern regional population residing in Albany: 60.4 percent<sup>1</sup>; and
- Compared with WA, Albany has a higher proportion of persons aged 65 plus and a lesser proportion of persons aged 20-24.

Source:

<sup>1</sup> ABS (Estimated as at 30 June 2010)

<sup>2</sup> ABS (Census 2006). Remunerated in the 2008 Regional Profile

<sup>3</sup> Department of Education, Employment and Workplace Relations (June Quarter 2011)

<sup>4</sup> ABS estimated for the year 2007-2008

<sup>5</sup> ABS estimated for the year 2009-2010

<sup>6</sup> Regional Development Australia (Great Southern)



Represented by:

Councillor Roley Paver, term 2007-2011. Cr Paver was elected to the Council in May 2003 and re-elected in October 2007.



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



# vancouver ward

Electors: 3543

Councillor to Elector ratio: 1 to 1772

Land area: 83.498km<sup>2</sup>

Represented by:



Councillor Dennis Wellington (Deputy Mayor)

Councillor Jim Swann. An extraordinary election was held in mid-2010 to replace resigning Cr Dot Price. Cr Swann was sworn in July 2010.



He tendered his resignation on 27 January 2011.

\*

# frederickstown ward

Electors: 3543

Councillor to Elector ratio: 1 to 1772

Land area: 83.498km<sup>2</sup>

\*



# yakamia ward

Represented by:

Councillor Robert Sutton, term 2009-2013. This is Cr Sutton's first representation in Local Government.



Councillor Joy Matla, term 2007-2011. Cr Matla was elected to the Council in October 2007. She was on the Albany Town Council for 12 years.

Electors: 4046

Councillor to Elector ratio: 1 to 2023

Land area: 25.520km<sup>2</sup>

\*



# breaksea ward

Electors: 3866

Councillor to Elector ratio: 1 to 1933

Land area: 9.07km<sup>2</sup>

Represented by:

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



Councillor Jill Bostock (Breaksea Ward), term 2007-2011. This is Cr Bostock's first representation in Local Government.

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**Represented by:**

Councillor Mervyn Leavesley, term 2009-2013. Cr Leavesley was elected to the Council in October 2009.



Councillor Chris Holden, term 2007-2011. Cr Holden was elected to the City of Albany Council in March 2010.

# kalgan ward



**Electors: 3824**

**Councillor to Elector ratio: 1 to 1912**

**Land area: 2447km<sup>2</sup>**

# west ward



**Represented by:**

Councillor Don Dufty, term 2009-2013. Cr Dufty previously served as a Councillor in the Shire of Plantagenet and the Town of Albany, and was a City of Albany Councillor from 1999-2001.



Councillor Des Wolfe, term 2007-2011. Cr Wolfe served as a Councillor with the former Shire of Albany from 1995-1997 and was elected to the inaugural Council of the City of Albany in 1999. He was re-elected in May 2003 and October 2007.

**Electors: 4308**

**Councillor to Elector ratio: 1 to 2154**

**Land area: 831.29km<sup>2</sup>**

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## City of Albany Council Attendance Record 2010-2011

	OCM 20/07/10	OCM 17/10/2010	SCM 13/09/10	SCM 13/09/10	SCM 13/09/10	OCM 21/09/10	OCM 21/09/10	SCM 28/09/10	OCM 19/10/10	SCM 02/11/10	OCM 16/11/10	OCM 14/12/10	OCM 15/02/11	SCM 22/02/11	OCM 15/03/11	SCM 05/04/11	OCM 19/04/11	OCM 17/05/11	OCM 21/06/11
Councillor D Bostock	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Councillor J Bostock	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Councillor D Dufty	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Mayor Milton Evans JP	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Councillor R Hammond	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Councillor C Holden	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Councillor M Leavesley	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Councillor J Matfa	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Councillor R Paver	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Councillor R Sutton	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Councillor J Swann	Declared a Councillor	X	X	X	X	X	X	X	X	X	X	X	Resigned	X	X	X	X	X	X
Dep. Mayor Dennis Wellington	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Councillor D Wolfe	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

X indicates attendance at Ordinary Council Meetings and Special Council Meetings



# vision and values

## 2011-2021

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

### results

- Strive for business excellence and continuous improvement;
- Provide best value in applying council and community resources; and
- Seek innovative ways to do things.

### ethics

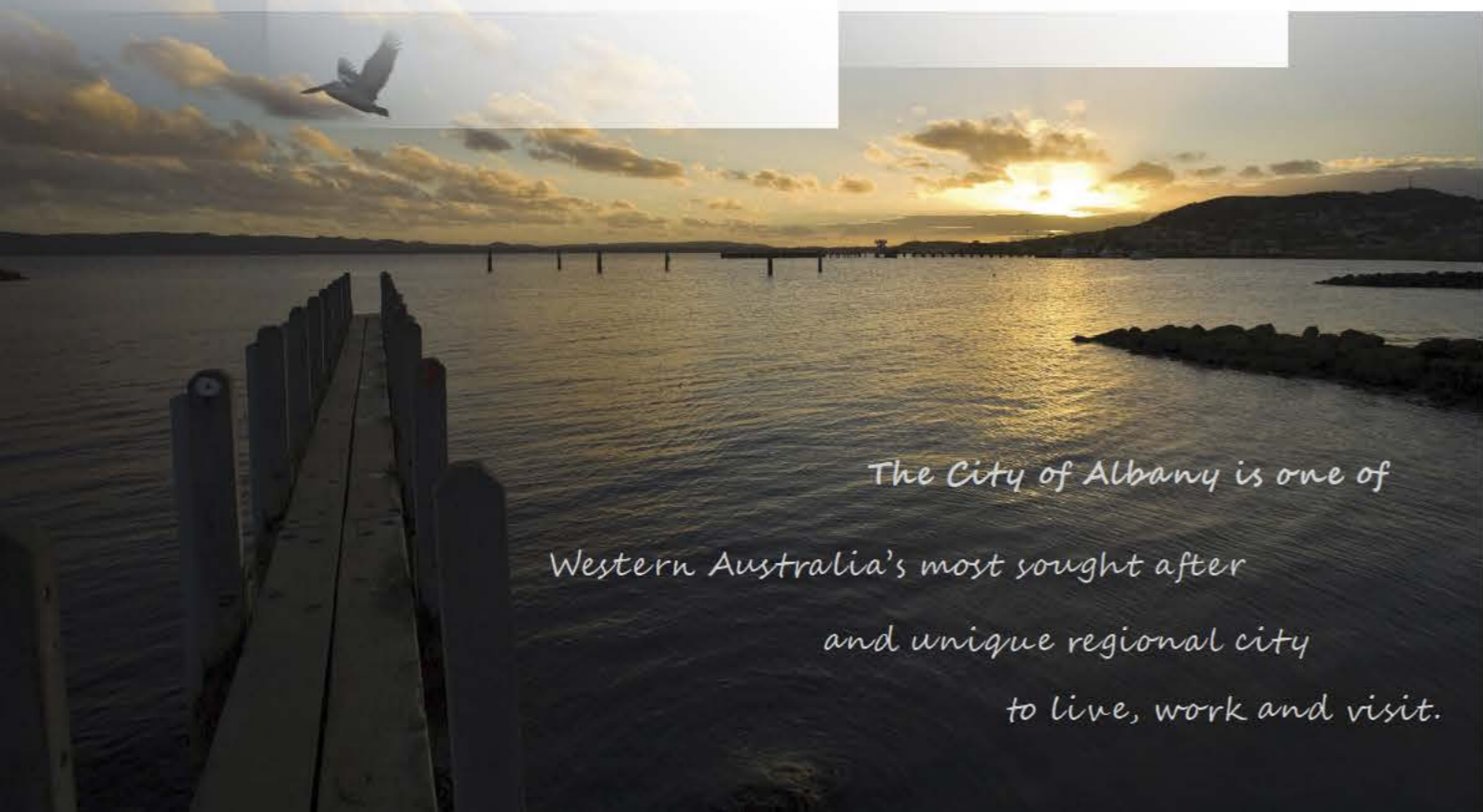
- Are ethical at all times;
- Are open and honest in all our dealings;
- Are respectful of colleagues and community members; and
- Operate within our strategic and policy framework.

### accountability

- Respect community needs;
- Foster community involvement in decision making;
- Act as a custodian with respect to Council assets; and
- Apply Council funds carefully.

### leadership

- Develop and empower to deliver on expectations and promises;
- Encourage our people to meet the community's service expectations;
- Are team focussed and actively contribute to the team;
- Recognise and acknowledge all contributions regularly; and
- Provide a role model for these values.



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

# into the future

The City of Albany has forged ahead with strategies to place itself first among WA's best places to live, work and invest.

### strategic plan 2011-2021

The City's new Strategic Plan outlines community priorities over the next ten years.

The Department of Local Government complimented the City on the plan, which identifies the importance of continued sustainable economic development, protection of the environment, improvement to City assets and enhanced lifestyles for residents. It also considers 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 and will be reviewed to adapt to changing economic, social, technological, political and legal environments.

The plan was developed by engaging with the community using a variety of methods, and continued community feedback will be sought to gauge the City's performance in implementing the plan.

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

### wa regional cities alliance

The City of Albany joined forces with the Cities of Bunbury, Geraldton-Greenough and Kalgoorlie-Boulder in March 2010 in an effort to maximise sustainable economic and population growth in these regional cities.

The primary focus of the WA Regional Cities Alliance is combining the cities' collective strengths and capacity to create vibrant and significant cities with quality lifestyle, amenity, and economic prospects which are essential to attracting investment and new residents.

The Alliance is now working on developing formal agreements with state and federal governments to ensure clear plans and policies are formulated to address regional development and settlement.

In February this year, WA Premier, Hon Colin Barnett MLA, in support of the Alliance, agreed on the need for good planning and progressing development of lifestyle aspects to ensure that regional cities are an attractive option for private sector investment.

For more information, visit [www.waregionalcities.com.au](http://www.waregionalcities.com.au).





# office of the ceo

## report

During the 2010-2011 year, the Chief Executive Officer led an organisational restructure of directorates, including creating a new directorate called the Office of the CEO.

Under the leadership of the interim Chief Executive Officer, Mr John Bonker, the City of Albany addressed the recommendations raised by the Better Practice Review by the Department of Local Government.

### tourism marketing

A new holiday guide and promotional lifestyle magazine was distributed throughout the State to visitor centres.

Other tourism and marketing activities included:

- Proposals to attract major sporting events;
- Planned entry statements using the *amazingalbany* imagery;
- Contributions to television lifestyle programs; and
- A collaborative campaign with the Albany Chamber of Commerce and Industry to encourage hospitality retailers to open during peak visitation periods.

## freedom of information

No formal complaints were lodged against the City of Albany during the reporting period.

The complaints register is available at the City of Albany at 102 North Rd, Yakamia, by phoning (08) 9841 9333 or via email [staff@albany.wa.gov.au](mailto:staff@albany.wa.gov.au).

In accordance with schedule 2.2(9) of the Local Government Act 1995, the City of Albany undertook a voluntary ward review.

### albany entertainment centre

The City of Albany contributed \$403,000 towards the opening of the Albany Entertainment Centre and various significant capital enhancements at the Centre. The Albany Entertainment Centre, as the centrepiece of the Albany Waterfront development, has become a focal point for the region's performing arts and community functions.



# office of the ceo

## report

### indigenous liaison

In honouring indigenous culture, the City acknowledges Noongar people who have passed away; especially Elders who have provided an enormous contribution to the City and their community.

The employment of an Indigenous Liaison Officer and the development of staff training sessions to promote a greater understanding of Aboriginal culture and customs has continued to assist in building stronger links with the City's indigenous community.

The City's Indigenous Liaison Officer has been actively influencing opportunities to promote indigenous social, economic and civic activities with the City of Albany.

National Aborigines and Islanders Day Observance Committee (NAIDOC) celebrations continue to successfully showcase Noongar excellence with each year increasing in attendance and nominations.

All nominees are commended for their contributions.

### kinjarling trail and stories strategic plan

The City of Albany provided financial assistance and participated in a community reference group that guided the preparation of the Kinjarling Trail and Stories Strategic Plan, which aims to provide tourism opportunities through the telling of rich cultural, historic and natural feature stories told from the perspective of both local Indigenous Noongar people and non-Indigenous (Wadjela) communities.

### records management

The City of Albany is committed to accurate and compliant record keeping practices in accordance with the *State Records Act 2000*.

The City operates under a Record Keeping Plan approved by the State Records Commission.

In May 2011, additional resources were applied to this function and a review of current processes and procedures was initiated to enhance legislative compliance and operational effectiveness.

These improvements are supported through training on data entry conventions and document registration processes.

During 2010-2011 there were 49,015 documents registered into the electronic record management system, an increase of 8.4 percent on those registered in 2009-2010.

Making records available electronically to staff reduces hardcopy archiving and enables faster searching for responses to public enquiries.



Local elder Jack Cox was nominated to the Noongar Board of Excellence.

## 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 to over 50,000 years.

The Albany Aboriginal Accord continued to be implemented over the 2010-2011 year, fostering engagement with local Noongar people.

