

CITY OF ALBANY

Annual Report 2015 - 2016





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Authorisation

Albany City Council
Chief Executive Officer

*THE CITY OF ALBANY RESPECTFULLY
ACKNOWLEDGES TRADITIONAL OWNERS
PAST AND PRESENT ON WHOSE LAND WE ARE
MEETING, THE MENANG PEOPLE. IT IS A PRIVILEGE
TO BE STANDING ON MENANG COUNTRY.*



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FROM THE MAYOR

I was honoured when the people of Albany re-elected me for a second term as Mayor of the City of Albany at the local government election in October.

The election was strongly contested with 21 candidates vying for 7 council vacancies, which resulted in three incumbent elected members being returned and the election of four new councillors.

Such a strong turnout showed a healthy and active interest in the community and its future.

It is reassuring to also know there are many who are willing and able to put their hand up to be on council and continue to build on the foundations laid for our city's continued growth and prosperity.

Current councillors and staff have worked hard to provide good governance and leadership that has generated significant success and achievements.

As Mayor I am proud of the rewards the community is reaping and the faith that electors are showing in council to continue to demonstrate strong leadership.

Through the dedication of the City's staff and members of the community, Albany has won myriad awards over the past year, which are worthy reward for the work that has been achieved.

As well as the election, another highlight of the year was entering into partnership with our neighbouring local governments to focus on delivering greater economic and social outcomes for the region.

The Lower Great Southern Economic Alliance was formalised between the City of Albany, Shire of Plantagenet and Shire of Denmark, with its sole aim being to work collaboratively on regional issues.

It is an innovative and proactive approach to local government in the Great Southern that will deliver lasting, positive benefits for the region.

This includes retaining and attracting new business and industry, creating increased job opportunities, especially for young people, growing our tourism, encouraging more higher education opportunities, and helping build strong networks for vulnerable sectors of the community.

Albany is only just starting to realise some of its immense opportunity and attract the attention it has long deserved.

As Mayor, I am committed to continuing to lead council to realise more of that potential and create a city that makes our whole community proud.

I would like to thank the residents and ratepayers of Albany for their ongoing support to build a vibrant and liveable city, and also thank City of Albany councillors and staff.

It is my pleasure to commend to you the 2015-2016 annual report.



DENNIS WELLINGTON

Mayor, City of Albany



Current councillors and staff have worked hard to provide good governance and leadership that has generated significant success and achievements.

FROM THE CEO

It has been another exciting and successful year for the City of Albany and I have been proud to lead a strong and committed team of staff in delivering some fantastic outcomes for our community.

This work has culminated in multiple State and National awards for Albany which recognises the ongoing commitment the City has in growing a prosperous regional city that is a leader in the local government sector.

Working with our neighbouring shires in Denmark and Plantagenet to form the Lower Great Southern Economic Alliance demonstrates the positive leadership of our council to focus on sustainable growth for the future. This collaborative approach will lead to more resource sharing arrangements with other Great Southern shires and also flow into other projects, such as the Middleton Beach Development Plan.

Our work with LandCorp during 2015-2016 to develop and consult on a long-term vision for the Middleton Beach precinct was considered a best-practice partnership. We were honoured to be part of this process and we look forward to continuing to work with State Government and investors to progress an iconic precinct.

Another significant highlight of the year was brokering an agreement with the Albany Agricultural Society that allowed work in the eastern precinct of the Centennial Park redevelopment to progress and guaranteed the Society had a home for the future of the annual Albany Show. We were very grateful for the cooperation of the Agricultural Society and we will continue to work in collaboration.

The completion of a number of new playing fields and construction work on a new dual-use soccer and cricket pavilion, and football stadium, are all landmark milestones in the state-of-the-art sporting redevelopment which will deliver world-class regional sporting facilities once complete.

Enhancing upper York Street was another large-scale project that has continued the modern transformation of our city centre to make it more inviting and user-friendly. It has also created a strong and vibrant civic heart that can be used as a destination point and community events space.

At the start of the year Albany welcomed a new passenger aircraft carrier with Regional Express Airlines expanding into Western Australia for the first time and taking over the skies on the Perth-Albany air route from Virgin Airlines. The City of Albany has been working closely with REX to help reduce the cost of flights for air travellers and is keen to partner with the carrier to implement discounted holiday packages to Albany as part of a long term aim to attract more visitors to the region.

Closer to the coalface of the organisation's operations, staff took part in the first Employee Engagement Survey conducted by the City of Albany to gauge feedback on how we do business and what we can do better. The survey was well received and was part of a renewed focus on organisational development to ensure the City of Albany continues to foster a strong culture built around a high level of customer service provided to our community.

During 2015-16 the City also welcomed a number of new councillors who have made a seamless transition to their Elected Member roles and embraced a number of training opportunities to equip them with the skills and knowledge required to make sound decisions and provide the community with good governance.

I am excited to continue to work with our Council to achieve further success, growth and prosperity in Albany and thank our Mayor, Councillors and staff for the dedication they provide to our City.



ANDREW SHARPE

Chief Executive Officer



Working with our neighbouring shires in Denmark and Plantagenet to form the Lower Great Southern Economic Alliance demonstrates the positive leadership of our council to focus on sustainable growth for the future.

WHO WE ARE



REGIONAL PROFILE

Albany is the thriving cultural and administrative hub of the Great Southern region in Western Australia.

Less than an hour by air from WA's capital city Perth, and a mere 4.5 hrs by road, Albany sits on the south coast, widely regarded as one of the most incredibly beautiful and diverse coastlines in the world.

The region boasts beaches which are routinely named among the best in Australia, such as the incredible Little Beach, and of course our iconic Middleton Beach just minutes from Albany's CBD.

Our picturesque city marks the spot where the first European settlers set foot in Western Australia.

Albany is home to vibrant landscapes, award-winning beaches and fresh locally-grown produce.

Albany boasts the convenience of a major city while being surrounded by an amazing natural environment, including four spectacular National Parks just minutes' drive in any direction.

A great place to raise a family, Albany offers a safe and friendly regional city

setting and a strong sense of local community supported by a range of quality primary, secondary, vocational and tertiary education opportunities.

As the only city located along WA's southern coastline, the commercial and employment opportunities are wide ranging and it offers both an urban and rural lifestyle.

COMMUNITY PROFILE

	Population	Change	% Change
2005	32,726	-	-
2006	33,171	+445	+1.36
2007	33,310	+139	+0.42
2008	33,704	+394	+1.18
2009	34,164	+460	+1.36
2010	34,518	+354	+1.04
2011	34,873	+355	+1.03
2012	35,493	+620	+1.78
2013	36,205	+712	+2.01
2014	36,844	+639	+1.76
2015	37,233	+389	+1.06

The City of Albany Community Profile provides demographic analysis for the City and its suburbs based on results from the 2011, 2006, 2001, 1996 and 1991 Censuses of Population and Housing.

<http://profile.id.com.au/albany>

Source: Australian Bureau of Statistics, Regional Population Growth, Australia.

ECONOMIC PROFILE

\$103.051 MILLION
City of Albany
2015-2016 Budget

\$1.86 BILLION GRP

\$691.9 MILLION
Largest local sales by industry:
Construction

\$284 MILLION
Largest exporter by industry: Agriculture, Forestry & Fishing

\$470 MILLION
Largest importer by industry: Manufacturing

Largest Industry: Health Care & Social Assistance

City of Albany's Gross Regional Product represents 0.7% of the state's GSP (Gross State Product).

16,213
Employed Residents

2,713 JOBS
Largest employer by industry: Health Care & Social Assistance

14,975 LOCAL JOBS

3,338
Local Businesses

Building Approvals 15-16: Houses (259), Other (0).

The City of Albany Population for 2015 was 37,233.

Land Area: 431,048 hectares (4,310 km²)

Population density: 0.09 persons per hectare

Volunteers: 6,320



CITY OF ALBANY

The City of Albany has 12 councillors elected from six wards and a popularly elected Mayor, who are elected by the community for four-year terms.

Councillor elections take place every two years, and a Mayoral election every four years.

Albany City Council is divided up into six wards:

BREAKSEA WARD
 FREDERICKSTOWN WARD
 KALGAN WARD
 VANCOUVER WARD
 WEST WARD
 YAKAMIA WARD

While councillors represent their wards, together with the Mayor and City staff they have a responsibility to the whole of the City of Albany.

Council makes decisions about strategy, policy and budget priorities.

HISTORY

The City of Albany was formed in 1998 when the Town of Albany

and Shire of Albany amalgamated, but its history stretches back another 127 years.

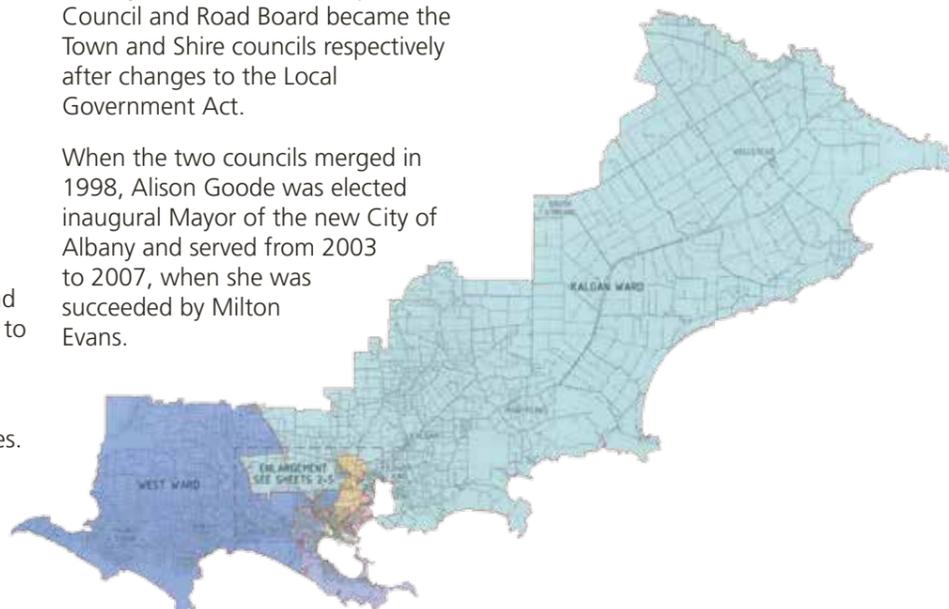
Albany Municipal Council was gazetted in 1871 and the Albany Road Board followed in 1896. William Finlay was the first Mayor of Albany when he was elected in 1885.

On July 1, 1961, the Municipal Council and Road Board became the Town and Shire councils respectively after changes to the Local Government Act.

When the two councils merged in 1998, Alison Goode was elected inaugural Mayor of the new City of Albany and served from 2003 to 2007, when she was succeeded by Milton Evans.

Milton Evans served as Mayor from 2007 to 2011 when he was succeeded by Dennis Wellington whose current term as Mayor expires at the 2019 election.

The City of Albany's administration centre on North Road was constructed and opened in 2005.



ELECTED MEMBERS



DENNIS WELLINGTON
 MAYOR
 TERM EXPIRES 2019



RAY HAMMOND
 COUNCILLOR,
 BREAKSEA WARD
 TERM EXPIRES 2017



PAUL TERRY
 COUNCILLOR,
 BREAKSEA WARD
 TERM EXPIRES 2019



CAROLYN DOWLING
 COUNCILLOR,
 FREDERICKSTOWN WARD
 TERM EXPIRES 2017



GREG STOCKS
 DEPUTY MAYOR AND
 COUNCILLOR,
 FREDERICKSTOWN WARD
 TERM EXPIRES 2019



JANELLE PRICE
 COUNCILLOR,
 KALGAN WARD
 TERM EXPIRES 2017



BILL HOLLINGWORTH
 COUNCILLOR,
 KALGAN WARD
 TERM EXPIRES 2019



NICOLETTE MULCAHY
 COUNCILLOR,
 VANCOUVER WARD
 TERM EXPIRES 2017



JOHN SHANHUN
 COUNCILLOR,
 VANCOUVER WARD
 TERM EXPIRES 2019



ALISON GOODE
 COUNCILLOR,
 WEST WARD
 TERM EXPIRES 2017



SANDIE SMITH
 COUNCILLOR,
 WEST WARD
 TERM EXPIRES 2019



ROBERT SUTTON
 COUNCILLOR,
 YAKAMIA WARD
 TERM EXPIRES 2017



ANTHONY MOIR
 COUNCILLOR,
 YAKAMIA WARD
 TERM EXPIRES 2019

COUNCIL ELECTIONS

Incumbent Mayor Dennis Wellington and two incumbent councillors were returned while four new councillors were elected in the City of Albany local government election on October 17, 2015.

The City of Albany held a candidate Information Session at its Civic Rooms on Thursday, September 3, where those interested in becoming a councillor could learn more about local government and the roles and duties of councillors.

Councillors play a vital role in the community by making decisions that affect the strategic direction of the City of Albany, and as well as attending monthly Ordinary Council Meetings and Special Council Meetings as required, perform a

number of other important duties.

These include standing on various committees of council, participating in strategic workshops, attending community forums, setting priorities for the City of Albany's annual Budget, providing good governance and community leadership, while listening to community concerns and representing community interests.

There were seven vacancies on council in the 2015 election, attracting a very competitive 21 candidates.

Vacant positions included the Mayor, and one councillor in each of the West, Yakamia, Breaksea, Vancouver, Frederickstown and Kalgan wards for four-year terms.

The strong turnout of candidates for the election reflected a healthy and active interest in the City of Albany's role in governing the city, with the election attracting an elector turnout rate of 34.16 per cent of the City's 24,836 electors.

The elected representatives made their Declaration before Great Southern Police District Superintendent Domonic Wood at the Ordinary Council Meeting of October 27 where Cr Greg Stocks was also re-elected as deputy mayor by his council peers.

The following councillors were elected:



MAYORAL

Neil Smithson 3,027 votes (35.71%)

Dennis Wellington 5,450 votes (64.29%)

BREAKSEA WARD

Paul Terry 606 votes (43.98%)

Milton Evans 322 votes (23.37%)

Val Green 103 votes (7.47%)

Jon Doust 213 votes (15.46%)

John Gates 134 votes (9.72%)

FREDERICKSTOWN WARD

Greg Stocks Unopposed

KALGAN WARD

Geoffrey Fairclough 152 votes (9.86%)

Mervyn Leavesley 635 votes (41.21%)

Bill Hollingworth 754 votes (48.93%)

VANCOUVER WARD

Kouros Majidi 119 votes (8.66%)

Matt Benson-Lidholm 589 votes (42.87%)

John Shanhun 666 votes (48.47%)

WEST WARD

Gerry Gregson 574 votes (40.42%)

Ili Taoi 107 votes (7.54%)

Sandie Smith 739 votes (52.04%)

YAKAMIA WARD

Dermot Buckley 105 votes (8.02%)

Max Chester 287 votes (21.91%)

Alan Hortin 459 votes (35.04%)

Anthony Moir 459 votes (35.04%)

COUNCIL GOVERNANCE

The City of Albany has an obligation under The Local Government Act 1995 to provide good governance to its community.

Good governance enables the council to provide services and facilities, by proper and democratic government, to the broad range of people who have a stakeholder interest in the region, including residents, commercial and retail businesses, workers, and visitors.

Governance is an important concept and impacts on all sectors of the community.

The practice of good governance is critical to ensuring the City of Albany meets legal and ethical compliance, decisions are made in the interests of all stakeholders, and the organisation behaves as a good corporate citizen should.

To provide good governance, Albany City Council meets regularly to consider and make decisions for and on behalf of its community.

ORDINARY COUNCIL MEETINGS

Albany City Council held 11 Ordinary Council Meetings between July 2015 and June 2016.

SPECIAL COUNCIL MEETINGS

Albany City Council held four Special Council Meetings between July 2015 and June 2016.

COMMITTEES

There are eight committees which have councillor representation and consider and make recommendations for the consideration of council.

Of these eight committees, four are council committees open to the public. These committees are:

CORPORATE SERVICES AND FINANCE

2015-2016 meetings: 11

Membership: All Elected Members with Cr Greg Stocks as chair and Cr Alison Goode as deputy chair.

COMMUNITY SERVICES

2015-2016 meetings: 9

Membership: Cr Alison Goode (chair), Cr Sandie Smith (deputy chair), Mayor Dennis Wellington, Cr Bill Hollingworth, Cr Nicolette Mulcahy, Cr Carolyn Dowling.

ECONOMIC DEVELOPMENT COMMITTEE

2015-2016 Meetings: 7

Membership: Cr Bill Hollingworth (chair), Cr Ray Hammond (deputy chair), Mayor Dennis Wellington, Cr Alison Goode, Cr Greg Stocks, Cr Sandie Smith, Cr Robert Sutton, Cr John Shanhun, Cr Janelle Price, Cr Carolyn Dowling, Cr Paul Terry.

PLANNING AND DEVELOPMENT COMMITTEE

2015-2016 meetings: 11

Membership: Cr Nicolette Mulcahy (chair), Cr Bill Hollingworth (deputy chair), Mayor Dennis Wellington, Cr Alison Goode, Cr Greg Stocks, Cr Ray Hammond, Cr John Shanhun, Cr Robert Sutton.

WORKS AND SERVICES COMMITTEE

2015-2016 meetings: 11

Membership: Cr Robert Sutton (chair), Cr Anthony Moir (deputy chair), Mayor Dennis Wellington, Cr Greg Stocks, Cr John Shanhun, Cr Sandie Smith, Cr Bill Hollingworth.

One of the eight committees is a closed committee of council. This committee is:

AUDIT AND RISK COMMITTEE

2015-2016 meetings: 3

Membership: Cr Bill Hollingworth (chair), Cr Alison Goode (deputy chair), Mayor Dennis Wellington, Cr Ray Hammond, Cr Robert Sutton, Cr Janelle Price, Cr Greg Stocks.

Council also has representatives on the following local area committees:

BUSH FIRE ADVISORY COMMITTEE

2015-2016 meetings: 4

Council representatives: Cr Bill Hollingworth (chair), Cr John Shanhun (deputy chair), Cr Sandie Smith.

LOCAL EMERGENCY MANAGEMENT COMMITTEE

2015-2016 meetings: 3

Council representatives: Cr John Shanhun (chair), Mayor Dennis Wellington.

ELECTED MEMBER ATTENDANCE-ORDINARY COUNCIL MEETINGS 2015-16

	2015						2016				
	JUL	AUG	SEP	OCT	NOV	DEC	FEB	MAR	APR	MAY	JUN
MAYOR WELLINGTON	●	●	●	●	●	●	●	●	●	●	●
COUNCILLOR STOCKS	●	●	●	●	●	●	●	●	●	●	●
COUNCILLOR DOWLING	●	●	●	●	●	●	●	●	●	●	●
COUNCILLOR HAMMOND	●	●	●	●	●	●	●	●	●	●	●
COUNCILLOR TERRY	ELECTED OCTOBER 2015			●	●	●	●	●	●	●	●
COUNCILLOR PRICE	●	●	●	●	●	●	●	●	●	●	●
COUNCILLOR HOLLINGWORTH	●	●	●	●	●	●	●	●	●	●	●
COUNCILLOR MULCAHY	●	●	●	●	●	●	●	●	●	●	●
COUNCILLOR SHANHUN	ELECTED OCTOBER 2015			●	●	●	●	●	●	●	●
COUNCILLOR SMITH	ELECTED OCTOBER 2015			●	●	●	●	●	●	●	●
COUNCILLOR GOODE	●	●	●	●	●	●	●	●	●	●	●
COUNCILLOR MOIR	ELECTED OCTOBER 2015			●	●	●	●	●	●	●	●
COUNCILLOR SUTTON	●	●	●	●	●	●	●	●	●	●	●
COUNCILLOR CALLEJA	●	●	●	RETIRED							
COUNCILLOR GREGSON	●	●	●	RETIRED							
COUNCILLOR HORTIN	●	●	●	RETIRED							
COUNCILLOR BOWLES	●	●	●	RETIRED							

● ATTENDED ● APOLOGY ● LEAVE OF ABSENCE

ELECTED MEMBER ATTENDANCE-SPECIAL COUNCIL MEETINGS 2015-16

	2015	2016		
	8 DEC	28 JAN	10 MAR	13 JUN
MAYOR WELLINGTON	●	●	●	●
COUNCILLOR STOCKS	●	●	●	●
COUNCILLOR DOWLING	●	●	●	●
COUNCILLOR HAMMOND	●	●	●	●
COUNCILLOR TERRY	●	●	●	●
COUNCILLOR PRICE	●	●	●	●
COUNCILLOR HOLLINGWORTH	●	●	●	●
COUNCILLOR MULCAHY	●	●	●	●
COUNCILLOR SHANHUN	●	●	●	●
COUNCILLOR SMITH	●	●	●	●
COUNCILLOR GOODE	●	●	●	●
COUNCILLOR MOIR	●	●	●	●
COUNCILLOR SUTTON	●	●	●	●

● ATTENDED ● APOLOGY ● LEAVE OF ABSENCE

COMPLIANCE

STATE RECORDS ACT 2000

The City of Albany reviewed its Record Keeping Plan in 2013 which was accepted by State Records.

