



ATTACHMENTS

Special Council Meeting

Wednesday 27 November 2013

6.00pm

City of Albany Council Chambers

SPECIAL COUNCIL MEETING
ATTACHMENTS –27/11/2013
** REFER DISCLAIMER **

TABLE OF CONTENTS

Attachment	Report No.	Description	Page No.
A	AR	Audit & Risk Committee	
	AR001	2012-2013 ANNUAL REPORT (includes: Independent Auditors Report to the Ratepayers of the City of Albany and Annual Financial Report for year ended 30 June 2013)	3
B	SCM	Special Council Meeting	
	SCM002	Refer to Attachment A	Not applicable
	SCM003	Nil	Not applicable
	SCM004	<ul style="list-style-type: none"> LETTER FROM WAEC TO HOLD EXTRAORDINARY ELECTION AGREEMENT FROM WAEC TO BE RESPONSIBLE FOR ELECTIONS UP TO END OF 2015 	75 78
	SCM005	ASSESSMENT PANEL RECOMMENDATIONS	79
	SCM006	LETTER FROM EVENTS CORP, DIRECTOR EVENTS GLENN HAMILTON	82
	SCM007	MEMORANDUM FROM H&H ARCHITECTS	84

CITY OF ALBANY
2012-2013
Annual
Report

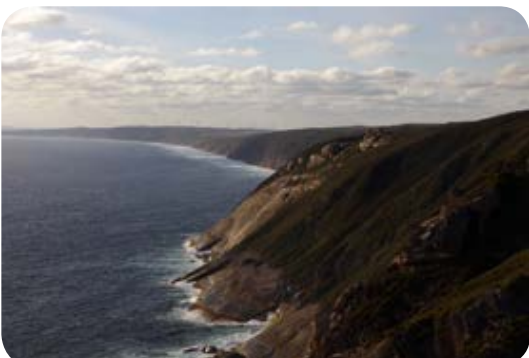




www.amazingalbany.com.au



www.albany.wa.gov.au



Contents

part a

Mayor's Message	4
Chief Executive Officer's Report ...	5
Albany in Brief	6
City of Albany Wards	8
Community Strategic Planning ...	11
Five key themes	12

part b

City of Albany Financial Report	18
Statement by Chief Executive Officer	19
Financial statements	20
Notes to and forming part of the financial report	26
Auditor's report	71

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

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

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

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

Images reproduced are for illustrative purposes and are not to scale.
Reproduced by the permission of Landgate, Copyright License PA140-2011.

Mayor's Message



2012-13 was a watershed year for the City of Albany as it transitioned into what is certain to be a new era of sustained stability, growth and prosperity.

I am proud to have been part of what has been one of the most stable and positive periods Council has experienced following a period of challenging complexity.

The City has continued to provide important and value-for-money services to the Albany community.

Together with the City's very diligent and professional staff, Council has developed a conscientious and balanced budget with a minimal increase in rates.

Council also adopted one of the most significant new policies in recent memory – the Integrated Planning and Reporting Framework. At the heart of this framework is the Community Strategic Plan 2023, a comprehensive document which was developed following extensive consultation with the Albany community and will provide the basis for all future council decisions.

The format of this annual report represents a slight departure from that of previous years.

The Community Strategic Plan 2023 was adopted at the end of 2012-13.

It has been decided to base the first section of the 2012-

13 report on the five key themes of the plan.

This differs from previous publications which reported on the four directorates the City of Albany operates under: Corporate Services, Community Services, Planning and Development Services and Works and Services.

Reporting against the Community Strategic Plan 2023 shows that the City was already actively working towards achieving the goals set out by the plan even as it was under development.

I acknowledge and thank all my fellow elected members of Council for their drive, commitment, civic leadership and professionalism over the past year.

Some Councillors may move on as a result of the October local government election. Being a Councillor is a challenging role and I thank all Councillors for their service.

On behalf of Council, I also extend my thanks to Chief Executive Graham Foster, who has been a calm, inspiring and highly professional figure since his appointment by Council in late 2012.

Mr Foster brings to the role the serene composure of a seasoned local government veteran and has been a significant positive influence on staff and Councillors.

I would also extend my thanks to Linda Hill, the City's former acting Community Services Executive Director, who stepped into the CEO's role temporarily before Mr Foster's appointment.

Mr Foster's executive team Garry Adams, Cameron Woods, Dale Putland and Matthew Thomson have demonstrated leadership and professionalism in delivering, maintaining and improving quality services to the community.

I would like to extend my gratitude to them, and the City's entire workforce of bright and dedicated people, for the excellent work that they do.

But most of all I would like to thank the Albany community for making this the best place in Australia.

Albany is closing in on what will be one of its defining moments - the Anzac Centenary - in November 2014.

I genuinely feel Albany is on the cusp of a renaissance and I know the Albany community shares the sense of optimism I and my fellow Councillors feel for Albany's future.

Dennis Wellington

Mayor

Chief Executive Officer's Report



As you may be aware, Albany City Council appointed me to the role of Chief Executive Officer of the City of Albany following a period of uncertainty and transition.

After approximately six months in the role I can confidently say that the City of Albany is in a very strong position, and I am enormously optimistic about the future.

Since late last year I have had the pleasure of working with one of the most stable, hardworking and positive Councils I have encountered and I have every belief that trend will continue.

The City's wonderful group of dedicated and hardworking staff, under the guidance of four very capable Executive Directors, again made every effort to meet the needs of current and future generations through a range of environmental, social and economic programs and services aimed at giving the local community a range of healthy lifestyle choices and options.

During 2012-13 fantastic progress was made on several major projects, including the Mt Clarence infrastructure upgrades, the Centennial Park redevelopment project, the North Road and Sanford Road drainage infrastructure improvements and the Emu Point coastal

protection strategy, among others.

Importantly, major headway was made towards getting Albany ready for the Anzac Centenary commemorations beginning in November next year.

Momentum is building towards what is sure to be a defining period in this City's history.

It is a legislative requirement to prepare an annual financial report. The challenge for any organisation is to clearly explain how municipal funds are spent.

The City of Albany successfully did so through the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other information to the financial report, and my statement accepting the auditor's report which is contained in Part b of this report.

The City of Albany is proud to provide such a diverse range of services across so many different areas.

The City is a large and complex organisation encompassing several separate and unique business units across a very wide geographical area of well over 4000 square kilometres. It is sometimes easy to forget just how large the City is, both in terms of geography and the City of Albany organisation.

As a reminder, the following institutions are the responsibility of the City of Albany:

- City of Albany North Road Administration Building
- City of Albany Mercer Road Depot
- Albany Public Library
- Vancouver Arts Centre
- Albany Regional Airport
- Albany Visitor Centre
- Albany Leisure and Aquatic Centre
- Albany Regional Day Care Centre
- Princess Royal Fortress
- Albany Town Hall

Ensuring the smooth running of all these varied services is no small feat and I am continually impressed at the dedication and professionalism of everyone involved.

Graham Foster

Chief Executive Officer

Albany in Brief



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

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

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

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

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

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

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

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

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

Albany has a busy port, modern airport, vibrant CBD

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

On November 1 2014 all eyes will be on Albany for beginning of the Anzac Centenary commemorative period which is sure to herald a new era for the region.

Our Economy

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

Our People

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

Source:

1 ABS (Estimated as at 30 June 2011)

2 ABS - Albany Local Government Area (Census 2011)

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

4 ABS (Estimated as at 30 June 2011)

5 City of Albany Building Report

6 Regional Development Australia (Great Southern)

Albany in Brief



City of Albany Wards

* Images reproduced are for illustrative purposes and are not to scale. This image reproduced by the permission of Landgate, Copyright License PA140-2011.



Yakamia

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



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



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

Vancouver

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



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



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

West

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



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



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

Frederickstown

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



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



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

Breaksea

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



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



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

Kalgan

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



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



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

Attendance Record Elected Members 2012-13

	JUL 17 2012	AUG 21 2012	AUG 29 2012 SCM	SEPT 18 2012	OCT 16 2012	NOV 20 2012	DEC 18 2012	FEB 19 2013	MAR 19 2013	APR 16 2013	APR 30 2013 SCM	MAY 21 2013	JUN 6 2013 SCM	JUN 25 2013 SCM	JUL 16 2013
Mayor Dennis Wellington	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Deputy Mayor Yvonne Attwell	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓
Cr Chris Holden	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓		✓	✓
Cr Ray Hammond	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓		✓	✓
Cr Vince Calleja		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Cr Greg Stocks				✓	✓		✓	✓	✓	✓		✓	✓		✓
Cr Carolyn Dowling		✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr David Bostock	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓
Cr Sarah Bowles	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr Don Dufty		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Cr Gerry Gregson	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓
Cr Robert Sutton	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Cr Alan Hortin	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓

* SCM denotes Special Council Meeting



Community Strategic Planning

Integrated Strategic Planning Framework

One of the most significant achievements of 2012-13 was the development of the City of Albany's Integrated Planning and Reporting Framework, which was adopted by Council on June 25 2013.

Put very simply, the framework is a way of making sure the City is properly planning for the future. Its development and adoption was a requirement of the State Government.

The City of Albany did not view this State Government requirement as an imposition. Rather it considered it an opportunity to ensure the best possible forward planning was taking place for the future of the City and the community.

City Staff and Councillors, in conjunction with the wider community, put a great deal of time and effort into developing the framework.

The central pillar of the framework – the Community Strategic Plan – was the result of extensive consultation with the Albany community.

It is a vitally important document which will guide all decisions of Council now and into the future.

The three major components of the Integrated Planning and Reporting Framework are:

Community Strategic Plan

An overarching plan that will guide the future direction of Council's policies, plans, projects and decision making over the next ten years to 2023.

Corporate Business Plan

A plan for the City as an organisation to activate the strategies identified in the Strategic Community Plan and drive City operations to 2017.

Annual Budget

The allocation of resources required to deliver the Strategic Community Plan and the Corporate Business Plan. The annual budget will be derived from an annual review of the Corporate Business Plan.



Community Strategic Planning

The following table summarises the role of the Community, Council and City in the ongoing development, delivery and improvement of the integrated strategic planning framework. No major changes to the framework are expected during 2013-14, however it is expected to be fine-tuned on an ongoing basis in response to community feedback.

The Community

Residents, Businesses, Clubs and Organisations

The Community will

- Identify aspirations
- Develop a vision
- Establish goals

The outcome is

- A vision for Albany
- Goal statements to guide Council's strategy

Monitor and Review

- Engage in reviews of strategies
- Provide feedback on progress

The Council

Elected Members who represent their community

The Council will

- Develop strategies to deliver the goals
- Allocate resources

The outcome is

- A 10 year Strategic Community Plan
- Monitoring framework

Monitor and Review

- Review the strategy every two years
- Report back to the community on progress

The City

The organisation led by the Chief Executive Officer

The City will

- Identify actions to deliver the strategy
- Manage resources

The outcome is

- A 4 year Corporate Business Plan
- Annual Budget

Monitor and Review

- Review the plan annually
- Report back to the Council and community on progress

Five key themes

The City's Community Strategic Plan is founded on five key themes developed with the community through a comprehensive engagement program and based on an overall vision for Albany "to be Western Australia's most sought after and unique city to live work, and visit."

The five key themes are:

Smart, Prosperous & Growing

Clean, Green & Sustainable

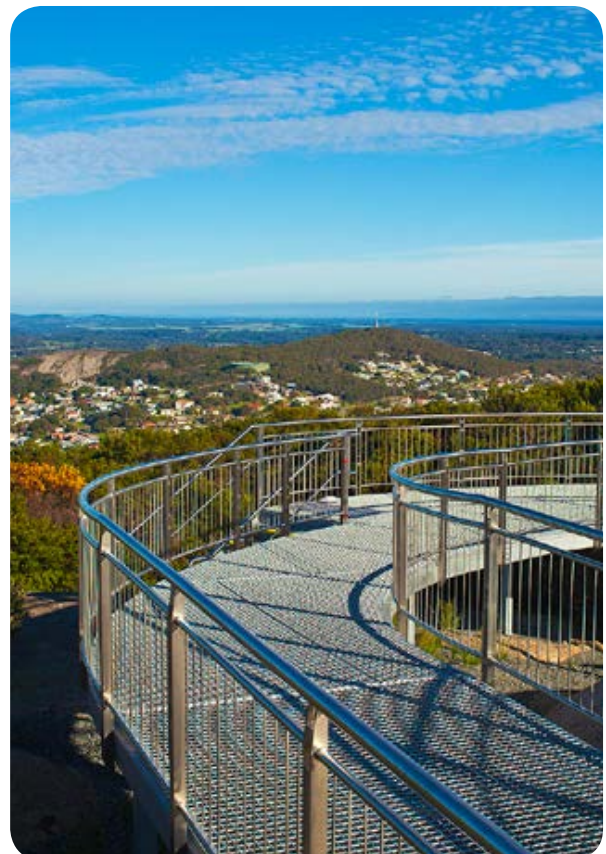
A Connected Built Environment

A Sense of Community

Civic Leadership

The following pages will provide a brief summary of each of the key themes and progress on delivering what is set out in the plan.

For further information, including in depth details of the deliverable goals of the Community Strategic Plan, visit <http://albany.wa.gov.au/home/community-strategic-plan-albany-2023/>



Smart, Prosperous & Growing

Our community wants our region to be positioned to take advantage of opportunities that arise from a modern and growing economy.

This includes a thriving business sector which offers local employment and enterprise opportunities for our community.