The Accord and Action Plan recognises the role that the City must play in the provision of services and facilities for the Aboriginal community.



# office of the ceo

report

## public relations

### Communication

The City of Albany public relations and media liaison team was very busy with the following activities during the year:

- Maintaining the monthly Community Info Page published in the Great Southern Weekender;
- Maintaining the City of Albany website;
- Advertising and notices to ratepayers in various local and state newspapers, radio and television;
- Supporting the Mayor, CEO and the Executive Team with media briefs and responses;
- Co-ordinating Conversations with the CEO sessions;
- A new email initiative - a community stakeholders database on what's happening at the City.
- An audit of public relations activities;
- Using social media to improve community consultation such as the Gateway blog and online surveys;
- Management of City of Albany events and marketing with public relations connectivity; and
- Extensive liaison and promotion of the Albany Centenary of ANZAC Alliance.

In 2010-2011 the Mayor and City staff responded to a total of 45 media releases, provided 80 responses to print media enquiries, and undertook 45 radio interviews and 44 television interviews.

City of Albany news was also featured in the Western Australian Local Government Association, WA Citizenship Council and Productivity Commission journals.

Did you know? The Freedom of Information Act 1992 provides the community with the right to obtain information from the City of Albany, which is committed to ensuring transparent, timely and equitable access to publicly available information. The City's Freedom of Information Officer guides applicants through legislative requirements. In 2010-2011, there were 13 Freedom of Information requests, and 12 applicants received the requested information.

## City and Community Events

The City of Albany's events program continued to grow, with the major festive events season attracting large numbers in 2010-2011.

Major sponsorship was achieved for most events, ensuring that they continued to develop in quality and innovation.

The City played a major role in supporting the Midsummer Night Gala Ball, providing in-kind support towards the events' co-ordination.

Other major events supported by the City of Albany in 2010-2011 included:

- Christmas Pageant and Concert
- New Years Eve Concert and Fireworks;
- Proclamation Day;
- NAIDOC Celebrations and Award Night;
- Australia Day Family Fun Day and Fireworks;
- Volunteer Week events; and
- Classic Motor event.

The City also continued to provide support to external events through the Community Events Financial Assistance Program.

The program encourages a vibrant and prosperous events calendar for Albany, including the following beneficiaries:

- Jazz Masala Cruise Ship Project;
- Vintage motorcycle event;
- City of Albany Handicap Racing;
- 2010 Agricultural Show;
- Show Jumping Championship;
- 2010 Southern Art & Craft Trail;
- 2010 ANZAC Commemorations & US Submariners Memorial Service;
- Paperartzi;
- International Day for people with a disability;
- 2010 Festival Great Southern; and
- 2011 Mirror World Championships.



# human resources

report

During the reporting period there was a continuous focus on improvement in human resources systems and policies.

As required by legislation, staff performance reviews were completed in November 2010.

The Council approved two Enterprise Bargaining Agreements.

Staff is one of the City's greatest assets. Effective staff resourcing, including strategic succession planning, and workforce and career development, are vital.

A vibrant workforce focused on customer service is essential for long term organisational success.

The organisational changes commenced are aimed at enhancing workforce capacity.

## employee statistics

Total employees	331
Permanent full-time	167
Contract full-time	7
Part time (perm/contract)	63
Casual	94
Employees under 25yrs	50
Employees over 45yrs	131
Women in the workforce	180
Women in executive positions	4
Indigenous Australians	5
Employees from culturally diverse backgrounds	12
Volunteers	48

\* Numbers reflect Full Time Equivalent (FTE)



# occupational safety and health

The City of Albany is committed to providing a safe, healthy working environment for employees, associates and customers. As part of this commitment, members of the staff Occupational Safety and Health (OSH) Committee oversee the distribution of information and take action where necessary to ensure a safe workplace.

Working within the *Western Australia Occupational Safety and Health Act 1984* and *Occupational Safety and Health Regulations 1996*, other relevant regulations, Codes of Practice and Australian Standards, the City continually strives to meet its OSH commitments.

The City's OSH Committee consists of 14 staff. The Committee met 11 times during 2010-2011. The Committee provides advice to City management on a broad range of Occupational Safety and Health related issues such as training, hazard identification and management, changes in occupational safety and health legislation and staff consultation.

An extensive review of the City of Albany OSH Manual was undertaken in the latter part of 2010, with staff

consultation and feedback forming the basis for a relevant and improved manual.

In December 2010, the City underwent an annual OSH Audit, conducted by Local Government Insurance Services WA in accordance with Australian Standard AS/NZS 4801:2001.

This audit reviews 10 categories of effective OSH management. These categories include OSH policy, planning, implementation, training, consultation, communication and reporting, documentation, hazard identification and risk assessment, emergency preparedness and response, measurement and evaluation, and management systems.

The City of Albany performed well, achieving a Silver Diligence Award which was awarded to only 16 local governments across WA in 2010.

The recommendations in the audit are being addressed progressively. A review of OSH policies and processes, including implementing a more proactive approach to return to work of injured officers, was also commenced.



# community services

report

## vancouver arts centre

Vancouver Arts Centre (VAC) is a regional arts centre which encourages the Albany community to make *art a part of life*.

The VAC provides a focal point for arts experiences, and through its Multi Events Community Arts Program, provides opportunities for full participation and cultural expression for everyone.

Highlights from 2010-2011 program included workshop programs catering for a diverse range of ages and abilities, such as professional development for children and skilled artistic development. Programs catered for beginners to advanced artists, seniors and people living with a disability.

The VAC's music program featured a variety of concerts, as well as the Big Trill Singing weekend, with over 40 choral singers, as well as buskers and entertainers performing in York Street.

Sprung Writers Festival celebrated its 11th birthday in



September 2010, with authors including Robert Drew, Amanda Betts, and Meg McKinlay presenting a range of workshops, professional development sessions and readings. At the festival Ron Elliot released his first novel, *Spinner*. The VAC's 10th Annual Mother's Day Market attracted over 1000 keen shoppers.

Over the year, the VAC also supported mentorship of Artist and Community Cultural Development Practitioner Sue Codee to emerging artist Kaitlyn Seymour.

The mentorship partnership focused on the Take Me Home community arts project. Sue and Kaitlyn worked together to curate an exhibition featuring works by 26

prominent local artists which evoked the concept of home.

The VAC also offers a variety of rooms for community hire, studio spaces, a gallery, a resource centre and artist accommodation.

It is home to an average of 15 local arts and cultural groups that hire the facilities for their workshops, seminars, meetings and professional development sessions.

This has helped many groups to grow and flourish over the years.

The VAC would like

to thank Vancouver Arts Focus Group for their support with program development, and the dedicated volunteers who contributed their time, love and energy to the year's program.

## vancouver arts centre 2010-2011 exhibition program highlights

An extensive exhibition program featured a variety of styles, medium and artists:

- The Great Southern Noongar Exhibition featuring over 60 works from 37 of the region's most talented Noongar artists;
- The fourth City of Albany Art Prize which showcased 30 exceptional pieces;
- The Curator's Choice curated by Professor Ted Snell AM, Cit WA drawing an audience of over 400 people; and
- INHOUSE 2010, which featured the largest selection of works ever entered and raised over \$2000 for the emerging artist fund.

# community services

report

## albany public library

The City of Albany's Public Library provided access to a world of information in a variety of formats in over one million transactions this year.

This included online access to catalogues and databases, Children's Storytime and activities, a home library service, free internet and computer use for information searching, photocopying and printing, meeting rooms, display space, special collections and events.

Membership totalled 24,000 and the Library welcomed 217,488 visitors through its doors. Online services became increasingly popular with 18,408 website transactions during that period.

Special programs such as Storytime welcomed 975 younger audience members into the Library's fold over the year. The Rhymetime program (an early literacy development program for babies and toddlers focusing on rhythm and rhyme) saw 1601 babies and parents attend.

Primary school-aged children attending the Library holiday program numbered 753, and a total of 1100 attended for Children's Book Week.

Launches and literary events were well attended, including six book launches, four youth-specific events and 17 community information presentations covering subjects from health (including glaucoma, hearing and arthritis) to history, environment and sustainability, advice on consumer rights and relationship services.

Attendance for the Finding My Place re-integration program for at-risk high school students was strong with 188, and 450 people participated in the Library's Seniors Week Program.

The State Library of West Australia book sale, held in co-operation with Albany Public Library, sold 18,000 items over three days. Thank you to the 45 volunteers who supported this event.



## albany regional daycare

Albany Regional Daycare proudly provides high quality care and early years education for families.

The Centre also works to strengthen children's links and awareness within the community with many excursions to the Library, Fire Station, local parks and businesses.

The 2010-2011 financial year was busy, with 116 children ranging in age from six weeks to six years receiving services, and 41 bookings on a waiting list for 2012.

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

This year the Centre hosted a Bachelor of Education student completing a professional experience program.

The Centre has been working to implement the new National Quality Framework for Early Childhood Education and Care. This Framework places 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 in making the transition for children from daycare to school seamless.





# community services

report

## albany regional airport

Albany Regional Airport welcomed almost 57,000 travelling passengers during 2010-2011. Both general aviation and regular public transport services operate from the Airport.

Skywest Airlines serviced the Airport with 18 scheduled flights per week to and from Perth.

The Civil Aviation Safety Authority annual audit was conducted in November 2010. Action was taken to address minor recommendations and compliance was achieved.

The Royal Flying Doctor Service (RFDS) provides a very efficient and beneficial service to the Albany regional community, helping those in need of medical attention. During 2010-2011, the RFDS visited Albany 370 times, of which 353 visits were patient evacuations. In support of this essential, self-funded service, the City discounted its landing fees to the value of over \$25,000 for the RFDS.

Dedicated support from the Runway Cafe tenant within the Airport terminal has ensured continued hospitality service of high standards.

As part of bird and animal management on the airport's runways, the City of Albany in conjunction with volunteer bushfire brigades, performed a prescribed burn in autumn 2011 to discourage foxes, rabbits and kangaroos permanently residing in the area.

In accordance with incoming federal legislation, the Airport commenced planning to provide passenger and baggage security screening from 1 July 2012. To facilitate this substantial change, grant applications were made to both the Federal and State Governments for security screening equipment and infrastructure changes.

Funding was also sought to review the Airport Master Plan to provide contemporary aviation services and maximise future land use opportunities.



## Did you know?

The City of Albany provides community services across a range of areas, including recreational facilities such as the Albany Leisure and Aquatic centre and arts and curatorial services such as Vancouver Arts and the Forts.

It also fosters community development for sections of the community such as youth and seniors, and provides community facilities like the Albany Public Library and Albany Regional Airport, as well as local law enforcement through Ranger Services.

## ranger services

The City of Albany continued to safeguard and support the community through its Ranger Services in the 2010-2011 financial year.

Over the past 12 months, the rangers were involved in public education programs for dog owners, including a presentation by Ranger Rob at Albany Primary School.

The rangers also streamlined the application process for those seeking full or partial fire break exemptions for the upcoming fire season.

This was well received by the community, and many people commented on how much easier the new forms were to understand.

The total revenue generated by Ranger Services in 2010-2011 was approximately \$100,000.

# community services

report

## albany leisure and aquatic centre

In 2010-2011 more than 467,000 customers visited the Albany Leisure and Aquatic Centre (ALAC). The facilities offered at ALAC include aquatic, playing courts, gymnasium and group fitness classes.

ALAC now has a total of seven indoor multipurpose courts with the three new courts commissioned in January 2011.

These courts cater for basketball, netball, volleyball and indoor hockey.

The new stadium, with its ability to cater for local sports and regional competitions as well as attract state, national and international sport events, has been described as one of the best in regional Western Australia. The new multi-purpose courts meet international and environmental best practice standards.

ALAC's Swim2Survive Swim School Program achieved milestone enrolments of 1271 students in term two, the most enrolments ever at ALAC for a term. This equaled a growth of 8.3 percent from the previous year.

Attendance in the gym and fitness area grew by 26 percent from the previous financial year, attributed to new and additional group fitness classes as well as providing classes to school groups.

Event highlights at ALAC for this year include:

- Women's National Basketball League game;
- Albany Short Course Swimming Titles;
- WA's largest annual Indoor Hockey Carnival;
- Expo for people with a disability involving participation in group games and activities;
- Wheelie Cats game as part of National Wheelchair Basketball League game;
- Zumba Dance-Off to raise funds for the Steve Waugh Foundation; and
- Australia Day celebrations involving the community using ALAC and surrounds to enjoy fun activities and fireworks.

ALAC provided sport and recreation facilities and programs and hosted special events for a broad section of the local and regional community, focusing on Fun, Fitness and Family.



## princess royal fortress military museum

This year the Forts achieved finalist status in the Western Australian Heritage Awards 2011 for interpretation. The nomination featured an interpretation of life for artillerymen at the Forts in 1893, the year in which the Forts were established and guns were first fired. The interpretation showed artillerymen dressed in period uniform, firing the nine-pounder gun with black-powder blanks and illustrating part of Western Australia's living heritage.