The Records Keeping Plan details all record keeping practices across the organisation and incorporates legal requirements set by State Records.

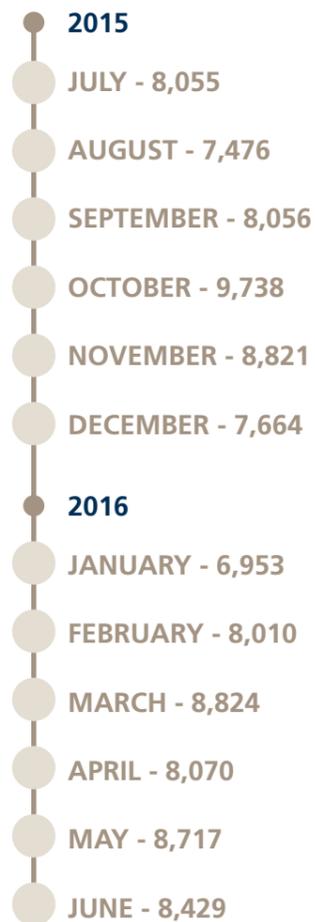
SynergySoft is the City's record keeping system. The City's records staff undertake record keeping training for all staff on an as-needs basis following a formal induction process.

Every staff member attends a mandatory record keeping induction, usually on the date they start with the organisation. All staff have access to online SynergySoft records training videos.

Records staff undertake formal training provided by third party training providers.

Records staff undertake ongoing, ad-hoc reviews of records practices across the organisation which highlight any additional training requirements of staff. They then work with business units to rectify any identified process inefficiencies.

THE CITY CAPTURED 98,813 RECORDS DURING 2015/16.



REGISTER OF COMPLAINTS

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

During 2015-2016 no complaints were recorded in the register of complaints in accordance with section 5.121 of the Local Government Act 1995.

FREEDOM ON INFORMATION

City of Albany information is available through a range of mediums including public statements, media statements, the City's website, advertisements placed in local and state-wide newspapers, public notice boards, library services, information sheets and other publications, as well as individual correspondence, public and statutory documents and reports.

Availability of information is subject to provisions established in legislation such as the Freedom of Information Act 1992 and the Local Government Act 1995 and may be free, or subject to fees and charges.

The City will, in all instances, seek to provide access to information upon request, except where there may be issues under the Privacy Act 1998 or Freedom of Information Act 1992 or other relevant legislation.

An Application for Access to Documents form is available on the City's website or upon request.

The City received five Freedom of Information requests during 2015-2016.

OUR ADMINISTRATION

The City of Albany was structured around five directorates for most of 2015-2016:

- Corporate Services
- Planning and Development Services
- Works and Services
- Economic and Commercial Services
- Community Services

Each directorate had an Executive Director who worked closely with the Chief Executive Officer on the day-to-day operations of the City of Albany.

The City had a change in CEO in 2015, with Graham Foster retiring after a long and distinguished career in local government, and council appointing Andrew Sharpe from the City of Canning as his successor from August 3.

Mr Foster had been the City of Albany's CEO since late 2012.

Executive Director Corporate Services Garry Adams also left the City of Albany in late 2015 and was replaced by Michael Cole in February 2016, with Manager Finance Duncan Olde acting in the role in the meantime.

In April 2016, council also endorsed a change in organisational structure, reducing the number of directorates to four and an Office of the CEO.

This change resulted in Community Services ceasing to be a directorate and instead falling under the Office of the CEO with an Executive Manager Community Services appointed.

The four directorates endorsed by council were:

- Corporate Services
- Development Services
- Works and Services
- Commercial Services

DIRECTORATES

OFFICE OF THE CEO

The Office of the CEO team is managed by the Chief Executive Officer and manages the Mayoral Liaison, Major Projects, Community Services and Strategic Facilitation.

The Community Services function of the Office of the CEO covers a range of areas including arts and culture, community development, events and communications.

CORPORATE SERVICES

The Corporate Services directorate manages day-to-day City operations including finances, leasing and procurements, rates and payments, information technology, human resources and customer service.

DEVELOPMENT SERVICES

Development Services manages a variety of teams including Rangers and Emergency Services, Planning, Building and Health Services, and Environment Health.

WORKS AND SERVICES

The Works and Services directorate comprises three teams; City Engineering, City Operations and City Reserves and is responsible for a wide range of activities including asset management, sustainability, design and construction, waste management and reserves management.

The City of Albany is responsible for \$765 million worth of public assets. These include roads, pathways, drainage, reserves and buildings. The annual budget for Works and Services is approximately \$24 million and includes maintenance and capital works.

EXECUTIVE MANAGEMENT TEAM



ANDREW SHARPE
CHIEF EXECUTIVE OFFICER



MICHAEL COLE
EXECUTIVE DIRECTOR
CORPORATE SERVICES



DALE PUTLAND
EXECUTIVE DIRECTOR
DEVELOPMENT SERVICES



MATTHEW THOMSON
EXECUTIVE DIRECTOR
WORKS AND SERVICES



CAMERON WOODS
EXECUTIVE DIRECTOR
COMMERCIAL SERVICES



ADAM COUSINS
EXECUTIVE MANAGER
COMMUNITY SERVICES



OUR PEOPLE

STAFF

The City of Albany is the largest single employer in Albany, with a broad range of skillsets and experience creating a diverse and dynamic team of staff whose focus is on achieving great outcomes for the whole community.

VOLUNTEERS

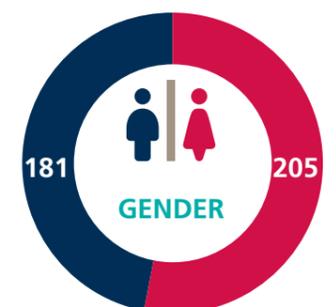
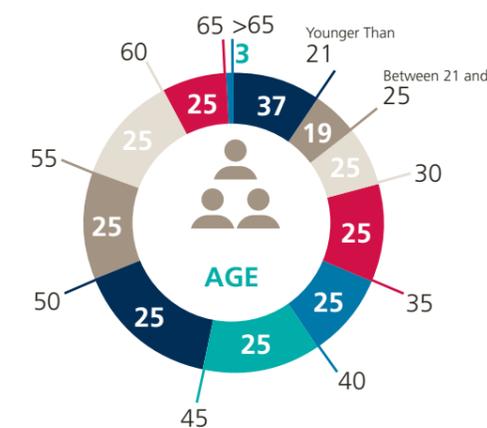
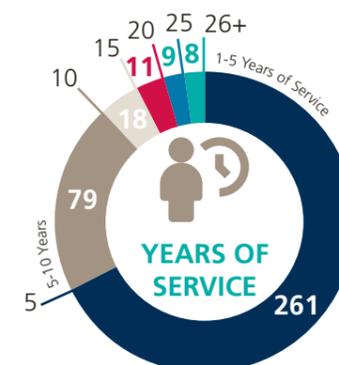
The City of Albany currently has 1,000 volunteers, including volunteer bush fire fighters, who play a vital role in assisting the City to deliver a range of facilities and services to its community.

Volunteers work in Albany Public Library, Albany Heritage Park, Albany Visitor Centre, Vancouver Arts Centre and Reserves.

Volunteer Bush Fire Fighters make up the largest team of volunteers with more than 700 involved in the City's volunteer bushfire brigades.

The City has between 200 and 250 non bush fire fighter volunteers at any point in time.

EMPLOYEE PROFILE



SPACES, PLACES & ASSETS

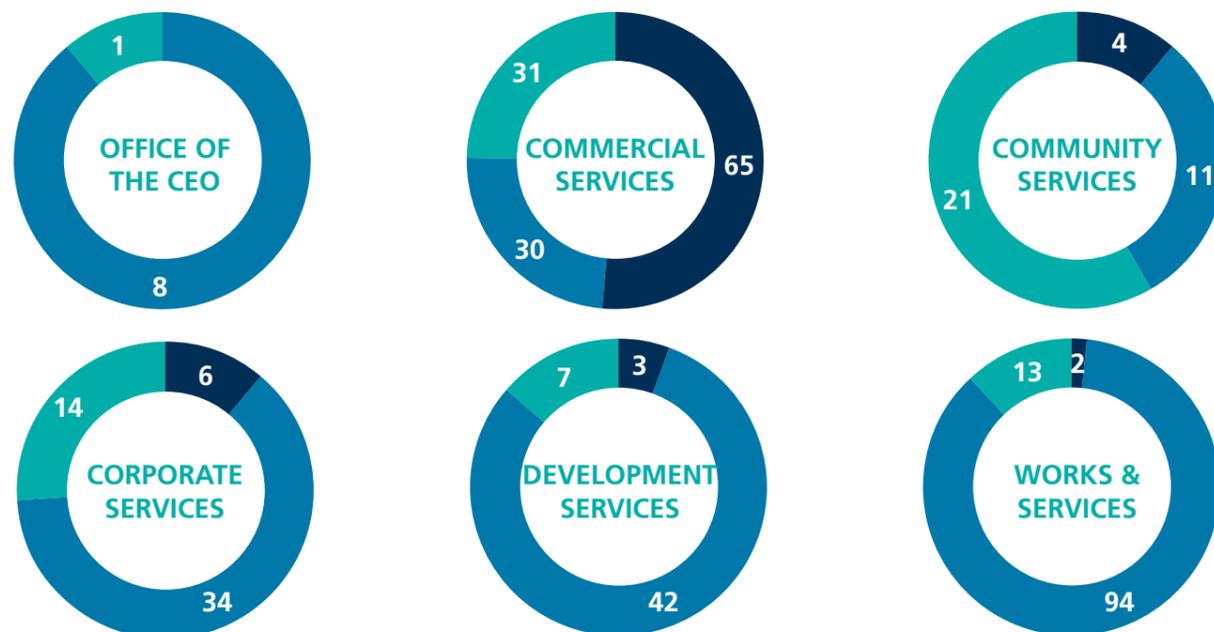


EMPLOYEE REMUNERATION



EMPLOYEE BY DIRECTORATE

● CASUAL
 ● PERM FT
 ● PERM PT



OUR ASSETS

The City of Albany owns, manages and maintains a diverse range of assets from roads and footpaths to buildings, sports fields, playgrounds and public toilets.

The City manages 51 natural reserves including popular tourist destinations Mt Clarence and Mt Adelaide, as well as outer beaches.

Management of these reserves includes trail maintenance, weed control, revegetation, erosion, community access, camping and fire management.

The City also manages 80 developed reserves including main beaches, 42 playgrounds, 240 turf areas, 40ha of reticulation, park trees, 110 gardens and more than 150km of pathways.

Other facilities and assets which fall under Reserves include 35ha of sportsfields, and urban roads which require 380km of kerbside spraying, street tree pruning, planting and watering, median strip and roundabout garden maintenance, and verge mowing.

In 2015-2016 the City spent \$4,761,294 on roads, \$947,261 on footpaths, \$1,584,775 on drainage, \$3,020,213 on parks, gardens and reserves, and \$1,911,890 on other infrastructure which includes carparks, jetties, fencing and the Brig Amity.

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THE CITY HAD THE FOLLOWING ASSETS IN THE 2015-2016 FINANCIAL YEAR:



Roads
1,556km
Sealed - 786km
Unsealed - 770km



Kerbing
427km



Footpaths
156km



Parking Bays
1,772



Street Trees
7,897



Storm Water Pits
14,422



Buildings
245



Public Toilets
51



Sports Fields
35ha



Parks & Gardens
110



Playgrounds
42



Irrigation
41,624Lm



Bush Shelters
104



Jetties
13



Road Bridges
13



Fleet Vehicles
Heavy - 77
Light - 71

ALBANY HERITAGE PARK & NATIONAL ANZAC CENTRE

The National Anzac Centre established itself as one of Australia's most significant cultural experiences during its first full financial year of operation.

The National Anzac Centre stands as the jewel in the crown of Albany Heritage Park, atop Mt Clarence and Mt Adelaide which also includes the Desert Mounted Corps Memorial, The Forts, Convoy and Padre White lookouts, and a network of walk and cycling trails.

The centre received 67,687 visitors through its doors during the 2015-2016 financial year, which was well above the initial forecast of 46,000.

These numbers contributed to surpassing the 100,000 visitor milestone in January 2016 and is a demonstration of the important role Local Government can play in attracting visitors to the region.

In addition to strong visitation, the National Anzac Centre has been successful in achieving a variety of awards and recognition.

In 2015 it was awarded the Gold Medal for 'New Tourism Business' at the WA Tourism Awards and also took out the Heritage Tourism Project category at the WA Heritage Awards, as well as being a finalist in the Australian Interior Design Awards 2015.

The centre also won bronze in the 2016 WA Tourism Awards in the category of Cultural Tourism. These awards were for the qualifying period of the 2015-2016 financial year.

To build on this success the City of Albany is continuing to invest in the centre as a major tourism drawcard for the region.

In doing so the City aims to deliver an experience of immense national importance to visitors and locals that is considered among the best in Australia, positioning Albany as the home of the nation's most iconic cultural pilgrimage.

\$316,625
2015-2016
Operating Surplus



\$2,510,233
2015-2016
Operating Income

ALBANY REGIONAL AIRPORT

There were significant changes to Albany Regional Airport operations during 2015-2016. The airport welcomed a new aircraft operator, with Regional Express (REX) airlines commencing RPT operations in March 2016 after Virgin ceased servicing the Albany air travel segment.

REX made some good early gains on the Albany to Perth air route, offering an increase in flight frequency using their Saab 340 34-passenger aircraft.

In addition to the improved 23 return flights per week, REX introduced an attractive REX Promo \$129 one-way fare that was well received in the market.

Virgin continued to operate closed-charter services from the airport for the FIFO employees living in the Great Southern region, carrying more than 6,000 FIFO travellers in the financial year.

With the introduction of REX's lighter aircraft the airport was no longer required to impose security screening on passengers. The removal of security screening resulted in a reduction in airport operating costs which were passed onto passengers.

REX and the City of Albany continue to work closely to increase passenger volume and reduce the cost of flying for the public.





ALBANY LEISURE AND AQUATIC CENTRE



Albany Leisure and Aquatic Centre (ALAC) underwent a major refurbishment between August 15 and September 29, 2015 with the installation of a new ventilation system, resurfacing of the pool deck area with anti-slip floor tiles and fitting of new lane rope holders.

The work was carried out to a very high standard and resulted in a modern and appealing pool deck area for ALAC patrons to enjoy.

ALAC's aquatics area continued to be a thriving and vibrant place, hosting more than 900 swim school students, 100 swim club athletes, countless public patrons and a birthday party or two each week.

ALAC held an Open Day on December 19, 2015.

The Open Day provided a fantastic opportunity for residents of Albany and surrounds to explore the services and facilities offered at the centre and take part in a range of free and engaging activities.

ALAC continued to expand its school holiday programs to include activities like bike education, and in December hosted Cycling Australia's only regional Austcycle Skills Coaching course in WA.

The National Volleyball competition also made its first appearance in Albany with ALAC hosting the fixture between WA and the Uni Blues from Melbourne in October 2015.



ALBANY PUBLIC LIBRARY

It was another busy year for the Library, underlying its growing status as a thriving community hub.

In 2015-2016 Albany Public Library issued nearly 340,000 items to 14,000 members, while nearly 250,000 people visited the Library.

More than 63,000 computer and wifi sessions were recorded, along with 86,000 website visits.

The most borrowed titles were:

- **Fiction**
Make me by Lee Child (74 issues)
- **Large Print**
The black ship by Carola Dunn (34)
- **Non-fiction**
That Sugar book by Damon Gameau (29)
- **Audiobook**
These old shades by Georgette Heyer (28)
- **eBook**
The Rosie Project by Graeme Simsion (WA-wide)

- **eAudiobook**
Beachcombers by Nancy Thayer (WA-wide)
- **DVD**
The golden age of British comedy (128)
- **Music CD**
20 hits of the 60s (17)
- **Junior fiction**
Marvel super hero storybook by Rich Thomas (67)
- **Junior Non-fiction**
Minecraft construction handbook by Matthew Needler (25)
- **Young Adult**
Conspiracy 365 by Gabriele Lord (35)

The Library also launched new management software Spydus in July 2016, however all the ground work for its implementation took place in the 2015-2016 financial year.

Spydus replaced the old Library Management System software, offering a much more exciting library catalogue, enhanced user functionality and a user-friendly web-based interface for staff.

This was a major project to implement that was handled smoothly by all staff, with great support from the City's IT team and excellent project management from Library Systems & eResources Coordinator Kimberley Stoney.

Other highlights of 2015-2016 at the library included the Dementia Friendly Communities Pilot program, Etsy Entrepreneurship for Women program, Seniors Week Facebook training sessions, That Sugar film-screening, and the Birds, Bees & Backyard Productivity speaker series.

All the library's programs and events were well supported by the community.



ALBANY VISITOR CENTRE



Albany Visitor Centre continued to benefit from the momentum generated by the Anzac centenary activities and investments in the region's visitor infrastructure.

During 2015-2016, planning began for the relocation of Albany Visitor Centre to a new Visitor Information Hub co-located with Albany Public Library on York Street. When complete in 2018, this new facility will reinforce the importance of the visitor economy to Albany and the south coast.

An independent review of the visitor centre was undertaken in 2015 with the key findings being that the Visitor

Centre is meeting the key service requirements of visitors, that visitors who access the centre spend up to an additional \$8.7 million in the region, and that the centre is an important provider of general information to the community.

The City of Albany was the Gold Medal winner for Local Government in Tourism at the 2015 and 2016 WA State Tourism Awards with the Albany Visitor Centre playing a key role in this success.



\$171,753

2015-2016
Operating Income

\$417,942

2015-2016
Operating Income



VANCOUVER ARTS CENTRE

2015-2016 was a year of growth for the Vancouver Arts Centre team, both in staff numbers and in the scale, diversity and reach of projects.

A focus on augmenting and leveraging off existing partnerships with State-based arts and cultural organisations and the development of new partnerships resulted in the collaborative delivery of some complex projects with multiple stakeholders.

These projects celebrated culturally significant stories from the region and successfully communicated to a national audience, making a contribution to a national understanding of the uniqueness of the region.

The significant focus on community cultural development and cultural history projects, along with diversification of art form shifted VAC's balance of services, improving

access to arts and cultural activity for the broader community whilst still delivering on core business services of venue hire, accommodation, artist in residence programs, exhibitions, workshops, studio rentals, art awards and the management of the City of Albany's Art Collection.

Programming focused on activating public spaces, bringing arts and cultural activity to the places where people congregate, and taking advantage of the recent significant upgrades and enhancements within the Albany CBD.

The aim was to drive greater community participation by removing the barriers to access created by the Arts Centre's physical location on a suburban street, but also to actively contribute to the ongoing development of Albany's cultural identity, encouraging community ownership over public space.

Additional funds provided through the Creative Regions funding program (Department of Regional Development and Royalties for Regions delivered through Country Arts WA) alleviated some pressure to compete for additional funding to support specific projects such as the Bella Kelly Retrospective and enabled the Arts Centre to provide some sustainable support for local artists through the Artist/Curator Fund, Short Term Studio Residencies and an improved In-Kind Support Application process.

In summary, 2015-2016 was a huge and highly successful year for Vancouver Arts Centre and the City of Albany, coordinating more than 72 events that generated an audience of more than 41,000 and participation exceeding 2,700.

HIGHLIGHTS



\$33,080

2015-2016
Operating Surplus

ALBANY REGIONAL DAY CARE

Albany Regional Day Care had another busy year delivering the National Quality Standards and Early Years Learning Framework Curriculum, keeping a high standard of service to community users.

Preparations for children's transitions from our 4-year-old Kindy Program to Pre-primary was smooth for all involved. Consistency in professional development and networking with all stakeholders has established a high level of learning and opportunity to the team.