In 2012-13 the City of Albany developed economic development strategies and programs that meet our community's aspiration with a focus on:-

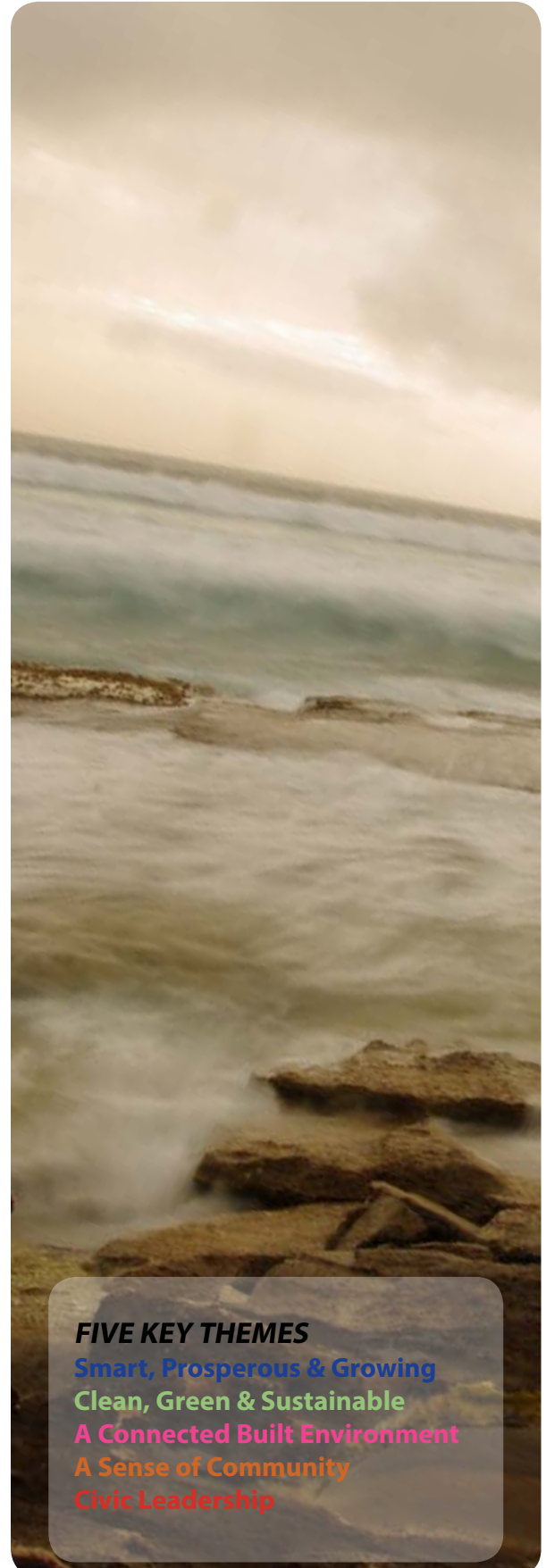
Growth in the education sector by advocating and planning for the long-term goal of Albany becoming a regional university centre

Strengthening our economy by supporting business innovation and diversity through the establishment of a working group to research the feasibility of the Albany Innovation Park: a precinct dedicated to realising Albany's unique regional advantages

Encouraging and supporting community events that promote our City and region by reintroducing significant community funding programs and through partnerships that bring events to the City that provide economic benefits

Promoting Albany and the wider region as a sought after and iconic tourism destination

Revitalising the central city through the establishment of a working group to progress the Central Area Masterplan 2011



FIVE KEY THEMES

Smart, Prosperous & Growing

Clean, Green & Sustainable

A Connected Built Environment

A Sense of Community

Civic Leadership

Clean, Green & Sustainable

The natural assets, coastline and green spaces within the City of Albany municipality are of utmost importance to the community.

Albany would like to see increased use of renewable energy and also expects that we develop and maintain relevant and functional infrastructure in line with contemporary asset management practices.

In 2012-13 the City of Albany developed clean green and sustainable strategies and programs that meet our community's aspiration with a focus on:-

Improved fire management practices to reduce fire risk

Protecting and enhancing our iconic coastline and camping sites

Sustainable asset renewal and maintenance programs

Improved project management and reporting

Reducing the City's carbon footprint

Improved water management practices in catchments

A sustainable and progressive approach to waste management



FIVE KEY THEMES

Smart, Prosperous & Growing

Clean, Green & Sustainable

A Connected Built Environment

A Sense of Community

Civic Leadership

A Connected Built Environment

Our community is looking to be connected by a built environment that meets their needs now and into the future. We want to live in precincts which are alive, thriving, built around the amenities we use at all stages of our life, and which encourage and support healthy lifestyles.

We want to feel safe in our community, while retaining the local character of our neighbourhoods. We love our heritage buildings and would like to see them preserved and used.

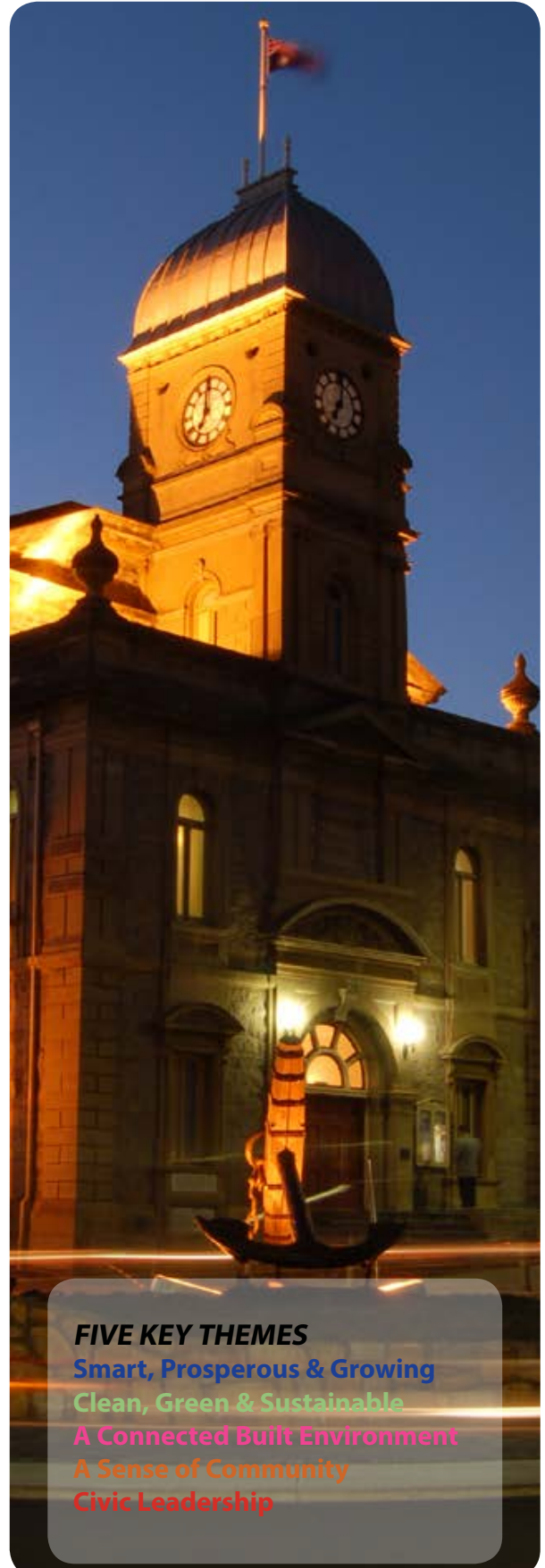
In 2012-13 the City of Albany developed connected built environment strategies and programs that meet our community's aspiration with a focus on:-

Upgrading the Local Planning Strategy to define land use policies that reflect our heritage and support economic growth

Improving traffic flows and city parking to provide a diverse and safe transport system that balance the needs of all users while encouraging cyclists and pedestrians

Enhancing public health awareness programs to improve community understanding of public health issues and activities

Creating interesting and consistent streetscapes that are welcoming and reflect our unique heritage



FIVE KEY THEMES

Smart, Prosperous & Growing

Clean, Green & Sustainable

A Connected Built Environment

A Sense of Community

Civic Leadership

A Sense of Community

Our community is looking to retain the country town atmosphere of our City, ensuring a sense of belonging and a strong connection between our rural and urban communities.

Our residents feel it is important that we know and respect our neighbours, live in communities which support us, and develop programs and events that reflect our love of art, culture and sport.

In 2012-13 the City of Albany developed sense of community strategies and programs that meet our community's aspiration with a focus on:-

A variety of arts and cultural activities that attract local and visiting patrons

Encouraging and supporting community groups and initiatives to help people to work together for the benefit of our community

Providing vibrant, accessible, well-used community facilities

Supporting events and a visitor experience that leaves a lasting memory

Providing a variety of accessible multi-purpose sport and recreation facilities and activities that attract participants and events

Encouraging and supporting volunteers and community groups to get involved and work together to improve the lives of residents

Disability Access and Inclusion Plan

The City of Albany's Disability Access and Inclusion plan 2012-2017 was adopted on October 16 2012. The City undertook several initiatives for the benefit of people living with disabilities during 2012-13.

The City introduced a new category for people with disabilities in the annual City of Albany Sportsperson of the Year Awards.

A major upgrade of the Padre White Lookout (pictured on front cover of this report) was completed. The lookout is fully accessible to people with disabilities.

The Princess Royal Fortress Military Museum partnered with Albany Secondary Education Support Centre to provide volunteering and work experience opportunities for people with disabilities.

Albany Public Library, through a generous donation from Association for the Blind Albany Ladies Auxiliary, increased availability of loan material available to people with disabilities.

The City purchased a Beach Trekker beach wheelchair for use at a popular tourist beach in response to feedback from people with disabilities.



Civic Leadership

Our community is looking for strong and collaborative leadership from an elected body who are innovative, transparent and who make decisions in the best interest of all residents.

In 2012-13 the City of Albany developed civic leadership strategies and programs that meet our community's aspiration with a focus on:-

Improved community confidence and trust in Council

Risk management practices that ensure that decisions made and actions taken reflect the level of associated risk

A culture of continuous improvement that ensures that ratepayers are getting value for their rates

A workforce that is knowledgeable, progressive, resilient and adaptive to change

Councillors and staff working together to deliver community outcomes

Ensuring our community has a variety of opportunities to be involved and to contribute to decisions

Employee remuneration

As at June 25 2013 the number of employees of the City of Albany entitled to an annual salary of \$100,000 or more was 22.

\$100,000 to \$110,000 – 4
 \$110,001 to \$120,000 – 4
 \$120,001 to \$130,000 – 2
 \$130,001 to \$140,000 – 4
 \$140,001 to \$150,000 – 2
 \$150,001 to \$160,000 – 1
 \$160,001 to \$170,000 – 3
 \$170,001 to \$180,000 – 1
 \$240,000 to \$250,000 – 1

Register of certain complaints of minor breaches

The complaints officer for each local government is required to report complaints which result in a person against whom a complaint was made being made to: be publically censured, apologise publically or undertake training.

During 2012-13 no complaints were recorded in the register of complaints in accordance with section 5.121 of the *Local Government Act 1995*.



City of Albany Financial Report

City of Albany

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2013

TABLE OF CONTENTS

Statement by Chief Executive Officer	19
Statement of Comprehensive Income by Nature or Type	20
Statement of Comprehensive Income by Program	21
Statement of Financial Position	22
Statement of Changes in Equity	23
Statement of Cash Flows	24
Rate Setting Statement	25
Notes to and Forming Part of the Financial Report	26 to 70
Independent Audit Report	71 to 72

Statement by Chief Executive Officer

City of Albany

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2013

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed as authorisation of issue on the 21st day of November 2013


Graham Foster
Chief Executive Officer

Financial statements

City of Albany
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Rates	24	27,062,006	27,107,023	25,642,947
Operating Grants, Subsidies and Contributions	30	3,975,968	2,732,950	4,887,130
Contributions, Reimb. & Donations		1,101,607	373,610	665,327
Fees and Charges	29	15,408,390	14,432,869	13,302,006
Interest Earnings	2(a)	1,317,234	825,368	1,376,091
Other Revenue		89,456	115,000	60,493
		<u>48,954,661</u>	<u>45,586,820</u>	<u>45,933,994</u>
Expenses				
Employee Costs		(19,242,660)	(18,739,930)	(16,597,830)
Materials and Contracts		(14,545,431)	(14,259,030)	(12,444,297)
Utility Charges		(1,631,962)	(1,729,483)	(1,910,194)
Depreciation on Non-Current Assets	2(a)	(11,410,560)	(11,812,900)	(11,640,078)
Interest Expenses	2(a)	(950,661)	(909,431)	(1,046,166)
Insurance Expenses		(672,480)	(722,187)	(587,694)
Other Expenditure		(1,408,792)	(1,696,311)	(1,125,551)
Less Expenses Allocated to Infrastructure Assets		962,024	446,022	1,061,644
		<u>(48,900,522)</u>	<u>(49,423,250)</u>	<u>(44,290,166)</u>
		54,139	(3,836,430)	1,643,828
Non-Operating Grants, Subsidies and Contributions	30	9,255,856	6,994,797	3,957,734
Non- Operating Contributions, Reimb. & Donations		931,879	2,500,000	2,165,726
Changes on revaluation of non-current assets - Furniture and Equipment	7	(165,437)	0	0
Fair value adjustments to Non-Current Investment land	2(a)	(3,862,148)	0	(113,739)
Profit on Sale of Investments		2,105,390	0	0
Profit/(Loss) on Sale of Investment Land	33	(46,676)	(214,847)	33,598
Profit/(Loss) on Asset Disposals	22	84,069	(79,202)	(18,345)
		<u>8,357,072</u>	<u>5,364,318</u>	<u>7,668,802</u>
Net Result				
Other Comprehensive Income				
Changes on revaluation of non-current assets				
- Plant and Equipment & Furniture and Equipment	14	710,516	0	0
		<u>710,516</u>	<u>0</u>	<u>0</u>
Total Other Comprehensive Income		<u>710,516</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>9,067,588</u></u>	<u><u>5,364,318</u></u>	<u><u>7,668,802</u></u>