The nine-pound field gun was fired 21 times in the last year to celebrate school events, commemorations and to signify the arrival of cruise ships. An artillery shelter was built by staff and volunteers with support from Lotterywest to house the guns. To celebrate finishing the purpose-designed shelter, a firing ceremony was held on 24 May 2011, attended by representatives from local schools, Community Care groups, Lotterywest, Retired Services League and Council.

Displays at the Forts have been further developed, with more items donated to the Ellam-Innes Collection. As the Royal Australian Navy celebrates its 100th year in 2011, the Forts received a large donation of uniforms and additional materials for the Royal Australian Navy display to be opened in November.

The Forts retail shop was established in larger premises expanding the range of retail items for sale. Popular items include replica medals and ribbons to replace those of family members which may have perished or been lost. Also introduced was a souvenir coin as part of the Auscoinswest Tourist Collection, a statewide initiative which allows tourists to collect souvenir coins from museums and other tourist attractions throughout the state.

The Forts now has over 40 volunteers fulfilling positions such as gate attendant, tour guide, assistant curator, outdoor worker and retail assistant. Without their dedicated support and hard work over the last year, the Forts would not be able to present its high quality and informative account of Australia's military history.

This year the Forts also began development of an interpretive signage project with support from Lotterywest to develop engaging and historically accurate signage throughout the grounds.

The Forts hosted many visiting delegates including the Mayors of sister cities, Peronne and Gallipoli. Senators Warren Snowdon, Judith Adams, Michael Donaldson and David Johnston visited the Forts to discuss its inclusion in the Centenary of ANZAC commemorations.





# community services

report

## community development

The City of Albany, through community development, seeks to support and empower people and facilitate community endeavours. By working in partnership with community groups and hosting several committees, the City works to raise awareness and address community issues.

The Seniors Advisory Committee continued to provide feedback to the City and advocate for seniors' interests across a wide range of areas including pathways, parking, roads and other healthy living initiatives. This included the Designed for Everyone Forum during Seniors Week. The forum focused on addressing the challenges local government and seniors face in designing public space and buildings to enable ageing in place.

The City Youth Advisory Council had yet another busy year. Projects included National Youth Week, a weekly broadcast of Albany Youth Radio Program, and providing feedback to state and federal government on issues of importance to young people.

Albany was once again selected as part of the YMCA's Summer Sk8 Series competition. The competition forms part of the qualifying rounds for the National Summer Skateboarding Titles. Thirty-five participants competed in front of over 300 spectators to be eligible to enter the state skateboarding event held at YMCA HQ Skate Park in March.

The City continues to work closely with the Albany and Regional Volunteer Service through membership on its executive board, and events to celebrate National Volunteer Week.

During 2010-2011 a number of improvements were made to existing City infrastructure to help maintain safe accessibility for members of the community who have disabilities.

Various locations within the City had work undertaken such as tactile paving, hand rails, and non-slip materials to improve the safety of steps and paved areas.

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

- Continued to provide free access for carers at the Forts and Albany Leisure and Aquatic Centre as a Companion Card Affiliate;
- Completed works to install a ramp at the Many Peaks public toilets and installation of hand rails in the Girl Guide Hall bathroom;
- Provided additional accessible toilets and showers in the expansion of Albany Leisure and Aquatic Centre ;



- Increased the number of programs available at the Albany Leisure and Aquatic Centre for people with a disability;
- Continued its commitment to provide quality customer service for people with a disability through specialised training for staff;
- Continued to provide services to people with a disability through the provision of an automatic sling hoist, aquatic wheelchair and electric raising and lowering bed at Albany Leisure and Aquatic Centre; and
- Was the venue for an expo for people with a disability during December 2010.

## albany visitor centre

During the 2010-2011 year, the Albany Visitor Centre welcomed 113,454 people (an average of 310 per day) through the doors at the Old Railway Station on Proudlove Parade.

The Visitor Centre provided a free service to the community and visitors, including advice on things to see and do in Albany via telephone, the web ([www.amazingalbany.com.au](http://www.amazingalbany.com.au)), or in person at the Centre. It also supported local operators and businesses with displays and distribution of brochures.

On 1 June 2011 the City of Albany acquired the Albany Regional Booking Service. The booking service, in addition to the established information service, provided the opportunity to enhance visitor and tourism services through the Centre.

the Visitor Centre welcomed on average 310 people per day through its doors.

# planning & development services

report

## planning

Planning activity decreased during this reporting period to 449 applications, down from 531 applications in 2009-2010.

While there was a reduction in planning applications, several large structure plans were submitted for Council consideration for localities such as Big Grove, Bayonet Head and Emu Point. These structure plans are at various stages of the approval process. They are important for ensuring adequate short to medium term lot supply consistent with demand, ensuring there is adequate land supply for housing.

The City also received the Western Australian Planning Commission's endorsement of the *Albany Local Planning Strategy*, setting the 20-year vision for the City's ongoing development.

The City rationalised its town planning policies, adopting a single, contemporary *Local Planning Policy Manual* to reduce the complexity of the planning process for the development industry and those members of the community contemplating development proposals.

The City also implemented the recommendations of the Planning and Development Services Directorate review, undertaken by consultant, Planning Context (prepared in September 2010). In accordance with the recommendations within that report, the City also:

- Prepared a *Conceptual District Structure Plan* (incorporating the future road hierarchy for the City);
- Reviewed delegations and planning procedures in October 2010; and
- Reported to Council compliance against key adopted performance indicators.

## new homes

New home approvals fell during the year by 20 percent with 355 new homes approved (down from 440 approvals issued in 2009-2010).

Despite this decline, a total of 868 building permits were issued during the year with a construction value of \$98.97 million.

Major building applications approved during the year included:

- A retirement village in Centennial Park for Amaroo Care Services Inc;
- The music & drama building for Great Southern Grammar;
- Office fit-out and alterations in Stirling Terrace;
- 13 group dwellings at Bayonet Head.

Building officers monitored building activity through inspections of buildings at various stages of construction and as part of on-going registration requirements.

This ensured the high standard of building works within the City was maintained.





# planning & development services

report

## environmental health

Through the work of the City of Albany's Environmental Health Team, local residents and visitors alike can shop for groceries, eat at our restaurants, enjoy community events and use public facilities, safe in the knowledge that the City is working to ensure the highest standards of health are maintained.

The Environmental Health Team investigated and

worked with private industry and the community to resolve 90 complaints relating to a range of issues such as excessive noise, smoke nuisance, dust nuisance, mosquito infestations, vermin infestations, and food and hygiene issues.

The team also processed 90 applications for on-site waste water systems.

The Environmental Health Team's work included preventative health programs including initial and follow-up inspections to assure the safety of food preparation premises and water supply sources for all members of the Albany community.

## food inspections

### 2010-2011 by category

The City of Albany handled over 400 customer service enquiries associated with food premises, including, but not limited to, itinerant food vendors, alfresco dining areas, caravan parks, public accommodation, public buildings and miscellaneous health premises.

This also included monitoring of hairdressers, beauty therapy salons and massage clinics.

Tests included:

- 42 potable rural drinking water supplies;
- 12 caravan parks;
- 247 food businesses;
- Six public buildings;
- 14 offensive trades;
- Seven daycare centres;
- 14 miscellaneous health;
- 14 public swimming pools inspections ; and
- 10 major public event assessments and inspections were made for events such as the circus, agricultural show and concerts.



# works & services

report

The Works and Services Directorate is responsible for ensuring asset enhancement and maintenance projects are completed within agreed budget and scope.

The City maintains active construction and maintenance teams, utilising a wide range of heavy equipment to meet its capital commitments.



## capital projects

In 2010-2011, capital projects completed included:

- Albany Leisure and Aquatic Centre Stage Two - three additional quality, indoor stadium courts with supporting infrastructure to accommodate the increase in patronage, including ablutions, walkway and a car park extension;
- North Road second soccer field, improving the playing surface including refurbishing existing pitches and the removal of fill area;
- Construction of new public toilets at Emu Point;
- Albany Women's Rest Centre, maintenance works including replacing downpipes, refixing and cleaning roof shingles, external ground work for drainage installation, and repairs to timber flooring;
- Construction of an Apex Club gazebo at Mt Clarence;
- Construction of Rescue boat compound at Princess Royal Sailing Club;
- Girl Guide facility upgrade; and
- Upgrade of six courts at Mt Lawley Tennis Club.



## pathways

Pathways were constructed to link the Ellen Cove boardwalk to Albany townsite alongside Brunswick Rd.

Paths were also constructed along Bay View Drive in Little Grove.





# works & services

## report

### roads

Major road reconstruction projects completed during the year included:

Lower Denmark Rd, Torbay .....	\$ 1,113,500
Down Rd, Drome .....	\$ 2,648,000
Lower King Rd, Lower King .....	\$ 861,500
Range Court Cres, Bayonet Head .....	\$ 290,000
Pfeiffer Rd, Many Peaks .....	\$ 180,000
Newby St, Milpara .....	\$ 245,000

Road safety works were undertaken at the following intersections:

- Lockyer Ave and Cockburn Rd;
- North Rd and Barnesby Drive; and
- North Rd, Beaufort St and Lion St.

Other road projects completed included:

- Frenchman Bay Rail Crossing;
- Millbrook Rd;
- Griffiths St;
- Hillman St
- Park Rd;
- Frenchman Bay Rd; and
- Rutherford Rd.

### drains

The City spent over \$600,000 on major drainage works in 2010-2011. To help manage the flow of water during heavy rain, stormwater retention basins were constructed at:

- Foundation Park, Parade Street Albany;
- The Women's Rest Centre;
- Broughton Street, Orana; and
- Banool Crescent, Bayonet Head.

To rectify ongoing storm water damage to private property, major drainage works were also completed through the Stirling Club car park from Frederick St to Stirling Tce.

Over 50 capital works projects were undertaken by the Works and Services Team in the areas of roads, drainage, pathways and parks, with a total budgeted expenditure of \$9m. This was largely funded by Federal and State Government grants, and the City acknowledges the considerable support that both levels of government provide in funding these infrastructure projects.

The City of Albany has approximately 1,700km of road network spread across urban and rural areas. Maintenance of that network is undertaken as part of the City's annual program, including road repairs, pruning of roadside vegetation and road sweeping.

### reserves

The Albany area contains many beautiful parks, gardens and natural reserves, keeping parks and reserves maintenance teams busy.

Approximately 4000ha of the City's reserves are developed for either active or passive recreation, leisure and community use purposes, and a balance of natural bush. Maintenance of these areas includes mowing, planting, weeding, pruning, reticulation and roadside spraying.

Stage two of the Bob Thompson Gardens, Mount Clarence was completed in 2010-2011, including the addition of gazebos, viewing platforms, enhancing water features and planting garden beds.

The City has both a statutory and civic responsibility to protect and manage its natural bushland. The *Environmental Weeds Strategy* provides a framework for identifying priority weeds for eradication, and an implementation strategy which depends on volunteer support from the community.

The City has approximately 500 natural reserves. The Bushcare Team was responsible for woody weed control on approximately 750kms of rural road verges, helping to maintain biodiversity and reducing maintenance costs.

This year, a street tree audit of selected suburbs was completed to facilitate informed decisions regarding planting and management of street trees.

### waste management

Waste management activities continued on both a strategic and operational level over the year, including:

- The introduction of a household hazardous waste facility at the Hanrahan landfill site; and
- The preparation for closure of the South Stirling landfill site, and its conversion into a rural waste transfer station.

# corporate services

## report

### revaluation of gross rental value - properties

Every four years the Office of the Valuer-General conducts revaluations of Gross Rental Value (GRV) properties. The most recent revaluation was conducted in 2010-2011, and provided to the City in May 2011.

Most occupied residential properties were valued upwards. While valuations increased overall, GRV vacant land decreased in value, due largely to a change in the prescribed percentage for 'residential land' which is valued on the capital value of the land.

The valuations for Unimproved Value (UV) properties were down by four percent. These valuations also came into effect on 1 July, 2011.

During 2010-2011 the City of Albany applied rates to properties in the following categories:

- GRV Occupied - Includes residential dwellings. The rate

for the reporting period was 11.1869 cents per dollar of GRV.

- GRV Vacant - The rate of 5 7821 cents per dollar of GRV was applied to vacant land that is non-rural or has some improvements.
- Unimproved Value - Applies mainly to properties in rural areas. The UV rate was 0.2849 cents per dollar of UV.
- Minimum Rate - One general minimum rate payment of \$725 was imposed across all Albany properties.

### city leases

The City of Albany leases land and buildings under its ownership or control including freehold and Crown land. The City's leasing portfolio consists of 232 leases which are categorised as commercial, community and residential. Annual lease rental income of approximately \$600,000 is anticipated in 2011-2012 financial year.

The City is responsible for administering leases in line with *Council Policy - Property Management - Leases*.



### information and communications technology (ICT)

The ICT Team oversee a large network of IT infrastructure which services approximately 300 desktop, laptop and digital devices including printers, photocopiers, generators, radio links, video and audio equipment and mobile devices.