A major highlight was the recognition the centre received after the Assessment and Rating visit completed by Australian Children's Education and Care Quality Authority.

The day care was acknowledged for its commitment to continuous improvement and for striving to achieve quality outcomes for children. In particular for Exceeding

the National Quality Standard in the following six quality areas:

- Children's health and safety
- Physical environment
- Staffing arrangements
- Relationships with children
- Collaborative partnerships with families and communities
- Leadership and service management

Other highlights included great outcomes from two community initiatives that took place.

Craig Care visited the centre to allow a group of elderly the opportunity to socialise, watch a small concert and enjoy morning tea with children. This was very special for those that are not able to see their grandchildren.

The centre also ran a successful fundraising and donation program to the Albany RSPCA with quantities of dog and cat food, and pet blankets donated. These initiatives enable children to learn and give back to our community in a positive way.

The day care has now completed five community initiatives and will continue this program, aiming to complete a minimum of two initiatives per year.

The centre continued to run at capacity and had a steady wait list, particularly for the 0 to 2-year old room.

Families also continued to remain at the centre for their child's Kindy year due to the curriculum on offer and hours of care that can be provided compared to school hours.

The day care remained competitive on fees compared with other services, and for quality of service.



10 Countries

Albany Royal Visit reached 10 countries on social media.

7 UK Journalists

7 UK Journalists followed the Royal Tour

36 Years

Since Prince Charles last visit to Albany in 1979.



ROYAL VISIT

The City of Albany welcomed Their Royal Highnesses the Prince of Wales and Duchess of Cornwall on Saturday, November 14, 2015 as part of their Royal Tour of Australia and New Zealand.

Prince Charles and Duchess Camilla visited Albany to commemorate the Anzac centenary and pay their respects at the National Anzac Centre, and view the point where the first Anzac fleet gathered in King George Sound in 1914.

As well as the National Anzac Centre, the Royal couple visited the Albany Agricultural Show and Oranje Tractor winery.

Residents flocked to the show and city centre to catch a glimpse of the Prince and Duchess as their motorcade made its way around Albany.

The nine-pound canon at Princess Royal Fortress was fired to farewell the Royals as they left the National Anzac Centre. The canon was first shot in 1893 in celebration of Queen Victoria's birthday

The Royal visit to Albany made national and international headlines and social media posts on the special occasion engaged with people in Australia, UK, New Zealand, Italy, South Africa, Canada, Malaysia, Phillipines and France.

Albany was the only regional city the Prince and Duchess visited on their tour.

It was the first Royal visit to Albany since Prince Charles visited in 1979 when he engaged in a celebratory tour of the State for its sesquicentenary.

Previously, Queen Elizabeth II visited to commemorate the 150th anniversary of the first British settlement in Albany in March 1977.

CLIPPER ROUND THE WORLD RACE

Albany was the host WA port for the prestigious Clipper Round the World Race in November 2015, the second time the city has had host honours.

Twelve 70-foot yachts departed Cape Town on October 31, 2015 to sail the third leg of the race to Albany, known as the Wardan Whip – Wardan meaning 'ocean' in local Noongar language and Whip referring to the strong southerly winds encountered on the race.

The race name was a winning competition entry from Albany resident Lisa Gwynn.

Yachts began arriving in Albany on the morning of November 23 with LMAX Exchange taking line honours.

Albany Mayor Dennis Wellington greeted Albany sailor Nicola Edwards who arrived on November 27 on board PSP Logistics. A crowd gathered on the breakwater by the finish line at the waterfront marina to welcome Nicola as she crossed the finish line in 10th place.

The waterfront marina became a hive of activity during the Clipper's week-long stay as Albany celebrated the

arrival of the yachts. Yachts opened to the public, and Princess Royal Sailing Club hosted a 'try sailing day'. The Boat Shed Markets were kept busy and a sundowner was held on November 29 for the Clipper crews.

Local school groups also had the chance to visit the yachts and receive talks from the Clipper skippers.

A departure ceremony was held on December 1 as hundreds of residents turned out to wave farewell to the yachts and they performed a spectacular Parade of Sail in Princess Royal Harbour as they set sail for Sydney on leg 4 of the race.

The net financial contribution by the City of Albany to host the event was \$162,463 – higher than initially forecast, reflecting the unsuccessful funding application to Tourism WA and Landcorp assumed in the original budget.

However, the event was assessed as economically successful, delivering a good return on investment and generating an injection of an estimated \$874,000 into the local economy.

\$874,520

Direct Events expenditure

398 Visitors

340 Sailors





\$1,283,193

\$874,368 visitor spend / \$408,825 CMCA organiser spend

602 Recreational Vehicles

1,188 Visitors

CMCA NATIONAL RALLY

Centennial Park was the temporary home of hundreds of visitors from across Australia when the Caravan and Motorhome Club of Australia's National Rally came to Albany from October 26 to November 1, 2015.

A not-for-profit member based organisation, CMCA is the largest recreational vehicle club in Australia and at the time of the rally had 66,000 members across Australia and overseas.

The National Rally attracted 1,188 visitors to Albany, 602 recreational vehicles and another estimated 50 vehicles to the Albany region that did not register at the rally.

The Albany Chamber of Commerce and Industry was a strong supporter of Albany hosting the event, with ACCI representatives attending previous CMCA events and meeting with CMCA organisers to attract them to Albany.

Hosting the rally was initially investigated by the City of Albany through Tourism WA and the Perth Convention Bureau, before direct negotiations with CMCA to secure host rights.

The attraction of iconic major events was identified by the Albany community under the theme of Smart, Prosperous and Growing in the City of Albany's Community Strategic Plan.

Major beneficiaries were local hospitality, supermarkets, retail businesses and visitor attractions, with many businesses providing positive feedback about the rally's success.

The City of Albany committed \$100,000 in-kind support and \$60,000 cash sponsorship to the event, which also attracted financial support from the Perth Convention Bureau, Tourism WA and Great Southern Development Commission.

The event was considered economically successful, delivering a good return on investment and generating an estimated \$1,283,193 into the local economy.

PUBLIC IN THE GREAT SOUTHERN

Albany underwent an artistic transformation when international and local artists took part in PUBLIC In The Great Southern from April 14 to 17, 2016.

PUBLIC is a festival of urban art, events and ideas run by Western Australian cultural organisation FORM and it was the first time it had visited regional WA, thanks to a partnership with the City of Albany and support from Southern Ports Authority.

Albany was the final act in the three-part PUBLIC 2016 festival, which also included Claremont and Curtin University.

International urban art talent worked alongside WA and Albany artists who used inspiration from their surroundings to create large-scale artworks on 10 walls in Albany's CBD.

Businesses and organisations that supported the festival included

Charter Hall (Coles Plaza), York Street IGA, Due South, Albany Plaza, Albany Hotel, Albany Property Brokers, Hillzeez, Paperbark Merchants, Ricarda, The Hub Mensland, Wakes Music, WFI Insurance, Albany Public Library, Featherstone Boutique and Lincolns.

Artists Add Fuel (Portugal), Borondo (Spain), HENSE (USA), Karim Jabbari (Tunisia) and Tellas (Italy) joined Perth-based artists Stormie Mills, Kyle Hughes-Odgers and Andrew Frazer, and Albany's own Chad Marwick and Darren Hutchens, to create colourful masterpieces.

While the shop and laneway walls were getting a makeover, Great Southern artists Holly O'Meehan, Jill O'Meehan, John Carberry, Lynley Campbell, Nat Rad and Serena McLauchlan presented site-specific artworks in and around Albany.



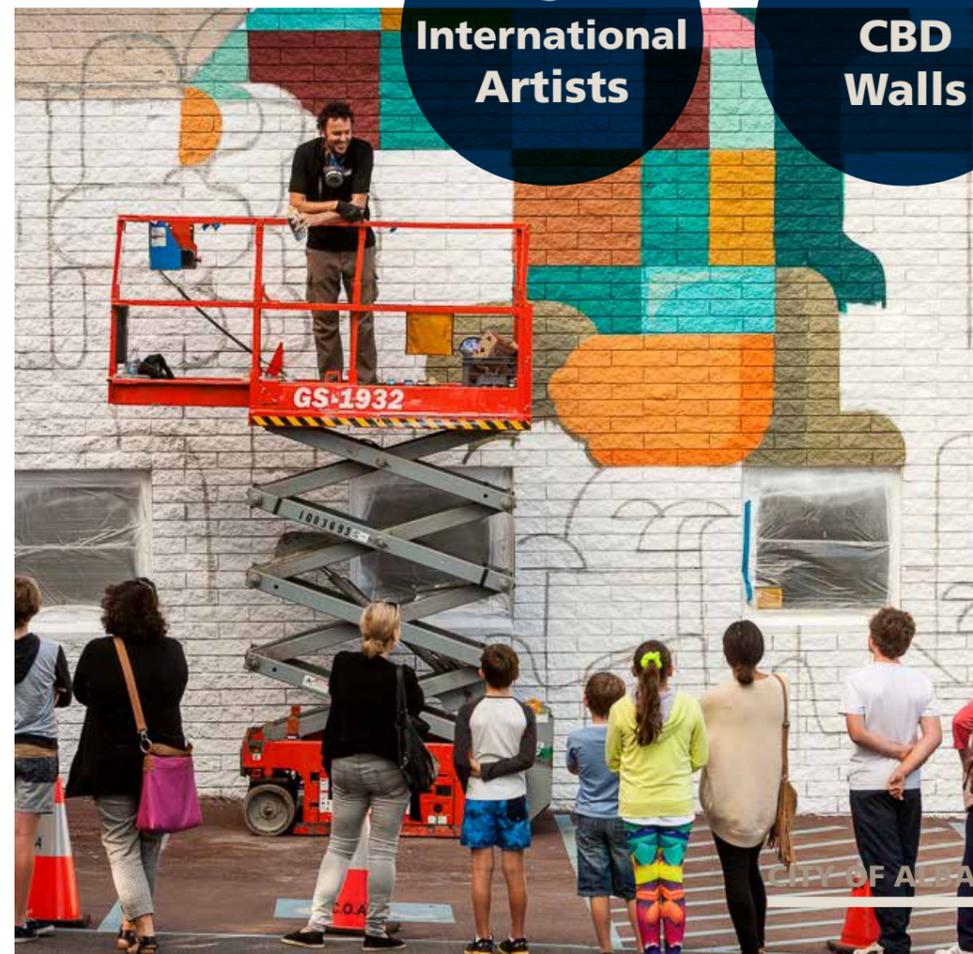
The festival was celebrated with a free community after party in the Town Square involving music and DJs, food, art, children's activities and the chance for the public to interact with the artists.

PUBLIC In The Great Southern created an intense festival-like atmosphere in the CBD, with many residents including young families watching and interacting with the artists while they painted.

5 International Artists

10 CBD Walls

1st Festival in Regional WA



BELLA KELLY EXHIBITION

A ground breaking exhibition celebrating the art and legacy of Noongar artist Bella Kelly (1915-1994) opened at Vancouver Arts Centre on March 23, 2016.

The Bella Kelly Retrospective made a new and important statement about her place in history and attracted national attention.

Born in Mt Barker, Bella Kelly lived in many towns throughout the Great Southern. During her life she experienced immense change. Her two sets of four children, born in the 1930s and 1950s, were both taken away from her.

Throughout all this, Bella painted her country, the Great Southern, with the Stirling Ranges in the background. She sold her paintings to earn money and her paintings are found in many public and private collections.

Bella Kelly's art has previously been described as being influenced by the Carrolup School, named after the Carrolup Native Settlement near

Katanning in south west WA, where between 1946 and 1951 indigenous children created hundreds of pastel drawings, many depicting the country around them.

However, based on a range of evidence, this exhibition proposed that, rather than being influenced by the Carrolup School, Bella Kelly was in fact the starting point for this distinctive Noongar art style.

This Retrospective provided a unique opportunity to view 52 artworks by this significant Noongar artist. The paintings spanned five decades, and showed the development of her style as new materials became available to her.

Most of the paintings were borrowed from private collections, and had never been seen publicly before.

The City of Albany Art Collection's four paintings by Bella Kelly were part of the exhibition.

To allow broad community access and extend the life of this important exhibition, developing an online publication (www.bellakelly.com.au) was an integral part of the project. The website features images of all the works from the exhibition, video and audio information, educational information and worksheets, and background information on the project and its development.

The importance of the Bella Kelly Retrospective was recognised by other WA galleries.

After its presentation in Albany, the exhibition was shown at the John Curtin Gallery, Curtin University, Bentley from June 20 to August 21, and then at NEXIS Exhibition Space in Narrogin from September 9 to October 16.

The project was supported by the Departments of Culture and the Arts and Regional Development, Royalties for Regions and Country Arts WA.



**100,000
Visitors**

NATIONAL ANZAC CENTRE

The National Anzac Centre welcomed its 100,000th visitor on January 20, 2016.

It took just over a year to reach this significant milestone with visitor numbers to the National Anzac Centre exceeding expectations since opening on November 1, 2014 as part of Albany's Anzac Centenary Commemorations.

When Lisa Liaros visited the National Anzac Centre with her family, she was surprised to learn she was the special visitor.

Mrs Liaros and her family, who were on holidays in Albany from Perth, said the National Anzac Centre held extra significance to her after a visit with her husband to Gallipoli in 1992 which she described as "very touching".

Mrs Liaros and her family spent about two hours exploring the National Anzac Centre and described it as an emotional experience that reinforced the value of life and the sacrifice of our soldiers.

Albany Deputy Mayor Greg Stocks presented Mrs Liaros with a framed certificate acknowledging the milestone.

**52
Artworks**

**3
Venues**





Snake Run Skate Park

Albany's gnarly downhill skate run in Hare Street was the world's first community-built skate park and has been a pilgrimage site for generations of skateboarders around the world.

Built in 1976, The Snake Run inspired many of the early skate parks in the US and four decades on it created history again.

On the eve of its 40th anniversary celebration on February 13, 2016 which also launched Perth International Art Festival's 2016 Great Southern Festival, The Snake Run was State heritage listed after the City of Albany nominated the skate park to the Heritage Council for inclusion in the State Register of Heritage Places.

Heritage Minister Albert Jacob visited Albany on Friday, February 12, to make the announcement before The Snake Run Project event on the Saturday.

The heritage announcement made the skate park's anniversary even more significant.

The idea for the Snake run was born in 1975 at a meeting between the then Town of Albany and students from Albany Senior High School. Land on the corner of Hare and Hay streets was acquired and funds were raised and the rest, as they say, is history.

The Snake Run quickly gained a reputation as one of the most

challenging skate parks in the world, even attracting American skateboarding champion Russ Howell who returned for its 40th anniversary.

The Snake Run Project on Saturday, February 13 was a free community event to celebrate the milestone and attracted more than 2000 people.

The Snake Run was given a fresh new look ahead of the event which included live music, skate events and historical displays and performances.

Publicity of the event and the Snake Run's history spread across Australia, attracting a media audience of more than 1.27 million.

40th Anniversary

1.27 Million Media Audience

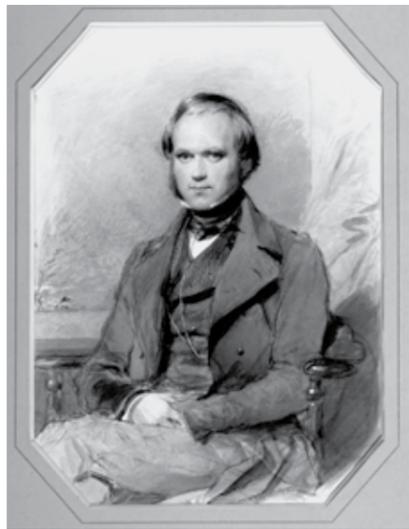


AWARDS





CHARLES DARWIN'S ANNIVERSARY



March 2016 was the 180th anniversary since famed English naturalist and geologist Charles Darwin visited Albany and the City of Albany partnered with the State Government to mark the occasion.

Until now there has been no visible recognition of Darwin's visit to Albany, but a series of seven interpretive signs installed at the Ellen Cove boardwalk at Middleton Beach have created more public awareness of this historic occasion.

The project was initiated by a request from the Humanist Society WA to the Premier and was funded with \$10,000 from the State Government and \$13,837 from the City of Albany.

Interestingly, Darwin was not impressed by Albany when he visited aboard The Beagle from March 6 to 14, 1836 – yet today the region is considered one of the world's biodiversity hotspots.

DURING HIS STAY AT ALBANY, DARWIN COLLECTED SHELLS, BARNACLES, 10 SPECIES OF FISH AND 66 SPECIES OF INSECTS

"We staid (sic) there eight days and I do not remember since leaving England having passed a more dull, uninteresting time. He who thinks like me will never wish to walk again in so uninviting a country," Darwin wrote.

During his stay at Albany, Darwin collected shells, barnacles, 10 species of fish and 66 species of insects, many which were unknown to British scientists at the time, and captured the Australian bush rat which had not been seen or described before.

The interpretive signs cover Darwin's arrival at Albany, his visit to Strawberry Hill Farm, a corroboree he witnessed, and his visits to Vancouver Peninsula, Bald Head, Princess Royal Harbour, Middleton Beach and Lake Seppings, and his departure.

Content for the signs was collated by the WA Museum.



CHRISTMAS FESTIVAL & PAGEANT



Kissing underneath the mistletoe was not encouraged – but taking selfies were.

The iconic Town Hall was adorned with Christmas decorations as part of a social media campaign to get the community into the festive spirit, and the city centre.

#deckthehall encouraged community members to take photos with their family members in front of the Town Hall decorations and upload the

photos to social media using the hashtag.

It was a fun and interactive way to involve the community in Christmas celebrations and create excitement for the City of Albany's Christmas Festival and Pageant.

Held on the first Saturday in December, it is the City's largest free community event and has traditionally involved live entertainment, school choirs, food vendors, illumination of the Norfolk Pine on York Street, and the popular Christmas Pageant of floats designed by schools, community groups and businesses – and of course, Father Christmas.

Usually attracting a crowd of up to 10,000, the 2015 celebrations were cancelled at the last minute due to severe weather warnings for the region and heavy rain across the State.

The main entertainment was moved to the Town Hall for children, entertainers, singers and Santa to deliver their performances and appearances.

In lieu of the cancelled pageant, the City held a revised festival on the Thursday evening in the Town Square and Alison Hartman Gardens celebrating the turning on of the Christmas Tree Lights on the Norfolk Pine.

Those who had made floats were invited to display them in the Gardens and a competition was held to judge the Best Float.

Despite the reduced format, the revised event was well received by the community with thousands coming into the city centre for the special occasion.

USUALLY ATTRACTING A CROWD OF UP TO 10,000, THE 2015 CELEBRATIONS WERE CANCELLED AT THE LAST MINUTE DUE TO SEVERE WEATHER WARNINGS FOR THE REGION AND HEAVY RAIN ACROSS THE STATE.





NEW YEAR'S EVE FIREWORKS

Exploding over the spectacular Princess Royal Harbour, fireworks light up the foreshore and is visible from many of the houses overlooking the harbour.

The City of Albany's New Year's Eve celebrations include two fireworks shows – one at 9pm for families and a traditional midnight display to bring in the New Year.

New Year's Eve has become one of Albany's most anticipated annual events, providing an opportunity for communal celebration for the close of one year and beginning of another, with large crowds congregating on the foreshore and in Anzac Peace Park.

Light rain and windy conditions threatened to ruin the 2015 New Year's Eve fireworks, but the crowds were not deterred and conditions eased enough to make it safe to allow the show to proceed as scheduled.

AUSTRALIA DAY

What could be more Australian than a barbecue? Having a barbecue for breakfast at the beach of course.

There were bacon and eggs aplenty at the Rotary Community Breakfast at Middleton Beach on Tuesday, January 26, 2016 which launched the City of Albany's annual Australia Day celebrations.

Supported by the City, the traditional beach breakfast attracted hundreds of hungry Australia Day revellers, many proud to show off their patriotism by adorning themselves in anything and everything "Australian".

After the breakfast, celebrations moved to the city centre for the first time. This allowed local businesses

to be included and a for a combined program spread across two sites – Albany Town Square and Alison Hartman Gardens – with more activities for the whole community.

A Citizenship Ceremony was held in Albany Town Hall where 33 people took the oath to become new Australian citizens.

The Premier's Australia Day Active Citizenship Award winners were also announced.

Afternoon family celebrations in the Town Square and Gardens included a live art performance by Phil Doncon, street performers, lasertag, bubble soccer and DJ, and a bouncy castle with face painting.