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

City of Albany
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 \$	2013 Budget (\$)	2012 \$
Revenue	2(a)			
Governance		8,271	0	39,061
General Purpose Funding		32,356,360	30,724,240	31,647,325
Law, Order, Public Safety		379,568	234,100	296,746
Health		80,374	71,000	73,718
Education and Welfare		912,577	941,340	1,076,136
Community Amenities		6,922,046	6,978,222	6,603,921
Recreation and Culture		2,872,306	2,950,768	2,609,586
Transport		3,139,986	2,208,438	1,821,824
Economic Services		990,770	727,000	776,729
Other Property and Services		1,292,404	751,711	988,948
		<u>48,954,661</u>	<u>45,586,819</u>	<u>45,933,994</u>
Expenses	2(a)			
Governance		(1,839,087)	(7,632,427)	(1,694,965)
General Purpose Funding		(764,350)	(272,293)	(659,734)
Law, Order, Public Safety		(1,862,708)	(1,841,752)	(1,523,194)
Health		(675,041)	(481,080)	(674,283)
Education and Welfare		(1,337,399)	(1,114,915)	(1,206,983)
Community Amenities		(7,994,907)	(7,371,981)	(7,570,612)
Recreation and Culture		(12,334,116)	(13,189,549)	(12,336,224)
Transport		(17,720,482)	(14,066,280)	(15,430,534)
Economic Services		(2,474,425)	(1,185,439)	(2,073,033)
Other Property and Services		(947,349)	(1,358,103)	(74,438)
		<u>(47,949,863)</u>	<u>(48,513,819)</u>	<u>(43,244,000)</u>
Finance Costs	2(a)			
Governance		(81,155)	(82,752)	(157,275)
Community Amenities		(14,942)	(14,941)	(17,386)
Recreation and Culture		(301,509)	(301,149)	(315,767)
Transport		(460,876)	(476,692)	(514,076)
Economic Services		(33,898)	(33,897)	(38,347)
Other Property and Services		(58,282)	0	(3,315)
		<u>(950,661)</u>	<u>(909,431)</u>	<u>(1,046,166)</u>
Fair Value Adjustments to Financial Assets at Fair Value through Profit or Loss				
General Purpose Funding		0	0	(113,739)
Fair Value Adjustments to Non-Current Assets at Fair Value through Profit or Loss				
Other Property and Services - Investment Land	2(a)	(3,862,148)	0	0
Other Property and Services - Information Technology	7	(165,437)	0	0
		<u>(4,027,585)</u>	<u>0</u>	<u>(113,739)</u>
Non-Operating Grants, Subsidies and Contributions				
General Purpose Funding		7,696	0	52,450
Law, Order, Public Safety		467,250	0	390,790
Education and Welfare		10,000	0	0
Community Amenities		47,500	0	97,500
Recreation and Culture		3,606,350	1,663,210	123,154
Transport		5,784,714	7,831,587	5,459,566
Other Property and Services		264,225	0	0
		<u>10,187,735</u>	<u>9,494,797</u>	<u>6,123,460</u>
Profit on Sale of Investments				
Other Property and Services		2,105,390	0	0
Profit/(Loss) on Sale of Investment Land				
Other Property and Services	33	(46,676)	(214,847)	33,598
Profit/(Loss) on Disposal of Assets				
Other Property and Services	22	84,069	(79,202)	(18,345)
		<u>2,142,782</u>	<u>(294,049)</u>	<u>15,253</u>
Net Result		<u>8,357,072</u>	<u>5,364,318</u>	<u>7,668,802</u>
Other Comprehensive Income				
Changes on revaluation of non-current assets				
- Plant and Equipment & Furniture and Equipment	14	710,516	0	0
Total Other Comprehensive Income		<u>710,516</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u>9,067,588</u>	<u>5,364,318</u>	<u>7,668,802</u>

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

City of Albany
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2013

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash - Municipal	3	16,559,228	9,898,720
Restricted Cash (Trust)	3	885,640	1,020,686
Reserve Funds - Other	3	12,610,570	8,049,459
Reserve Funds - Financial Assets	4	68,750	68,771
Trade and Other Receivables	5	2,867,873	2,947,666
Investment Land	6	967,500	1,705,898
Inventories	6	498,075	559,596
TOTAL CURRENT ASSETS		34,457,635	24,250,796
NON-CURRENT ASSETS			
Other Receivables	5	436,210	396,291
Inventories - Non-Current Investment Land	6	0	4,714,702
Property, Plant and Equipment	7	67,701,235	66,326,958
Infrastructure	8	194,588,829	194,121,418
Intangible Assets	9	627	0
Local Government House Shares		19,501	19,501
TOTAL NON-CURRENT ASSETS		262,746,402	265,578,870
TOTAL ASSETS		297,204,037	289,829,666
CURRENT LIABILITIES			
Trade and Other Payables	10(a)	4,016,262	4,290,071
Trust Liabilities	10(b)	803,075	949,363
Short Term Borrowings	11	2,614,871	3,286,606
Provisions	12	2,753,381	2,562,504
TOTAL CURRENT LIABILITIES		10,187,589	11,088,544
NON-CURRENT LIABILITIES			
Long Term Borrowings	11	13,224,917	14,139,788
Provisions	12	588,320	465,710
TOTAL NON-CURRENT LIABILITIES		13,813,237	14,605,498
TOTAL LIABILITIES		24,000,826	25,694,042
NET ASSETS		273,203,211	264,135,624
EQUITY			
Retained Surplus		259,813,375	255,128,628
Reserves - Cash/Investments Backed	13	12,679,320	9,006,996
Revaluation Surplus	14	710,516	0
TOTAL EQUITY		273,203,211	264,135,624

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

City of Albany
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2011		250,423,357	6,043,465	0	256,466,822
Changes in Accounting Policy		0	0	0	0
Correction of Errors		0	0	0	0
Restated Balance		250,423,357	6,043,465	0	256,466,822
Comprehensive Income					
Net Result		7,668,802	0	0	7,668,802
Changes on Revaluation of Non-Current Assets	14	0	0	0	0
Total Comprehensive Income		7,668,802	0	0	7,668,802
Reserve Transfers		(2,963,531)	2,963,531	0	0
Balance as at 30 June 2012		255,128,628	9,006,996	0	264,135,624
Comprehensive Income					
Net Result		8,357,071	0	0	8,357,071
Changes on Revaluation of Non-Current Assets	14	0	0	710,516	710,516
Total Other Comprehensive Income		8,357,071	0	710,516	9,067,587
Reserve Transfers		(3,672,324)	3,672,324	0	0
Balance as at 30 June 2013		259,813,375	12,679,320	710,516	273,203,211

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

**City of Albany
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
Cash Flows From Operating Activities				
Receipts				
Rates		26,891,638	27,182,280	25,471,266
Operating Grants, Subsidies and Contributions		5,077,575	3,119,104	5,552,456
Fees and Charges		15,534,657	14,417,382	12,624,066
Interest Earnings		1,317,234	803,814	1,376,091
Goods and Services Tax		1,342,943	1,900,000	163,037
Other Revenue		456,102	112,450	873,063
		<u>50,620,149</u>	<u>47,535,030</u>	<u>46,059,979</u>
Payments				
Employee Costs		(18,941,464)	(18,633,453)	(16,296,361)
Materials and Contracts		(14,706,854)	(14,334,455)	(10,068,913)
Utility Charges		(1,631,962)	(1,729,483)	(1,910,194)
Insurance Expenses		(672,480)	(722,187)	(587,694)
Interest expenses		(947,615)	(923,666)	(1,055,174)
Goods and Services Tax		(934,703)	(1,900,000)	(474,034)
Other Expenditure		(662,368)	(1,230,701)	(2,214,718)
		<u>(38,497,446)</u>	<u>(39,473,945)</u>	<u>(32,607,088)</u>
Net Cash Provided By Operating Activities	15(b)	<u>12,122,703</u>	<u>8,061,085</u>	<u>13,452,891</u>
Cash Flows from Investing Activities				
Payment for Purchase & Construction of Assets		(11,453,250)	(21,908,941)	(8,281,755)
Movement from Capital to Inventory		0	0	(205,548)
Non-Operating Grants, Subsidies and Contributions		9,255,856	0	3,957,734
Proceeds from Sale of Assets		405,499	2,543,100	87,190
Proceeds from Sale of Investments		2,105,411	0	144,500
Capital Contributions		203,739	6,994,797	46,562
Net Cash Provided By/(Used In) Investing Activities		<u>517,255</u>	<u>(12,371,044)</u>	<u>(4,251,317)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(4,086,606)	(1,586,608)	(7,138,175)
Proceeds from Self Supporting Loans		33,221	0	31,063
Proceeds from New Debentures		2,500,000	0	4,800,000
Net Cash (Used In) Financing Activities		<u>(1,553,385)</u>	<u>(1,586,608)</u>	<u>(2,307,112)</u>
Net Increase/(Decrease) in Cash Held		11,086,573	(5,896,567)	6,894,462
Cash at Beginning of Year		18,968,865	16,489,384	12,074,403
Cash and Cash Equivalents at the End of the Year	15(a)	<u>30,055,438</u>	<u>10,592,817</u>	<u>18,968,865</u>

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

City of Albany
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
Revenue				
Operating Grants, Subsidies and Contributions		3,975,968	2,732,950	4,887,130
Contributions, Reimb. & Donations		1,101,607	373,610	665,327
Fees and Charges		15,408,390	14,432,869	13,302,006
Profit on Asset Disposal		84,069	0	0
Interest Earnings		1,317,234	825,368	1,376,091
Other Revenue		456,729	115,000	873,063
		<u>22,343,997</u>	<u>18,479,797</u>	<u>21,103,617</u>
Expenses				
Employee Costs		(19,242,660)	(18,739,930)	(16,597,830)
Materials and Contracts		(14,545,431)	(14,259,030)	(12,444,297)
Utility Charges		(1,631,962)	(1,729,483)	(1,910,194)
Depreciation on Non-Current Assets		(11,410,559)	(11,812,900)	(11,640,078)
Interest Expenses		(950,661)	(909,431)	(1,046,166)
Insurance Expenses		(672,480)	(722,187)	(587,694)
Other Expenditure		(1,822,741)	(1,721,311)	(2,018,261)
Loss On Sale of Assets		0	(269,049)	(18,345)
Less Expenses Allocated to Infrastructure Assets		962,024	446,022	1,061,646
		<u>(49,314,471)</u>	<u>(49,717,299)</u>	<u>(45,201,219)</u>
Net Result Excluding Rates		(26,970,474)	(31,237,502)	(24,097,602)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
Initial Recognition of Assets Due to Change to Regulations				
- Intangibles		(627)	0	0
(Profit)/Loss on Asset Disposals	22	(84,069)	269,049	18,345
Movement in Deferred Pensioner Rates (Non-Current)		(52,907)	0	(12,543)
Movement in Employee Benefit Provisions (Non-Current)		122,610	0	799
Movement From Non-Current to Current		(14,886)	0	23,117
Carrying Value of Investment Land Sold		738,399	0	692,774
Depreciation and Amortisation on Assets	2(a)	11,410,559	11,812,900	11,640,078
Capital Expenditure and Revenue				
Purchase Land and Buildings		(1,674,966)	(3,487,640)	(1,013,417)
Purchase Infrastructure Assets		(7,455,348)	(15,934,083)	(8,071,928)
Purchase Plant and Equipment		(2,628,406)	(4,522,518)	(834,813)
Purchase Furniture and Equipment		(444,627)	(464,700)	(480,761)
Movement from Capital to Inventory		0	0	(205,548)
Capital Grants and Contributions		10,187,735	9,494,797	6,123,459
Proceeds from Disposal of Investments		2,105,390	0	0
Proceeds from Disposal of Assets	22	427,456	2,543,100	87,190
Repayment of Debentures	23	(4,086,606)	(1,586,608)	(7,138,175)
Proceeds from New Debentures	23	2,500,000	0	4,800,000
Self-Supporting Loan Principal Income		33,221	0	31,062
Restricted Cash Funds - Grants		0	85,000	(2,753,521)
Transfers to Reserves (Restricted Assets)	13	(5,577,211)	(2,765,935)	(3,556,747)
Transfers from Reserves (Restricted Assets)	13	1,904,888	6,097,197	593,215
ADD: Estimated Surplus/(Deficit) July 1 B/Fwd	24(b)	5,735,963	2,589,920	1,494,511
LESS: Estimated Surplus/(Deficit) June 30 C/Fwd	24(b)	13,238,100	0	2,982,441
Total Amount Raised from General Rate	24(a)	<u>(27,062,006)</u>	<u>(27,107,023)</u>	<u>(25,642,946)</u>

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

Notes to and forming part of the financial report

City of Albany NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 21 to these financial statements.

(c) Goods and Services Tax (GST)

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

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

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

(d) Cash and Cash Equivalents

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

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

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Trade and Other Receivables

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

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

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

(f) Inventories

General

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

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

Land Held for Resale

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

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

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

(g) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the

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

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or
 - (II) infrastructure;
- and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

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

The City of Albany has commenced the process of adopting Fair Value in accordance with the Regulations.

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

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Land Under Control

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

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

Whilst they are required to be initially recorded at cost, fair value at the date of acquisition will be deemed cost as per AASB 116.

Initial Recognition

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

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

Revaluation

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

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

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

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

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

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

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

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Revaluation (Continued)

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

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

Transitional Arrangement

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

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

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

Early Adoption of AASB 13 - Fair Value Measurement

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

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

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

Land under Roads

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

Effective as at 1 July 2008, City of Albany 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 City of Albany.

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets

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

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

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

Buildings	
- Structure	50 to 100 years
- Fittings	10 to 20 years
Furniture and Equipment	4 to 10 years
Information Technology Equipment	3 to 5 years
Plant and Equipment	4 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
Gravel roads	
formation	not depreciated
pavement	50 years
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths	20 to 50 years
Bridges	100 years
Drainage	50 to 100 years
Parks & Gardens	5 to 100 years

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

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

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

Capitalisation Threshold

The City of Albany has adopted the following thresholds for the recognition of assets within the accounts. Any expenditure below this threshold is treated as an operating expenditure.

Land	Nil
Furniture & Equipment	\$1,000
Plant	\$1,000
Land & Buildings	\$2,000
Infrastructure	\$5,000

(h) Intangible Assets

Easements

Due to legislative changes, Easements are required to be recognised as assets. They are initially recognised at \$1 per easement, as no reliable valuation is available at this time. Easements have an indefinite useful life.