The infrastructure is located at 11 physical locations across the City, and all locations are connected to the North Road data centre via radio links.

A duplicate data centre (disaster recovery system) is located at the Albany Leisure and Aquatic Centre.

In the event of a disaster (where North Road becomes inoperable) the disaster recovery system can perform all of the functions of the North Road site with little if any loss of data.

The City of Albany ICT Team also upgraded its operating system in 2010-2011 in order to maintain business continuity, reliability and security.

Radio links were installed at the Airport and the Forts, giving users access to the City of Albany network.



# corporate services

report

## risk management

Enterprise Risk Management is the systematic application of risk management in association with organisational policies, procedures and practices to establish context, identify risks, analyse and evaluate risks, and develop treatments for risks.

The City of Albany is committed to effective risk management of its internal and external functions, services, processes and practices.

Risk management and mitigation considerations include financial, reputational, operational, health and safety, environmental, service interruption, legal and compliance risks. Fifteen claims were processed under our Public Liability and Professional Indemnity Scheme for this financial year with a gross cost incurred to the insurance scheme of \$188,527.14 and nil cost incurred by the City of Albany.

The *Councillors and Officer Liability Policy* responded to four

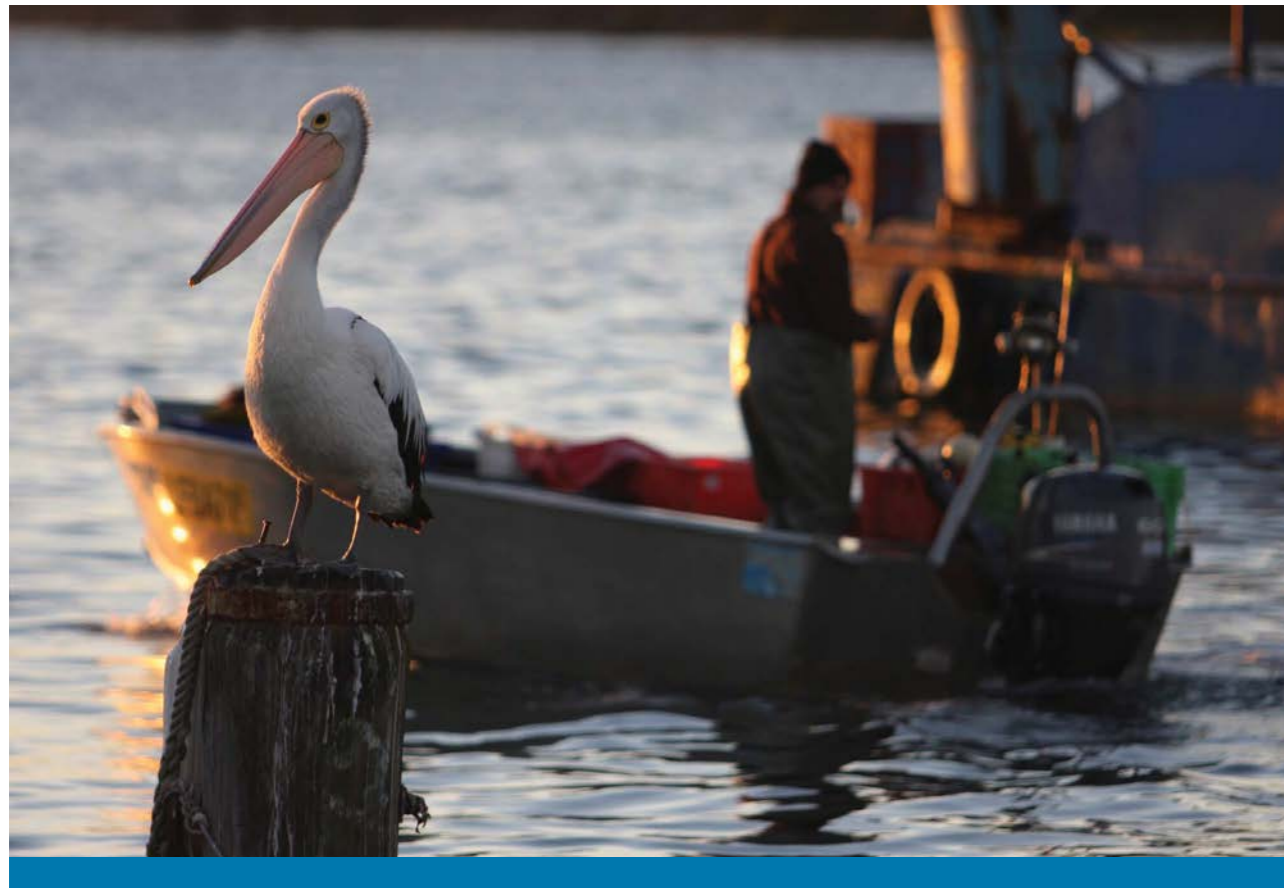
claims in 2010-2011, costing the City \$5,000 for each claim in excess payments. Two claims were processed under the *Statutory and Business Practices Liability Policy*, with both claims unsettled as of 30 June 2011.

Enterprise Risk Management processes and procedures continue to be refined with a renewed focus on a workable approach to managing and reporting strategic, operational and project risks.

The City's commitment to risk management will produce more efficient use of resources, and better identification and resolution of needs within the community.

The City has created a new position to focus on and resolve many long outstanding land tenure matters. The focus has been initially on road reserves, ensuring that City assets land title is correct.

The City is also giving more attention to ensuring that native title, Aboriginal heritage and European heritage, are considered in all its works and projects.



# financial statements

## for the year ended 30 June 2011

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# financial statements

## for the year ended 30 June 2011

### statement by the chief executive officer

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

### STATEMENT BY THE CHIEF EXECUTIVE OFFICER

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

Signed: *And* (DE: 01) December 2011

*[Signature]*  
Chief Executive Officer

### statement of comprehensive income by nature or type for the year ended 30 June 2011

	NOTE	2011 \$	2011 BUDGET \$	2010 \$
<b>Revenue</b>				
Rates	23	24,114,001	25,574,053	21,575,584
Grants & Subsidies	27	3,570,141	3,196,680	3,424,202
Contributions, Reimb. & Donations		1,215,224	349,738	395,475
Fees and Charges	26	11,401,815	11,015,601	10,102,972
Interest Earned	2(a)	1,184,413	790,000	904,653
Other Revenue/Income		860,784	410,615	399,263
<b>Total Revenue</b>		<b>42,346,378</b>	<b>41,336,687</b>	<b>36,802,149</b>
<b>Expenses</b>				
Employee Costs		(15,295,323)	(15,240,526)	(14,308,136)
Utilities		(1,507,429)	(1,362,613)	(1,335,373)
Interest Expenses	2(a)	(1,114,199)	(1,101,799)	(1,180,372)
Depreciation on Non-current Assets	2(a)	(11,449,614)	(12,334,000)	(11,226,465)
Contracts and Materials		(11,290,975)	(13,274,398)	(10,516,730)
Insurance Expenses		(543,500)	(511,098)	(476,810)
Other Expenses		(1,665,462)	273,177	(1,251,141)
<b>Total Expenses</b>		<b>(42,866,502)</b>	<b>(43,551,257)</b>	<b>(40,295,027)</b>
<b>Change in net assets from operations</b>		<b>(520,124)</b>	<b>(2,214,570)</b>	<b>(3,492,878)</b>
Non-Operating Grants and Subsidies	27	9,180,800	9,156,877	5,876,907
Non-Operating Contributions Reimbursements and Donations		1,567,374	2,689,416	3,408,787
Profit/Loss on Asset Disposals	20	142,634	1,541,004	(23,732)
Fair Value - Investment Adjustments	2(a)	(727,470)	0	(116,275)
Cash Backing of Reserves		0	0	1,651,060
<b>NET RESULT</b>		<b>9,643,214</b>	<b>11,172,727</b>	<b>7,303,869</b>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	13	0	0	0
<b>Total Other Comprehensive Income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>9,643,214</b>	<b>11,172,727</b>	<b>7,303,869</b>

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



**statement of comprehensive income by program  
for the year ended 30 June 2011**

	NOTE	2011 \$	2011 BUDGET \$	2010 \$
<b>Revenue</b>	2(b)			
General Purpose Funding		28,776,537	28,744,733	25,752,685
Governance		43,231	45,000	43,680
Law, Order and Public Safety		325,982	272,870	285,040
Health		65,443	45,300	11,324
Education and Welfare		732,184	813,057	807,681
Community Amenities		5,792,371	5,378,300	4,633,532
Recreation and Culture		2,342,321	2,840,520	2,559,171
Transport		2,367,594	1,755,308	1,039,019
Economic Services		617,103	666,600	769,632
Other Property and Services		1,283,612	775,000	900,385
<b>Total Revenue</b>		<b>42,346,378</b>	<b>41,336,688</b>	<b>36,802,149</b>
<b>Expenses Excluding Finance Costs</b>	2(b)			
General Purpose Funding		(788,410)	(822,532)	(456,743)
Governance		(2,509,651)	(2,653,503)	(2,481,463)
Law, Order and Public Safety		(1,231,848)	(1,194,041)	(1,196,953)
Health		(545,305)	(613,143)	(532,447)
Education and Welfare		(1,052,965)	(1,169,839)	(1,239,410)
Community Amenities		(6,797,549)	(6,677,732)	(6,455,806)
Recreation and Culture		(10,765,599)	(10,857,594)	(10,032,402)
Transport		(15,139,508)	(16,733,465)	(14,836,777)
Economic Services		(1,630,907)	(1,804,852)	(1,521,551)
Other Property and Services		(1,290,562)	77,242	(361,103)
<b>Total Expenses Excluding Finance Costs</b>		<b>(41,752,304)</b>	<b>(42,449,459)</b>	<b>(39,114,655)</b>
<b>Non-Operating</b>				
Grants and Subsidies – non-operating		9,180,800	9,156,877	5,876,907
Contribution Reimbursements and Donations – non-operating		1,567,374	2,689,416	3,408,787
Profit/Loss on Asset Disposals	20	142,634	1,541,004	(23,732)
Fair Value – Investment Adjustments		(727,470)	0	(116,275)
Cash Backing of Reserves		0	0	1,651,060
<b>Total Non-Operating</b>		<b>10,163,338</b>	<b>13,387,297</b>	<b>10,796,747</b>
<b>Finance Costs</b>				
Governance		(167,288)	(167,289)	(172,307)
Community Amenities		(19,678)	(19,678)	(21,949)
Recreation and Culture		(329,393)	(325,643)	(342,243)
Transport		(540,808)	(532,195)	(566,608)
Economic Services		(42,318)	(42,318)	(46,088)
Other Property and Services		(14,713)	(14,676)	(31,177)
<b>Total Finance Costs</b>	2(a)	<b>(1,114,198)</b>	<b>(1,101,799)</b>	<b>(1,180,372)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>9,643,214</b>	<b>11,172,727</b>	<b>7,303,869</b>

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

**statement of financial position  
for the year ended 30 June 2011**

	NOTE	ACTUAL 30 JUN 11	BUDGET 30 JUN 11	ACTUAL 30 JUN 10
<b>CURRENT ASSETS</b>				
Cash – Municipal	3	5,767,118	1,800,755	2,445,735
Restricted cash (Trust)	3	1,318,300	1,483,498	1,488,688
Reserve Funds – Financial Assets	3,4	327,010	800,755	1,054,480
Reserve Funds - Other	3	4,988,985	7,197,963	5,725,809
Receivables and Other	5	2,136,618	1,600,000	3,428,043
Investment Land	6	2,398,674	0	3,523,483
Stock on hand	6	804,150	800,000	1,083,708
<b>TOTAL CURRENT ASSETS</b>		<b>17,740,855</b>	<b>13,682,971</b>	<b>18,749,946</b>
<b>CURRENT LIABILITIES</b>				
Current Portion of Long Term Borrowings	10	7,138,175	5,638,175	2,532,106
Creditors Prov. – Annual leave and LSL	11	2,381,578	2,286,053	2,245,816
Trust Liabilities		1,259,559	1,546,383	1,417,308
Creditors Prov. and Accruals	9	4,142,110	3,101,240	6,656,166
<b>TOTAL CURRENT LIABILITIES</b>		<b>14,921,422</b>	<b>12,571,851</b>	<b>12,851,396</b>
<b>NET CURRENT ASSETS</b>		<b>2,819,433</b>	<b>1,111,120</b>	<b>5,898,550</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	5	46,211	150,000	77,272
Pensioners Deferred Rates	5	370,758	280,000	320,923
Investment Land	6	4,509,155	2,150,000	2,220,758
Property, Plant & Equipment	7	71,237,891	72,666,174	68,034,400
Infrastructure Assets	8	190,555,179	196,047,672	188,881,619
Local Govt House Shares		19,501	19,501	19,501
<b>TOTAL NON-CURRENT ASSETS</b>		<b>266,738,695</b>	<b>271,313,347</b>	<b>259,554,473</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	10	12,626,394	12,626,394	18,264,569
Creditors and Provisions	11	464,911	260,000	364,845
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>13,091,305</b>	<b>12,886,394</b>	<b>18,629,414</b>
<b>NET ASSETS</b>		<b>256,466,822</b>	<b>259,538,073</b>	<b>246,823,609</b>
<b>EQUITY</b>				
Retained Surplus		231,648,724	232,764,720	221,268,686
Reserves	4,12	6,043,464	7,998,719	6,780,289
Reserves – Assets Revaluation	13	18,774,634	18,774,634	18,774,634
<b>TOTAL EQUITY</b>		<b>256,466,822</b>	<b>259,538,073</b>	<b>246,823,609</b>