An outdoor cinema concluded Australia Day in Albany, with family movie Paper Planes screened in the Town Square after dozens of children had fun taking part in a paper plane competition.

On Australia Day, the City of Albany also hosted the WA Tour of Honour at a civic reception to recognise and hear about the stories of the 2016 WA Australian of the Year award recipients Anne Carey (WA Australian of the Year), The Hon Graham Edwards AM (WA Senior Australian of the Year), Catherine Hughes (WA Young Australian of the Year), and Dr Stephen Langford (WA Local Hero).

Tony Harrison
Premier's Australia Day Active Citizenship Award

Heidi Mostert
Premier's Australia Day Active Citizen Under 25 Award

Scouts WA
Premier's Australia Day Active Citizenship Award for Community Group or Event – Gilcreek Scout Campsite





VANCOUVER STREET FESTIVAL

Vancouver Street Festival was back for its third year of celebrating the historic Vancouver Precinct with a vintage-themed day of arts and heritage activities on Saturday, May 7, 2016.

The festival showcased delicious food and live music alongside artisan markets, craft displays and creative activities for the whole family.

Music included the funk, jazz neo-soul sounds of the Amani Consort, upbeat rhythms of South American inspired Los Car Keys, and the gorgeous acoustic jazz sounds of the Endearing Y's.

Vancouver Arts Centre came alive with art and craft displays, 3D photographs of historic Albany, tours of the Bella Kelly Retrospective Exhibition and a dress-up zone where festival-goers could look their vintage best.

The annual Tweed Ride was again a key feature of the festival with vintage bicycles and Penny Farthings taking to the streets.

An addition to the 2016 festival was a History Walk with Malcolm Traill of the WA Museum Albany, who took a tour of Albany's historic sites on a trail from UWA to Vancouver Arts Centre, sharing stories along the way.

THE ANNUAL TWEED RIDE WAS AGAIN A KEY FEATURE OF THE FESTIVAL WITH VINTAGE BICYCLES AND PENNY FARTHING TAKING TO THE STREETS.



ALBANY ART PRIZE

The City of Albany Art Prize is a National acquisitive prize that continues to grow, attracting more than 400 entries from across Australia in 2015.

From those entries, 30 finalists were announced and displayed in the Carol Pettersen Hall (inside Albany Town Hall) from September 5 to October 11, 2015 following the announcement of the winners.

Victorian artist Richard Lewer was announced the winner of the \$25,000 major acquisitive prize sponsored by the Jack Family Charitable Trust for his work Untitled which explored the extremes and conflict of the State Government's shark culling program.

Following tradition, the Albany Art Prize winning work was added to the City of Albany's art collection.

The \$2,500 prize for the Commendation Award was won by WA artist Jurek Wybraniec for his work titled Gone (Scene 1).

A record number of 3,849 visitors attended the 2015 exhibition and when votes were tallied for the \$2,500 People's Choice Award, comedian and artist Anh Do was a clear winner with his portrait painting Man 2.

As a result of the painting's popularity, Anh Do generously gifted his work to the City of Albany's art collection.



VISION & GOALS



FIVE KEY THEMES

THE CITY OF ALBANY HAS A COMMUNITY STRATEGIC PLAN TITLED ALBANY 2023 WHICH REFLECTS WHAT THE COMMUNITY HAS TOLD US AND PROVIDES STRATEGIC DIRECTION FOR THE CITY. THE KEY THEMES AND STRATEGIC OBJECTIVES IN THE PLAN INFORM ALL DECISIONS MADE AND PROJECTS UNDERTAKEN BY COUNCIL.



SMART, PROSPEROUS AND GROWING

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



CLEAN, GREEN AND SUSTAINABLE

Our community loves the City's natural assets, coastline and green spaces within our municipality. There is a strong desire for our natural assets to feature prominently in nature-based tourism opportunities, and to promote Albany as a sustainable city.



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.



A SENSE OF COMMUNITY

There is a strong desire to retain the country town atmosphere of our City ensuring a sense of belonging and a strong connection between our rural and urban communities.



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. We envisage a Council that develops and communicates a clear vision and direction, reflecting the values and interests of our community.

STRATEGIC PLANNING

The City has a number of key documents that provide a framework to deliver the best outcomes for the community.

COMMUNITY STRATEGIC PLAN

An overarching plan that guides the future direction of Council policies, plans, projects and decision making to 2023.

CORPORATE BUSINESS PLAN

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

ANNUAL BUDGET

The allocation of resources required to deliver against the Community Strategic Plan and Corporate Business Plan.

OUR VISION

"TO BE WESTERN AUSTRALIA'S MOST SOUGHT-AFTER AND UNIQUE REGIONAL CITY TO WORK, LIVE AND VISIT"

The City of Albany conducts a bi-annual community perception survey using an independent survey research centre. The 2014-2015 survey, which remains current, indicated significant improvement in the community's satisfaction with the performance of the City, with Albany rating above the Local Government average in 70 per cent of the items surveyed, well up from 40 per cent in the 2013 survey.

● 2013 ● LG AVERAGE ● 2015 ● LG AVERAGE

SMART PROSPEROUS AND GROWING

	2013	LG AVERAGE	2015	LG AVERAGE
Albany as a place to live	90%	89%	93%	89%
Economic development and job creation	49%	52%	68%	54%
Tourism attractions and marketing	67%	59%	94%	62%
Education and training opportunities	75%	67%	78%	62%
Benefit from significant events			86%	

CLEAN, GREEN AND SUSTAINABLE

	2013	LG AVERAGE	2015	LG AVERAGE
Conservation & environmental management	67%	71%		
Promote and adopt sustainable practices	62%	64%	69%	64%
Waste collection services	86%	89%	86%	87%
Animal and pest control	70%	69%		
Management of coastal and foreshore areas	69%		73%	64%
Bush fire prevention and control	71%	75%	74%	75%
Streetscapes	69%	60%	81%	73%
Parks, Natural Reserves & Sporting Grounds	79%	81%	85%	86%
Community building and halls	71%	69%	82%	72%
Public Toilets	54%	69%	61%	72%
Footpaths, cycleway and trails	69%	74%	74%	71%
Storm water drainage	50%	63%	66%	65%
Maintenance of sealed roads	56%	70%	67%	71%
Maintenance of unsealed roads	44%		49%	
Management & control of traffic on local roads	72%	73%	73%	69%
Management of parking	56%	60%	59%	67%

● 2013 ● LG AVERAGE ● 2015 ● LG AVERAGE

SENSE OF COMMUNITY

	2013	LG AVERAGE	2015	LG AVERAGE
Library and information services	91%	87%	97%	85%
Sport and recreation facilities	80%	80%	86%	81%
Art facilities	81%		85%	
Festivals, events and cultural activities	76%	74%	79%	76%
Preservation and promotion of local history and heritage	79%	67%	91%	72%
Services and facilities for youth	62%	58%	69%	62%
Services and facilities for seniors	73%	69%	81%	73%
Services and facilities for people with disabilities	73%	63%	81%	65%

A CONNECTED BUILT ENVIRONMENT

	2013	LG AVERAGE	2015	LG AVERAGE
Planning and Building approvals	46%	51%	46%	53%
City Centre Development	52%	57%	80%	67%
Area's Character and identity	80%	72%	89%	79%
Mix and diversity of housing	74%	69%		
Safety and Security	76%	67%	81%	72%
Graffiti, vandalism and anti-social behaviour	70%	63%		

CIVIC LEADERSHIP

	2013	LG AVERAGE	2015	LG AVERAGE
COA as a Governing organisation	58%	75%	73%	76%
Value for money from rates	51%	62%	61%	64%
Council's leadership	48%	58%	56%	61%
City has communicated a clear vision	33%	40%	44%	44%
Elected members understanding of community needs	34%	45%	46%	49%
Staff understanding of community needs	45%	50%	52%	54%
Openness and transparency of council	38%	42%	47%	54%
Community Engagement/Consultation	48%	55%	57%	55%
Community is informed about local issues	57%	60%		
City Website	73%	70%	78%	70%
Customer Service	71%	72%	77%	75%
Average Rating	64.3%	65.7%	72.5%	68.2%
% of Items above LG Average	39.1%		68.4%	

AVERAGES BY THEME

	2013	LG AVERAGE	2015	LG AVERAGE
Smart Prosperous and Growing	70%	67%	84%	67%
Clean, Green & Sustainable	65%	71%	71%	71%
A Sense of Community	77%	71%	84%	73%
A Connected Built Environment	66%	63%	74%	68%
Civic Leadership	51%	57%	59%	60%
Totals	64.3%	65.7%	72.5%	68.2%

2015-2016 KEY PROJECTS



YORK STREET ENHANCEMENT



Enhancement of Upper York Street was the biggest capital works project completed by the City of Albany in the 2015-2016 financial year and followed on from the successful upgrades of the Town Square and Stirling Terrace in previous years.



The upgrades of York Street between Grey Street and Serpentine Road commenced in February 2016 and were completed in May 2016.

It transformed Albany's main street into a more diverse, user-friendly and appealing space that has brought life to the city's civic heart.

The main structural changes to the street were the reduction of the dual carriage way to single two-way traffic lanes and creation of centre-street parking to remain consistent with lower York Street.

New paving, stone garden beds, street lamps, street furniture and street trees have improved the aesthetics of the area.

The designs were based on:

- Albany City Centre Parking Strategy (2013)
- Community Strategic Plan 'Albany 2023'
- City of Albany Corporate Business Plan 2014-2018
- Albany Local Planning Strategy Review
- Activities Centres Strategy Update

- Central Area Master Plan 2010
- City Centre Revitalisation and the previous work of the CBD Working Group

Main benefits from this project included increased parking, more energy-efficient street lighting, improved traffic flow and slower speeds, better pedestrian access and cycle amenity, improved all-ability access to businesses, increased capacity to host city-centre events, and enhanced street vibrancy and colour.

CENTENNIAL PARK REDEVELOPMENT



After years of planning, consultation and design, the biggest recent construction project in Albany finally got underway in 2015-2016 with the commencement of a major upgrade to the Centennial Park Sporting Precinct.



Designed to be delivered over three stages at an estimated cost of \$44 million, stage one of the Centennial Park Redevelopment is jointly funded by the Federal and State governments and the City of Albany.

When complete it will deliver state-of-the-art sporting facilities and grounds, with stage one costing \$27 million.

Work in the western precinct was the first to start, including four new cricket fields, 12 soccer fields, new lights, a shared cricket and soccer pavilion and new parking areas.

Council signed off on starting these works in November 2015 after the State Government confirmed \$3 million of a promised \$8.75 million for the project.

Construction in the eastern precinct to build a new football stadium and ovals began after old sheds and pavilions were demolished.

Demolition started in January 2016 after the Albany Agricultural Society, which used most of the old buildings for its annual show, signed a Deed of Agreement with the City of Albany, ending months of difficult negotiation.

Under the Agreement, the Agricultural Society will continue to host its show in the new grounds from 2017, and construct new pavilions with assistance from the City on a

parcel of land to be leased for 30 years with a 10-year option.

The City also gave the Society \$852,000 in exchange for the title over the Hanrahan Road waste facility, with the funds going towards the cost of building the new pavilions.

Council agreed to provide \$250,000 in-kind support to complete siteworks for the new pavilion and \$25,000 in-kind support each year for the Albany Show.

In May 2016, the State Government committed the remaining \$5.75 million of Royalties for Regions funds to the \$27 million stage one project.



Master Plan Completed
September 2012

Design Started
June 2014

Design Completed
March 2015

STAGE ONE TIMELINE



LOWER GREAT SOUTHERN ECONOMIC ALLIANCE



Three local governments along the south coast banded together in early 2016 to form a landmark alliance focused on furthering the economic development and future prosperity of the Lower Great Southern region.



The City of Albany, Shire of Denmark and Shire of Plantagenet have partnered to form the Lower Great Southern Economic Alliance and jointly funded an Executive Support Officer to guide and facilitate its implementation.



It is the first time the three councils have mutually agreed to work collaboratively on regional issues to achieve improved outcomes for the whole region and has been praised as innovative and proactive regional governance.

The project aligns strongly with all of the City of Albany's key themes, in particular in demonstrating Civic Leadership and being Smart, Prosperous and Growing.

Significant long-term benefits expected to flow from the



partnership includes attraction and retention of new business and industry, which will provide new job opportunities, especially for young people.

Exploring and developing existing strengths such as tourism and agriculture is also considered critical to maximising the benefits from the Alliance.

The Alliance's first priority was to prepare a regional Destination Marketing Strategy with support from Tourism WA to promote the region by creating a clear and unified tourism vision across the region.

Work on the Strategy began in May 2016 to workshop and form a destination positioning statement that showcases the competitive advantages of the region.

Input was sought from a wide range of industry and community stakeholders as part of the process.

Work on establishing the Strategy and destination branding remained ongoing into 2016-2017.



ELLEN COVE SWIMMING ENCLOSURE



Global Marine Enclosures was successful in tendering to install and maintain a swimming enclosure called an Aquarius Barrier at Middleton Beach as part of a State Government trial to protect WA swimmers from shark attacks.

Albany City Council awarded the tender at its ordinary meeting on December 15, 2015 after accepting a State Government grant of \$200,000 in August to carry out a three-year trial in Albany.

Council also agreed to set aside \$30,000 annually for maintenance of the barrier during the trial period.

The Aquarius barrier is new shark exclusion technology designed to protect swimmers while still allowing small fish species to swim freely through the barrier and allow seaweed to drift through on tidal currents.

Made out of rope and plastic, the barrier was draped in the water and anchored in place with concrete footings and anchor chain during a week-long operation starting on February 29, 2016.

Weather conditions and a shark attack on a pygmy whale in Ellen Cove hampered the deployment of the barrier into the water, which was finally completed on March 7, 2016.

A week after installation, a storm surge tore a section of the barrier requiring modifications to the design to strengthen it and enable it to better withstand large swells.

Since the repair work the swimming enclosure remained intact during winter storms and has proved popular, providing peace of mind to swimmers.



PLAYGROUND UPGRADES



The City upgraded a number of playgrounds and playground facilities during 2015-2016 – Ellen Cove Playground (\$143,000), Baltic Ridge Playground (\$50,000), and the Basketball Court Lakeside (\$32,000).



A major \$348,600 playground upgrade was undertaken at Eyre Park, with \$194,000 in



Department of Planning and Infrastructure Public Open Space funding, \$49,960 from the Disability Services Commission, and \$104,640 from the City of Albany.

With a focus on creating an all-ages and all-abilities playspace, the new Eyre Park playground generated substantial positive comment from the community.

About 150 people attended an official opening of the playground with many completing a survey to gather feedback. Out of 74 completed surveys, 31 loved the flying fox and 25 loved multiple play equipment.



ENGAGING OUR RESIDENTS

The City of Albany aims to create a community where people are actively involved in decision making, and where conversations are continuous and constructive. There have been many opportunities for people to be involved in their community and everyone was encouraged to participate in decisions through better practice community engagement.

The City's Community Perception Survey supported the focus on engagement with satisfaction rates rising from 48% in 2013 to 57% in 2015. The City also rated higher than other local governments benchmarking 2% higher than the average in 2015.

The City has built on previous engagement success with the development of strong partnerships and collaborations that have proven to maximise positive outcomes for both the City and the community.

The City of Albany actively engages with the local Noongar community with a focus on heritage and land matters, through Arts and Cultural activities, and general liaison support between the City of Albany, government agencies and communities. The Noongar Consultative Committee meets on a regular basis to discuss heritage land issues, site monitoring, interpretative and advice.

The Oyster Harbour Boardwalk and Fish Trap interpretation project was a collaborative effort involving the Albany Heritage Reference Group Aboriginal Corporation, H & H Architects, Great Southern Development Commission, South

Coast Natural Resource Management, Government of Western Australia, Department of Aboriginal Affairs and the City of Albany.

Other Noongar engagement included visits to local students through elder visits, stories and damper, NAIDOC Week, Follow the Dream project, Mungart Boodja Art Centre, and support to the Kinjarling Cup Basketball.

The long standing commitment of the local communities and City is supported by the Aboriginal Accord (2011) which guides the City's engagement as well as other initiatives in the community.

The methodology used by the City is supported by the International Association for Participation Australasia (IAP2), and the City is a corporate member with staff trained in the processes to inform, consult, involve and collaborate with community.

Council policy has guided the City as a proactive organisation which has the willingness to listen to and value what community members have to say. The City seeks to use the ideas, knowledge and skills of the community to enhance decision making. This provided good governance, strong leadership and the end result in better decisions that guided the City's priorities.

The City of Albany completed 20 community engagements during the year including:

- York St Enhancement Works & Awareness stage 1
- Cheyne Beach Enhancement Plan
- Earth Hour Awareness
- Ellen Cove Swimming Enclosure
- Let's Chat Focus Group
- Council Open Forums
- Sustainable Living Expo & Fair
- World Wetland Day
- Road Modifications & name changes
- Cosy Corner Camping Ground Improvement Plan
- Hosting Business After Hours (ACCI)
- Website upgrade
- Community Gardens relocation
- Mutton Bird to Torbay Improvement Plan
- Oyster Harbour Boardwalk and Fish Trap interpretation
- Public Health Plan
- Emergency Management Recovery Plan
- Proposed Underground Power Albany Highway
- Cull Park & Baltic Ridge Improvement Plan
- Queens Gardens Improvement Plan

THE CITY OF ALBANY WELCOMED 3,100 RESPONSES FROM PEOPLE IN OUR COMMUNITY IN RESPONSE TO 24 ONLINE SURVEYS IN THE YEAR. THE LARGEST VOLUME OF RESPONSES IN THE YEAR CAME FROM THE ALBANY ARTIFICIAL SURF REEF FEASIBILITY STUDY. THE COMMUNITY ACTIVELY SUPPORTED THE PROPOSAL WITH 732 PEOPLE SHOWING THEIR INTEREST IN BEING PART OF THE DECISION MAKING PROCESS.

The City of Albany initiated a further 11 community engagements which continue and are yet to be finalised at Council.

- Albany Local Planning Strategy (ALPS) Review
- Albany Waterfront Community Comment/Development
- Middleton Beach Development support
- Albany Heritage Park Trails Network
- Proposed Albany Artificial Surf Reef Feasibility Study
- Proposed Motorcross Site/s
- All Welcome Albany Access and Inclusion Improvement
- Natural Reserves Strategic Action Plan
- Foundation Park Improvements
- Recreational Boating Facilities Strategy
- Sport & Rec Futures Plan

The City of Albany continues to be committed to engaging with community in ways that they prefer. That is, staff are proactive in visiting community groups, through conversations with residents face-to-face, through workshops and information sessions, partnerships, public comment periods, and by using effective online platforms to collect opinions including:

Website

www.albany.wa.gov.au

Twitter

[www.twitter.com/amazingalbany](https://twitter.com/amazingalbany)

Instagram

<http://web.stagram.com/n/amazingalbany>

Facebook

www.facebook.com/CityofAlbanyEvents

The City of Albany welcomed 3,100 responses from people in our community in response to 24 online surveys in the year. The largest volume of responses came from the Albany Artificial Surf Reef Feasibility Study. The community actively supported the proposal with 732 people showing interest in being part of the decision making process.

Community engagement was a valuable way of including Albany residents in decisions that affected them, and this allowed the City to tap into a diverse perspective and potential solutions to improve the quality of decisions made. It enabled residents and communities to better understand the processes of government and this has continued to build relationships, trust and capacity to participate in deliberate processes of engagement.

TOURISM



DESTINATION MARKETING

The City is a major contributor to tourism through its direct operation and management of the Albany Visitor Centre, National Anzac Centre, Princess Royal Fortress and Albany Regional Airport.

Each year the City also allocates funds for destination marketing and economic development of the region, major event attraction and implementing an innovative economic development strategy strongly focused on creating a vibrant tourism destination.

During the 2015-2016 financial year the City undertook a variety of marketing initiatives including the production of an Amazing Albany promotional destination film, media and trade familiarisations plus a new suite of marketing collateral including

the Amazing Albany Holiday Planner, Amazing Albany and Great Southern Self-Drive Map and Amazing Albany Dining Out Guide.

There was increased focus of online marketing of the tourism destination through Facebook, Instagram and Twitter and the Amazing Albany website.

The City also attended trade and consumer shows to promote Amazing Albany including the Sydney and Perth Camping and Caravan Shows, the Perth Tourism Industry Exchange and the 2016 Cruise Exchange.