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

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

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

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

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

Classification and Subsequent Measurement (Continued)

(ii) Loans and receivables

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

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

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

Impairment

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

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

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

Derecognition

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

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

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Impairment

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

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

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

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

(k) Trade and Other Payables

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

The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

(l) Employee Benefits

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

(m) Borrowing Costs

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

(n) Provisions

Provisions are recognised when:

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

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

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 City of Albany, are classified as finance leases.

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

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Leases (Continued)

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

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

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

(p) Investments in Associates

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

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

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

(q) Joint Venture

The City of Albany's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is set out in Note 18.

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

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

(r) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

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

(s) Superannuation

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

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Current and Non-Current Classification

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

(u) Rounding Off Figures

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

(v) Comparative Figures

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

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

(w) Budget Comparative Figures

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

City of Albany
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	December 2009 September 2012	01 January 2013 Deferred AASB 9 until 1 January 2015	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 2009 – 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iii) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the City of Albany (refer (i) above).

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(iv) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards	August 2011	01 January 2013	Nil - None of these, except for AASB 128, are expected to have significant application to the operations of the City of Albany. With respect to AASB 128, where the City of Albany has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the City of Albany.
[AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]			
(v) AASB 2011 - 9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.
[AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]			It effects presentation only and is not expected to significantly impact the City of Albany.
(vi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2012-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the City of Albany nor are the changes to AASBs in relation to termination benefits.
(vii) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	01 January 2013	Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.
			This Standard is not expected to significantly impact on the City of Albany's financial statements.

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

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

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

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

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES

2013
\$

2012
\$

(a) Net Result

The Net Result includes:

(i) Charging as an Expense:

Significant Expense

General Purpose Funding	0	(113,739)
Other Property and Services	(3,862,148)	0

The significant expense in 2012 relates to impairment to realisable value on CDO investments.
The significant expense in 2013 relates to impairments to realisable value on land holdings no longer intended for development.

Auditors Remuneration

- Audit of the financial report	24,161	34,035
---------------------------------	--------	--------

Depreciation

Buildings	1,458,351	1,315,928
Furniture and Equipment	278,350	718,804
Plant and Equipment	1,549,814	1,438,750
Roads	6,376,496	5,283,579
Footpaths	358,632	190,593
Drainage	396,180	382,366
Infrastructure - Other	992,736	2,310,058
	<u>11,410,559</u>	<u>11,640,078</u>

Interest Expenses (Finance Costs)

Debentures (refer Note 23(a))	950,661	1,046,166
	<u>950,661</u>	<u>1,046,166</u>

(ii) Crediting as Revenue:

2013
\$

2013
Budget
\$

2012
\$

Interest Earnings

Investments			
- Reserve Funds	268,677	157,743	184,639
- Other Funds	771,014	610,000	937,471
Other Interest Revenue (refer note 28)	277,543	57,625	253,981
	<u>1,317,234</u>	<u>825,368</u>	<u>1,376,091</u>

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

GOVERNANCE

Objective:

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

Activities:

Includes the activities of members of the council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to help ensure a safer and environmentally conscious community.

Activities:

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

EDUCATION AND WELFARE

Objective:

To provide services to disadvantaged persons, the elderly, children and youth.

Activities:

Elderly person's activities and support, community services planning, disabled persons, youth services, aboriginal issues, playgroup, pre-schools and other welfare and voluntary persons.

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Refuse collection services, including recycling, greenwaste and hardwaste. Operation of tip facilities, administration of the Town Planning Scheme, public amenities and urban stormwater drainage works. Protection of the environment, coastline and waterways. Environmental planning.

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

RECREATION AND CULTURE

Objective:

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Activities:

Maintenance of halls, recreation and cultural facilities, including sportsgrounds, parks, gardens, reserves, playgrounds and foreshore amenities. Maintenance of boat ramps and jetties. Townscape works. Operation of the Library, Albany Leisure Centre, Vancouver, Art Centre, and other cultural activities.

TRANSPORT

Objective:

To provide safe, effective and efficient transport services to the community.

Activities:

Construction & maintenance of roads, drainage, footpaths, bridges, and traffic signs. Maintenance of pump stations and road verges. Strategic planning for transport and traffic flows. Street lighting and street cleaning. Airport operation. Parking control and car park maintenance.

ECONOMIC SERVICES

Objective:

To help promote the city and its economic well being.

Activities:

Tourism and area promotion, operation of the Visitor Centre, Sister City expenses, City marketing and economic development, implementation of building control, operation of plant nursery.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control council's overheads operating accounts.

Activities:

Private works operation, plant repair, Public works overhead, land acquisition (including town planning schemes) and subdivision development and sales.

City of Albany
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Closing Balance (*) 30-Jun-12 \$	Received (+) 2012/13 \$	Expended (#) 2012/13 \$	Closing Balance 30-Jun-13 \$
Royalties for Regions Regional Funds - Peace Park	Community Amenities	845,857		(845,857)	0			0
RLCIPR - Centennial Wetlands Funding	Community Amenities	97,500		(97,500)	0			0
RLCIPR - Centennial Wetlands Funding	Community Amenities		97,500	(72,842)	24,658		(24,298)	360
Grant - Emu Point Coastal Works	Community Amenities					47,500	-	47,500
Sport 4 All Kidsport Program	Education and Welfare		216,000	(44,192)	171,808		(67,532)	104,276
Disability Services - Count Me In Project	Education and Welfare		49,999	-	49,999		(37,500)	12,499
Seniors - ICCWA Grant	Education and Welfare					909	(909)	0
Day Care Centre - Dept of Communities	Education and Welfare					10,000	(9,910)	90
Dept of Sport and Rec - Skate Hub	Education and Welfare					9,000	(9,000)	0
Dept of Communities - NY 2013	Education and Welfare					1,000	(1,000)	0
Local Government Grant 11/12	General Purpose Income		1,351,641	(1,351,641)	0			0
Local Government Grant 11/12 - Local Roads	General Purpose Income		1,231,149	(1,231,149)	0			0
Local Government Grant 12/13 in advance	General Purpose Income		944,662	-	944,662		(944,662)	0
Local Government Grant 12/13 in advance - Local Roads	General Purpose Income		935,171	-	935,171		(935,171)	0
Local Government Grant 12/13	General Purpose Income					1,041,710	(1,041,710)	0
Local Government Grant 12/13 - Local Roads	General Purpose Income					683,560	(683,560)	0
Local Government Grant 13/14 in advance	General Purpose Income					1,068,763	-	1,068,763
Local Government Grant 13/14 in advance - Local Roads	General Purpose Income					928,713	-	928,713
Department of Environment & Conservation - E-Waste	General Purpose Income		18,776	(18,776)	0	7,849	(7,849)	0
Lotterywest - Senior Citizens Wooden Floor	General Purpose Income		47,904	(47,904)	0	7,696	(7,696)	0
Office of Crime Prevention	Law, Order, Public Safety	15,403		(15,403)	0	0	-	0
WA Police Community Engagement Division	Law, Order, Public Safety	914			914	0	(914)	0
WA Police Strategic Crime Prevention	Law, Order, Public Safety		6,900	(5,400)	1,500	0	(1,500)	0
Cat Act Grant - Sterilisation Subsidy	Law, Order, Public Safety					10,000	-	10,000
Cat Act Implementation Programme	Law, Order, Public Safety					3,335	(3,156)	179
Equipment Grant - FESA	Law, Order, Public Safety					15,550	(15,550)	0
City of Belmont - Library	Law, Order, Public Safety		8,896	(4,010)	4,886	0	(4,431)	455
State Library Read Out Loud Grant	Recreation and Culture					909	(909)	0
Children's Book Council of Australia	Recreation and Culture		8,471	(4,341)	4,130	3,000	(7,130)	0
Lotterywest - "Forts Interpretive Signage"	Recreation and Culture		39,892	(39,892)	0	0	-	0
Healthway	Recreation and Culture		1,500	(1,500)	0	0	-	0
Country Arts WA	Recreation and Culture		40,880	(40,880)	0	41,207	(41,207)	0
South Coast Management Group	Recreation and Culture		7,727	(6,888)	839	0		0
Keep Australia Beautiful Committee	Recreation and Culture		2,727	-	2,727	0	(2,727)	0
Department of Transport	Recreation and Culture		35,000	-	35,000	0	(35,000)	0
Great Southern Development Commission - Padre White Lookout	Recreation and Culture		50,000	(667)	49,333	70,000	(119,333)	0
State NRM Office	Recreation and Culture		24,520	(23,269)	1,251	0	(1,251)	0
Library - SLWA Regional Subsidy	Recreation and Culture					15,532	(15,532)	0
NAIDOC Community Celebrations	Recreation and Culture					14,000	(2,247)	11,753

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Closing Balance (*) 30-Jun-12 \$	Received (+) 2012/13 \$	Expended (#) 2012/13 \$	Closing Balance 30-Jun-13 \$
Club Development Initiative	Recreation and Culture					50,000	(6,146)	43,854
Centennial Park Upgrade	Recreation and Culture					608,000	-	608,000
Centennial Park Living Stream	Recreation and Culture					29,000	(318)	28,682
Anzac Centenary - Mt Clarence Grant	Recreation and Culture					2,836,000	(710,429)	2,125,571
Emu Point Car/Boat Trailer Park	Recreation and Culture					77,503	(77,503)	0
Centennial Park Masterplan - Income - GSDC	Recreation and Culture					12,340	(7,165)	5,175
Lowlands Reserve - 4WD stabilisation - NRM	Recreation and Culture					26,000	(10,136)	15,864
Parks & reserves - LotteryWest - Normans Inlet Walk trail	Recreation and Culture					14,847	(14,847)	0
Airport RADS Funding	Transport					181,818	(181,818)	0
RLCIPR - Centennial Bunding Funding	Transport	40,500		(40,500)	0	0	-	0
Local Government Grant 11/12 - Bridges	Transport		344,000	-	344,000	0	(230,000)	114,000
Main Roads - Great Southern Region Roads Street Lighting	Transport		12,080	(12,080)	0	13,592	(13,592)	-0
Main Roads - 11/12 Verge Maintenance	Transport		7,500	(7,500)	0	0	-	0
Main Roads - Anti Hoon Speed Humps Program	Transport		20,880	(20,880)	0	0	-	0
RLCIPR - Centennial Bunding Funding	Transport		40,500	(37,038)	3,462	0	(3,462)	0
Department of Regional Development and Land - Path Fundings	Transport		988,497	(809,314)	179,183	0	(179,183)	0
Department of Transport - Regional Bicycle Network	Transport		40,000	(40,000)	0	0	-	0
Main Roads - Direct Grant	Transport		274,865	(274,865)	0	298,142	(298,142)	0
Main Roads - Road Project Grant	Transport		510,293	(510,293)	0	0	-	0
Department of Infrastructure - "Roads to Recovery"	Transport		559,000	(559,000)	0	1,130,936	(1,130,936)	0
Main Roads - TIRES Funding	Transport		160,000	(160,000)	0	248,000	(248,000)	0
State Black Spot Funding	Transport					55,725	(55,725)	0
Drainage Masterplan	Transport					1,737,878	(306,417)	1,431,461
Path Funding	Transport					40,970	(40,970)	0
Commodity Funding - Main Roads	Transport					80,000	-	80,000
Regional Road Group	Transport					1,147,506	(1,147,506)	0
Main Roads - State Initiatives Project	Transport					200,000	(200,000)	0
Road Funding - Other	Transport					460,000	(460,000)	0
Albany Waterfront Cultural Heritage - WA Museum	Economic Services					3,333	-	3,333
Total		1,000,174	8,076,930	(6,323,581)	2,753,523	13,231,824	(9,344,818)	6,640,529

Notes:

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

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

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

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted		
Municipal Fund	16,559,228	9,009,953
Restricted		
Restricted Funds - Cash held in Municipal Fund	0	888,767
Restricted Trust	885,640	1,020,686
Reserve Funds - Other	12,610,570	8,049,459
	<u>30,055,438</u>	<u>18,968,865</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Unspent Grants	<u>6,640,529</u>	<u>2,753,521</u>
	<u>6,640,529</u>	<u>2,753,521</u>
4. INVESTMENTS		
Financial assets at fair value through profit or loss	<u>68,750</u>	<u>68,771</u>
Financial assets at fair value through profit or loss		
At beginning of the year	68,771	327,010
Revaluation to Income Statement	0	(113,739)
Disposals	(21)	(144,500)
At end of the year	<u>68,750</u>	<u>68,771</u>
Held for trading		
- CDOs	<u>68,750</u>	<u>68,771</u>
	<u>68,750</u>	<u>68,771</u>

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	915,672	764,990
Sundry Debtors	1,335,953	1,322,639
Prepaid Expenses	173,766	109,430
Other Accrued Income	429,267	405,319
GST Receivable	0	311,841
Loans - Clubs/Institutions	13,215	33,447
	<u>2,867,873</u>	<u>2,947,666</u>
Non-Current		
Rates Outstanding - Pensioners	436,210	383,302
Loans - Clubs/Institutions	0	12,989
	<u>436,210</u>	<u>396,291</u>
6. INVENTORIES		
Current		
Fuel and Materials	416,171	482,660
History Books	5,554	8,798
Other	76,350	68,138
	<u>498,075</u>	<u>559,596</u>
Land Held for Resale - Cost		
Cost of Acquisition	77,500	77,500
Development Costs	3,568,537	3,568,537
Transfer roads to Infrastructure	(723,577)	(723,577)
Disposals	(1,379,081)	(985,320)
Adjustment to Realisable Value	(575,879)	(231,241)
	<u>967,500</u>	<u>1,705,899</u>
Inventories Total	<u>1,465,575</u>	<u>2,265,495</u>
Non-Current (1)		
Land Held for Resale - Cost		
Cost of Acquisition	0	2,150,000
Development Costs	0	2,564,703
	<u>0</u>	<u>4,714,702</u>
Non-Current Land Held for Resale - Cost		
Opening Balance as at 01/07/12	4,714,702	
Less Fair Value adjustment to Non-Current Investment Land	(3,862,148)	
Less Transfer of Inventory to Land and Buildings	(852,554)	
Closing Balance as at 30/06/13	<u>0</u>	

(1) During 2012/13, Council resolved that two undeveloped land portions that had been intended for development, will no longer be developed. To correctly represent this in the Financial Reports, these two parcels will no longer be shown as inventory, but now recognised under Property, Plant & Equipment. Due to the change in nature of these assets, an independent valuation was undertaken, and the asset values adjusted accordingly.