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



**statement of changes in equity  
for the year ended 30 June 2011**

	NOTE	RETAINED SURPLUS \$	RESERVES \$	ASSET REVALUATION RESERVES \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2009</b>	12,13	212,131,560	10,264,605	18,774,634	241,170,799
Changes in Accounting Policy					0
Correction of Errors					0
Restated Balance					
Net Result		7,303,869			7,303,869
Total Other Comprehensive Income					
Change of Purpose			(1,651,060)		(1,651,060)
Transfer from/(to) Reserves		1,833,256	(1,833,256)		0
<b>Balance as at 30 June 2010</b>	12,13	221,268,685	6,780,289	18,774,634	246,823,609
Net Results		9,643,214			9,643,214
Total Other Comprehensive Income					
Transfer from/(to) Reserves		736,824	(736,824)		0
<b>Balance as at 30 June 2011</b>	12,13	<b>231,648,723</b>	<b>6,043,465</b>	<b>18,774,634</b>	<b>256,466,823</b>

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

**statement of cashflows  
for the year ended 30 June 2011**

	NOTE	2011 \$	2011 BUDGET \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		24,565,587	25,574,053	21,063,083
Grants and Subsidies		3,570,141	3,196,680	3,424,202
Contributions and Donations		1,215,224	349,738	395,475
Fees and Charges		12,751,633	11,015,601	10,155,066
Interest Earnings		1,175,076	680,000	896,363
Other Revenue		703,035	520,615	(104,608)
<b>Total Receipts</b>		<b>43,980,696</b>	<b>41,336,687</b>	<b>35,829,581</b>
<b>Payments</b>				
Employee Cost		15,004,817	15,212,527	14,473,937
Materials and Contracts		9,932,075	13,274,398	10,592,508
Utility Charges		1,507,429	1,362,613	1,335,373
Insurance		543,500	511,098	476,810
Interest Expense		1,119,742	1,101,799	1,275,782
Other Expenditure		4,677,036	(273,177)	(1,727,089)
<b>Total Payments</b>		<b>32,784,599</b>	<b>31,189,258</b>	<b>26,427,321</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>14</b>	<b>11,196,097</b>	<b>10,147,429</b>	<b>9,402,260</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payment for purchase and construction of assets		(20,204,518)	(20,660,892)	(18,394,507)
Less: Subdivision Developers' Contribution		1,219,639	2,539,346	3,312,117
Less: Fire FESA		735,997	145,000	0
Proceeds from sales of Assets		953,757	2,611,091	467,050
Capital Grants & Subsidies		8,364,643	9,156,877	5,876,907
Capital Contributions		424,143	5,070	96,670
<b>Net Cash Used in Investing Activities</b>		<b>(8,506,339)</b>	<b>(6,203,508)</b>	<b>(8,641,763)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayments of loans		(2,532,106)	(2,532,106)	(5,887,897)
Proceeds from new loans		1,500,000	0	4,800,000
Proceeds from self supporting loans		29,049	29,050	46,543
<b>Net Cash Provided By Financing Activities</b>		<b>(1,003,057)</b>	<b>(2,503,056)</b>	<b>(1,041,354)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>1,686,701</b>	<b>1,440,865</b>	<b>(280,857)</b>
Cash at beginning of year		10,714,712	9,842,106	10,995,569
<b>Cash at end of year</b>	<b>14</b>	<b>12,401,413</b>	<b>11,282,971</b>	<b>10,714,712</b>
<b>CASH AND INVESTMENT SUMMARY</b>				
Municipal Account – unrestricted		5,760,218	1,794,255	2,437,885
Petty Cash		6,900	6,500	7,850
Restricted Cash – Trust		1,318,300	1,483,498	1,488,688
Financial Assets		327,010	800,755	1,054,480
Reserve Account		4,988,985	7,197,963	5,725,809
<b>TOTAL</b>		<b>12,401,413</b>	<b>11,282,971</b>	<b>10,714,712</b>

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



rate setting statement  
for the year ended 30 June 2011

	NOTE	2011 ACTUAL \$	2011 BUDGET \$
<b>REVENUE</b>			
General Purpose Funding		4,662,536	3,170,680
Governance		43,231	45,000
Law, Order and Public Safety		325,982	272,870
Health		65,443	45,300
Education and Welfare		732,184	813,057
Community Amenities		5,792,371	5,378,300
Recreation and Culture		2,342,321	2,840,520
Transport		2,367,594	1,755,308
Economic Services		617,103	666,600
Other Property and Services		1,283,611	775,000
<b>TOTAL REVENUE</b>		<b>18,232,376</b>	<b>15,762,635</b>
<b>EXPENSES</b>			
General Purpose Funding		(788,410)	(822,532)
Governance		(2,676,940)	(2,820,792)
Law, Order and Public Safety		(1,231,848)	(1,194,041)
Health		(545,305)	(613,143)
Education and Welfare		(1,052,965)	(1,169,839)
Community Amenities		(6,817,227)	(6,697,410)
Recreation and Culture		(11,094,992)	(11,183,237)
Transport		(15,680,317)	(17,265,660)
Economic Services		(1,673,225)	(1,847,170)
Other Property and Services		(1,305,273)	62,566
<b>TOTAL EXPENSES</b>		<b>(42,866,502)</b>	<b>(43,551,258)</b>
<b>Net Operating Result Excluding Rates</b>		<b>(24,634,126)</b>	<b>(27,788,623)</b>
<b>Adjustments for Cash Budget Requirements:</b>			
<b>Non-Cash Expenditure and Revenue</b>			
Depreciation on Assets		11,449,614	12,334,000
Carrying Value of Investment Land Sold		267,675	0
<b>Capital Expenditure and Revenue</b>			
Purchase Plant, Equipment and Infrastructure		(19,628,976)	(20,662,845)
Capital Grants and Contributions		10,748,174	11,846,293
Proceeds from Disposals of Assets	20	953,757	2,611,091
Repayments of Loans		(2,532,106)	(2,532,106)
Proceeds from New Loans		1,500,000	0
Self-Supporting Loan Principal Income		29,049	29,050
Transfers to Reserves (Restricted Assets)	12	(4,953,248)	(7,392,562)
Transfers from Reserves (Restricted Assets)	12	5,690,072	5,981,649
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		1,578,986	0
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		4,582,872	0
<b>Amount Required to be Raised from Rates</b>	<b>23</b>	<b>24,114,001</b>	<b>25,574,053</b>

# notes to and forming part of the financial report

## 1. significant accounting policies

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

### a) Basis of Preparation

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

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

### Critical Accounting Estimates

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

### b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 18 to this financial report.

### c) Goods and Services Tax

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

### d) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash

equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### e) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised at fair value.

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

### f) Inventories

#### General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

#### Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value.

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

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

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

### g) Fixed Assets

#### Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

The cost of non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

#### Revaluation

Certain asset classes may be re-valued on a regular basis such that the carrying values are not materially different from fair value.

For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits.

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



# notes to and forming part of the financial report

## 1. significant accounting policies, (g) contd.

### Land Under Roads

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

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

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

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

### Depreciation of Non-Current Assets

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

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	
Clearing and earthworks	Not depreciated
Construction/road base	50 years
Original surfacing and major Re-surfacing - bituminous seal	20 years
Gravel roads	
Clearing and earthworks	Not depreciated
Construction/road base	50 years
Gravel sheet	12 years
Formed roads (unsealed)	
Clearing and earthworks	Not depreciated
Construction/road base	50 years
Footpaths - slab	40 years

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 re-valued 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 expensed.

## 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 instruments. 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 transactions costs are expensed to profit or loss immediately.

### Classification and Subsequent Measurement

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

- The amount in which the financial asset or financial liability is measured at initial recognition;
- Less principal repayments;
- 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
- Less any reduction for impairment.

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

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

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

### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

# notes to and forming part of the financial report

## 1. significant accounting policies, (h) contd.

### (iii) Held-to-maturity investments

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

### (iv) Available-for-sale financial assets

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

### (v) Financial liabilities

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

### Impairment

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

### i) Estimation of Fair Value

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

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In this case, Council relies on third party assessments of fair value. Details of the methodology used to derived fair value is propriety in nature and as such, cannot be published.

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

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

## j) Impairment

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 'Impairment of Assets' and appropriate adjustments made.

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

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

## k) Trade and Other Payables

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

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

## l) Employee Benefits

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

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

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

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

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.



# notes to and forming part of the financial report

## 1. significant accounting policies, contd.

### m) Borrowing Costs

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

### n) Provisions

Provisions are recognised when:

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

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

### o) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

### p) Joint Venture

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Balance Sheet and Income Statement. More information is set out in Note 17.

### q) Rates, Grants, Donations, 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.

### r) Superannuation

The Council contributes to the Local Government Superannuation Scheme and other defined contribution schemes as directed by employees.

Contributions to defined contribution plans are recognised as an expense as they become payable.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### s) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle.

In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months.

Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

### t) Rounding Off Figures

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

### u) Comparative Figures

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

### v) Budget Comparative Figures

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

## 1. significant accounting policies, contd.

### w) New Accounting Standards and Interpretations

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

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

Title and Topic	Issued	Applicable	Impact
(i) AASB 9 – Financial Instruments	Dec 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 124 – Related Party Disclosures	Dec 2009	01 January 2011	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.
(iii) AASB 1053 – Application of Tiers of Australian Accounting Standards	June 2010	01 July 2013	Nil – Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iv) AASB 2009–12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	Dec 2009	01 January 2011	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.
(v) AASB 2009 – 11 Amendments to Australian Accounting Standards arising from AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	Dec 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (ii) above).
(vi) AASB 2010 – 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	01 July 2013	Nil – None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements



## 1. significant accounting policies, (w) contd.

Title and Topic	Issued	Applicable	Impact
(vi) AASB 2010 – 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7-8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	01 July 2013	Nil – None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements
(vii) AASB 2010 – 4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]	June 2010	01 January 2011	Nil – These revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.
(viii) AASB 2010 – 5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 132, & 1042]	October 2010	01 January 2011	Nil – The revisions embodied in this standard are largely editorial in nature or relate to standards not applicable to the Council and will have minimal effect (if any) on the accounting practices of the Council.
(ix) AASB 2010 – 6 Amendments to Australian Accounting Standards – Disclosures on Transfer of Financial Assets [AASB 1 & AASB 7]	Nov 2010	01 July 2011	Nil – The revisions embodied in this standard amend disclosures required on transfers of financial assets. The Council is not expected to have any qualifying transfers.
(x) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	Dec 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(xi) AASB 2010 – 8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	Dec 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.
AASB 2010 – 9 Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	Dec 2010	01 July 2011	
AASB 2009 – 14 Amendments to Australian Interpretations – Prepayments of a minimum Funding Requirement [AASB Interpretation 14]	Dec 2009	01 January 2011	
AASB 2010 – 10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]	Dec 2010	01 January 2013	

## 1. significant accounting policies, (w) contd.

x) *Adoption of New and Revised Accounting Standards*  
During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory and which were applicable to its operations. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the Council. These new and revised standards were:

AASB 2009 – 5  
AASB 2009 – 8  
AASB 2009 – 10

AASB 2009 – 13  
AASB 2010 – 1  
AASB 2010 – 3

*Interpretation 19*

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

(a) *Net Result*

## 2. revenues and expenses

The Net Result includes:

(i) Charging as an Expense:	2011 \$	2010 \$
<b>Significant Expense</b>		
General Purpose Funding	(727,470)	(116,275)
The significant expense relates to the reduction in the fair value of the City's investment (refer Note 4 for further details)		
<b>Auditors Remuneration</b>		
- Audit	23,661	26,648
- Other Services	5,458	4,972
<b>Total Auditors Remuneration</b>	<b>29,119</b>	<b>31,620</b>
<b>Depreciation</b>		
Buildings	1,150,165	1,070,326
Furniture and Equipment	816,363	820,987
Plant and Equipment	1,465,597	1,274,847
Infrastructure	8,017,489	8,060,305
<b>Total Depreciation</b>	<b>11,449,614</b>	<b>11,226,465</b>
<b>Interest Expenses (Finance Costs)</b>		
Debentures (refer Note 22(a))	1,114,199	1,180,372
<b>Total Interest Expenses</b>	<b>1,114,199</b>	<b>1,180,372</b>

(ii) Crediting as Revenue:	2011 \$	2011 Budget \$	2010 \$
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	254,951	140,000	153,861
- Other Funds	606,413	450,000	515,556
Other Interest Revenue (refer note 26)	323,048	200,000	235,236
<b>Total Interest Earnings</b>	<b>1,184,412</b>	<b>790,000</b>	<b>904,653</b>



# notes to and forming part of the financial report

## 2. revenues and expenses, contd.

### (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.

### General Purpose Funding

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

### Governance

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

### 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 and studies and private works.

## 2. revenues and expenses, contd.

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening Balance <sup>(1)</sup> 1 July 2009 \$	Received <sup>(2)</sup> 2009-2010 \$	Expended <sup>(3)</sup> 2009-2010 \$	Closing Balance <sup>(1)</sup> 30 June 2010 \$	Received <sup>(2)</sup> 2010-2011 \$	Expended <sup>(3)</sup> 2010-2011 \$	Closing Balance <sup>(1)</sup> 30 June 2011 \$
Grants for Community Activities (Recreation and Culture)	62,618	71,215	(58,073)	75,760	170,591	(208,351)	38,000
Grants for Capital Activities	1,764,783	2,689,492	(1,764,783)	2,689,492	9,180,800	(7,252,592)	4,617,700
<b>Total</b>	<b>1,827,401</b>	<b>2,760,707</b>	<b>(1,822,856)</b>	<b>2,765,252</b>	<b>9,351,391</b>	<b>(7,460,943)</b>	<b>4,655,700</b>

Notes:

1. Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
2. 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.
3. 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.