The City has won a variety of awards in tourism during the qualifying period, recognising the City of Albany's commitment to tourism

excellence. These awards are highlighted elsewhere in this Annual Report.

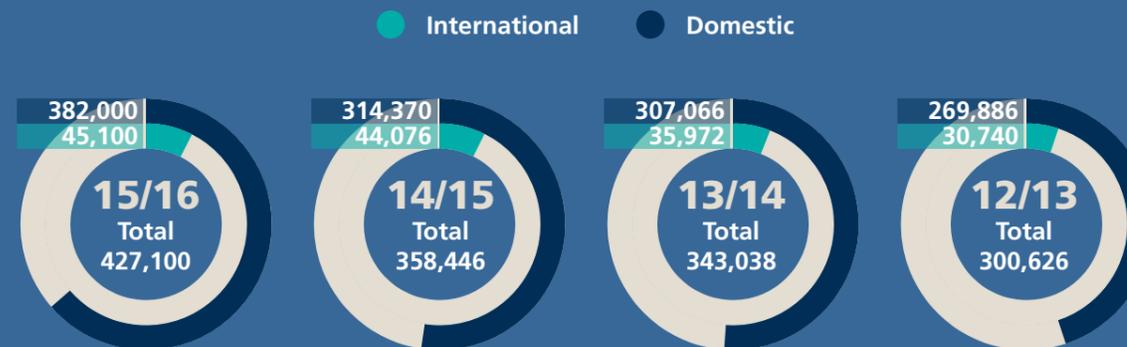
In the absence of a Local Tourism Organisation, the City has stepped into the destination marketing space and continues to deliver a dedicated destination marketing strategy focusing on the Perth visitor market and partnering with Australia's South West in a number of targeted promotional campaigns.

During the 2015-2016 financial year the City joined Plantagenet and Denmark in an Economic Alliance which also began work on the development of a collaborative Destination Marketing Plan for the South Coast region.

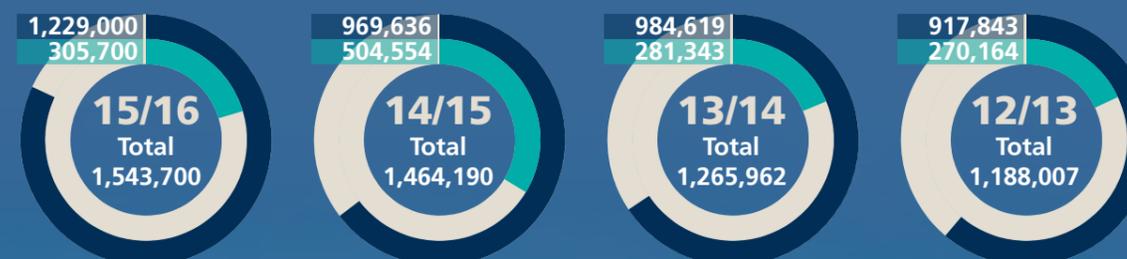
VISITOR TRENDS

The City of Albany region experienced healthy increases in visitor numbers during 2015-2016, with total visitor numbers up 19 per cent and total visitor nights up 4 per cent. International visitors increased 2.3 per cent, however their nights dropped but this was replaced with strong growth in domestic visitor numbers and nights, with the net result being an increase overall.

VISITORS (OVERNIGHT VISITORS ONLY, DOES NOT INCLUDE DAY-TRIPPERS)



VISITOR NIGHTS





EMU POINT TO MIDDLETON BEACH COASTAL ADAPTION PROJECT

The City of Albany has been working closely with the Department of Transport on an Emu Point to Middleton Beach Coastal Adaptation and Protection Strategy since 2013 to address ongoing erosion issues at Emu Point.

This has included transporting sand from Middleton Beach to Oyster Harbour as needed as part of a sand renourishment program.

The program assists with the required scraping of Middleton Beach to provide amenity and drainage, while protecting the new access ramp at Emu Point. Photos and beach surveys are done to monitor the program.

Maintenance work is also carried out to coastal protection structures such as rock walls and rock groynes as required.

In January 2016 a Coastal Consultant was engaged to conduct a comprehensive review of the data collected during the program so far and to identify gaps and conclusions. The aim of this consultancy work was to provide an overall project schedule and plan for five years to guide the City of Albany to a medium to long-term management plan.

Community consultation is an integral part of the process.

NATURE-BASED CAMPGROUNDS

A partnership between six local governments – the City of Albany and shires of Denmark, Plantagenet, Jerramungup, Ravensthorpe and Esperance – resulted in significant upgrades to 16 nature-based campgrounds along the south coast in 2015-2016.

The project was funded with a \$1 million grant from Tourism WA and was an initiative of the Western Australian Caravan and Camping Action Plan: 2013-2018 which is supported through the Royalties for Regions funding program.

Project partners joined with the Department of Parks and Wildlife to form the South Coast Nature Based Camping Alliance to improve management and protection of nature-based camping sites along the south coast, with a view to introducing camp hosts at the sites.



FOSSICKER'S TIP SHOP



Fossicker's Tip Shop was revamped during 2015-2016 with some major upgrades and changes. The Shop now offers improved traffic and pedestrian flow ensuring shoppers' safety and convenience for residents delivering goods.

Internal upgrades included some much needed storage, shelving and racks to present and display items for sale as well as new paint and a rebranding and marketing campaign to raise awareness for the Shop.

This rebranding included the introduction of a mascot for waste, recycling and green initiatives – Mr

Fossicker, the bandicoot. Mr Fossicker shares with residents the treasures in his shop – 'Fossicker's Tip Shop' – and encourages them to recycle, reuse and reduce their waste.

The new vintage-styled marketing campaign has been well received by the community and proven to be an excellent way to raise awareness for the City's sustainability messages and education campaigns.

In 2015-2016 the City sold more than 90,000 items through Fossicker's Tip Shop showing that the saying 'someone's old can definitely become someone's new'.

BULK WASTE VERGE COLLECTIONS

The City provided residents with a bulk waste verge collection service from June 2015 through to July, 2016.

Although delayed due to a major City event, the collection was well received. Residents deposited 675 tonnes of hard waste, 245 tonnes of steel, 13.6 tonnes of e-waste and 624 tonnes of green waste.

This was a significant volume of waste and the City's contractors Cleanaway worked efficiently to clear the waste even in the face of a wetter than normal winter.

PLASTIC FREE JULY

Plastic is designed to last forever, yet every day we use it as disposable items which last a few minutes and then we throw it away.

Most is landfilled, some is recycled and some ends up in the environment. It is estimated that 8 million tonnes enter the oceans

every year where it entangles and is ingested by wildlife.

For the second successive year, City of Albany staff were encouraged to participate in a number of activities aimed at raising awareness of single use plastic and how we can avoid it, including a free screening of the

"Journey of stuff" about the way we make, use and throw away all the stuff in our lives, and a tour of Naked Bean which promotes sustainable methods.

HANRAHAN LANDFILL

The Hanrahan Waste Facility had another busy year processing and managing household and commercial waste in 2015-2016.

This included the significant volumes of waste collected in the bulk verge collections as well as general rubbish disposal.

The site accepted and processed more than 60,000 tonnes of waste. This volume remained relatively steady compared to previous years and included the 674 tonnes of waste collected during bulk waste collection service.

The City continues to meet its licencing requirements and operate an efficient and innovative waste facility for the community aiming to provide cost effective and sustainable waste management solutions.

THE GREEN TEAM

In June 2016 the City of Albany formed the Green Team to focus on assisting the organisation to meet its strategic goal of being a clean, green and sustainable community.

Consisting of Mary Holt (Environmental Sustainability Officer),

Sonja Parker (Waste Sustainability Officer), Carl Beck (TravelSmart Officer) and Hamish Fell (Website coordinator), the Green Team work together to give fresh perspectives on upcoming projects and events and provide collaborative support.

Early discussions involved holding a Green Fair on the Square event for National Recycling Week, RAC Electric Highway funding to link the electric highway from Perth to Albany, creating a new waste app for the City, and coordinating monthly "Green Movies" for City staff.



CLEAN AND GREEN

9,135 KG

Hazardous Household Waste received at Hanrahan Landfill Site for recycling and processing

200,000

Items sold through Fossicker's Tip Shop diverting a significant amount of waste from landfill and reducing environmental impact

1,557.6 TN

The 2016 bulk verge collection picked up 624 tonnes of green waste; 245 tonnes of steel; 675 tonnes of hard waste; 13.6 tonnes of e-waste

3.26 KG

Mobile phones and accessories collected at Albany Public Library for recycling

600,000 TN

Waste processed at Hanrahan Landfill

23,592 KG

The City's light fleet savings in CO² emissions per year

300

People attended Fossicker's Tip Shop community open day

NATIONAL TREE DAY

The City of Albany has participated in National Tree Day for several years at a number of different sites including Bob Thompson Gardens, Lake Seppings and Emu Beach.

It provides a great opportunity to engage with the community and is usually done in conjunction with revegetation sites that have been

degraded through clearing or weed management. It is Australia's largest nature care event that provides many social and environmental benefits.

National Tree Day 2015 was held on July 26 at Emu Beach in conjunction with the Friends of Emu Point, and sponsored by Toyota who kindly provided advertising, t-shirts, hats

and put on a BBQ. This project was funded by a Coastwest Grant.

More than 50 people attended the event and planted 2500 seedlings.

WORLD WETLANDS' DAY

World Wetlands Day is celebrated every year on February 2. This day marks the date of the adoption of the Convention on Wetlands on February 2, 1971 in the Iranian city of Ramsar.

The 2016 theme was – Wetlands for our Future: Sustainable Livelihoods.

The City of Albany recognised the

Day with an event at Lake Seppings kindly sponsored by South Coast NRM.

Others involved in the event were local Menang elder Lester Coyne (Welcome to Country), Dr Leah Beesley (UWA), local environmental scientists Geraldine and Steve Janicke, Birdlife Australia, Albany

Bushcarers Group, Cleanaway, Green Skills, and our local turtle expert Atlanta Veld.

More than 30 residents attended the inaugural Albany event.

EARTH HOUR 2016

This was the second year that the City had participated in Earth Hour, held on Saturday, March 19. Earth Hour 2016 was run in conjunction with the Greenskills Sustainable Living Fair and Expo.

The City of Albany held a sundowner for staff with guest speaker Ian McBurney, an ecological sustainability practitioner who has inspired

and enabled tens of thousands in business, manufacturing, government, schools and communities to move towards a better future.

He spoke passionately about our declining natural system and how people and culture change will gift us a sustainable society that will make us more local and connected,

happier, healthier, more profitable and more proud of who we are.

"Green" is now no longer just about protecting natural assets, it is shaping improved planning, design, building, business, health, community and local living economies, leaving waste and pollution behind and inspiring design for sustainability.

CARBON REDUCTION STRATEGY

Two Solar PV systems were installed in September 2015 as part of the City's Carbon Footprint Reduction Strategy aimed at increasing its use of renewable energy to supplement energy consumption.

A 30kW system was installed at the North Road Administration Centre and a 5.5 kW system at Albany Regional Day Care Centre.

North Road showed a reduction in energy consumption of 20 per cent

over eight months, a saving of about \$15,000. The Day Care Centre has also shown a reduction of 60 per cent.

The City also undertook a review of its 71-vehicle light fleet in 2012 with a focus on reducing fleet emissions with very positive results.

Through this review, the City set a maximum carbon emission level of 185g of CO² per km for its passenger vehicles and 195 for SUV's, reduced

engine sizes and purchased six electric and hybrid vehicles.

Average monthly fuel consumption across the whole fleet between 2012 and 2016 reduced by more than 800L per month, equating to a reduction of 23,952kg in CO² emissions per year.



EQUALITY & DIVERSITY



DISABILITY ACCESS AND INCLUSION PLAN

Through 2015-2016 the City of Albany continued to implement its Disability Access and Inclusion Plan (DAIP).

Major highlights and achievements against the DAIP included completion of the Stage 1 upgrade to Eyre Park playground to be a regional all-abilities playground, integration of an access and inclusion module into the City's staff induction program, and dedicated staff training in accessible and inclusive customer service.

All Welcome, a project delivered in partnership with Albany's retail sector, aims to improve access and inclusion in retail outlets.

In 2015-2016 the City secured funding from the Disability Services Commission to deliver the project, and developed a self-assessment checklist so businesses can audit their shops and identify potential barriers to access and inclusion.

This project will conclude by 31 December 2016 following individual visits to businesses by expert consultants to troubleshoot issues identified through the checklist, and any other issues raised by business proprietors.



AGE-FRIENDLY ALBANY PLAN



The City of Albany's first Age-Friendly Albany Plan was adopted by Council in early 2016.

This Plan aims to integrate the World Health Organization's Age-Friendly Cities Framework locally to enable the city to become a community where seniors, in all their diversity, are able to achieve quality of life through health, participation and security as they age.

Highlights for 2015-2016 include the trial and implementation of Easy Movers, a seniors falls prevention strength and balance program at Albany Leisure and Aquatic Centre.

Held three times each week, Easy Movers has proved to be highly effective at improving strength and balance, key factors that help seniors stay on their feet.



HEALTH & SAFETY

YOUTH DEVELOPMENT OFFICER

With an aim to increase engagement and development activities and programs for young people in the community, in April 2016 the City of Albany announced a new partnership with Rio Tinto to employ a Trainee

Youth Development Officer at the City.

Petra Leonhardt was employed in the 12-month part-time traineeship, mentored by Tammy Flett, the City's

Senior Community Development Officer. The traineeship is focussed on delivering a number of projects and events including the development of a City of Albany Youth Strategy.

MAD YOUTH EVENT PROGRAM

This program coordinated by the City's Community Development team was funded by the WA Police and provided monthly Saturday night youth activity which included free transport home.

Activities included Games Nights at the library, MAD-D nights, Roller Rave and Disco Party at the Leisure Centre, plus a skate competition, free cinema night and an under-age nightclub event.

More than 1,200 young people attended the activities.

OTHER INITIATIVES

In early 2016 the City held a welcome picnic for Albany's Karen community. Around 60 people of all ages were welcomed by Mayor Wellington to Albany.

Club. Karen women pulled together traditional dishes to share.

The City's Community Funding helped many local community organisations hold events and other activities. Among the activities funded were the Harmony Festival, held for the first time in the Town

Square, the Festival of the Sea, Open Access Youth Art program, and the Great Southern Sustainable Living Festival.

A Mini Youth Festival was also held to celebrate National Youth Week.

ENVIRONMENTAL HEALTH AND RISK

During the 2015-2016 financial year, the City of Albany's Environmental Health Team assessed and conditioned 475 Building and Planning Applications, which included 105 septic applications.

The team investigated more than 110 health complaints (noise, smoke,

food safety and more) and undertook 480 health inspections (food businesses, caravan parks, public buildings).

Over the same period, the City's risk officers received 54 public liability claims and completed 63 Event Risk Assessments.

The City of Albany also adopted a range of initiatives during the financial year to assist, promote and foster better community health outcomes.

PUBLIC HEALTH PLAN

Albany City Council adopted the City of Albany Public Health Plan 2016 – 2020 at its meeting on June 28, 2016.

The Health Plan was a requirement of the new Public Health Bill 2014 adopted by the State Government.

It aims to improve and promote public health and wellbeing among Albany's residents and support members of the community across all stages of life to achieve good health and wellbeing outcomes.

The Plan identifies a range of priority health issues that will help inform and guide the Council in its decision making on matters relating to these issues.

The Public Health Plan has been developed through a period of research, community and stakeholder engagement and consultation.

A total of 165 online surveys were completed as part of this process with the most common respondents being 30 to 59 year olds, and a total of 22 organisations that deal with public health, community wellbeing and social health responded and contributed to the Public Health Plan.

Among the issues of concern to the community identified during the engagement and consultation process were:

- Ageing Population;
- Alcohol & Drug Issues;
- Mental Health Issues;
- Getting People Active;
- Improved and linked cycle paths and infrastructure; and
- Access to health services.

These community-identified issues have been factored into the priority setting process of the Public Health Plan.

The City will measure and report against a range of community health and wellbeing indicators, with the aim to track outcomes over time.

HEALTHY ALBANY

The City of Albany and WA Country Health Service entered into an innovative partnership during 2015-2016 with the aim of making Albany the healthiest regional city to live, work and visit.

In a first for a Western Australian local government, the partnership combined efforts on a range of fronts to fight the risk factors for

chronic diseases such as diabetes, heart disease and cancer by working together to get more people physically active and eating fresh, healthy, local food.

As a result, the partnership brand Healthy Albany was launched.

The City demonstrated leadership in health outcomes by extending

its health and wellbeing programs and identifying practical ways health information can enhance its services and projects, as well as endorsing a Healthy Catering Policy aimed at promoting healthier eating habits.

FIGHT THE BITE

The City of Albany's Environmental Health team joined the "Fight the Bite" campaign which encouraged individuals to protect themselves and their families from mosquitoes.

The campaign targeted all West Australians in an effort to educate them of the risks associated with mosquito-borne disease and how they can support the work of local government mosquito control programs.

In February 2016, the City of Albany also hosted the WA Department of Health's Mosquito Management Course. The course for Environmental Health Officers covered areas such as mosquito biology, disease transmission and control approaches.



OTHER INITIATIVES

As an employer the City of Albany is committed to helping to promote the health and wellbeing of its Elected Members and staff.

In support of this, a calendar of events and activities is maintained throughout the year and the City continually seeks to identify other activities and events and service delivery partners to enhance the

range of opportunities to support well-being.

Some of the activities and events in 2015-2016 included:

- Annual Skin Checks - December 2015;
- Corporate health insurance plans to staff and on-site consultations with representatives from Bupa

and HBF are available throughout the year;

- Harmony Week;
- Mental Health training;
- Men's Health Week;
- Health & Wellbeing Week.



PARTNERSHIPS

The City of Albany wishes to thank every person, organisation, agency and company who have made varied and valuable contributions to its numerous projects, events, services, programs and awards in 2015-2016.

In particular the many community groups who have worked closely with our staff to provide new opportunities, solutions and outcomes for the whole of the City of Albany. Council recognises that the resilience and vibrancy of the community is reliant on the strength of its community groups and values their contributions.