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2012 \$
7. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings	71,971,469	68,972,040
Less Accumulated Depreciation	<u>(15,661,270)</u>	<u>(13,205,465)</u>
Total Buildings	56,310,199	55,766,575
 Furniture and Equipment at Management Valuation 2013	 1,445,626	
Cost	0	9,697,831
Less: Accumulated Depreciation	<u>0</u>	<u>(7,652,710)</u>
	1,445,626	2,045,121
 Plant and Equipment at Independent Valuation 2013	 4,450,909	
Management Valuation 2013	4,778,531	
Cost	0	17,422,845
Less Accumulated Depreciation	<u>0</u>	<u>(9,573,572)</u>
	9,229,440	7,849,273
 Paintings - Cost	 <u>327,746</u>	 <u>327,746</u>
	327,746	327,746
 Total Property, Plant & Equipment	 <u>67,313,011</u>	 <u>65,988,715</u>
 Work in Progress yet to be Classified	 <u>388,223</u>	 <u>338,243</u>
 Total Property, Plant & Equipment, Work in Progress	 <u>67,701,234</u>	 <u>66,326,958</u>

Plant and Equipment:

The City of Albany's plant and equipment was revalued at 30 June 2013 by a combination of independent valuers and management valuations. The independent valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy). The management valuations were made by having regard for the assets current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining estimated useful life (Level 3 inputs).

Given the significance of the Level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

The revaluation resulted in an overall increase of \$629,148 in the net value of the City of Albany's plant and equipment. All of this increase was credited to the revaluation surplus in the City of Albany's equity (refer to Note 14(b) for further details) and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

Furniture and Equipment:

The City of Albany's furniture and equipment was revalued at 30 June 2013 by management valuations. The management valuations were made by having regard for the assets current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining estimated useful life (Level 3 inputs).

Given the significance of the Level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

The revaluation resulted in an increase of \$81,369 in the net value of the City of Albany's furniture and equipment and a decrease of \$165,437 to the City of Albany's Information Technology Equipment. The increase was credited to the revaluation surplus in the City of Albany's equity (refer to Note 14(a) for further details) and was recognised as changes on revaluation of non-current assets in the Statement of Comprehensive Income. The decrease in valuation was expensed through the Statement of Comprehensive Income.

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Land	Buildings	Total Land and Buildings	Plant and Equipment	Furniture and Equipment	Paintings	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at the beginning of the year	9,063,879	46,702,696	55,766,575	7,849,273	2,045,119	327,746	338,243	66,326,956
Transfers due to Asset Register restructure*	81,929	(602,141)	(520,212)	10,481	(681,702)	0	0	(1,191,433)
11/12 WIP Capitalised	0	48,571	48,571	1,386	17,600	0	(67,557)	0
12/13 Additions	0	1,626,395	1,626,395	2,627,020	427,027	0	0	4,680,442
Total Additions	0	1,674,966	1,674,966	2,628,406	444,627	0	(67,557)	4,680,442
Transferred to WIP							117,538	117,538
(Disposals)	(5,333)	0	(5,333)	(338,054)	0	0	0	(343,387)
Revaluation - Increments	0	0	0	629,148	81,369	0	0	710,517
- (Decrements)	0	0	0	0	(165,437)	0	0	(165,437)
Reclassification from Non-Current Inventory to Land (Note 6)	852,554	0	852,554	0	0	0	0	852,554
Depreciation (Expense)	0	(1,458,351)	(1,458,351)	(1,549,814)	(278,350)	0	0	(3,286,515)
Carrying amount at the end of year	9,993,029	46,317,170	56,310,199	9,229,440	1,445,626	327,746	388,224	72,381,676

* During the 12/13 financial year the City of Albany's asset register was reviewed as part of the Fair Value process. This review led to assets being reclassified under more appropriate classes.

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2012 \$
8. INFRASTRUCTURE		
Roads - Cost	170,314,167	214,176,999
Less Accumulated Depreciation	<u>(87,082,479)</u>	<u>(80,705,983)</u>
	83,231,688	133,471,016
Footpaths - Cost	11,834,131	6,785,446
Less Accumulated Depreciation	<u>(4,940,710)</u>	<u>(2,376,797)</u>
	6,893,421	4,408,649
Drainage - Cost	19,955,223	19,255,727
Less Accumulated Depreciation	<u>(10,069,264)</u>	<u>(9,610,815)</u>
	9,885,959	9,644,912
Other - Cost	103,321,905	60,126,055
Less Accumulated Depreciation	<u>(11,788,204)</u>	<u>(18,998,256)</u>
	91,533,701	41,127,799
Work in Progress yet to be Classified	3,044,060	5,469,042
	<u>194,588,829</u>	<u>194,121,418</u>

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

8. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	Roads \$	Footpaths \$	Drainage \$	Other \$	Work in Progress \$	Total \$
Balance at the beginning of the year	133,471,016	4,408,649	9,644,912	41,127,799	5,469,042	194,121,418
Transfers due to Asset Register restructure	(51,011,285)	2,260,009	243,456	49,699,255		1,191,435
11/12 WIP Capitalised	3,952,757	203,290	177,529	380,627	(4,714,203)	0
12/13 Additions	3,195,696	380,105	216,243	1,318,756	0	5,110,800
Total Additions	7,148,453	583,395	393,772	1,699,383	(4,714,203)	5,110,800
Transferred to WIP					2,294,567	2,294,567
WIP expensed					(5,346)	(5,346)
Depreciation (Expense)	(6,376,496)	(358,632)	(396,180)	(992,736)		(8,124,044)
Carrying amount at the end of year	83,231,688	6,893,421	9,885,960	91,533,701	3,044,060	194,588,829

* During the 12/13 financial year the City of Albany's asset register was reviewed as part of the Fair Value process. This review led to assets being reclassified under more appropriate classes.

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

9. INTANGIBLES	2013	2012
	\$	\$
Easements	627	0
	<u>627</u>	<u>0</u>
Easements have an indefinite useful life and no amortisation applies.		
10. TRADE AND OTHER PAYABLES	2013	2012
	\$	\$
(a) Current		
Sundry Creditors	2,420,637	2,233,170
Sundry Accruals	266,391	1,023,826
GST Payable	96,399	0
Prepaid Rates	389,095	355,873
Provision - Gravel Pit Regeneration	191,316	179,062
Income Received in advance	406,357	242,828
Accrued Interest	36,941	33,895
Accrued Salaries and Wages	209,126	221,417
	<u>4,016,262</u>	<u>4,290,071</u>
(b) Trust Liabilities		
Performance Bonds	797,687	943,976
Unclaimed Monies	5,388	5,387
	<u>803,075</u>	<u>949,363</u>
11. LONG-TERM BORROWINGS	2013	2012
	\$	\$
Current		
Secured by Floating Charge		
Debentures	2,614,871	3,286,606
	<u>2,614,871</u>	<u>3,286,606</u>
Non-Current		
Secured by Floating Charge		
Debentures	13,224,917	14,139,788
	<u>13,224,917</u>	<u>14,139,788</u>

Additional detail on borrowings is provided in Note 23.

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

12. PROVISIONS	2013	2012	
	\$	\$	
Analysis of Total Provisions			
Current	2,753,381	2,562,504	
Non-Current	588,320	465,710	
	<u>3,341,701</u>	<u>3,028,214</u>	
	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance as at 1 July 2012	1,297,065	1,731,149	3,028,214
Additional provisions	1,287,419	454,288	1,741,707
Amounts used	(1,119,267)	(308,953)	(1,428,220)
Balance at 30 June 2013	<u>1,465,217</u>	<u>1,876,484</u>	<u>3,341,701</u>
13. RESERVES - CASH/INVESTMENT BACKED	2013	2013	2012
	\$	Budget	\$
(a) Airport Reserve			
<i>Purpose: To facilitate the future development and improvements at the Albany Airport.</i>			
Opening Balance	2,083,074	1,295,468	1,145,874
Amount Set Aside / Transfer to Reserve	1,745,845	763,788	2,237,200
Amount Used / Transfer from Reserve	(85,813)	(1,800,000)	(1,300,000)
	<u>3,743,106</u>	<u>259,256</u>	<u>2,083,074</u>
(b) Albany Entertainment Reserve			
<i>Purpose: To provide for future funding requirements of the Albany Entertainment Centre</i>			
Opening Balance	503,467	130,845	488,961
Amount Set Aside / Transfer to Reserve	114,611	2,355	14,506
Amount Used / Transfer from Reserve	0	(125,000)	0
	<u>618,078</u>	<u>8,200</u>	<u>503,467</u>
(c) ALAC Synthetic Surface "Carpet" Reserve			
<i>Purpose: To provide a replacement of the synthetic surface "carpet"</i>			
Opening Balance	126,098	119,383	115,383
Amount Set Aside / Transfer to Reserve	32,910	11,046	10,715
	<u>159,008</u>	<u>130,429</u>	<u>126,098</u>
(d) Albany Classics Reserve			
<i>Purpose: To provide funding for the roadside barriers for the Albany Classic Event.</i>			
Opening Balance	44,140	42,812	42,812
Amount Set Aside / Transfer to Reserve	1,319	771	1,328
	<u>45,459</u>	<u>43,583</u>	<u>44,140</u>
(e) ANZAC Centenary Reserve			
<i>Purpose: To provide funding for the Anzac Centenary</i>			
Opening Balance	125,797	142,813	151,196
Amount Set Aside / Transfer to Reserve	403,758	12,571	14,703
Amount Used / Transfer from Reserve	0	0	(40,102)
	<u>529,555</u>	<u>155,384</u>	<u>125,797</u>

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

13. RESERVES - CASH/INVESTMENT BACKED (cont.)	2013 \$	2013 Budget \$	2012 \$
(f) Bayonet Head Infrastructure Reserve			
<i>Purpose: To hold owner funding for infrastructure items and works within the Bayonet Head Outline Development Plan Area.</i>			
Opening Balance	55,759	54,082	54,082
Amount Set Aside / Transfer to Reserve	1,666	973	1,677
	<u>57,425</u>	<u>55,055</u>	<u>55,759</u>
(g) Car Parking Reserve			
<i>Purpose: To provide for the acquisition of land, the development of land for car parking within the Central Business District.</i>			
Opening Balance	86,895	84,281	84,281
Amount Set Aside / Transfer to Reserve	2,596	1,517	2,614
	<u>89,491</u>	<u>85,798</u>	<u>86,895</u>
(h) Emu Point Boat Pens Development Reserve			
<i>Purpose: To provide for the development/redevelopment of the Emu Point Boat Pens.</i>			
Opening Balance	364,192	348,591	291,541
Amount Set Aside / Transfer to Reserve	10,880	56,136	222,651
Amount Used / Transfer from Reserve	0	(125,779)	(150,000)
	<u>375,072</u>	<u>278,948</u>	<u>364,192</u>
(i) Masterplan Funding Reserve			
<i>Purpose: To provide for funding of asset masterplans.</i>			
Opening Balance	453,094	587,687	568,687
Amount Set Aside / Transfer to Reserve	13,057	10,578	16,870
Amount Used / Transfer from Reserve	0	0	(132,463)
	<u>466,151</u>	<u>598,265</u>	<u>453,094</u>
(j) Parks Development Reserve			
<i>Purpose: To provide for the planning, development and enhancement of parks and park facilities.</i>			
Opening Balance	74,691	75,444	72,444
Amount Set Aside / Transfer to Reserve	2,231	1,358	2,247
	<u>76,922</u>	<u>76,802</u>	<u>74,691</u>
(k) Parks, Recreation Grounds & Open Space Reserve			
<i>Purpose: For the purchase of land for parks, recreation grounds.</i>			
Opening Balance	810,633	764,426	764,426
Amount Set Aside / Transfer to Reserve	24,192	13,760	46,207
	<u>834,825</u>	<u>778,186</u>	<u>810,633</u>
(l) Plant Replacement Reserve			
<i>Purpose: To provide for the future replacement of plant, and reduce dependency on loans for this purpose.</i>			
Opening Balance	1,446,389	1,747,084	407,894
Amount Set Aside / Transfer to Reserve	143,212	779,882	2,118,579
Amount Used / Transfer from Reserve	(300,000)	(1,878,718)	(1,080,084)
	<u>1,289,601</u>	<u>648,248</u>	<u>1,446,389</u>
(m) Refuse Depot Reserve			
<i>Purpose: To facilitate the rehabilitation, redevelopment and development of refuse sites.</i>			
Opening Balance	1,725,352	2,389,797	1,205,282
Amount Set Aside / Transfer to Reserve	51,546	43,016	2,476,861
Amount Used / Transfer from Reserve	(1,176,230)	(2,167,700)	(1,956,791)
	<u>600,668</u>	<u>265,113</u>	<u>1,725,352</u>