### 3. cash and cash equivalents

Cash and Cash Equivalents	2011 \$	2010 \$
Unrestricted		
Municipal Fund	5,767,118	2,445,735
Restricted		
Restricted Trust	1,318,300	1,488,688
Reserve Funds -Cash	4,988,985	5,725,809
Reserve Funds - Fixed Term Investment	327,010	1,054,480
<b>Total Cash and Cash Equivalents</b>	<b>12,401,413</b>	<b>10,714,712</b>

### 4. investments

Investments	2011 \$	2010 \$
Financial assets at fair value through profit or loss	327,010	1,054,480
Financial assets at fair value through profit or loss		
At beginning of the year	1,054,480	1,170,755
Revaluation to Income Statement	(727,470)	(116,275)
Additions	0	0
Disposals	0	0
At end of the year	327,010	1,054,480
Held for trading		
- FRNs		0
- CDOs	327,010	1,054,480
- Managed Funds		
<b>Total Investments</b>	<b>327,010</b>	<b>1,054,480</b>

- The values for these securities are provided a third party who in turn source values from a number of market providers and participants. The third party, and therefore Council, is unable to verify the accuracy of the information. Valuation of these securities in the current market environment is difficult due to the absence of liquid markets for the securities.
- Lehman CDOs have been served early termination notices, and are no longer financial assets. However, there is still dispute between Lehman Bros and investors about the appropriate treatment of note-holder priority under United States and United Kingdom law. As a result of this dispute, CDOs Beryl Global Bank Note, Coolangatta, Merimbula and Endeavour are treated as contingent. To avoid prejudicing any litigation or commercial settlements, Council has not disclosed a specific value for these investments, writing them down as detailed above.
- The following information is provided in accordance with Local Government (Financial Management) Regulations 1996:

Cash and investments available to fund the City's reserves is predicted to be insufficient.

### 4. investments, contd.

The extent of the insufficiency is expected to be:

Investments	2011 \$
Financial Assets at 30 June 2010	1,054,480
Additions	0
Disposals	0
Reduction in Fair Value at 30 June 2011	(727,470)
<b>Financial Assets at 30 June 2011</b>	<b>327,010</b>
Reserve Balance at 30 June 2011	6,043,464
Reserve Cash at 30 June 2011	5,315,994
<b>Total Insufficiency at 30 June 2011</b>	<b>727,470</b>

The reason for the insufficiency is detailed in (b) above.

In adopting the 2011-2012 Budget, Council resolved to return Reserves to full cash backing by changing the purpose of certain reserves and applying the amounts to the insufficiency.

### 5. trade and other receivables

Trade and Other Receivables	2011 \$	2010 \$
<b>Current</b>		
Rates and Charges Outstanding	797,990	931,227
Trade Debtors	691,236	2,136,455
Prepaid Expenses	160,185	75,492
Other Accrued Income	455,075	255,593
Loans-Clubs & Institutions	31,288	29,276
GST Receivable	844	0
<b>Total Current Receivables</b>	<b>2,136,618</b>	<b>3,428,043</b>
<b>Non-Current</b>		
Rates Outstanding Pensioners	370,759	320,923
Loans - Clubs, Institutions	46,211	77,272
<b>Total Non-Current Receivables</b>	<b>416,970</b>	<b>398,195</b>



## 6. inventories

Inventories	2011 \$	2010 \$
<b>Current</b>		
Construction Materials	699,514	996,081
History Books	9,482	19,977
Other	95,154	67,650
Land Held for Resale - Cost		
Cost of Acquisition	77,500	77,500
Development Costs	3,568,537	3,445,983
Transfer roads to Infrastructure	(723,577)	0
Disposals	(267,675)	0
Adjustment to Realisable Value	(256,111)	0
<b>Total Current Inventory</b>	<b>3,202,824</b>	<b>4,607,191</b>
<b>Non-Current</b>		
Land Held for Resale - Cost		
Cost of Acquisition	2,150,000	2,150,000
Development Costs	2,359,155	70,758
<b>Total Non-Current Inventory</b>	<b>4,509,155</b>	<b>2,220,758</b>

## 7. property, plant and equipment

Property, Plant and Equipment	2011 \$	2010 \$
Land	8,563,879	8,186,433
Paintings @ Council Valuation	327,746	326,610
Buildings	59,394,744	51,674,682
Less: Accumulated Depreciation	(11,889,537)	(10,739,372)
<b>Total Buildings</b>	<b>47,505,207</b>	<b>40,935,310</b>
Furniture & Fittings	9,221,655	8,522,564
Less: Accumulated Depreciation	(6,938,493)	(6,124,120)
<b>Total Furniture and Fittings</b>	<b>2,283,162</b>	<b>2,398,444</b>
Plant and Equipment	16,852,107	16,386,529
Less: Accumulated Depreciation	(8,293,361)	(8,489,619)
<b>Total Plant and Equipment</b>	<b>8,557,746</b>	<b>7,896,910</b>
<b>Total Property, Plant and Equipment</b>	<b>67,237,740</b>	<b>59,743,707</b>
Work In Progress yet to be classified	3,999,151	8,290,693
<b>Total Property, Plant and Equipment and Work in Progress</b>	<b>71,236,891</b>	<b>68,034,400</b>

## 7. property, plant and equipment, contd.

## Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

Property, Plant and Equipment	Land & Buildings \$	Paintings \$	Furniture & Equipment \$	Plant & Equipment \$	Work in Progress \$	Total \$
Balance as at 1st July 2010	49,121,742	326,610	2,398,444	7,896,910	8,290,693	68,034,399
Additions	8,220,063	1,136	701,081	2,938,556	3,524,114	15,384,950
(Disposals/Transfers)	(122,554)	0	(1,990)	(2,472,978)	(7,815,656)	(10,413,178)
Revaluations – Increments (Decrements)	0	0	0	0	0	0
Impairment – (Losses) Reversals	0	0	0	0	0	0
Depreciation (expense)	(1,150,165)	0	(814,373)	196,258	0	(1,768,280)
<b>Balance as at 30 June 2011</b>	<b>56,069,086</b>	<b>327,746</b>	<b>2,283,162</b>	<b>8,558,746</b>	<b>3,999,151</b>	<b>71,237,891</b>

## 8. infrastructure

Infrastructure	2011 \$	2010 \$
Roads - Cost	210,829,008	203,730,254
Less Accumulated Depreciation	(75,422,404)	(70,263,788)
<b>TOTAL ROADS - COST</b>	<b>135,406,604</b>	<b>133,466,466</b>
Footpaths - Cost	5,862,652	5,573,384
Less Accumulated Depreciation	(2,186,204)	(1,994,321)
<b>TOTAL FOOTPATHS - COST</b>	<b>3,676,448</b>	<b>3,579,063</b>
Drainage - Cost	18,412,686	17,573,366
Less: Accumulated Depreciation	(9,228,449)	(8,855,583)
<b>TOTAL DRAINAGE - COST</b>	<b>9,184,237</b>	<b>8,717,783</b>
Other - Cost	58,976,088	57,512,381
Less: Accumulated Depreciation	(16,688,198)	(14,394,074)
<b>TOTAL OTHER - COST</b>	<b>42,287,890</b>	<b>43,118,307</b>
Total Infrastructure Cost	294,080,434	284,389,385
Less: Accumulated Depreciation	(103,525,255)	(95,507,766)
<b>TOTAL INFRASTRUCTURE</b>	<b>190,555,179</b>	<b>188,881,619</b>



## 8. infrastructure, contd.

### Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

Infrastructure	Roads \$	Footpaths \$	Drainage \$	Other \$	Total \$
Balance as at 1st July 2010	133,466,466	3,579,063	8,717,783	43,118,307	188,881,619
Additions	7,098,755	289,268	839,320	1,463,707	9,691,050
(Disposals)					
Revaluations – Increments (Decrements)					
Impairment – (Losses) Reversals					
Depreciation (expense)	(5,158,617)	(191,883)	(372,866)	(2,294,124)	(8,017,490)
<b>Balance as at 30 June 2011</b>	<b>135,406,604</b>	<b>3,676,448</b>	<b>9,184,237</b>	<b>42,287,890</b>	<b>190,555,179</b>

## 9. trade and other payables

Trade and Other Payables	2011 \$	2010 \$
<b>CURRENT</b>		
Sundry Accruals	791,429	1,047,082
Creditors	2,107,994	4,780,512
Prepaid Rates	548,011	198,775
Provision - Gravel Pit regeneration	210,980	255,158
Income received in advance	339,121	279,198
Accrued Wages	101,672	46,995
Accrued Interest	42,903	48,446
<b>TOTAL CURRENT TRADE AND OTHER PAYABLES</b>	<b>4,142,110</b>	<b>6,656,166</b>

## 10. long term borrowings

Long Term Borrowings	2011 \$	2010 \$
<b>Current</b>		
Current Loans		
Secured by Floating Charge		
Debentures	7,138,175	2,532,106
Lease Liability		
<b>Non-Current</b>		
Non-Current Loans		
Secured by Floating Charge		
Debentures	12,626,394	18,264,569
Lease Liability		
<b>TOTAL BORROWINGS</b>	<b>19,764,569</b>	<b>20,796,675</b>

Additional detail on borrowings is provided in Note 22.

## 11. employee provisions

Employee Provisions	2011 \$	2010 \$
<b>Current</b>		
Provision for Annual Leave	1,219,992	911,800
Provision for Long Service Leave	1,161,586	1,334,016
<b>Total Current Employee Provisions</b>	<b>2,381,578</b>	<b>2,245,816</b>
<b>Non-Current</b>		
Provision for Long Service Leave	464,911	364,845

## 12. reserves

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside is detailed below.

Airport Reserve	2011 \$	2011 Budget \$	2010 \$
To facilitate the future development and improvements at the Albany Airport.			
Opening Balance	820,565	816,025	502,817
Transferred from Accumulation	375,309	286,558	317,748
Transferred to Accumulation	(50,000)	0	
Closing Balance	<b>1,145,874</b>	<b>1,102,583</b>	<b>820,565</b>
<b>Albany Entertainment Centre</b>			
To provide for future funding requirements of the AEC			
Opening Balance	500,000	0	0
Transferred from Accumulation	613,961	510,626	500,000
Transferred to Accumulation	(625,000)		0
Closing Balance	<b>488,961</b>	<b>510,626</b>	<b>500,000</b>
<b>ALAC – Future Development Reserve .</b>			
To facilitate the development, redevelopment of future improvements at the Albany Leisure & Aquatic Centre			
Opening Balance	0	0	87,289
Transferred from Accumulation		0	2,921
Transferred to Accumulation			
Change of Purpose			(90,210)
Closing Balance	<b>0</b>	<b>0</b>	<b>0</b>



## 12. reserves, contd.

	2011 \$	2011 Budget \$	2010 \$
<b>ALAC Synthetic Surface "Carpet" Reserve</b>			
To provide a replacement of the synthetic surface "carpet"			
Opening Balance	95,166	116,678	85,928
Transferred from Accumulation	20,217	5,797	9,238
Transferred to Accumulation	0		0
Closing Balance	115,383	122,475	95,166
<b>Albany Classic Barriers</b>			
To provide funding for the roadside barriers for the Albany Classic Event.			
Opening Balance	40,635	34,813	49,313
Transferred from Accumulation	2,177	740	1,615
Transferred to Accumulation			(10,293)
Change of Purpose			0
Closing Balance	42,812	35,553	40,635
<b>Amity Improvements Reserve</b>			
To facilitate maintenance and development works of the Brig Amity.			
Opening Balance	0	0	17,752
Transferred from Accumulation			594
Transferred to Accumulation			
Change of Purpose			(18,346)
Closing Balance	0	0	0
<b>ANZAC Centenary</b>			
To provide funding for the ANZAC Centenary			
Opening Balance	83,508	83,065	70,877
Transferred from Accumulation	67,688	1,765	12,631
Transferred to Accumulation		60,000	
Closing Balance	151,196	144,830	83,508
<b>Bayonet Head Infrastructure Reserve</b>			
To hold owner funding for infrastructure items and works within the Bayonet Head Outline Development Plan Area.			
Opening Balance	51,332	51,059	49,678
Transferred from Accumulation	2,750	1,085	1,654
Transferred to Accumulation			
Closing Balance	54,082	52,144	51,332