The City would also like to acknowledge the following funding partners:

Attorney General's Department	Eventcorp
Department of Premier and Cabinet	Disability Services Commission
Department of Local Government and Communities	Count Me In
Department of Sport and Recreation	State Heritage Office
Department of Transport	RAC
Department of Regional Development	Gordon Darling Foundation
Department of Regional Development and Lands	State NRM Office
Department of Culture and the Arts	South Coast NRM
Department of Planning	Healthway
Department of Veterans' Affairs	Regional Arts Fund
Department of Infrastructure and Regional Development	Perth Convention Bureau
Department of Health	Campervan and Motorhome Club of Australia Limited
Department of Police	Southern Ports Authority
Strategic Crime Prevention Unit WA Police	Albany Port Authority
Western Australian Planning Commission	South East Metropolitan Council
State Emergency Management Committee	Country Arts WA
Office of Road Safety	Australian Garden History Society
Great Southern Development Commission	Tourism Demand Driver Infrastructure
Landcorp	Australian Library and Information Association
Lotterywest	Community Chest Fund
Tourism WA	Heritage Council of WA

FINANCIAL REPORT

CITY OF ALBANY

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2016

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Principal place of business:
102 North Road,
Yakamia, WA 6330



CITY OF ALBANY
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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 supporting notes and other information for the financial year ended 30th June 2016 are in my opinion properly drawn up to present fairly the financial position of the City of Albany at 30th June 2016 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 2016


Andrew Sharpe
Chief Executive Officer

CITY OF ALBANY
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue				
Rates	23	32,708,653	32,446,624	30,756,331
Operating Grants, Subsidies and Contributions	30	3,559,260	3,365,102	9,348,576
Fees and Charges	29	17,517,404	16,773,408	17,936,177
Interest Earnings	2(a)	1,159,678	1,067,515	1,185,941
Other Revenue		972,467	367,000	439,971
		<u>55,917,462</u>	<u>54,019,649</u>	<u>59,666,996</u>
Expenses				
Employee Costs		(23,836,176)	(24,064,424)	(22,770,575)
Materials and Contracts		(14,865,402)	(17,352,798)	(17,789,734)
Utility Charges		(1,680,981)	(1,880,911)	(1,672,869)
Depreciation on Non-Current Assets	2(a)	(15,798,714)	(15,906,098)	(13,110,730)
Interest Expenses	2(a)	(1,034,463)	(1,031,072)	(955,295)
Insurance Expenses		(816,102)	(807,919)	(772,747)
Other Expenditure		(2,443,485)	(2,438,340)	(2,192,754)
		<u>(60,475,323)</u>	<u>(63,481,562)</u>	<u>(59,264,704)</u>
		(4,557,861)	(9,461,913)	402,292
Non-Operating Grants, Subsidies and Contributions	30	15,313,379	21,111,747	21,803,455
Impairment Loss - Land	7	(1,000,000)	0	0
Loss on Revaluation of Fixed Assets	7	0	0	(14,133)
Reversal of prior year loss on revaluation of furniture & equipment	7	84,068	0	0
Fair Value adjustment to Financial Assets at fair value through profit or loss	4	0	0	(26,946)
Profit/(Loss) on Sale of Investment Land	33	0	0	(10,615)
Profit/(Loss) on Asset Disposals	21	627,000	776,016	(67,450)
		<u>10,466,586</u>	<u>12,425,850</u>	<u>22,086,603</u>
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	4,209,798	0	222,107,019
Changes on revaluation of non-current assets - Impairment of Revalued Assets	13	(4,301,504)	0	0
Total Other Comprehensive Income		<u>(91,706)</u>	<u>0</u>	<u>222,107,019</u>
Total Comprehensive Income		<u><u>10,374,880</u></u>	<u><u>12,425,850</u></u>	<u><u>244,193,622</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 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue	2(a)			
Governance		4,173	6,700	34,595
General Purpose Funding		35,864,703	35,482,162	38,062,412
Law, Order, Public Safety		601,184	399,425	525,691
Health		117,119	96,700	106,609
Education and Welfare		1,087,986	1,105,752	1,058,204
Community Amenities		8,353,541	7,667,032	7,903,167
Recreation and Culture		2,801,374	3,121,039	5,074,349
Transport		2,653,995	2,989,812	3,169,901
Economic Services		2,696,359	2,268,730	2,615,449
Other Property and Services		1,737,028	882,297	1,116,619
		<u>55,917,462</u>	<u>54,019,649</u>	<u>59,666,996</u>
Expenses	2(a)			
Governance		(4,158,843)	(4,327,166)	(4,152,664)
General Purpose Funding		(703,233)	(655,681)	(644,131)
Law, Order, Public Safety		(2,427,685)	(2,377,705)	(1,999,435)
Health		(656,489)	(643,116)	(610,828)
Education and Welfare		(1,499,298)	(1,567,492)	(1,442,807)
Community Amenities		(8,589,995)	(10,171,160)	(8,177,059)
Recreation and Culture		(13,095,435)	(13,026,786)	(16,026,149)
Transport		(21,292,923)	(23,138,461)	(18,999,531)
Economic Services		(4,584,958)	(4,518,344)	(3,815,700)
Other Property and Services		(2,432,001)	(2,024,580)	(2,441,105)
		<u>(59,440,860)</u>	<u>(62,450,490)</u>	<u>(58,309,409)</u>
Finance Costs	2(a)			
Community Amenities		(7,220)	(7,891)	(9,556)
Recreation and Culture		(452,457)	(466,773)	(396,306)
Transport		(423,657)	(410,939)	(424,897)
Economic Services		(47,197)	(49,899)	(49,987)
Other Property and Services		(103,932)	(95,570)	(74,549)
		<u>(1,034,463)</u>	<u>(1,031,072)</u>	<u>(955,295)</u>
Non-Operating Grants, Subsidies and Contributions	30	15,313,379	21,111,747	21,803,455
Impairment Loss - Land	7	(1,000,000)	0	0
Loss on Revaluation of Fixed Assets	7	0	0	(14,133)
Reversal of prior year loss on revaluation of furniture & equipment	7	84,068	0	0
Fair Value adjustment to Financial Assets at fair value through profit or loss	4	0	0	(26,946)
Profit/(Loss) on Sale of Investment Land	33	0	0	(10,615)
Profit/(Loss) on Asset Disposals	21	627,000	776,016	(67,450)
		<u>10,466,586</u>	<u>12,425,850</u>	<u>22,086,603</u>
Net Result		10,466,586	12,425,850	22,086,603
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	4,209,798	0	222,107,019
Changes on revaluation of non-current assets - Impairment of Revalued Assets	13	(4,301,504)	0	0
Total Other Comprehensive Income		<u>(91,706)</u>	<u>0</u>	<u>222,107,019</u>
Total Comprehensive Income		<u>10,374,880</u>	<u>12,425,850</u>	<u>244,193,622</u>

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

CITY OF ALBANY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 \$	2015 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	25,799,880	26,219,390
Investments	4	205,605	205,605
Trade and Other Receivables	5	2,827,945	3,917,323
Inventories	6	949,977	1,073,994
TOTAL CURRENT ASSETS		<u>29,783,407</u>	<u>31,416,312</u>
NON-CURRENT ASSETS			
Other Receivables	5	524,408	489,151
Property, Plant and Equipment	7	141,600,242	136,863,083
Infrastructure	8	449,327,487	442,659,254
TOTAL NON-CURRENT ASSETS		<u>591,452,137</u>	<u>580,011,488</u>
TOTAL ASSETS		<u>621,235,544</u>	<u>611,427,800</u>
CURRENT LIABILITIES			
Trade and Other Payables	9	5,204,612	4,843,371
Current Portion of Long Term Borrowings	10	2,047,877	1,857,727
Provisions	11	3,778,049	3,500,652
TOTAL CURRENT LIABILITIES		<u>11,030,538</u>	<u>10,201,750</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	10	14,494,376	15,942,253
Provisions	11	532,889	480,936
TOTAL NON-CURRENT LIABILITIES		<u>15,027,265</u>	<u>16,423,189</u>
TOTAL LIABILITIES		<u>26,057,803</u>	<u>26,624,939</u>
NET ASSETS		<u>595,177,741</u>	<u>584,802,861</u>
EQUITY			
Retained Surplus		295,734,180	286,810,325
Reserves - Cash Backed	12	18,213,089	16,670,358
Revaluation Surplus	13	281,230,472	281,322,178
TOTAL EQUITY		<u>595,177,741</u>	<u>584,802,861</u>

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 2016**

	NOTE	2016 \$	2016 Budget \$	2015 \$
Cash Flows From Operating Activities				
Receipts				
Rates		32,850,499	32,747,279	30,720,447
Operating Grants, Subsidies and Contributions		3,559,260	3,375,701	9,348,576
Fees and Charges		18,456,802	16,773,408	17,599,839
Interest Earnings		1,159,678	1,087,560	1,185,941
Goods and Services Tax		2,620,114	400,000	2,930,184
Other Revenue		972,467	367,000	898,517
		<u>59,618,820</u>	<u>54,750,948</u>	<u>62,683,504</u>
Payments				
Employee Costs		(23,314,900)	(24,218,424)	(22,174,601)
Materials and Contracts		(14,620,820)	(18,007,674)	(18,250,130)
Utility Charges		(1,680,981)	(1,880,911)	(1,672,869)
Insurance Expenses		(816,102)	(807,919)	(772,747)
Interest expenses		(1,038,913)	(1,035,392)	(957,402)
Goods and Services Tax		(2,594,037)	(400,000)	(2,594,037)
Other Expenditure		(2,329,256)	(2,438,340)	(2,524,018)
		<u>(46,395,009)</u>	<u>(48,788,660)</u>	<u>(48,945,804)</u>
Net Cash Provided By Operating Activities	14(b)	13,223,811	5,962,288	13,737,700
Cash Flows from Investing Activities				
Payment for Purchase of Property, Plant and Equipment		(10,083,888)	(11,359,716)	(7,823,979)
Payment for Construction of Infrastructure Assets		(18,872,147)	(28,207,868)	(14,939,090)
Non-Operating Grants, Subsidies and Contributions		15,313,379	21,111,747	8,276,134
Proceeds from Sale of Assets		1,257,062	1,528,590	505,113
Net Cash Provided By/(Used In) Investing Activities		(12,385,594)	(16,927,247)	(13,981,822)
Cash Flows from Financing Activities				
Repayment of Debentures		(1,857,727)	(1,819,703)	(1,521,937)
Proceeds from New Debentures		600,000	600,000	1,970,000
Net Cash (Used In) Financing Activities		(1,257,727)	(1,219,703)	448,063
Net Increase/(Decrease) in Cash Held		(419,510)	(12,184,663)	203,941
Cash at Beginning of Year		26,219,390	25,091,738	26,015,449
Cash and Cash Equivalents at the End of the Year	14(a)	25,799,880	12,907,075	26,219,390

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 2016**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2014		268,285,604	13,108,476	59,215,159	340,609,239
Comprehensive Income		22,086,603	0	0	22,086,603
Net Result		0	0	222,107,019	222,107,019
Changes on Revaluation of Non-Current Assets	13	22,086,603	0	222,107,019	244,193,622
Total Comprehensive Income					
Reserve Transfers		(3,561,882)	3,561,882	0	0
Balance as at 30 June 2015		286,810,325	16,670,358	281,322,178	584,802,861
Comprehensive Income		10,466,586	0	0	10,466,586
Net Result		0	0	(91,706)	(91,706)
Changes on Revaluation of Non-Current Assets	13	10,466,586	0	(91,706)	10,374,880
Total Comprehensive Income					
Transfers from/(to) Reserves		(1,542,731)	1,542,731	0	0
Balance as at 30 June 2016		295,734,180	18,213,089	281,230,472	595,177,741

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

**CITY OF ALBANY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
Revenue				
Operating Grants, Subsidies and Contributions		3,559,260	3,365,102	9,348,576
Fees and Charges		17,517,404	16,773,408	17,936,177
Profit on Asset Disposal		819,007	778,817	128,436
Interest Earnings		1,159,678	1,067,515	1,185,941
Other Revenue		972,467	367,000	898,516
		<u>24,027,816</u>	<u>22,351,842</u>	<u>29,497,646</u>
Expenses				
Employee Costs		(23,836,176)	(24,064,424)	(22,770,575)
Materials and Contracts		(14,865,402)	(17,352,798)	(17,818,583)
Utility Charges		(1,680,981)	(1,880,911)	(1,672,869)
Depreciation on Non-Current Assets		(15,798,714)	(15,906,098)	(13,110,730)
Interest Expenses		(1,034,463)	(1,031,072)	(955,295)
Insurance Expenses		(816,102)	(807,919)	(772,747)
Loss On Sale of Assets		(192,007)	(2,801)	(195,886)
Other Expenditure		(3,443,485)	(2,438,340)	(2,633,065)
		<u>(61,667,330)</u>	<u>(63,484,363)</u>	<u>(59,929,750)</u>
Net Result Excluding Rates		(37,639,514)	(41,132,521)	(30,432,104)
Operating activities excluded from budget				
(Profit)/Loss on Asset Disposals	21	(627,000)	(776,016)	67,450
Movement in Deferred Pensioner Rates (Non-Current)		(35,257)	0	(27,216)
Movement in Employee Benefit Provisions (Non-Current)		51,953	0	(18,135)
Work in Progress Expensed		114,229	0	137,897
Impairment Loss	7	1,000,000	0	0
Carrying Value of Investment Land Sold		0	0	429,600
Depreciation on Assets	2(a)	15,798,714	15,906,098	13,110,730
Amounts attributable to operating activities		<u>16,302,639</u>	<u>15,130,082</u>	<u>13,700,326</u>
INVESTING ACTIVITIES				
Capital Grants and Contributions	30	15,313,379	21,111,747	21,803,455
Proceeds from Disposal of Assets	21	1,257,062	1,528,590	566,474
Purchase Land and Buildings		(5,990,109)	(5,475,609)	(12,828,662)
Purchase Infrastructure Assets		(18,872,147)	(28,207,868)	(17,772,954)
Purchase Plant and Equipment		(3,497,091)	(5,082,613)	(3,262,431)
Purchase Furniture and Equipment		(596,688)	(801,494)	(2,487,703)
Amounts attributable to investing activities		<u>(12,385,594)</u>	<u>(16,927,247)</u>	<u>(13,981,821)</u>
FINANCING ACTIVITIES				
Repayment of Debentures	22(a)	(1,857,727)	(1,819,703)	(1,521,937)
Proceeds from New Debentures	22(a)	600,000	600,000	1,970,000
Restricted Cash - Loan Drawn Down Unspent	22(c)	0	0	(1,220,000)
Restricted Cash Utilised		2,708,963	2,712,556	2,021,219
Transfers to Reserves (Restricted Assets)	12	(14,931,885)	(12,688,842)	(17,688,075)
Transfers from Reserves (Restricted Assets)	12	13,389,154	18,529,624	14,126,193
Amounts attributable to financing activities		<u>(91,495)</u>	<u>7,333,635</u>	<u>(2,312,600)</u>
Net current assets at start of financial year - surplus/(deficit)	24	3,183,413	3,149,428	5,453,281
Surplus/(deficiency) before general rates		(33,813,964)	(35,596,051)	(33,026,199)
Total Amount Raised from General Rate	23(a)	32,708,653	32,446,624	30,756,331
Net current assets at end of financial year - surplus/(deficit)	24	<u>2,078,102</u>	<u>0</u>	<u>3,183,413</u>

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

**CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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.

The Local Government Reporting Entity

All Funds through which the City 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. A separate statement of those monies appears at Note 20 to these financial statements.

(b) 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.

(c) 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 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 reported as short term borrowings in current liabilities in the statement of financial position.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Trade and Other Receivables

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

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

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

(e) 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 Sale

Land held for development and sale 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 profit & loss 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 sale is classified as current except where it is held as non-current based on Council's intention to release for sale.

(f) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation or impairment losses.

Mandatory Requirement to Revalue Non-Current Assets

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

During the year ended 30 June 2013, the City commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the City revalues its asset classes in accordance with this mandatory timetable.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) 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 were then classified as Land and revalued along with other land in accordance with other policies detailed in this Note.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, 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.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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.

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 AASB 1051 - 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.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or

b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Major depreciation periods are:

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Information Technology Equipment	3 to 5 years
Plant and Equipment	5 to 15 years
Sealed roads and streets formation pavement seal	not depreciated 90 years
- bituminous seals	25 years
- asphalt surfaces	40 years
Gravel roads formation pavement	not depreciated 90 years
Formed roads (unsealed) formation pavement	not depreciated 90 years
Footpaths - slab	80 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Capitalisation Threshold

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

When performing a revaluation, the City of Albany uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that the City of Albany would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The City of Albany selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the City of Albany are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Valuation techniques (Continued)

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the City gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

(h) 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 (i.e. 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.

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 and any reduction for impairment; and
- (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.

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 are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

(ii) Loans and receivables

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments and fixed maturities that the 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 payments.

They are subsequently measured at fair value with changes in such fair value (i.e. 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

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 (a "loss event") 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.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Derecognition

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

(h) Financial Instruments (Continued)

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.

(i) Impairment of Assets

In accordance with Australian Accounting Standards the City'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 (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

(j) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the 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.

(k) Employee Benefits

Short-Term Employee Benefits

Provision is made for the City of Albany's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The City of Albany's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The City of Albany's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits (continued)

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The City of Albany's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City of Albany does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(l) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

(m) Provisions

Provisions are recognised when the City of Albany has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and 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.

(n) Leases

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investments in Associates

An associate is an entity over which the City of Albany has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. 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. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

The carrying amount of the investment includes, where applicable, 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.

When the City of Albany's share of losses in an associate equals or exceeds its interest in the associate, the City of Albany discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the City of Albany will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(p) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The City of Albany's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

(q) Rates, Grants, Donations and Other Contributions

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

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

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

(r) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the 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.

(t) Rounding Off Figures

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

(u) Comparative Figures

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

When the City of Albany applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(v) Budget Comparative Figures

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(iv) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on combinations accounting in AASB 3 and other Australian business Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, believes it is impracticable at this stage to provide a reasonable estimate of such impact on the City of Albany's financial statements.
(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. Given the City of Albany currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.
(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB15 [AASB 116 & 138]	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15. It will require changes to reflect the impact of AASB 15.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) 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 City of Albany.

Management's assessment of the new and amended pronouncement that are relevant to the City of Albany, 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 (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	01 January 2018	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 City of Albany, it is not anticipated the standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	01 January 2018	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the City of Albany has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted. Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the City, the impact is not expected to be significant.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) 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 were compiled, became mandatory and which were applicable to its operations.

These new and revised standards were:

- (i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- (ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities

CITY OF ALBANY
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.
(viii) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	It is not anticipated it will have any significant impact on disclosures and any changes will relate to presentation. The objective of this Standard is to extend the scope of AASB 124 Related Party Disclosures to include not-for-profit sector entities. The Standard is expected to have a significant disclosure impact on the financial report of the City of Albany as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

(1) 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 2016

2. REVENUE AND EXPENSES

(a) Net Result

The Net Result includes:

(i) Charging as an Expense:

Significant expense

Impairment Losses

Land	1,000,000	0
This significant expense relates to the impairment of land (refer to Note 7(b) for further details)		

Auditors Remuneration

During the year the following fees were paid or payable for services provided by the following auditors of the City:

Moore Stephens

- Audit of the financial report 2014/15	21,057	47,187
- Audit of the financial report 2015/16	19,235	0
- Internal Audit	21,199	20,120
- Grant Acquittals	7,200	17,250
- Professional Services	3,290	0
- Training/conferences	7,322	0
	<u>79,303</u>	<u>84,557</u>

Depreciation

Buildings	1,997,175	1,746,113
Furniture and Equipment	510,437	395,534
Plant and Equipment	1,795,294	1,830,802
Roads	7,005,410	6,599,806
Footpaths	739,531	471,326
Drainage	955,390	416,685
Infrastructure - Other	2,795,477	1,650,464
	<u>15,798,714</u>	<u>13,110,730</u>

Interest Expenses (Finance Costs)

Debentures (refer Note 22(a))	1,034,463	955,295
	<u>1,034,463</u>	<u>955,295</u>

(ii) Crediting as Revenue:

	2016 \$	2016 Budget \$	2015 \$
Interest Earnings			
Investments			
- Reserve Funds	435,714	200,000	418,661
- Other Funds	409,080	627,515	450,335
Other Interest Revenue (refer note 28)	314,884	240,000	316,945
	<u>1,159,678</u>	<u>1,067,515</u>	<u>1,185,941</u>

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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.