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

13. RESERVES - CASH/INVESTMENT BACKED (cont.)	2013	2013	2012
	\$	Budget	\$
(n) Roadworks Reserve			
<i>Purpose: To facilitate road works</i>			
Opening Balance	195,655	15,593	180,106
Amount Set Aside / Transfer to Reserve	924,056	281	15,549
	<u>1,119,711</u>	<u>15,874</u>	<u>195,655</u>
(o) Planning			
<i>Purpose: Carry over committed funds from prior years</i>			
Opening Balance	18,273	3,900	470,496
Amount Set Aside / Transfer to Reserve	1,082	0	14,592
Amount Used / Transfer from Reserve	0	(154)	(466,815)
	<u>19,355</u>	<u>3,746</u>	<u>18,273</u>
(p) Waste Management Reserve			
<i>Purpose: To facilitate the funding of future waste management the rehabilitation, redevelopment and development of refuse sites.</i>			
Opening Balance	893,488	893,600	0
Amount Set Aside / Transfer to Reserve	928,019	913,079	893,488
	<u>1,821,507</u>	<u>1,806,679</u>	<u>893,488</u>
(q) Refuse Collection & Waste Minimisation Reserve			
<i>Purpose: To receipt any annual surplus from Council's Waste Collection/Minimisation Program to provide future funding for Council's Sanitation program</i>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	1,176,230	138,589	0
Amount Used / Transfer from Reserve	(342,845)	0	0
	<u>833,385</u>	<u>138,589</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u><u>12,679,320</u></u>	<u><u>5,348,155</u></u>	<u><u>9,006,997</u></u>

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

14. ASSET REVALUATION SURPLUS	2013	2012
	\$	\$
Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:		
(a) Furniture and Equipment		
Opening balance	0	0
Revaluation Increment	81,369	0
Revaluation Decrement	0	0
	<u>81,369</u>	<u>0</u>
(b) Plant and Equipment		
Opening Balance	0	0
Revaluation Increment	629,148	0
Revaluation Decrement	0	0
	<u>629,148</u>	<u>0</u>
TOTAL ASSET REVALUATION SURPLUS	<u><u>710,517</u></u>	<u><u>0</u></u>

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2013 \$	2013 Budget \$	2012 \$
Cash and Cash Equivalents	<u>30,055,438</u>	<u>10,572,818</u>	<u>18,968,865</u>

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

Net Result	8,357,071	5,364,317	7,668,802
Depreciation	11,410,559	11,812,900	11,640,078
(Profit)/Loss on Sale of Asset	(2,189,459)	269,049	132,084
(Increase)/Decrease in Receivables	6,652	53,536	(821,432)
(Increase)/Decrease in Inventories	799,921	(5,325)	937,329
Increase/(Decrease) in Payables	(273,809)	87,882	147,962
Increase/(Decrease) in Employee Provisions	313,487	(46,477)	181,725
Consolidation of Trust Controlled Transactions	(146,288)	0	(310,196)
Non- Current Investment land transferred to Land	3,862,148	0	0
Fair Value loss on revaluation - IT Equipment	165,437		
Grants/Contributions for the Development of Assets	(10,187,735)	(9,494,797)	(6,123,459)
WIP Expensed in 12/13	5,346	0	0
Non-Current Assets recognised due to changes in legislative requirements	(627)	0	0
Net Cash from Operating Activities	<u>12,122,703</u>	<u>8,041,085</u>	<u>13,452,893</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	49,000	50,000
Credit Card Balance at Balance Date	(16,305)	(6,255)
Total Amount of Credit Unused	<u>32,695</u>	<u>43,745</u>

Loan Facilities

Loan Facilities - Current	2,614,871	3,286,606
Loan Facilities - Non-Current	13,224,917	14,139,788
Total Facilities in Use at Balance Date	<u>15,839,788</u>	<u>17,426,394</u>

Unused Loan Facilities at Balance Date	<u>32,695</u>	<u>43,745</u>
---	---------------	---------------

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

16. CONTINGENT LIABILITIES

No contingent liabilities existed as at 30 June 2013.

17. CAPITAL AND LEASING COMMITMENTS

2013 **2012**
\$ **\$**

(a) Finance Lease Commitments

Payable:

- not later than one year	0	0
- later than one year but not later than five years	0	0
- later than five years	0	0
Minimum Lease Payments	<u>0</u>	<u>0</u>
Less Future Finance Charges	<u>0</u>	<u>0</u>
Total Lease Liability	<u><u>0</u></u>	<u><u>0</u></u>

(b) Operating Lease Commitments

Non-cancellable operating leases
contracted for but not capitalised in
the accounts.

Payable:

- not later than one year	90,542	48,709
- later than one year but not later than five years	170,815	51,413
- later than five years	0	0
	<u>261,357</u>	<u>100,122</u>

(c) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects	5,004,367	1,431,325
- plant & equipment purchases	374,111	0

Payable:

- not later than one year	5,378,478	1,431,325
---------------------------	-----------	-----------

The capital expenditure project outstanding at the end of the current reporting period represents

Lower Denmark Rd Reconstruction	0	714,260
Palmdale Rd (C11020)	0	155,937
Pfeiffer Rd construction	0	356,721
Down Rd construction	0	179,749
Centennial Park Wetlands	0	24,658
Mt Clarence Infrastructure Upgrade	4,881,606	0
Eyre Park Pathway	122,761	0
	<u>5,004,367</u>	<u>1,431,325</u>
Plant & Equipment - Light Fleet Purchases	<u>374,111</u>	<u>0</u>

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

18. 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:

	2013	2012
	\$	\$
Non-Current Assets		
Buildings	350,982	350,982
Less: Accumulated Depreciation	(121,016)	(113,996)
	<u>229,966</u>	<u>236,986</u>
Joint Venture (Income)/Expenditure	<u>34,849</u>	<u>13,960</u>

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2013	2012
	\$	\$
Governance	6,335,997	6,672,694
Law, Order, Public Safety	2,916,240	2,425,849
Health	202,180	202,180
Education and Welfare	284,444	315,085
Community Amenities	20,625,505	19,955,356
Recreation and Culture	51,162,527	50,842,708
Transport	176,321,808	177,236,247
Economic Services	5,251,442	5,258,990
Other Property and Services	9,677,510	9,504,014
Unallocated	24,426,386	17,416,543
	<u>297,204,039</u>	<u>289,829,666</u>

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

20. FINANCIAL RATIOS	2013	2012	2011
Current Ratio	2.23	1.50	0.81
Asset Sustainability Ratio	0.90	0.70	1.28
Debt Service Cover Ratio	5.74	4.21	5.34
Operating Surplus Ratio	0.05	0.04	(0.03)
Own Source Revenue Coverage Ratio	0.96	0.90	0.88
Asset Consumption Ratio	0.54	N/A	N/A
Asset Renewal Funding Ratio	0.96	N/A	N/A
The above ratios are calculated as follows:			Basic Standard Benchmark
Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$		>1
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$		>0.90
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$		>2
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$		0.01 and 0.15
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$		0.4 and 0.6
Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$		>0.5
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$		0.75 and 0.95

Notes:

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

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

21. TRUST FUNDS

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

	Balance 1-Jul-12 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-13 \$
Gala Flood Benefit	23,029	0	0	23,029
Albany Heartsafe	0	2,300	4,600	(2,300)
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	0	0	1,277
Commission Sales- AVC	199,345	1,871,991	1,866,901	204,435
	<u>260,804</u>			<u>263,594</u>

22. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Motor Vehicles & Plant	338,054	1,820,302	418,365	1,741,100	80,311	(79,202)
Land	5,333	0	9,091	0	3,758	0
	<u>343,387</u>	<u>1,820,302</u>	<u>427,456</u>	<u>1,741,100</u>	<u>84,069</u>	<u>(79,202)</u>

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

23. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1-Jul-12 \$	New Loans \$	Principal Repayments		Principal 30-Jun-13		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
3	337,851		32,956	32,956	304,895	304,895	22,930	22,930
12	144,861		25,113	25,113	119,748	119,748	9,750	9,750
13	181,077		31,391	31,391	149,686	149,686	12,188	12,188
17	304,730		44,225	44,225	260,505	260,505	15,984	15,984
18	102,074		14,814	14,814	87,260	87,260	5,354	5,354
19	100,581		14,597	14,597	85,984	85,984	5,276	5,276
21A	1,387,250		86,654	86,654	1,300,596	1,300,596	98,542	98,542
22C	1,500,000		1,500,000	0	0	0	51,450	77,700
22D		1,500,000	0	0	1,500,000	1,500,000	0	0
23	593,991		33,844	33,844	560,147	560,147	38,684	38,684
25	878,371		46,742	46,742	831,629	831,629	51,316	51,316
28	1,548,826		82,421	82,421	1,466,405	1,466,405	90,484	90,484
29	2,877,477		213,625	213,625	2,663,852	2,663,853	181,900	181,900
30	2,157,366		89,550	89,550	2,067,816	2,067,815	137,147	137,147
32	2,011,939		70,674	70,674	1,941,265	1,941,264	143,421	143,421
31B	2,300,000		800,000	800,000	1,500,000	1,500,000	39,310	107,640
26D	1,000,000		1,000,000	0	0	0	32,990	32,990
26E		1,000,000	0	0	1,000,000	1,000,000	0	0
	17,426,394	2,500,000	4,086,606	1,586,606	15,839,788	15,839,787	936,724	1,031,306

(*) Self supporting loan financed by payments from third parties. All other loan repayments were financed by general purpose revenue.
Loan 23 secured over future rates income.

(b) New Debentures - 2012/13

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual (\$)	Budget (\$)	
22D	1,500,000	1,500,000	WATC	Interest & Principal	10	343,956	4.01	1,500,000	1,500,000	0
26E	1,000,000	1,000,000	WATC	Interest & Principal	6	120,373	3.49	1,000,000	1,000,000	0
	2,500,000	2,500,000				464,328		2,500,000		

(c) Unspent Debentures
No unspent debentures

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

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

24. RATING INFORMATION - 2012/13 FINANCIAL YEAR

(a) Rates

RATE TYPE		Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate												
GRV General		9.4388	13 266	232 641 941	21 887 520			21 887 520	23 997 752			23 997 752
GRV Non-Residential (Vacant)		7.6981	245	5 780 170	449 429			449 429	515 847			515 847
UV		0.3277	1 250	742 990 000	2 433 563			2 433 563	2 693 424			2 693 424
Interim & Back Rates						143 206	2 128	145 334	190 000			190 000
Sub-Totals			14 761	981 412 111	24 770 513	143 206	2 128	24 915 846	27 397 023			27 397 023
Minimum Rates		Minimum \$										
GRV Occupied		820	2 600	15 871 795	2 132 000			2 132 000				0
GRV Vacant		820	82	562 720	67 240			67 240				0
UV		820	318	55 454 200	260 760			260 760	0			0
Sub-Totals			3 000	71 888 715	2 460 000	0	0	2 460 000	0			0
Discounts (refer note 27)								27 375 846				27 397 023
Total Amount Raised from General Rate								(313 840)				(290 000)
Total Rates								27 062 006				27 107 023
								27 062 006				27 107 023

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

24. RATING INFORMATION - 2012/13 FINANCIAL YEAR

(b) Information on Surplus Brought Forward	2013 (30 June 2013 Carried Forward) \$	2013 (1 July 2012 Brought Forward) \$	2012 (30 June 2012 Carried Forward) \$
Surplus - Rate Setting Statement	<u>13,238,100</u>	<u>5,735,962</u>	<u>2,982,441</u>
<u>Comprises:</u>			
Cash - Unrestricted	16,559,228	9,009,953	9,009,953
Cash - Restricted	12,610,570	8,938,226	8,938,226
Investments - Restricted	68,750	68,771	68,771
Trust Restricted	885,640	1,020,686	1,020,686
Rates - Current	915,672	764,990	764,990
Sundry Debtors	1,952,203	1,870,835	1,870,835
GST Receivable	0	311,841	311,841
Inventories - Fuel and Materials	498,075	559,596	559,596
Less:			
Reserves - Restricted Cash - Reserves	(12,679,320)	(9,006,997)	(9,006,997)
Sundry Creditors	(3,770,195)	(4,034,760)	(4,034,760)
Accrued Interest on Debentures	(36,941)	(33,895)	(33,895)
Accrued Salaries and Wages	(209,126)	(221,417)	(221,417)
Current Employee Benefits Provision	(2,753,381)	(2,562,504)	(2,562,504)
Trust Liabilities	(803,075)	(949,363)	(949,363)
Restricted Cash - Unspent Grants	0	0	(2,753,521)
Surplus	<u>13,238,100</u>	<u>5,735,962</u>	<u>2,982,441</u>

Difference:

There is a difference between the Surplus 1 July 2012 Brought Forward position used in the 2013 audited financial report and the Surplus Carried Forward position as disclosed in the 2012 audited financial report. This difference is the treatment of unspent grants brought forward to 1 July 2013. For the year end 30 June 2013, these funds were excluded from the carried forward surplus, due to restrictions placed on the use of these funds. The restriction was either for a specific project, or prepayment of grant for the 2013/14 year. However, the Department of Local Government requires these funds to be included in general surplus, despite possible restrictions.

Restricted Cash - Unspent Grants	<u>2,753,521</u>
----------------------------------	------------------

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

25. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR

No specified area rate was levied during the 2012/13 Financial Year.

26. SERVICE CHARGES - 2012/13 FINANCIAL YEAR

No service charge was levied during the 2012/13 Financial Year.

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	2.00%	313,840	290,000
			313,840	290,000
Rate Assessment	Write-Off		3,127	0

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

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		159,212	65,850
Interest on Instalments Plan	5.50%		118,331	40,625
Charges on Instalment Plan		3	36,030	35,000
			313,573	141,475

Ratepayers had the option of paying rates in four equal instalments, due on 17th September 2012, 19th November 2012, 21st January 2013 and 25th March 2013. Administration charges and interest applied for the final three instalments.