## 12. reserves, contd.

	2011 \$	2011 Budget \$	2010 \$
<b>Car Parking Reserve</b>			
To provide for the acquisition of land, the development of land for car parking within the Central Business District.			
Opening Balance	49,992	0	236,554
Transferred from Accumulation	34,289	0	7,907
Transferred to Accumulation			
Change of Purpose			(194,469)
Closing Balance	84,281	0	49,992
<b>Council Publications Reserve</b>			
To provide for reprinting of Council Publications.			
Opening Balance	0	0	8,916
Transferred from Accumulation			298
Transferred to Accumulation			
Change of Purpose			(9214)
Closing Balance	0	0	0
<b>Emu Point Boat Pens Development Reserve</b>			
To provide for the development/redevelopment of the Emu Point Boat Pens.			
Opening Balance	210,682	170,972	124,895
Transferred from Accumulation	80,859	62,175	85,787
Transferred to Accumulation			
Closing Balance	291,541	233,147	210,682
<b>Long Service Leave &amp; Gratuities Reserve</b>			
To provide for long service leave payments and lump sum and special payments to employees on retirement, resignation & termination.			
Opening Balance	0	0	210,717
Transferred from Accumulation			6,073
Transferred to Accumulation			(4,864)
Change of Purpose			(211,926)
Closing Balance	0	0	0
<b>Lost and Damaged Stock Reserve</b>			
To provide for replacement of lost or damaged library stocks.			
Opening Balance	0	0	12,030
Transferred from Accumulation			403
Transferred to Accumulation			
Change of Purpose			(12,433)
Closing Balance	0	0	0



## 12. reserves, contd.

	2011 \$	2011 Budget \$	2010 \$
<b>Masterplan Funding Reserve</b>			
To provide for funding of asset masterplans			
Opening Balance	354,473	225,884	654,247
Transferred from Accumulation	342,713	1,645,123	15,226
Transferred to Accumulation	(128,500)	0	(315,000)
Closing Balance	568,686	1,871,007	354,473
<b>Parks Development Reserve</b>			
To provide for the development/enhancement of parks and park facilities:			
Opening Balance	68,760	0	66,544
Transferred from Accumulation	3,684	0	2,216
Transferred to Accumulation		0	
Closing Balance	72,444	0	68,760
<b>Parks, Recreation Grounds &amp; Open Space Reserve</b>			
For the purchase of land for parks, recreation grounds			
Opening Balance	435,796	0	390,240
Transferred from Accumulation	328,630	0	45,556
Transferred to Accumulation	0	0	0
Closing Balance	764,426	0	435,796
<b>Plant Replacement Reserve</b>			
To provide for the future replacement of plant, and reduce dependency on loans for this purpose.			
Opening Balance	286,684	361,795	86,193
Transferred from Accumulation	1,518,385	1,246,366	858,491
Transferred to Accumulation	(1,397,174)	(1,397,174)	(658,000)
Closing Balance	407,895	210,987	286,684
<b>Property Acquisition-Traffic Management Reserve</b>			
To facilitate traffic management through the strategic acquisition of land.			
Opening Balance	0	343,684	350,960
Transferred from Accumulation	0	7,304	11,743
Transferred to Accumulation		0	0
Change of Purpose	0	0	(362,703)
Closing Balance	0	350,988	0
<b>Refuse Depot Reserve</b>			
To facilitate the rehabilitation, redevelopment and development of refuse sites.			
Opening Balance	161,356	318,903	679,513
Transferred from Accumulation	1,490,986	984,467	266,843
Transferred to Accumulation	(447,060)	(350,000)	(785,000)
Closing Balance	1,205,282	953,370	161,356

## 12. reserves, contd.

	2011 \$	2011 Budget \$	2010 \$
<b>Roadworks Reserve</b>			
To facilitate roadworks			
Opening Balance	133,572	0	620,331
Transferred from Accumulation	46,534		83,024
Transferred to Accumulation			
Change of Purpose			(569,783)
Closing Balance	180,106	0	133,572
<b>SBS Equipment Reserve</b>			
To provide for necessary maintenance, or replacement			
Opening Balance	0	0	4,618
Transferred from Accumulation			154
Transferred to Accumulation			
Change of Purpose			(4,772)
Closing Balance	0	0	0
<b>Software Enhancement Reserve</b>			
To provide for future software development			
Opening Balance	0	0	54,004
Transferred from Accumulation			1,807
Transferred to Accumulation			
Change of Purpose			(55,811)
Closing Balance	0	0	0
<b>Planning Reserve</b>			
Carry over committed funds from prior years			
Opening Balance	3,487,768	4,047,712	5,783,725
Transferred from Accumulation	25,066	2,575,393	3,598,338
Transferred to Accumulation	(3,042,339)	(4,234,475)	(5,894,810)
Closing Balance	470,495	2,388,630	3,487,253
<b>Town Jetty Replacement Reserve</b>			
To facilitate the replacement of part of the Town Jetty as required in the license.			
Opening Balance	0	0	80,609
Transferred from Accumulation			2,697
Transferred to Accumulation			
Change of Purpose			(83,306)
Closing Balance	0	0	0
<b>Tyre Disposal Reserve</b>			
To facilitate the disposal of tyres deposited on Council Land			
Opening Balance	0	0	23,285
Transferred from Accumulation			779
Transferred to Accumulation			
Change of Purpose			(24,064)
Closing Balance	0	0	0



**12. reserves, contd.**

VAC Reserve	2011 \$	2011 Budget \$	2010 \$
To facilitate future development at the Vancouver Arts Centre			
Opening Balance	0	0	13,566
Transferred from Accumulation			454
Transferred to Accumulation			
Change of Purpose			(14,020)
Closing Balance	0	0	0
<b>Total</b>			
Opening Balance	6,780,289	6,587,806	10,264,605
Transferred from Accumulation	4,953,248	7,392,562	5,334,711
Transferred to Accumulation	(5,690,072)	(5,981,649)	(7,667,967)
Change of Purpose			(1,651,057)
<b>Closing Balance</b>	<b>6,043,465</b>	<b>7,998,719</b>	<b>6,280,292</b>
<b>Represented by:</b>			
Cash and Cash Equivalent (Note 3)	5,003,006	7,197,963	5,725,809
Financial Assets (Note 4)	327,010	800,755	1,054,480
Cash shortfall - (Note 4 (b))	713,448		
	<b>6,043,464</b>	<b>7,998,718</b>	<b>6,780,289</b>

**13. reserves - asset revaluation**

Reserves - Asset Revaluation	2011 \$	2010 \$
Asset revaluation reserves movement:		
Opening Balance	18,774,634	18,774,634
Revaluation Increment		
Revaluation Decrement		
Closing Balance	18,774,634	18,774,634

**14. notes to the cash flow statement****a) Reconciliation of Cash**

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

Reconciliation of Cash	2011 \$	2010 \$
Cash and Cash Equivalents	12,401,413	10,714,712
<b>(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>		
Net Result	(520,124)	(3,492,878)
Depreciation	11,449,614	11,226,465
Provision for Doubtful Debts	0	1,409
(Increase)/Decrease in Receivables	1,293,735	(527,472)
(Increase)/Decrease in Inventories	1,404,367	(50,170)
Increase/(Decrease) in Payables	(2,564,252)	2,923,916
Increase/(Decrease) in Employee Provisions	290,505	(165,801)
Consolidation of Trust Controlled Transactions	(157,748)	(513,209)
Grants/Contributions for the Development of Assets		
<b>Net Cash from Operating Activities</b>	<b>11,196,097</b>	<b>9,402,260</b>
<b>(c) Undrawn Borrowing Facilities Credit Standby Arrangements</b>		
Bank Overdraft limit		0
Bank Overdraft at Balance Date		0
Credit Card limit	50,000	50,000
Credit Card Balance at Balance Date	(3,714)	(2,143)
<b>Total Amount of Credit Unused</b>	<b>46,286</b>	<b>47,857</b>
<b>Loan Facilities</b>		
Loan Facilities - Current	7,138,175	2,532,106
Loan Facilities - Non-Current	12,626,394	18,264,569
<b>Total Facilities in Use at Balance Date</b>	<b>19,764,569</b>	<b>20,796,675</b>
<b>Unused Loan Facilities at Balance Date</b>	<b>46,286</b>	<b>47,857</b>

**15. contingent liabilities**

A potential un-insurable legal claim relating to a dispute with a land developer may result in a cost to the City of Albany. The City has several insurance claims pending which may result in excess payments of \$53,000. Please note that the Commonwealth Bank of Australia and Western Australian Treasury Department hold security over the rates revenue of the City in relation to loan advances to the City.



## 16. capital and leasing commitments

Capital and Leasing Commitments	2011 \$	2010 \$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	51,217	54,142
- later than one year but not later than five years	65,341	154,684
- later than five years	0	0
	<b>116,558</b>	<b>208,826</b>
(a) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	252,176	3,089,884
- plant & equipment purchases	4,091	0
Payable:		
- not later than one year	<b>256,267</b>	<b>3,089,884</b>
The capital expenditure projects outstanding at the end of the current reporting period represents:		
Emu Point Ablution Block	14,728	0
Emu Point Path Re-alignment	39,550	0
Willyung Rd Design	10,800	0
Pfeffer Rd Design	50,500	0
Anzac Peace Park	36,250	0
ALAC Stage 2	0	3,024,087
Lower Denmark Road Reconstruction	100,348	65,797
	<b>252,176</b>	<b>3,089,884</b>

## 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:

Joint Venture	2011 \$	2010 \$
<b>Non-Current Assets</b>		
Plant & Equipment	350,982	350,982
Less: Accumulated Depreciation	106,977	99,957
	<b>244,005</b>	<b>251,025</b>
<b>Revenue</b>		
Joint Venture (Income)/Expenditure	<b>39,734</b>	<b>(4,821)</b>

## 18. 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:

Trust Funds	Balance 1 July 2010 \$	Amounts Received \$	Amounts Paid \$	Balance 30 June 2011 \$
Gala Flood Benefit	0	60,790	37,761	23,029
Albany Heartsafe	0	50,640	48,780	1,860
Amity Trust	31,302	0	0	31,302
Point King Lighthouse	1,980	0	0	1,980
Recycling Committee	3,871	0	0	3,871
Auspiced Grants	1,277	1,400	1,400	1,277
Commission Sales- AVC	0	229,869	123,935	105,934
<b>Total Trust Funds</b>	<b>38,430</b>	<b>342,699</b>	<b>211,876</b>	<b>169,253</b>

## 19. total assets classified by function and activity

Total Assets Classified by Function and Activity	2011 \$	2010 \$
Governance	7,311,271	7,506,170
Law, Order, Public Safety	2,277,092	1,873,972
Health	202,180	202,180
Education and Welfare	375,784	194,428
Community Amenities	20,072,523	18,050,084
Recreation and Culture	51,459,421	44,129,083
Transport	179,720,322	176,245,673
Economic Services	5,275,552	5,238,956
Other Property and Services	10,464,368	10,835,927
Unallocated	7,321,037	13,523,297
<b>Total Assets</b>	<b>284,479,550</b>	<b>277,799,770</b>

## 20. disposal of assets - 2010-2011 financial year

The following assets were disposed of during the year.