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions	Grant/Contribution	Function/ Activity	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
			Balance ⁽¹⁾ 1/07/14	2014/15	2014/15	Balance ⁽¹⁾ 30/06/15	2015/16	2015/16	Balance ⁽¹⁾ 30/06/16
Crime Prevention Grant		Law, Order, Public Safety	0	25,000	0	25,000	0	(25,000)	0
Cat Act Grant - Sterilisation Subsidy		Law, Order, Public Safety	21,126	0	(1,547)	19,579	0	(19,579)	0
Fire Equipment Grant		Law, Order, Public Safety	0	167,524	(167,524)	0	0	0	0
Bushfire Brigade Operating Grant		Law, Order, Public Safety	86,254	217,466	(266,827)	36,893	235,826	(211,943)	60,776
SES Operating Grant		Law, Order, Public Safety	10,415	42,490	(41,915)	10,990	45,355	(42,450)	13,895
Community Emergency Risk Management		Law, Order, Public Safety	25,255	0	(17,378)	7,877	0	0	7,877
Fire Management Strategies (Stage 1)		Recreation and Culture	0	20,369	(11,746)	8,623	20,369	(28,992)	0
Tobacco Control Grant		Health	1,725	0	0	1,725	0	(1,725)	0
Day Care Centre - Playground Upgrade		Education and Welfare	0	63,311	(63,311)	0	15,000	(13,580)	1,420
Disability Awareness Project		Education and Welfare	0	13,100	(327)	12,773	0	(3,382)	9,391
Torday Fire Management Strategy		Education and Welfare	0	15,000	0	15,000	0	(15,000)	0
Youth Friendly Communities		Education and Welfare	0	0	0	0	10,000	(3,710)	6,290
Seniors Strategy Initiatives		Community Amenities	0	0	0	0	4,273	(4,273)	0
Emu Point Coastal Works		Community Amenities	20,987	0	0	20,987	0	(20,987)	0
Accessible Public Toilets		Recreation and Culture	0	0	0	0	63,636	0	63,636
Sport 4 All Kidsport Program		Recreation and Culture	66,833	70,000	(136,833)	0	120,000	(116,402)	3,598
Library - Finding My Place Grant		Recreation and Culture	0	4,800	0	4,800	0	(4,800)	0
Library - Seniors & Special Needs Program		Recreation and Culture	0	0	0	0	1,000	(1,000)	0
Children's Book Council of Australia		Recreation and Culture	0	5,396	(5,396)	0	0	0	0
Country Arts WA		Recreation and Culture	18,500	18,500	(37,000)	0	0	(15,896)	0
Library - SLWA Regional Subsidy		Recreation and Culture	0	14,757	(14,757)	0	15,896	(50,000)	0
Club Development Initiative		Recreation and Culture	0	50,000	(50,000)	0	50,000	(50,000)	0
Centennial Park Upgrade		Recreation and Culture	102,865	1,766,406	(1,869,271)	0	7,063,000	(6,753,965)	309,035
Centennial Park Living Stream		Recreation and Culture	18,250	0	(18,250)	0	0	0	0
Anzac Centenary - Mt Clarence Grant		Recreation and Culture	61,668	0	(61,668)	0	0	0	0
Little Grove Boat Facilities Grant		Recreation and Culture	0	1,000	(1,000)	0	0	0	0
Anzac Centenary Event		Recreation and Culture	0	142,516	(142,516)	0	0	0	0
Christmas, New Year and Australia Day Events Grant		Recreation and Culture	0	1,307,500	(1,307,500)	0	0	0	0
Coastal Monitoring Program		Recreation and Culture	49,063	200,000	(200,000)	0	0	(32,455)	0
Cheyne Beach Rehabilitation		Recreation and Culture	14,670	17,410	(17,410)	3,231	32,455	(65,164)	0
Lower King Foreshore Maintenance		Recreation and Culture	2,025	0	(12,069)	2,601	61,933	(21,983)	0
Cheyne Beach - Upgrade 4WD Tracks		Recreation and Culture	39,936	225	(39,936)	2,250	19,382	0	2,250
Mt. Melville Community Fauna Survey		Recreation and Culture	21,909	0	(21,909)	0	0	(2,853)	0
Charles Darwin Signage Ellen Cove		Recreation and Culture	0	0	0	0	2,853	(8,007)	0
Cycle Strategy Bicycle Counters Grant		Recreation and Culture	0	0	0	0	8,007	(8,007)	0
Expert Skills Clinic In Albany		Recreation and Culture	0	0	0	0	20,150	(20,150)	0
Albany Entertainment Centre - Projects		Recreation and Culture	0	0	0	0	4,500	(4,500)	0
Shark Barrier Middleton Beach		Recreation and Culture	0	0	0	0	24,639	(24,639)	0
Betty Beach Reserve - Upgrade Tracks		Recreation and Culture	0	0	0	0	200,000	(200,000)	0
Mill Park Upgrade		Recreation and Culture	0	1,000	(1,000)	0	0	0	0
Eyre Park - Upgrade Playground Equipment		Recreation and Culture	0	5,735	(5,735)	0	0	(49,960)	0
Quarantine Hill Tower Maintenance		Recreation and Culture	0	0	0	0	49,960	(49,960)	0
Upgrade of Town Square		Recreation and Culture	0	286,250	(286,250)	0	10,450	(10,450)	0
Walk Trails Strategic Plan & Development		Recreation and Culture	0	6,015	(6,015)	0	0	0	0
Smart Clubs - Presidents Forums and Education		Recreation and Culture	0	4,000	(4,000)	0	4,000	(4,000)	0

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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 2016

	NOTE	2016 \$	2015 \$
3 CASH AND CASH EQUIVALENTS			
Unrestricted		7,584,073	6,515,651
Restricted		18,215,807	19,703,739
		<u>25,799,880</u>	<u>26,219,390</u>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Airport Reserve	12	1,972,536	1,559,597
Albany Entertainment Reserve	12	450,475	439,053
ALAC Synthetic Surface "Carpet" Reserve	12	204,424	179,748
Albany Classics Reserve	12	32,864	48,530
Bayonet Head Infrastructure Reserve	12	149,898	148,303
Car Parking Reserve	12	155,285	95,536
Capital Seed Funding for Sporting Club Reserve	12	0	5,841
Emu Point Boat Pens Development Reserve	12	316,317	241,833
Masterplan Funding Reserve	12	239,183	267,235
National Anzac Centre Reserve	12	538,100	182,042
Parks Development Reserve	12	0	21,245
Parks and Recreations Grounds	12	253,054	50,000
Plant Replacement Reserve	12	1,125,889	1,399,481
Roadwork's Reserve	12	1,302,929	1,229,845
Waste Management Reserve	12	2,766,813	2,053,817
Refuse Collection & Waste Minimisation Reserve	12	1,292,635	889,941
Building Restoration Reserve	12	921,695	713,143
Debt Management Reserve	12	3,673,896	3,002,455
Land Acquisition	12	269,760	279,652
Coastal Management Reserve	12	462,696	353,500
Information Technology Reserve	12	433,069	398,900
Prepaid Rates Reserve	12	600,371	533,726
Destination Marketing & Economic Development Reserve	12	72,983	130,000
Albany Heritage Park Infrastructure Reserve	12	300,000	100,000
Unspent Grants Reserve	12 / 2 (c)	641,967	2,346,935
Cheynes Beach Reserve	12	36,250	0
National Anzac Centre Donations		2,718	210
Unspent Grants	2 (c)	0	324,208
Unspent Loans	22 (c)	0	2,708,963
		<u>18,215,807</u>	<u>19,703,739</u>

4. INVESTMENTS

Financial assets at fair value through profit or loss		205,605	205,605
Financial assets at fair value through profit or loss			
At beginning of the year		205,605	232,551
Revaluation to Income Statement		0	(26,946)
Disposals		0	0
At end of the year		<u>205,605</u>	<u>205,605</u>
Held for trading			
Local Government House Unit Trust Shares		205,605	205,605
		<u>205,605</u>	<u>205,605</u>

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES (Continued)
(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening	Received	Expended	Closing	Received	Expended	Closing
		Balance (1) 1/07/14	2014/15	2014/15	Balance (1) 30/06/15	2015/16	2015/16	Balance (1) 30/06/16
Travel Smart Officer Grant	Recreation and Culture	0	38,513	0	38,513	1,000	(39,513)	27,107
Share the Road Education Programme	Recreation and Culture	0	0	0	0	37,956	(10,849)	0
Memorial Gardens/Entry at Albany Heritage Park	Recreation and Culture	0	50,000	(50,000)	0	0	0	0
Vancouver Arts Centre Country Artis	Recreation and Culture	0	0	0	0	68,500	(68,500)	0
Vancouver Arts Centre Workshops/Projects	Recreation and Culture	0	16,000	(16,000)	0	17,370	(17,370)	0
Vancouver Street Festival	Recreation and Culture	0	24,090	(24,090)	0	23,045	(23,045)	0
Bella Kelly Retrospective	Recreation and Culture	0	15,670	0	15,670	0	(15,670)	0
Emu Point Coastal Park - Ocean Side Revegetation	Recreation and Culture	0	17,100	(4,574)	12,526	1,900	(14,426)	0
Get Set Go	Recreation and Culture	0	0	0	0	5,000	0	5,000
ALAC Heat Reclaim Unit & AHU Grant	Recreation and Culture	0	30,000	(18,281)	11,719	0	(11,719)	0
ALAC Capital Upgrades	Recreation and Culture	0	40,827	(40,827)	0	0	0	0
ALAC - DSR Pool Grant	Recreation and Culture	0	0	0	0	32,000	(28,449)	3,551
Hunton Bridge	Transport	90,398	0	(16,947)	73,451	0	0	73,451
Elleker Grassmere Bridge/Lower King Bridge	Transport	54,000	0	(54,000)	0	0	0	0
Wheeler/Blue Gum Bridge	Transport	0	0	0	0	506,682	(506,682)	0
Main Roads Direct Grant	Transport	0	343,100	(343,100)	0	372,900	(372,900)	0
Roads to Recovery	Transport	0	819,631	(819,631)	0	2,272,257	(2,272,257)	0
Federal Black Spot Funding	Transport	0	0	0	0	287,723	(287,723)	0
State Black Spot Funding	Transport	0	189,164	(189,164)	0	205,600	(205,600)	0
Drainage Masterplan	Transport	0	0	(104,262)	0	0	0	0
Path Funding	Transport	104,262	0	(104,262)	0	0	0	0
Commodity Funding	Transport	92,600	1,028,500	(1,121,100)	0	171,339	(171,339)	0
Regional Road Group	Transport	0	268,393	(268,393)	0	252,000	(252,000)	0
Road Funding - Flood Damage	Transport	76,706	803,583	(882,289)	0	887,372	(887,372)	0
Stirling Terrace Upgrade	Transport	0	38,617	(38,617)	0	0	0	0
Airport Terminal Upgrade	Transport	0	173,750	(173,750)	0	0	0	0
Bus Stops - Bayonet Head	Transport	311,608	1,125,000	(1,436,608)	0	0	0	0
Street Lighting	Transport	0	15,000	(15,000)	0	0	0	0
Urban Verge Mowing	Transport	0	0	0	0	47,219	(47,219)	0
Campervan & Motorhome Club of Australia Event Grant	Economic Services	0	10,000	(10,000)	0	15,000	(15,000)	0
Clippert Host Port	Economic Services	0	0	0	0	31,501	(31,501)	0
Camping Grounds Capital Works	Economic Services	0	0	0	0	255,000	(255,000)	0
Albany Visitors Centre Building Construction	Other Property and Services	0	0	0	0	54,690	0	54,690
Westral Barracks	Other Property and Services	0	26,357	(26,357)	0	0	0	0
Total		<u>1,293,055</u>	<u>9,539,065</u>	<u>(10,507,912)</u>	<u>324,208</u>	<u>13,628,738</u>	<u>(13,310,979)</u>	<u>641,967</u>

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

NOTE	2016 \$	2015 \$
5. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	892,621	1,069,724
Sundry Debtors	873,325	2,029,846
Prepaid Expenses	333,338	266,468
Other Accrued Income	431,485	228,032
GST Receivable	297,176	323,253
	<u>2,827,945</u>	<u>3,917,323</u>
Non-Current		
Rates Outstanding - Pensioners	524,408	489,151
	<u>524,408</u>	<u>489,151</u>
6. INVENTORIES		
Current		
Fuel and Materials	470,584	592,696
ALAC Stock	3,768	9,543
Albany Visitor Centre Stock	54,281	56,563
Albany Heritage Park	95,530	70,296
Other	21,864	40,946
	<u>646,027</u>	<u>770,044</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	(2,051,484)	(2,051,484)
Adjustment to Realisable Value	(567,026)	(567,026)
Total Land Held for Resale	<u>303,950</u>	<u>303,950</u>
Inventories Total	<u>949,977</u>	<u>1,073,994</u>

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

NOTE	2016 \$	2015 \$
7(a). PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2014 - Level 2	55,236,647	60,045,998
- Additions after Valuation at Cost	1,767,483	1,001,977
	<u>57,004,130</u>	<u>61,047,975</u>
Land Vested In and Under the Control of Council at:		
- Independent Valuation 2014 - Level 3	1,015,100	1,015,100
	<u>1,015,100</u>	<u>1,015,100</u>
Total Land	<u>58,019,230</u>	<u>62,063,075</u>
Buildings at:		
- Independent Valuation 2014 - Level 2	15,829,537	15,829,537
- Independent Valuation 2014 - Level 3	30,391,961	30,391,961
- Management Valuation 2014 - Level 3	1,789,394	1,789,394
- Additions after Valuation at Cost	15,387,191	13,295,984
Less: Accumulated Depreciation	(3,743,288)	(1,746,113)
	<u>59,654,795</u>	<u>59,560,763</u>
Total Buildings	<u>59,654,795</u>	<u>59,560,763</u>
Total Land and Buildings	<u>117,674,025</u>	<u>121,623,838</u>
Furniture and Equipment at		
- Management Valuation 2016 - Level 3	151,425	0
- Independent Valuation 2016 - Level 3	4,262,058	0
- Management Valuation 2013 - Level 3	0	1,356,286
- Additions after Valuation at Cost	0	2,378,678
Less: Accumulated Depreciation	0	(676,056)
	<u>4,413,483</u>	<u>3,058,908</u>
Plant and Equipment at		
- Independent Valuation 2016 - Level 2	10,687,443	0
- Independent Valuation 2016 - Level 3	1,140,965	0
- Management Valuation 2016 - Level 3	2,932,392	0
- Management Valuation 2013 - Level 3	0	7,254,898
- Additions after Valuation at Cost	0	6,729,603
Less Accumulated Depreciation	0	(3,464,653)
	<u>14,760,800</u>	<u>10,519,848</u>
Paintings		
- Management Valuation 2015 - Level 3	313,613	313,613
- Additions after Valuation at Cost	20,000	0
	<u>333,613</u>	<u>313,613</u>
Total Property, Plant & Equipment	<u>137,181,921</u>	<u>135,516,207</u>
Work in Progress yet to be Classified	4,418,321	1,046,876
Total Property, Plant & Equipment, Work in Progress	<u>141,600,242</u>	<u>136,563,083</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land					
Freehold land	2	Market Approach using recent market data for similar properties / income approach using discounted cashflow methodology	Independent Registered Valuers	June 2014	Price per hectare / market borrowing rate
Land vested in and under the control of Council	2	Market Approach using recent market data for similar properties / income approach using discounted cashflow methodology	Independent Registered Valuers	June 2014	Price per hectare / market borrowing rate
Buildings					
- Independent Valuation - Level 2	2	Market Approach using recent market data for similar properties / income approach using discounted cashflow methodology	Independent Registered Valuers	June 2014	Price per square metre / market borrowing rate
- Independent Valuation - Level 3	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent Registered Valuers	June 2014	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
- Management Valuation - Level 3	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2014	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Furniture and Equipment					
Plant and Equipment					
- Independent Valuation - Level 2	2	Market Approach using recent market data for similar properties	Independent Registered Valuers	June 2016	Market price per item.
- Independent/Management Valuation - Level 3	3	Cost Approach using depreciated replacement cost	Independent Valuers and Management Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Paintings and Artwork	2	Market Approach using recent auction information for similar pieces of artwork	Management Valuation	June 2015	Recent auction sales

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

During the period there was a change in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs, as there was new market data available which is more representative of the fair value in those circumstances.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) 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.

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Work in Progress Expensed \$	Carrying Amount at the End of Year \$
Freehold land	61,047,975	765,506	(210,351)	0	(4,599,000)	0	0	0	57,004,130
Land vested in and under the control of City of Albany	1,015,100	0	(210,351)	0	(4,599,000)	0	0	0	1,015,100
Total land	62,063,075	765,506	(210,351)	0	(4,599,000)	0	0	0	58,019,230
Buildings	59,560,763	1,943,171	0	0	0	(1,997,175)	148,036	0	59,654,795
Total buildings	59,560,763	1,943,171	0	0	0	(1,997,175)	148,036	0	59,654,795
Total land and buildings	121,623,838	2,708,677	(210,351)	0	(4,599,000)	(1,997,175)	148,036	0	117,674,025
Plant and Equipment	10,519,848	3,477,091	(419,711)	2,978,866	0	(1,795,294)	0	0	14,760,800
Furniture and Equipment	3,358,908	231,731	0	1,315,000	0	(510,437)	18,281	0	4,413,483
Paintings and Artwork	313,613	20,000	0	0	0	0	0	0	333,613
Work in Progress	1,046,876	3,646,389	0	0	0	0	(166,317)	(108,627)	4,418,321
Total Property, Plant and Equipment	136,863,083	10,083,888	(630,062)	4,293,866	(4,599,000)	(4,302,906)	0	(108,627)	141,600,242

Impairment of land asset - 2 Toll Place, Port Albany

Under a Memorandum of Understanding for construction of the Albany Entertainment Centre (AEC), the City paid \$1,000,000 to the State Government on 30 June 2012 for the title to the land on which the building is situated. Subsequent to this, an independent valuation was undertaken on this land as part of the fair value assessment, with fair value determined at \$4,599,000. The State Government continues to own and operate the AEC, and in recognition of this fact, Council resolved to transfer the title back to the State Government for nil consideration. The legal transfer has not yet been completed, but is likely to be completed by 30 June 2017.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

8. INFRASTRUCTURE (Continued)

(b) 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.

	Balance at the Beginning of the Year	Additions	(Disposals)	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Work in Progress Expensed	Carrying Amount at the End of Year
	\$	\$	\$	\$	\$	\$	\$	\$
Roads	230,748,564	4,761,295	0	0	(7,005,410)	112,719	0	228,617,168
Footpaths	40,293,377	947,261	0	0	(739,531)	646,061	0	41,147,168
Drainage	49,584,492	1,584,775	0	0	(955,390)	69,279	0	50,283,156
Parks, Gardens and Reserves	30,050,476	3,020,213	0	0	(533,065)	215,596	0	32,753,220
Other Infrastructure	88,050,184	1,911,890	0	(702,504)	(2,262,412)	146,250	0	87,143,408
Work in Progress	3,932,161	6,646,713	0	0	0	(1,189,905)	(5,602)	9,383,367
Total Infrastructure	442,659,254	18,872,147	0	(702,504)	(11,495,808)	0	(5,602)	449,327,487

Impairment of Emu Point Boat Pens

In June 2016, the deterioration in condition of a jetty for the Emu Point Boat Pens was determined to be extensive enough to cease using 19 of the 59 pens, pending remedial works. A condition assessment was undertaken, and an impairment amount of \$702,504 was applied to this asset.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

8(a). INFRASTRUCTURE

	2016	2015
	\$	\$
Roads at:		
- Management Valuation 2015 - Level 3	230,748,564	230,748,564
- Additions after valuation - cost	4,874,014	0
Less accumulated depreciation	(7,005,410)	0
	<u>228,617,168</u>	<u>230,748,564</u>
Footpaths at:		
- Management Valuation 2015 - Level 3	40,293,377	40,293,377
- Additions after valuation - cost	1,593,322	0
Less accumulated depreciation	(739,531)	0
	<u>41,147,168</u>	<u>40,293,377</u>
Drainage at:		
- Management Valuation 2015 - Level 3	49,584,492	49,584,492
- Additions after valuation - cost	1,654,054	0
Less accumulated depreciation	(955,390)	0
	<u>50,283,156</u>	<u>49,584,492</u>
Parks, Gardens and Reserves at:		
- Management Valuation 2015 - Level 3	30,050,476	30,050,476
- Additions after valuation - cost	3,235,809	0
Less accumulated depreciation	(533,065)	0
	<u>32,753,220</u>	<u>30,050,476</u>
Other Infrastructure at:		
- Management Valuation 2015 - Level 3	87,347,680	88,050,184
- Additions after valuation - cost	2,058,140	0
Less accumulated depreciation	(2,262,412)	0
	<u>87,143,408</u>	<u>88,050,184</u>
Work in Progress yet to be Classified	9,383,367	3,932,161
Total Infrastructure and Work in Progress	<u>449,327,487</u>	<u>442,659,254</u>

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions.

This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires infrastructure to be shown at fair value.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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	2016 \$	2015 \$
9. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	3,386,047	3,646,502
Sundry Accruals	747,493	292,818
Provision - Gravel Pit Regeneration	146,501	153,286
Income Received in advance	277,077	290,747
Accrued Interest	41,255	45,705
Accrued Salaries and Wages	606,239	414,313
	5,204,612	4,843,371

10. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge Debentures	2,047,877	1,857,727
	2,047,877	1,857,727
Non-Current		
Secured by Floating Charge Debentures	14,494,376	15,942,253
	14,494,376	15,942,253

Additional detail on borrowings is provided in Note 22.

11. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance as at 1 July 2015	1,757,220	1,743,432	3,500,652
Non-current provisions	0	480,936	480,936
	1,757,220	2,224,368	3,981,588
Additional provisions	1,680,805	458,920	2,139,725
Amounts used	(1,547,551)	(262,824)	(1,810,375)
Balance at 30 June 2016	1,890,474	2,420,464	4,310,938
Comprises			
Current	1,890,474	1,887,575	3,778,049
Non-current	0	532,889	532,889
	1,890,474	2,420,464	4,310,938

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

8. INFRASTRUCTURE (Continued)
(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Roads	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Footpaths	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Drainage	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Parks, Gardens and Reserves	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Other Infrastructure	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2016 \$	2016 Budget \$	2015 \$
Cash and Cash Equivalents	<u>25,799,880</u>	<u>12,907,075</u>	<u>26,219,390</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	10,466,586	12,425,850	22,086,603
Non-cash flows in Net Result			
Depreciation	15,798,714	15,906,098	13,110,730
(Profit)/Loss on Sale of Asset	(627,000)	(776,016)	67,450
Impairment Loss	1,000,000	0	0
Reversal of loss on revaluation of fixed assets	(84,068)	0	0
Fair Value (Gain) Loss on Revaluation - Financial Assets	0	0	26,946
Fair Value (Gain) Loss on Revaluation - Paintings and Artwork	0	0	14,133
Changes in Assets and Liabilities			
(Increase)/Decrease in Receivables	1,054,121	143,401	(106,560)
(Increase)/Decrease in Inventories	124,017	0	472,026
Increase/(Decrease) in Payables	361,241	(675,354)	(757,940)
Increase/(Decrease) in Employee Provisions	329,350	50,055	489,870
Grants/Contributions for the Development of Assets	(15,313,379)	(21,111,747)	(21,803,455)
Work in Progress Expensed	114,229	0	137,897
Net Cash from Operating Activities	<u>13,223,811</u>	<u>5,962,287</u>	<u>13,737,700</u>

	2016 \$	2015 \$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	55,000	55,000
Credit Card Balance at Balance Date	1,106	23,526
Total Amount of Credit Unused	<u>56,106</u>	<u>78,526</u>
Loan Facilities		
Loan Facilities - Current	2,047,877	1,857,727
Loan Facilities - Non-Current	14,494,376	15,942,253
Total Facilities in Use at Balance Date	<u>16,542,253</u>	<u>17,799,980</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>2,708,963</u>

15. CONTINGENT LIABILITIES

The City, together with the Water Corporation, is part of a joint venture agreement which owns a liquid waste facility. This facility is currently not in operation. Indications from the Water Corporation is that this will not be used in the future. The City may be liable for some costs with the unwinding of this joint venture and the decommissioning of the facility. The facility is currently in care and maintenance, which could continue under the current agreement until 2022.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

16. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

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

	2016 \$	2015 \$
Payable:		
- not later than one year	39,442	82,535
- later than one year but not later than five years	0	28,423
- later than five years	0	0
	<u>39,442</u>	<u>110,958</u>

(b) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

Payable:
- not later than one year

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

	2016 \$	2015 \$
West Rail Barracks - Stages 1-3 Construction	0	262,474
Albany Highway Path	0	264,912
ALAC - Replace Floor Covering	0	362,622
ALAC - Heat Reclaim Unit	0	679,628
Centennial Park Upgrade Buildings	2,335,289	2,258,000
Centennial Park Upgrade	5,627,981	5,606,475
Albany Visitor Centre	125,200	0
Heritage Park Trail Upgrade	157,917	0
Airport Upgrade Works	1,765,000	0
Hutton Road Bridge	690,000	0
	<u>10,701,387</u>	<u>9,434,111</u>

17. JOINT VENTURE

The City, together with the Water Corporation has a joint venture arrangement with regard to the processing of liquid waste. The assets consist of liquid waste processing equipment. These assets are not currently in operation. Indication from the Water Corporation is that these assets will not be used in the future. As a result they have been written down to \$nil.

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2016 \$	2015 \$
Governance	12,428,450	12,961,662
General Purpose Income	600,371	533,726
Law, Order, Public Safety	4,129,471	3,810,066
Health	171,776	180,756
Education & Welfare	781,939	792,123
Community Amenities	34,769,689	33,691,960
Recreation and Culture	93,703,006	82,578,675
Transport	400,409,040	399,900,328
Economic Services	17,240,735	17,596,640
Other Property and Services	50,786,737	48,993,694
Unallocated	6,214,330	10,388,170
	<u>621,235,544</u>	<u>611,427,800</u>

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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	2016	2015	2014
19. FINANCIAL RATIOS			
Current Ratio	1.05	1.19	1.40
Asset Sustainability Ratio	0.90	0.76	1.09
Debt Service Cover Ratio	4.14	5.79	2.37
Operating Surplus Ratio	(0.09)	0.01	(0.09)
Own Source Revenue Coverage Ratio	0.86	0.85	0.84

The above ratios are calculated as follows:

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

Notes:

(a) Information relating to the asset consumption ratio and the asset renewal funding ratio can be found at Supplementary Ratio Information on Page 62 of this document.

(b) For 2015 and 2016, the Debt Service Cover and Operating Surplus ratios as disclosed above were distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015. The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$1,996,621.

(c) For 2015, the Current ratio as disclosed above was also distorted by the early payment of 2015/16 Financial Assistance Grant prior to year end.

(c) For 2014, the Current, Debt Service Cover and Operating Surplus ratios disclosed above were distorted by the change to the payment of Financial Assistance Grants during the year ended 30 June 2014 which saw the advance payment of the first quarter of the following year cease. This created a timing difference which resulted in an amount of some \$1,997,476 less revenue for the year

Items (b) to (d) mentioned above are considered "one-off" timing/non cash in nature and, if they are ignored, the calculations disclosed in the columns above would be as follows:

	2016	2015	2014
Current Ratio	1.05	0.99	1.61
Debt Service Cover Ratio	4.83	4.99	2.93
Operating Surplus Ratio	(0.05)	(0.03)	(0.05)

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

20. 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 01/07/15 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30/06/16 \$
Albany Heartsafe	120	521	(510)	133
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	23,277	819,500	(506,500)	336,277
Commission Sales- AVC	151,916	1,585,656	(1,565,746)	171,825
WAPC - POS	673,963	148,500	(79,364)	743,099
Sale of Land for Unpaid Rates	0	64,633	0	64,633
Works Bonds	2,500	0	0	2,500
Public Appeals	0	20,451	(20,451)	0
Development Bonds	1,700	0	0	1,700
Drainage Upgrade	1,358	0	0	1,358
Extractive Industry Deposits	77,369	5,830	0	83,199
Housing Deposits	62,000	10,000	(33,000)	39,000
Subdivision Maintenance Bonds	235,447	128,160	(108,980)	254,625
Subdivision Bonds	475,099	63,259	(26,039)	512,318
Lotteries House Management	53,181	11,135	0	64,316
Lotteries House Photocopier	15,978	91	0	16,069
Nomination Deposits	880	1,680	(1,680)	880
Unclaimed Monies	45,846	574	0	46,420
ALAC Sporting Bonds	7,000	5,270	(1,680)	10,590
	<u>1,864,788</u>			<u>2,386,097</u>

21. DISPOSALS OF ASSETS - 2015/16 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant & Equipment	419,711	532,608	677,571	848,590	257,860	315,982
Land	210,351	219,966	579,491	680,000	369,140	460,034
	<u>630,062</u>	<u>752,574</u>	<u>1,257,062</u>	<u>1,528,590</u>	<u>627,000</u>	<u>776,016</u>

CITY OF ALBANY
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FOR THE YEAR ENDED 30TH JUNE 2016

22. INFORMATION ON BORROWINGS (continued)

(b) New Debentures - 2015/16

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual (\$)	Budget (\$)	
Recreation and Culture										
Centennial Park Stage 2	600,000	600,000	WATC	Interest & Principal	6	47,213	2.37	(600,000)	(600,000)	0
	600,000	600,000				47,213		(600,000)	(600,000)	0

(c) Unspent Debentures - 2015/16

Particulars	Date Borrowed	Balance 01/07/2015 \$	Borrowed During Year \$	Expended During Year \$	Balance 30/06/2016 \$
Centennial Park Stage 1	30/06/2014	1,488,963	0	(1,488,963)	0
Centennial Park Stage 2	22/06/2015	700,000	0	(700,000)	0
ALAC - Heat Exchange Pump	22/06/2015	520,000	0	(520,000)	0
		2,708,963	0	(2,708,963)	0

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 01/07/2015 \$	New Loans \$	Principal Repayments \$		Principal 30/06/2016 \$		Interest Repayments \$	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Community Amenities								
Liquid Waste Project	64,004		30,897	30,789	33,107	33,215	4,286	4,588
Waste Management	54,330		17,147	17,026	37,183	37,305	2,935	3,303
Recreation and Culture								
Dive Ship	80,006		38,621	38,487	41,385	41,519	5,358	5,679
Library Development	164,606		51,951	51,586	112,655	113,020	8,892	9,551
Recreation	55,137		17,402	17,280	37,735	37,856	2,979	3,349
ALAC Redevelopment	1,871,013		108,022	103,417	1,762,991	1,767,596	130,118	130,773
ALAC Redevelopment	1,784,181		87,179	83,151	1,697,002	1,701,029	136,700	137,928
Town Square Upgrade	459,193		42,618	41,380	416,575	417,813	22,140	22,853
Forts Entrance and Public Space Enhancement	459,193		42,618	41,380	416,575	417,813	22,140	22,853
Centennial Park Stage 1	1,948,574		185,289	179,938	1,763,285	1,773,553	86,322	85,874
Centennial Park Stage 2	700,000		108,323	104,888	591,677	595,112	24,423	28,310
ALAC - Heat Exchange Unit	520,000		80,468	76,329	439,532	443,671	18,145	25,282
Centennial Park Stage 3	0	600,000	0	0	600,000	600,000	598	0
Transport								
Roadworks - Asset Upgrade	1,107,938		106,953	104,186	1,000,985	1,003,753	84,665	84,859
Roadworks - 22C Refinanced	1,245,660		134,947	131,546	1,110,713	1,111,038	56,831	57,140
Roadworks - 03/04	485,789		40,950	40,950	444,839	444,838	31,564	31,579
Roadworks - 04/05	1,286,625		97,957	101,556	1,188,668	1,185,069	82,495	64,213
Roadworks - 06/07	2,194,302		257,766	252,132	1,936,536	1,942,172	150,391	150,545
Stirling Terrace Upgrade	367,355		34,094	33,104	333,261	334,251	17,712	18,282
Economic Services								
Saleyards Loan	231,923		40,347	39,768	191,576	192,155	15,271	16,796
Forts Cafe, Retail & Admin Upgrade/Refurbishment	551,032		51,141	49,656	499,891	501,376	26,568	27,424
Other Property and Services								
Admin Building 1	729,671		55,553	53,699	674,118	675,972	46,313	46,857
Admin Building 2A	689,448		163,523	161,794	525,925	529,392	27,123	27,211
Purchase Land - Lot 20	750,000		63,961	65,661	686,039	684,339	30,494	21,502
	17,799,980	600,000	1,857,727	1,819,703	16,542,253	16,583,855	1,034,463	1,026,751

All loan repayments were financed by general purpose revenue.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

24. NET CURRENT ASSETS

Composition of net current assets

	2016 (30 June Carried Forward) \$	2016 (1 July 2015 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
Surplus/(Deficit)	<u>2,078,102</u>	<u>3,183,413</u>	<u>3,183,413</u>
Comprises:			
Cash and cash equivalents			
Unrestricted	7,584,073	6,515,651	6,515,651
Restricted	18,215,807	19,703,739	19,703,739
Investments			
Financial assets at fair value through profit and loss	205,605	205,605	205,605
Receivables			
Rates - Current	892,621	1,069,724	1,069,724
Sundry Debtors	1,638,148	2,524,346	2,524,346
GST Receivable	297,176	323,253	323,253
Inventories	646,027	770,044	770,044
Less:			
Reserves - Restricted Cash			
- Reserves	(18,213,089)	(16,670,358)	(16,670,358)
- Restricted Cash Utilised - Loan	0	(2,708,963)	(2,708,963)
- Investments - LG Unit Trust Shares	(205,605)	(205,605)	(205,605)
Sundry Creditors	(4,557,118)	(4,383,353)	(4,383,353)
Accrued Interest on Debentures	(41,255)	(45,705)	(45,705)
Accrued Salaries and Wages	(606,239)	(414,313)	(414,313)
Current Employee Benefits Provision	(3,778,049)	(3,500,652)	(3,500,652)
Surplus/(Deficit)	<u>2,078,102</u>	<u>3,183,413</u>	<u>3,183,413</u>

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

23. RATING INFORMATION - 2015/2016 FINANCIAL YEAR

RATE TYPE	Rate in cents	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 \$	Total Amount Raised from General Rate		
												Movement in Rates Received in Advance	Ex-gratia rates	
Differential General Rate														
GRV / General UV	10.2179	13,963	260,194,775	26,586,844	0	0	26,586,844	26,586,444	0	0	26,586,444			
Interim & Back Rates	0.4099	1,181	658,025,000	2,697,245	0	0	2,697,245	2,697,245	0	0	2,697,245			
Sub-Totals		15,144	918,219,775	29,284,089	359,384	15,754	29,659,227	29,283,689	170,000	10,000	29,463,689			
Minimum Rates														
GRV / Occupied UV	935	2,627	16,776,796	2,456,245	0	0	2,456,245	2,456,245	0	0	2,456,245			
Sub-Totals	1010	440	77,051,353	444,000	0	0	444,000	444,400	0	0	444,400			
		3,067	93,828,149	2,900,245	0	0	2,900,245	2,900,645	0	0	2,900,645			
							32,559,472				32,364,334			
							32,559,472				32,364,334			
							66,645				0			
							82,536				82,290			
Total Rates							32,708,653				32,446,624			

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

25. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR

No specified area rate was levied during the 2015/16 Financial Year.

26. SERVICE CHARGES - 2015/16 FINANCIAL YEAR

No service charge was levied during the 2015/16 Financial Year.

27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2015/16 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Rate Assessment	Write-Off	N/A	7,704	0

No discount was offered for early payment of rates for the 2015/16 year.

28. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	N/A	172,934	120,000
Interest on Instalments Plan	5.50%	N/A	141,950	120,000
Charges on Instalment Plan	N/A	6	73,176	65,000
Interest on Sundry Debtors	11.00%	N/A	0	0
			388,060	305,000

Ratepayers had the option of paying rates in four equal instalments, due on 17th September 2015, 17th November 2015, 18th January 2016 and 18th March 2016. Administration charges and interest applied for the final three instalments.

29. FEES & CHARGES

	2016 \$	2015 \$
Governance	1,268	983
General Purpose Funding	117,180	105,237
Law, Order, Public Safety	202,965	200,625
Health	117,119	106,609
Education and Welfare	1,063,645	1,019,822
Community Amenities	8,243,541	7,882,772
Recreation and Culture	2,136,590	2,635,317
Transport	2,545,647	3,067,582
Economic Services	2,313,403	2,130,013
Other Property and Services	776,046	787,217
	17,517,404	17,936,177

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:

By Nature and Type:

Operating Grants, Subsidies and Contributions	3,559,260	9,348,576
Non-Operating Grants, Subsidies and Contributions	15,313,379	21,803,455
	18,872,639	31,152,031

By Program:

General Purpose Funding	1,879,193	6,014,903
Governance	2,905	33,612
Law, Order, Public Safety	1,044,024	1,011,525
Education and Welfare	39,341	101,693
Community Amenities	193,636	60,395
Recreation and Culture	8,123,876	6,249,432
Transport	6,903,826	6,864,867
Economic Services	433,053	10,572,035
Other Property And Services	252,785	243,569
	18,872,639	31,152,031

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

31. ELECTED MEMBERS REMUNERATION

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

	2016 \$	2016 Budget \$	2015 \$
Mayor	Fees 30,385	30,385	30,385
	Allowances 65,350	65,300	65,350
Deputy Mayor	Fees 22,660	22,660	22,660
	Allowances 19,000	18,950	19,000
Councillors	Fees 250,506	249,260	249,260
	Allowances 38,800	38,500	39,050
	426,701	425,055	425,705

32. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

2016	2015
265	253

33. MAJOR LAND TRANSACTIONS

The Ridge' Cull Road Residential Subdivision

(a) Details

As at 30 June 2016, 4 lots remain unsold. No further development costs are anticipated to be spent on this development.

(b) Current year transactions

Operating Revenue

	2016 \$	2016 Budget \$	2015 \$
Proceeds on sale	0	110,000	433,909
Less Cost of Blocks Sold	0	(75,170)	(440,312)
Less Selling Costs	0	(25,000)	(28,849)
	0	9,830	(35,251)

Capital Expenditure

- Purchase of Land	0	0	0
- Development Costs	0	0	0
	0	0	0

(c) Expected Future Cash Flows

(Cash Outflows)

	2017 \$	2018 \$	2019 \$	2020 \$	2021 \$	Total \$
- Development Costs	0	0	0	0	0	0
- Loan Repayments	0	0	0	0	0	0
	0	0	0	0	0	0

Cash Inflows

- Loan Proceeds	0	0	0	0	0	0
- Sale Proceeds	250,000	100,000	0	0	0	350,000
	250,000	100,000	0	0	0	350,000

Net Cash Flows

	2017 \$	2018 \$	2019 \$	2020 \$	2021 \$	Total \$
	0	0	0	0	0	0
	250,000	100,000	0	0	0	350,000
	250,000	100,000	0	0	0	350,000

(d) Assets and Liabilities Associated with the Transaction

Current Assets

	NOTE	2,016	2,015
Land Held for Resale	6	303,950	303,950

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The City of Albany did not participate in any trading undertakings or major trading undertakings during the 2015/16 financial year, as defined under the Local Government Act and Regulations.

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	
	2016 \$	2015 \$	2016 \$	2015 \$
Financial Assets				
Cash and cash equivalents	25,799,880	26,219,390	25,799,880	26,219,390
Trade & Other Receivables	2,827,945	3,917,323	2,827,945	3,917,323
Investments	205,605	205,605	205,605	205,605
	<u>28,833,430</u>	<u>30,342,318</u>	<u>28,833,430</u>	<u>30,342,318</u>
Financial Liabilities				
Payables	5,204,612	4,843,371	5,204,612	4,843,371
Borrowings	16,542,253	17,799,980	15,133,643	16,203,497
	<u>21,746,865</u>	<u>22,643,351</u>	<u>20,338,255</u>	<u>21,046,868</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.
- Financial assets at fair value through profit and loss, available for sale financial assets - based on market interest rates applicable to assets and liabilities with similar risk profiles.
- Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

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

	2016 \$	2015 \$
Impact of a 10% ⁽¹⁾ movement in price of investments:		
- Equity	20,561	20,560
- Statement of Comprehensive Income	20,561	20,560
Impact of a 1% ⁽¹⁾ movement in interest rates on cash and investments:		
- Equity	260,055	293,685
- Statement of Comprehensive Income	260,055	293,685

Notes:

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

**CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

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

The City of Albany'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. The City 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:

	2016	2015
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	89.94%	62.02%
- Overdue	10.06%	37.98%

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:

	2016	2015	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	5,204,612	0	0	0	0	5,204,612	5,204,612
Borrowings	2,888,210	10,517,928	10,517,928	7,311,615	7,311,615	20,717,753	16,542,253
	<u>8,092,822</u>	<u>10,517,928</u>	<u>10,517,928</u>	<u>7,311,615</u>	<u>7,311,615</u>	<u>25,922,365</u>	<u>21,746,865</u>
Payables	4,843,371	0	0	0	0	4,843,371	4,843,371
Borrowings	2,752,421	10,499,961	10,499,961	9,500,928	9,500,928	22,753,310	17,799,980
	<u>7,595,792</u>	<u>10,499,961</u>	<u>10,499,961</u>	<u>9,500,928</u>	<u>9,500,928</u>	<u>27,596,681</u>	<u>22,643,351</u>

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE CITY OF ALBANY**

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of the City of Albany, which comprises the statement of financial position as at 30 June 2016, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

Management's Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial report of the City of Albany is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a) giving a true and fair view of the City's financial position as at 30 June 2016 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

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:

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate %
Year Ended 30 June 2015								
Borrowings								
Fixed Rate	74,492	187,573	525,926	191,576	1,031,209	14,531,477	16,542,253	5.23%
Debtentures	7.03%	5.44%	3.49%	6.96%	2.94%	5.43%		
Weighted Average Effective Interest Rate								
Year Ended 30 June 2016								
Borrowings								
Fixed Rate	0	144,011	274,074	689,449	231,923	16,460,523	17,799,980	5.31%
Debtentures		6.93%	5.34%	3.49%	6.86%	5.35%		
Weighted Average Effective Interest Rate								

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE CITY OF ALBANY (CONTINUED)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the City.
- b) No matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 57 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest it is not:
 - i) reasonably calculated; and
 - ii) based on verifiable information.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI
PARTNER

Date: 21 November 2016
Perth, WA

RATIO INFORMATION

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

	2016	2015	2014
Asset Consumption Ratio	0.63	0.67	0.66
Asset Renewal Funding Ratio	0.93	0.96	1.00

The above ratios are calculated as follows:

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

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Authorisation

Albany City Council
Chief Executive Officer