29. FEES & CHARGES

	2013 \$	2012 \$
Governance	1,411	39,034
General Purpose Funding	182,503	50,337
Law, Order, Public Safety	139,569	82,226
Health	80,400	73,718
Education and Welfare	864,963	806,629
Community Amenities	6,914,070	6,590,040
Recreation and Culture	2,445,932	2,406,371
Transport	3,072,744	1,802,244
Economic Services	962,430	715,904
Other Property and Services	744,368	735,503
	<u>15,408,390</u>	<u>13,302,006</u>

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

30. GRANT REVENUE

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

	2013 \$	2012 \$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	3,975,968	4,887,130
Non-Operating Grants, Subsidies and Contributions	9,255,856	3,957,734
	<u>13,231,824</u>	<u>8,844,864</u>
By Program:		
General Purpose Funding	3,730,442	4,529,303
Law, Order, Public Safety	28,885	6,900
Education and Welfare	20,909	265,999
Community Amenities	55,349	97,500
Recreation and Culture	3,798,339	236,405
Transport	5,594,567	3,708,756
Economic Services	3,333	0
	<u>13,231,824</u>	<u>8,844,863</u>

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

31. ELECTED MEMBERS REMUNERATION		2013	2013	2012
		\$	Budget	\$
			\$	
The following fees, expenses and allowances were paid to council members and the mayor.				
Mayor	Fees	14,000	14,000	13,924
	Allowances	51,000	63,400	36,170
Deputy Mayor	Fees	7,000	7,000	3,000
	Allowances	5,800	18,400	
Councillors	Fees	77,000	77,000	83,798
	Allowances	28,000	37,400	31,247
Other Expenses		0	0	3,380
		182,800	217,200	171,519

32. EMPLOYEE NUMBERS	2013	2012
The number of full-time equivalent employees at balance date	238	213

33. MAJOR LAND TRANSACTIONS

The Ridge' Cull Road Residential Subdivision

(a) Details

As at 30 June 2013, 14 lots remain unsold. No further development costs are anticipated to be spent on this development.

The loan attached to the development will be fully paid during 2013/14.

(b) Current year transactions	2013	2013	2012
	\$	Budget	\$
		\$	
Operating Revenue			
Proceeds on sale	367,273	800,000	812,568
Less Cost of Blocks Sold	(393,761)	(989,847)	(717,645)
Less Selling Costs	(20,188)	(25,000)	(61,325)
	(46,676)	(214,847)	33,598
Capital Revenue			
- Sale Proceeds	367,273	800,000	812,568
Capital Expenditure			
- Purchase of Land	0	0	0
- Development Costs	0	0	0
	0	0	0

The above capital expenditure is included in land held for resale as disclosed elsewhere in this financial report.

The only liability in relation to this land transaction as at 30 June 2013 is a loan of \$1,500,000.

(c) Expected Future Cash Flows

	2014	2015	2016	2017	2018	Total
	\$	\$	\$	\$	\$	\$
(Cash Outflows)						
- Development Costs	0	0	0	0	0	0
- Loan Repayments	(1,500,000)	0	0	0	0	(1,500,000)
	(1,500,000)	0	0	0	0	(1,500,000)
Cash Inflows						
- Loan Proceeds	0	0	0	0	0	0
- Sale Proceeds	475,000	285,000	285,000	285,000	95,000	1,425,000
	475,000	285,000	285,000	285,000	95,000	1,425,000
Net Cash Flows	(1,025,000)	285,000	285,000	285,000	95,000	(75,000)

(d) Assets and Liabilities Associated with the Transaction

	NOTE	2013	2012
Current Assets			
Land Held for Resale	<u>6</u>	<u>967,500</u>	<u>1,705,899</u>
Current Liabilities			
Long Term Borrowings - Loan 31B	<u>23</u>	<u>1,500,000</u>	<u>2,300,000</u>

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The City of Albany did not participate in any trading undertakings or major trading undertakings during the 2012/13 financial year, as defined under the Local Government Act and Regulations.

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

35. FINANCIAL RISK MANAGEMENT

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

The City of Albany 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 City of Albany held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	30,055,437	18,968,865	30,055,437	18,968,865
Trade & Other Receivables	2,867,873	2,947,666	2,867,873	2,947,666
Investments	68,750	68,771	68,750	68,771
	<u>32,992,060</u>	<u>21,985,302</u>	<u>32,992,060</u>	<u>21,985,302</u>
Financial Liabilities				
Trade & Other Payables	4,016,262	4,290,071	4,016,262	4,290,071
Borrowings	15,839,788	17,426,394	15,839,788	17,426,394
	<u>19,856,049</u>	<u>21,716,465</u>	<u>19,856,049</u>	<u>21,716,465</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Trade & Other Receivables, Trade & Other Payables – estimated to the carrying value which approximates net market value.
- Investments – based on quoted market prices at the reporting date or at independent valuation.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

35. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The City of Albany'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). The City of Albany has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

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

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

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

	2013	2012
	\$	\$
Impact of a 10% (*) movement in price of investments:		
- Equity	6,875	6,877
- Statement of Comprehensive Income	6,875	6,877

Notes:

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

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

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

- Equity	301,242	236,618
- Statement of Comprehensive Income	301,242	236,618

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

35. FINANCIAL RISK MANAGEMENT (Continued)
(b) Receivables

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

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. The City of Albany 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.

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

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

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

	2013	2012
Percentage of Rates and Annual Charges		
- Current	67.73%	67.00%
- Overdue	32.27%	33.00%
Percentage of Other Receivables		
- Current	91.25%	97.00%
- Overdue	8.75%	3.00%

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

35. FINANCIAL RISK MANAGEMENT (Continued)
(c) Payables
Borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City of Albany 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 the City's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	<u>2013</u>				
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	4,016,262			4,016,262	4,016,262
Borrowings	3,546,707	7,804,382	10,020,596	21,371,685	15,839,788
	<u>7,562,969</u>	<u>7,804,382</u>	<u>10,020,596</u>	<u>25,387,947</u>	<u>19,856,049</u>
Payables	4,290,071			4,290,071	4,290,071
Borrowings	1,761,023	11,343,018	10,647,123	23,751,164	17,426,394
	<u>6,051,094</u>	<u>11,343,018</u>	<u>10,647,123</u>	<u>28,041,235</u>	<u>21,716,465</u>

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

35. FINANCIAL RISK MANAGEMENT (Continued)

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

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

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

	Year Ended 30 June 2013						Weighted Average Effective Interest Rate %
	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	
Payables	4,016,262						
Borrowings	3,546,707						
Fixed Rate							
Debentures	3,546,707	1,970,706	1,970,706	1,970,706	1,892,264	10,020,596	6.12%
Weighted Average Effective Interest Rate	6.03%	6.06%	6.09%	6.13%	6.19%	6.27%	
Payables	4,290,071						
Borrowings	3,286,606						
Fixed Rate							
Debentures	1,761,023	6,544,274	1,599,581	1,599,582	1,599,581	10,647,123	5.60%
Weighted Average Effective Interest Rate	5.56%	5.93%	6.48%	6.49%	6.50%	6.51%	

City of Albany
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

36. PRIOR PERIOD CORRECTIONS

Balances relating to the 2012 comparative year have been amended due to the correction of prior period errors. These errors have been adjusted as shown below and, in accordance with the requirements of AASB101, a statement of financial position as at the beginning of the earliest comparative period has been included (refer statement of financial position column labelled 2012).

The opening balance in the asset revaluation reserve relates to the revaluation undertaken of assets upon the amalgamation of the Shire of Albany and Town of Albany, which occurred 1 July 1998.

Effect of the above:	Original Balance \$	Amount of Adjustment \$	Adjusted Balance \$
	<hr/>	<hr/>	<hr/>
Statement of Financial Position			
Retained Surplus	236,353,994	18,774,634	255,128,628
Reserves - Asset Revaluation	18,774,634	(18,774,634)	0



Grant Thornton Audit Pty Ltd
ACN 130 913 594

10 Kings Park Road
West Perth WA 6005
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

INDEPENDENT AUDITORS REPORT TO THE RATEPAYERS OF THE CITY OF ALBANY

We have audited the accompanying financial report of City of Albany (the “City”), which comprises the statement of financial position as at 30 June 2013, and the statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes to the financial report and the Chief Executive Officer’s statement.

Responsibility of the Council for the financial report

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

Auditor’s responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

‘Grant Thornton’ refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another’s acts or omissions. In the Australian context only, the use of the term ‘Grant Thornton’ may refer to Grant Thornton Australia Limited ABN 41 127 556 369 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

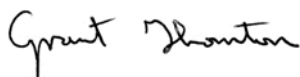
Auditor's Opinion

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

- (i) presents fairly the City of Albany's financial position as at 30 June 2013 and of its performance for the financial year ended 30 June 2013, and
- (ii) complies with Australian Accounting Standards (including the Australian Accounting Interpretations),
- (iii) are prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under that Act.

Statutory Compliance

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Partner - Audit & Assurance

Perth, 21 November 2013



Doc No: City of Albany Records
File: ICR13117233
Date: GO.CLS.14
Officer: 07 NOV 2013
MGRM CEO5

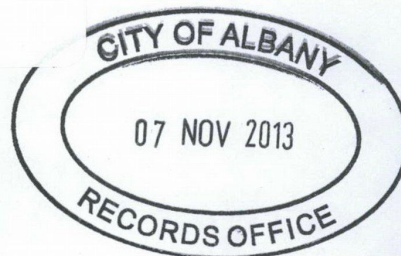


EASTERN AUSTRALIAN Electoral Commission

LGE 028

Attach:
Box:
Vol:
Box+Vol:

Mr Graham Foster
Acting Chief Executive Officer
City of Albany
PO Box 484
ALBANY WA 6331



Attention: Mr Stuart Jamieson

Dear Mr Foster

Extraordinary Election

I refer to your letter dated 29 October 2013 advising of the resignation of Cr Attwell and the need to conduct an extraordinary election for the City of Albany as a postal election.

The estimated cost to conduct the extraordinary election would be \$16,000 including GST which has been based on the following assumptions:

- 4,100 electors;
- response rate of approximately 40%; and
- count to be conducted in Albany.

Costs not incorporated in this estimate include:

- non-statutory advertising (i.e. additional advertisements in community newspapers and promotional advertising);
- any legal expenses other than those that are determined to be borne by the Western Australian Electoral Commission in a Court of Disputed Returns; and
- one local government staff member to work in the polling place on election day.

The Commission is required by the *Local Government Act 1995* to conduct local government elections on a full cost recovery basis. Please note that this is an estimate only and may vary depending on a range of factors including the cost of materials or number of replies received. The basis for our charges is all materials at cost and a margin on staff time only.



In accordance with section 4.20(4) of the *Local Government Act 1995*, I agree to be responsible for the conduct of an extraordinary election on a date to be appointed by council.

If the City of Albany wishes to have the election conducted as a postal election, council will now need to pass the following two motions by absolute majority:

1. declare, in accordance with section 4.20(4) of the *Local Government Act 1995*, the Electoral Commissioner to be responsible for the conduct of the extraordinary election
2. decide, in accordance with section 4.61(2) of the *Local Government Act 1995* that the method of conducting the extraordinary election will be as a postal election.

An election schedule is enclosed for Friday 28 February 2014, which is a date that has been suggested for the election. This date enables the major election events such as the roll close and nomination period not to occur over the Christmas/New Year break. I therefore give my approval under section 4.9 (2) of the *Local Government Act 1995* for the election date to be longer than 4 months after the vacancy occurred.

If you have any further queries please contact Phil Richards Project Manager, Local Government Elections on 9214 0443.

Yours sincerely



Chris Avent
A/ELECTORAL COMMISSIONER

4 November 2013

Enc.



ELECTION TIMETABLE City of Albany Extraordinary Election

Days to Polling Day	Local Government Act	References to Act/Regs	Day	Date
80	Last day for agreement of Electoral Commissioner to conduct postal election.	LGA 4.20 (2)(3)(4)	Tue	10/12/2013
80	A decision made to conduct the election as a postal election cannot be rescinded after the 80th day.	LGA 4.61(5)	Tue	10/12/2013
70	Electoral Commissioner to appoint a person to be the Returning Officer of the Local Government for the election.	LGA 4.20 (4)	Fri	20/12/2013
70 to 56	Between the 70th/56th day the CEO is to give Statewide public notice of the time and date of close of enrolments. Preferred date Wednesday 25 December 2013	LGA 4.39(2)	Fri to Fri	20/12/2013 to 3/01/2014
56	Last day for the CEO to advise the Electoral Commissioner of the need to prepare a residents roll.	LGA 4.40(1)		3/01/2014
56	Advertising may begin for nominations from 56 days and no later than 45 days before election day. Preferred date Wednesday 8 January 2014	LGA 4.47(1)	Fri	3/01/2014
50	Close roll 5.00 pm	LGA 4.39(1)	Thu	9/01/2014
45	Last day for advertisement to be placed calling for nominations.	LGA 4.47(1)	Tue	14/01/2014
44	Nominations Open First day for candidates to lodge completed nomination paper, in the prescribed form, with the Returning Officer. Nominations period is open for 8 days.	LGA 4.49(a)	Wed	15/01/2014
38	If a candidate's nomination is withdrawn not later than 4.00 pm on the 38th day before election day, the candidate's deposit is to be refunded.	Reg. 27(5)	Tue	21/01/2014
37	Close of Nominations 4.00 pm on the 37th day before election day.	LGA 4.49(a)	Wed	22/01/2014
36	Last day for the CEO to prepare & certify an owners & occupiers roll for the election. Last day for the Electoral Commissioner to prepare & certify a residents roll.	LGA 4.41(1) LGA 4.40(2)	Thu	23/01/2014
25	Lodgement of election packages with Australia Post. Week Commencing	Approx	Mon	3/02/2014
22	The preparation of any consolidated roll under subregulation (1) be completed on or before 22nd day before election day.	Reg. 18(2)	Thu	6/02/2014
19	Last day for the Returning Officer to give Statewide public notice of the election. Preferred date Wednesday 5 February 2014	LGA 4.64(1)	Sun	9/02/2014
4	Commence processing returned election packages	Approx	Mon	24/02/2014
0	Election Day Close of poll 6.00 pm	LGA 4.7	Fri	28/02/2014

Post Election Day	Post Declaration	References to Act/Regs		Date
5	Election result advertisement.	LGA 4.77	Wed	5/03/2014
14	Report to Minister. The report relating to an election under section 4.79 is to be provided to the Minister within 14 days after the declaration of the result of the election.	Reg.81	Fri	14/03/2014
28	An invalidity complaint is to be made to a Court of Disputed Returns, constituted by a magistrate, but can only be made within 28 days after notice is given of the result of the election.	LGA 4.81(1)	Fri	28/03/2014



WESTERN AUSTRALIAN Electoral Commission

LGE 677

Mr Graham Foster
Acting Chief Executive Officer
City of Albany
PO Box 484
ALBANY WA 6331

Attention: Mr Stuart Jamieson

Dear Mr Foster

Local Government Elections

I refer to your email of 14 November 2013 requesting my agreement to conduct all elections or polls up to the end of 2015, in accordance with section 4.20(4) of the *Local Government Act 1995*.