Disposal of Assets	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant & Equipment	811,123	1,070,087	953,757	1,111,091	142,634	41,004
	811,123	1,070,087	953,757	1,111,091	142,634	41,004



## 21. financial ratios

Financial Ratios	2011	2010	2009
Current Ratio	81.3%	117.4%	73.7%
Untied Cash to Unpaid Trade Creditors Ratio	273.6%	51.2%	19.7%
Debt Ratio	9.8%	11.3%	11.2%
Debt Service Ratio	9.0%	7.5%	11.1%
Gross Debt to Revenue Ratio	46.7%	56.9%	63.2%
Gross Debt to Economically Realisable Assets Ratio	22.6%	25.9%	26.2%
Rate Coverage Ratio	46.0%	63.3%	58.5%
Outstanding Rates Ratio	3.3%	5.4%	3.7%

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted current assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to 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	$\frac{\text{rates outstanding}}{\text{rates collectable}}$

## 22. information on borrowing

## (a) Loan Repayments

Particulars	Principal Repayments			Principal 30 June 2011			Interest Repayments		
	Principal 1/07/2010	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Saleyards Loan	397,454	28,797	28,797	368,657	368,657	26,095	26,095	26,095	26,095
Computer Upgrade	50,347	50,348	50,348	0	0	1,503	1,503	1,503	1,503
Plant Purchases 2000-2001	56,641	56,641	56,641	0	0	1,691	1,691	1,691	1,691
Jetty	19,255	19,255	19,255	0	0	628	628	628	628
Liquid Waste Project	190,170	21,872	21,872	168,298	168,298	12,979	12,979	12,979	12,979
Dive Ship	237,713	27,340	27,340	210,373	210,373	16,223	16,223	16,223	16,223
Plant	125,336	60,556	60,556	64,780	64,781	7,543	7,506	7,506	7,506
Airport-Loan 145 Renegotiated	27,446	13,260	13,260	14,186	14,186	1,652	1,652	1,652	1,652
Library Development	386,367	39,723	39,723	346,644	346,644	20,296	20,296	20,296	20,296
Recreation	129,420	13,306	13,306	116,114	116,114	6,798	6,245	6,245	6,245
Waste Management	127,526	13,111	13,111	114,415	114,415	6,699	6,699	6,699	6,699
Roadworks - Asset Upgrade	1,543,342	75,310	75,310	1,468,032	1,468,032	109,827	108,678	108,678	108,678
Roadworks - Refinanced	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	74,498	75,186	75,186	75,186
Roadworks - Refinanced				1,500,000					
Roadworks - 03/04	655,149	29,637	29,637	625,512	625,513	42,881	42,654	42,654	42,654
Plant - 03/04	119,052	119,052	119,052	0	0	5,479	5,479	5,479	5,479
Admin Building 1	964,158	41,659	41,659	922,499	922,499	55,985	55,985	55,985	55,985
LGSHA (2) - Principal Balance *	40,787	19,828	19,828	20,959	20,958	2,079	2,079	2,079	2,079
Roadworks - 04/05	1,700,094	73,458	73,458	1,626,636	1,626,637	99,412	98,631	98,631	98,631
Asset Masterplan	3,266,620	188,482	188,482	3,078,138	3,078,137	206,912	204,766	204,766	204,766



22. information on borrowings, contd.

(a) Loan Repayments contd.

Loan Repayments Particulars	Principal 1/07/2010		Re-financed Loans		Principal Repayments		Principal 30/06/2011		Interest Repayments	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
ALAC Redevelopment	2,320,514		79,025	79,025	2,241,489	2,241,488	147,630	146,460		
ALAC Redevelopment	2,139,284		61,446	61,446	2,077,838	2,077,838	152,590	150,563		
Subdivision Funding	3,300,000		0	0	3,300,000	3,300,000	177,262	175,560		
Admin Building 2 A	1,500,000		0	0	1,500,000	1,500,000	109,800	109,800		
<b>Total</b>	<b>20,796,675</b>	<b>1,500,000</b>	<b>2,532,106</b>	<b>2,532,106</b>	<b>19,764,570</b>	<b>18,264,570</b>	<b>1,286,462</b>	<b>1,277,358</b>		

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

b) Re-financed Debentures – 2010-11

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges		Interest Rate %	Amount Used		Balance Unspent
	Actual \$	Budget \$				\$	\$		Actual \$	Budget \$	
Roadworks	1,500,000	0	WATC	Interest Only	1	78,000	78,000	5.20	1,500,000	0	0

23. rating information - 2010-2011 financial year

Rating Information	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$
<b>RATE TYPE</b>									
<b>General Rate</b>									
GRV Occupied	11.1869	12,654	170,085,206	19,027,262		19,027,262	22,282,839		22,282,839
GRV Vacant	5.7821	762	16,006,209	925,495		925,495			
UV	0.2849	1267	788,699,193	2,247,003		2,247,003	2,298,539		2,298,539
<b>Sub-Totals</b>		<b>14,683</b>	<b>974,790,608</b>	<b>22,199,760</b>		<b>22,199,760</b>	<b>24,581,378</b>		<b>24,581,378</b>
<b>Minimum Rates</b>									
GRV Occupied	7.25	867	5,063,543	628,575		628,575	638,725		638,725
GRV Vacant	7.25	1639	14,446,897	1,188,275	183,477	1,371,752	179,800	250,000	429,800
UV	7.25	272	31,104,993	197,200		197,200	184,150		184,150
<b>Sub-Totals</b>		<b>2,778</b>	<b>50,615,433</b>	<b>2,014,050</b>	<b>183,477</b>	<b>2,197,527</b>	<b>1,002,675</b>	<b>250,000</b>	<b>1,252,675</b>
<b>Total</b>		<b>17,461</b>	<b>1,025,406,041</b>	<b>24,213,810</b>	<b>183,477</b>	<b>24,397,287</b>	<b>25,584,053</b>	<b>250,000</b>	<b>25,834,053</b>
<b>Total Rates Raised</b>									
<b>25,834,053</b>									
Discount (see Note 24)									
<b>(260,000)</b>									
<b>Sub-total Made up from Rates</b>									
<b>25,574,053</b>									
Back Rates									
<b>10,875</b>									
Ex Gratia Rates									
<b>60,000</b>									
<b>Total Made up from Rates</b>									
<b>25,644,928</b>									



## 24. discounts, incentives, concessions and write-offs - 2010-2011 financial year

Discounts, Incentives, Concessions, WriteOffs	Type	Discount %	Total	Budget \$
General Rates	Discount	2%	283,286	260,000
Rate Assessment	Write-Off	N/A	745	0

The City of Albany offered ratepayers the opportunity to claim a 2% discount on current rates, by making payment in full by the due date (ie: within 35 days of the date of the service of the rate notice). Payment had to include all arrears and accrued interest.

## 25. interest charges and instalments - 2010-2011 financial year

Interest Charges and Instalments	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		146,569	80,000
Interest on Instalments Plan	5.50%		116,437	90,000
ESL Penalty Interest	11.00%		8,267	0
Instalment Charges		3.00	34,092	30,000
<b>Total Interest Charges and Instalments</b>			<b>305,365</b>	<b>200,000</b>

In accordance with Section 6.45 (1) *Local Government Act 1995*, ratepayers had the option of paying rates in four equal instalments, due on 1 September 2010, 1 November 2010, 4 January 2011 and March 2011. Administration charges and interest applied for the final three instalments.

## 26. fees and charges

Fees and Charges	2011 \$	2010 \$
Governance	0	0
General Purpose Funding	0	0
Law, Order, Public Safety	88,488	92,185
Health	57,449	7,203
Education and Welfare	744,323	720,876
Community Amenities	5,705,186	4,626,367
Recreation and Culture	2,110,067	2,250,530
Transport	1,514,044	1,019,925
Economic Services	440,906	701,559
Other Property and Services	741,353	684,328
<b>Total Fees and Charges</b>	<b>11,401,816</b>	<b>10,102,973</b>

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

## 27. grant revenue

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

Grant Revenue	2011 \$	2010 \$
<b>BY NATURE AND TYPE</b>		
Operating Grants and Subsidies	3,570,141	3,424,202
Non-Operating Grants and Subsidies	9,180,800	5,876,907
<b>Total Grant Revenue</b>	<b>12,750,941</b>	<b>9,301,109</b>
<b>BY PROGRAM</b>		
Governance	0	0
General Purpose Funding	3,387,502	3,148,384
Law, Order, Public Safety	38,000	11,200
Education and Welfare	(18,851)	58,208
Community Amenities	1,032,108	88,534
Recreation and Culture	3,193,849	1,581,556
Transport	5,098,333	4,358,227
Economic Services	20,000	20,000
Other Property and Services	0	35,000
<b>Total Grant Revenue</b>	<b>12,750,941</b>	<b>9,301,109</b>

## 28. employee numbers

Employee Numbers	2011	2010
The number of full-time equivalent employees at balance date	250	250

## 29. elected members remuneration

The following fees, expenses and allowances were paid to elected members:

Elected Members Remuneration	2011 \$	2011 Budget \$	2010 \$
Mayor Fees	14,000	14,000	14,000
Mayor Allowances	13,800	14,400	14,400
Deputy Mayor Fees	7,000	7,000	7,000
Deputy Mayor Allowances	4,800	5,400	5,400
Councillors Fees	71,477	77,000	70,000
Councillors Allowances	16,580	26,400	22,482
Other expenses	17,978	0	12,667
	<b>145,635</b>	<b>144,200</b>	<b>145,949</b>



### 30. employees remuneration

Set out below, in bands of \$10,000, is the number of employees of the City entitled to an annual salary of \$100,000 or more as at 30 June 2011.

Employees Remuneration			
Salary Range \$	2011	2010	
100,000 - 109,999	1	3	
110,000 - 119,999			
120,000 - 129,999			
130,000 - 139,999			
140,000 - 149,999	1	2	
150,000 - 159,999	2		
160,000 - 169,999			
170,000 - 179,999	1	1	
250,000 - 259,000	1	1	

### 31. major land transactions

#### The Ridge – Cull Road Subdivision

- (a) This land was developed in prior years, with 30 Stage 1A lots becoming available for sale in 2010-2011.  
 (b) Current Year Transactions.

Major Land Transactions	2011 \$	2011 Budget \$	2010 \$
<b>Operating Income</b>			
Profit/(Loss) on Sale	0	0	0
<b>Capital Income</b>			
Sale Proceeds	282,721	1,500,000	0
<b>Capital Expenditure</b>			
Development Costs	22,962	25,248	1,791,335
Financing Costs	177,262	175,560	223,156

#### (c) Expected Future Cash Flows

Major Land Transactions	2012 \$	2013 \$	2014 \$	Total \$
<b>Cash Outflows</b>				
Development Costs	0	0	0	0
Loan Repayments	3,474,926	174,926	3,474,926	7,124,778
<b>Cash Inflows</b>				
Loan Proceeds	3,300,000	0	0	3,300,000
Sale Proceeds	2,000,000	620,558	0	2,620,558
<b>Net Cash Flows</b>	<b>1,825,074</b>	<b>445,632</b>	<b>(3,474,926)</b>	<b>(1,204,220)</b>

### 32. financial risk management

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2011 \$	2010 \$	2011 \$	2010 \$
<b>Financial Assets</b>				
Cash and cash equivalents	12,074,403	9,660,231	12,074,403	9,660,231
Receivables	2,136,618	3,428,043	2,136,618	3,428,043
Financial assets at fair value through profit or loss	327,010	1,054,480	327,010	1,054,480
Available-for-sale financial assets				
Held-to-maturity investments				
	<b>14,538,031</b>	<b>14,142,754</b>	<b>14,538,031</b>	<b>14,142,754</b>
<b>Financial Liabilities</b>				
Payables	4,142,110	6,656,166	4,142,110	6,656,166
Borrowings	19,764,569	20,796,675	19,764,569	20,796,675
	<b>23,906,679</b>	<b>27,452,841</b>	<b>23,906,679</b>	<b>27,452,841</b>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings, Held-to-Maturity Investments – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial Assets at Fair Value through profit and loss, Available for Sale Financial Assets – based on quoted market prices at the reporting date or independent valuation.

#### (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.



### 32. financial risk management, contd.

#### (a) Cash and Cash Equivalents contd.

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.

Financial Risk Management	30 June 2011 \$	30 June 2010 \$
Impact of a 10% (1) movement in price of investments:		
- Equity	32,701	105,480
- Income Statement(2)	32,701	105,480
Impact of a 1% (1) movement in interest rates on cash		
- Equity	178,726	155,700
- Income Statement	178,726	155,700

#### Notes:

(1) 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.

(2) Maximum impact.

#### (b) Receivables

Council's major receivables comprise rates, annual charges, 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.

### 32. financial risk management, contd.

#### (b) Receivables contd.

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

Financial Risk Management	30 June 2011	30 June 2010
Percentage of Rates and Annual Charges		
- Current	68%	74%
- Overdue	32%	26%
Percentage of Other Receivables		
- Current	97%	97%
- Overdue	3%	3%

#### (c) Payables and 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:

Liquidity Sensitivity Table	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total Contractual Cash flows \$	Carrying values \$
2011					
Payables	4,142,110				4,142,110
Borrowings	8,355,861	7,997,907	10,647,123	27,000,891	19,764,569
<b>Total Payables and Borrowings</b>	<b>12,497,971</b>	<b>7,997,907</b>	<b>10,647,123</b>	<b>27,000,891</b>	<b>23,906,679</b>
2010					
Payables	6,656,166	0	0	6,656,166	6,656,166
Borrowings	3,824,311	13,188,566	12,246,705	29,259,582	20,796,675
<b>Total Payables and Borrowings</b>	<b>10,480,477</b>	<b>13,188,566</b>	<b>12,246,705</b>	<b>35,915,748</b>	<b>27,452,841</b>

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.







# auditors report



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 its 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 have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

### Auditor's Opinion

In our opinion,

- a the financial report of City of Albany:
  - i presents fairly, in all material respects, the Council's financial position as at 30 June 2011 and of its performance and cash flows for the year then ended;
  - 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 the 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 the financial statements.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

P W Warr  
Director - Audit & Assurance

Perth, 2 December 2011



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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 2010-2011 Annual Report's content?

Excellent
  Very Good
  Good
  Average
  Poor

## How would you rate the 2010-2011 Annual Report's presentation?

Excellent
  Very Good
  Good
  Average
  Poor

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

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## Any other constructive comments or suggestions?

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