I hereby agree to be responsible for the conduct of all elections or polls for the City of Albany up to the end of 2015 and that these elections or polls shall be conducted as postal elections or polls.

Yours sincerely

Chris Avent
A/ELECTORAL COMMISSIONER

15 November 2013

Regional Events Sponsorship 2013-2014 Assessment Panel Recommendations

About

Regional Events Sponsorship is one of four programs under the Council Policy: Community Funding and Sponsorship.

This program is for sponsorship applications seeking between \$10,000 and \$25,000 with the following program objectives;

- Bring additional tourism income by increasing visitor expenditure in the Albany region (economic impact).
- Involve and inspire the local community (social benefits).
- Attract media coverage that will help to raise the profile of Albany as a visitor destination (media impact).

Applications for funding opened on 28 August and closed on 27 September.
12 applications were eventually received.

Assessment Process

Applications were assessed according to four specific criteria:

- Visitation and Economic Impact Value
- Marketing and Communication Outcomes
- Prestige and uniqueness
- Local Community Support and Value for Money

Assessment was scored along a five scale matrix

1. Does not meet criterion;
2. Fair;
3. Good;
4. Very good;
5. Excellent.

An assessment panel was formed, comprising the following City staff and councillors:

Cr Sarah Bowles

City of Albany Councillor and member Economic Development Committee

Cr Janelle Price

City of Albany Councillor and member Economic Development Committee

Cr Robert Sutton

City of Albany Councillor and member Economic Development Committee

Cameron Woods

Executive Director Community Services

Matt Bird

Manager Tourism Development & Services

The panel completed individual assessments and then met to compile final recommendations.

Assessment Rankings & Recommended Funding

Applicant	Project	Panel assessment ranking	Total Project \$	Funding Request \$	Funding Recommended \$
Perth International Arts Festival	Two week international arts festival in Great Southern region.	1 st	426,456	30,000	15,000
Panel comments:	Existing annual arts and cultural event, held in shoulder period February/March, well written application, strong visitation generated from outside the region. The City also provides in kind support to the value of \$7000 for reduced hire fees to activate the Town Hall.				
Albany Urban Downhill – Albany Cycle Club	New downhill mountain bike race utilising city centre, unique in Australia.	2 nd	59,926	25,000	17,000
Panel comments:	Well written application, organised by local club, unique event, highly innovative, to be held annually in May low visitor period.				
Albany Adventure Race – South Coast Events	New multisport race event based around Albany's spectacular natural environment.	3 rd	48,080	25,000	5,000
Panel comments:	Strong application, new event that supports destination positioning of City surrounded by nature, locally organised, to be held annually in April shoulder period to start of school holidays.				
Albany Half Triathlon & Kids Du-Aquathon – DS Events	Long distance triathlon event carrying higher qualification status plus young athlete event.	4 th	82,730	15,000	5,000
Panel comments:	First event held in Jan 2013, well run event by local organisers, plan to expand to include kids event to broaden appeal. Has high competitor appeal. Was marked down due to being run in Peak period annually.				
Albany Classic – Vintage Sports Car Club WA	Long standing weekend of motoring event.	=5 th	116,800	20,000	10,000
Panel comments:	Major annual event for Albany and attracts large numbers of visitors from outside the region. Held in low visitor month of June which is a major positive. Application did not address all selection criteria and was marked down accordingly.				
Artsouth WA	Southern Arts & Craft Trail	=5 th	38,700	10,000	3,000
Panel comments:	Annual event that attracts art and craft visitation held over month of September. Should consider applying for funding under other community funding programs in future.				
Adventurethon Albany	New multisport race event based around Albany's spectacular natural environment.	=5 th	107,550	15,000	5,000
Panel comments:	New event that supports destination positioning of City surrounded by nature, to be held annually in December shoulder period to start of school holidays.				
Albany Speedway Club	Modified Production Sedan National Title 2013-14	8 th	\$52,820	\$10,000	Nil
Panel comments:	One off event attracting visitation. Panel recommended not funding however City should provide marketing and promotion assistance via Visitor Centre. Club Development and Revenue Development Officer to offer support in preparing sponsorship proposals.				

ITEM SCM005 REFERS

Albany Classic Triathlon	Long running local triathlon event.	9 th	\$17,195	10,000	Nil
Panel comments:	External visitation estimates not significant.				
Albany City to Surf	Regional leg of WA's largest community sporting event.	10 th	\$398,217	30,000	Nil
Panel comments:	Major event however application did not adequately address selection criteria and panel not convinced on external visitation estimates. Panel suggested applying for community funding grants. No uniqueness or point of difference to the Port to Point.				
Albany Agricultural Show	Showcases primary and secondary produce and industry of the GS region.	11 th	319,430	18,000	Nil
Panel comments:	Major existing event however panel not convinced on external visitation and local economic benefit estimates. City also contributes @ \$25,000 annually in kind and the show makes a profit annually.				
Albany Golf Classic	One of WA's leading regional golf events.	12 th	\$19,000	\$10,000	Nil
Panel comments:	Competitive golfing event utilising Albany's well regarded links golf course however did not rate highly for uniqueness and economic benefit estimates.				
	Total		1,686,904	218,000	60,000

Panel Comment

The panel noted that the standard of applications received was high. A total of \$218,000 was requested which significantly over subscribed the original RES funding pool. An extra allocation of \$10,000 is assumed from surplus funds still unallocated from other program streams. Consideration should be made to increase the size of RES funding in future years.

I note, and agree with the above assessment panel recommendations for Regional Events Sponsorship 2013-2014.

_____/_____/2013
 Matt Bird
Manager, Tourism Development and Services

I note, and endorse the above assessment panel recommendations for Community Events Sponsorship 2013-2014.

_____/_____/2013
 Cameron Woods
Executive Director, Community Services

From: Glenn Hamilton [mailto:Glenn.Hamilton@westernaustralia.com]
Sent: Friday, 18 October 2013 9:52 AM
To: Cameron Woods
Subject: EF13117793 - RC.EVM.36 - Australian National Aged and All Schools Cross Country Championships

Hi Cameron

I wanted to bring an event opportunity to you to see if Albany would be keen to host. The event is the Australian National Aged and All Schools Cross Country Championships

Background

Each year a different state is allocated by Athletics Australia the opportunity to host the Australian National Aged and All Schools Cross Country Championships (the titles). Western Australian last hosted the event in 2007 at the Perry Lakes and Reabold Reserves in Floreat. On this occasions approximately 1100 competitors completed. All previous events hosted by WA have been metropolitan based with the preference either Perry Lakes or Kings Park.

WA All Schools (WAAS) and Athletics WA (AWA) have been given the rights to host the 2014 Cross Country titles in 2014. WAAS and AWA have entered an agreement for AWA to plan, managed and conduct the event as the State Sports Organisation (SSO) for cross country.

The titles will be conducted in August 2014 and competitors, support personnel, families and officials normally arrive at the location a minimum of two days prior to the first day of racing and depart the day after the last competition. It is envisage Thursday to Tuesday with the potential of school orientated sightseeing day (15 – 20 August 2013 - 6 days). Competitors from all around Australia enter and compete. The commercial and tourism benefits for the State and the selected community are obvious.

The 2013 titles were held at Launceston Tasmania and over 1000 competitors took part.

I am sure I can convince AWA as the SSO to take the titles to Albany should there be some financial support.

Budget Estimate

EVENT ITEM	ALBANY
Course design and measurement – Travel & accommodation for two (SSs)– accredited course for championship event	\$7000
Event co-ordination at location with local authorities - Travel & accommodation	\$24000
Event management – facilities staff – equipment during titles	\$10000
Course marking – buntings and stays	\$3000
Travel - officials and staff to event	\$3000
<i>Travel & accommodation event officials & staff during event</i>	<i>\$900.00 per local official</i>
Travel assistance – Visiting States to location from Airport and return	Travel subsidy \$100 per attendee = @ \$15000
Course hiring fees – venue – location (if required)	\$1 000
Timing and recordings system	\$3 000
First aid – St John's Ambulance	\$750
Portable toilets depending on location (18 toilets) – including 'pump out' during events	\$4 000
Potable water for athletes at the event if not available	\$1 000
Event media promotion – tourism	\$2 500
Staging & sound equipment	\$12 000
Sundry equipment –	\$1 000
TOTAL COST:	\$87250 plus local official costs

ITEM ED009 REFERS

In addition during the Titles an additional 150 athletes will be competing in the Australian Walks titles on the Sunday. So there should be 1000-1200 athletes and many with their families attending over 4-6 days.

I have not approached any other regional cities with this opportunity as yet and wanted to first ask if the City of Albany would be keen to secure. At this stage, given our event funding commitments to other events and athletics, there would be no "Eventscorp" funding available so they would need an investment of around \$70K from the City of Albany to secure these championships. This would align well and support our R4R application for \$250K for the Adventure Racing World Champs in 2015 in Albany.

Do you think the City would be keen to have a look at this event?

Happy to call you and discuss some more.

Regards

Glenn Hamilton
Director Events



Level 9, 2 Mill Street PERTH WA 6000

Tel: 08 9262 1933

Fax: 08 9262 1735

Mob: 0408 936 675

[Eventscorp website](#)

[Events calendar](#)

[Explore westernaustralia.com](#)

Excite | Engage | Enrich

This e-mail and any attachments are confidential and intended solely for the use of the individual or entity to which they are addressed. If you have received this e-mail in error please delete it and any attachments immediately and notify the sender. If you are not the intended recipient, you must not, directly or indirectly, use, disclose, distribute, print, or copy any part of this message or any attachment.

Memorandum



PO BOX 5427 ALBANY WA 6332
T 9842 5558
F 9842 3936
E admin@hharchitects.com.au
W www.hharchitects.com.au

To:	Ryan Taylor / Matt Bird
From:	Tom Stevens
Date:	21 November 2013
Job Number:	0100-13
Subject::	Construction Stage 2 Albany Airport – Terminal Security Upgrade Tender Recommendation

Dear Ryan and Matt,

We have reviewed the tender information received for the above project. Our comments are as follows:

Tenders Received:

Tenders for Albany Airport Terminal Security Upgrade closed 6 November 2013.
Three tenders were received as follows:

Tectonics Construction	\$2,216,340.91
Smith Constructions	\$2,220,420.91
Wauters Enterprises	\$2,347,584.98

All tenders exclude GST.

As a full assessment of the tenders has been undertaken by Aquenta Quantity Surveyors and the two lowest tender prices are within \$4,500 of each other this tender recommendation has been carried out based on the written and verbal responses to the qualitative selection criteria provided by Tectonics Construction and Smith Constructions.



Technical Compliance

Both Tectonics and Smiths demonstrated that they have the personnel with the technical skills to complete the project and that technical backup and support staff are available within their offices in Albany.

Tectonics nominated Geoff Holmes as their Site Manager

Geoff Holmes has commercial building experience and was site manager for stage 1 of the Airport Security works.

Smiths nominated Adrian Vandenberg as their Site Manager.

Adrian Vandenberg has recent experience working as site manager for a number of education projects on occupied sites and has experience working on restricted airport sites through managing the Bureau of Metrology Building.

Relevant Experience

Tectonics provided details of several relevant projects on occupied premises.

- Temporary Screening Facilities – Albany Airport (Installation of Prefabricated unit and minor site works)
- TAFE – Auto workshops and Primary Industries Buildings
- Glenn Craig Aged Care facilities Upgrade. (refurbishment within specialist alzheimers unit)

Smith Constructions provided details of a large number of relevant complex projects

- Esperance Primary School (Redevelopment of operational school)
- Mount Barker Community College (Several stages within ex. Occupied campus)
- Bureau of Meteorology New Albany Offices
- South Coast NRM Office upgrades
- Schools Working Together (library upgrades to a number of schools across the region)
- Great Southern Grammar Senior School (within operational campus)

Smith Constructions have demonstrated wider experience on complex projects on occupied premises.

Reliability

Tectonics showed that they have the ability to deliver projects on time and budget. The project examples provided by Tectonics were relatively simple projects all under a \$1,000,000

Smith Constructions demonstrated that they have the ability to deliver large complex projects up to \$15,000,000 on occupied sites.

Demonstrated Understanding

Both Tectonics and Smiths have a good understanding of the requirements of working within the constraints of the Albany Airport. Smiths demonstrated a more comprehensive understanding of the requirements of working within the airside constraints of the Airport.

Safety and Management and Other Considerations

Smith Constructions are a WA state Government Level 4 prequalified builder for complex projects. In addition they are federally accredited builder with a fully certified quality management system.

Tectonics has a quality management system in place and is working towards certified quality assurance system.

Both Smith Constructions and Tectonics provided detailed information on the specified project safety concerns and how they would address these.

Summary

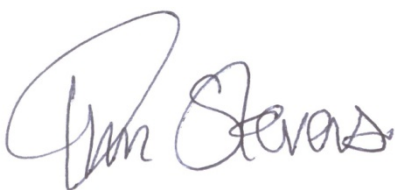
Based on the response to the selections criteria Smith Constructions are recommended for the **Construction Stage 2 Albany Airport – Terminal Security Upgrade.**

Smith Constructions demonstrated:

- A better understanding of the key safety and security issues.
- Provided more detailed information for project planning and commitment to site management and safety.
- Wider experience of complex commercial projects

Please do not hesitate to contact me if you have any queries relating to this recommendation.

Regards



Tom Stevens
Director
H + H ARCHITECTS