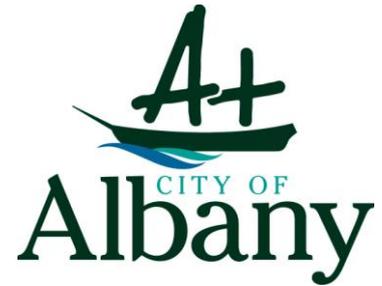




Annual Report 2009/10

Welcome



Annual Report 2009/2010

The annual report is produced in a digital format this year. It is a visible demonstration of the City's commitment to sustainability and the environment. It saves on both production costs and on the need for paper, conserving natural resources.

In PDF format the Report can be read direct from the CD-ROM or downloaded to any computer with Acrobat Reader installed. For the visually impaired, the size of the page can be increased simply by clicking on the + button in the Reader's toolbar at the top of the screen.

The Report can also be viewed on the City's website: www.albany.wa.gov.au under *Your Council, City of Albany Annual Report*. Further copies of the CD-ROM are also available from the City of Albany, or you may simply copy this file.

If you have any comments, questions or concerns with the Report, the City welcomes your feedback:

By email: staff@albany.wa.gov.au

By phone: (08) 9841 9333

In person: City of Albany, 102 North Rd, Yakamia WA 6330.

By mail: City of Albany, Chief Executive Officer, PO Box 484, Albany WA 6331

City of Albany

2009/2010 Annual Report

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Mayor's Message



The City of Albany is a growing regional centre and the expectations of our communities are rightly high.

I acknowledge the ongoing community support and staff commitment to ensuring services are delivered in an affordable and quality assured manner.

The Albany Entertainment Centre will be a major step forward in the cultural and social development of the Great Southern region. The venue will become a waterfront landmark symbolising the natural beauty of Albany, its harbour and surrounds. Of course, it will also provide a unique theatre experience supported by the very best in contemporary theatre facilities.



We continue to advocate on behalf of the City with State and Federal agencies to ensure the City seeks financial support to deliver additional projects. The City will continue to further enhance the quality of life for residents and the attractiveness of Albany as a tourist destination and business centre.

Community leadership continues to be demonstrated and can be typified by the Albany Centenary of ANZAC Alliance. The City of Albany and the RSL (Returned & Services League of WA Branch) formalised their alliance to develop, support and coordinate Anzac commemorations from now and into the future.

The Albany Centenary of Anzac Alliance (ACAA) harnesses expertise and experience from organisations with the aim of ensuring ceremonies and activities meet the best possible community, national and international military heritage and tourism standards. The City has ensured that Albany is and will be recognised for its association to the Anzac legend through the established links between Turkey and France through its sister city friendships.

The Alliance provides for community leadership through mutually agreed goals by the key Anzac commemorative stakeholders, an organisational structure and the whole community. Let's use this initiative as the model for the future, by actively participating as a community to work for future long term benefits.

Local Governments are the first level of Government in our Australian democracy. We depend on elected governments for ensuring the value of local services and for ensuring that the local community's needs are understood and respected by other levels of government and by the many organisations that influence our lives.

My thanks to the Councillors, staff at the City of Albany and members of our community who have contributed ideas and efforts to ensure that the City of Albany is moving forward.

Milton Evans JP
His Worship the Mayor

Chief Executive Officer's Report



Events of the past year have challenged the City politically and economically.

The City of Albany is responding to these pressures by actively engaging the community, listening to feedback and responding accordingly.

The media had previously reported on the mechanisms introduced by the Department of Local Government and Minister in addressing the City's perceived issues. This included reference to a Planning Process Review, mediation for the elected members and a *Best (or Better) Practice Review (BPR)* which was initiated in March 2010.

An independent planning consultant was engaged to review and make an assessment of the practices, policies and procedures of the planning and development services directorate.

I am pleased to report that the review did not discover any inappropriate practices or areas of concern and found that the decision-making processes on Planning and Development reporting were very satisfactory.

Overall, apart from only a few minor exceptions, the BPR is generally complimentary of the procedures and processes in place at the City, which is a credit to past and present staff. The City acknowledges the efforts of the review team from the Department of Local Government in evaluating the effectiveness and efficiency of the Council's operations.

It is acknowledged that the City's *Strategic Plan* and other corporate documents that devolve from it, are in need of review. This has been initiated and will be fully progressed with the appointment of the permanent CEO in consultation with representative groups and individuals from within the Albany Community.

The strategic planning process includes the development of a financial plan that links back to the *Strategic Plan*, through a *Corporate Plan* that is facilitated by Key Performance Indicators (KPIs). However the most urgent priority for the City has been to restore confidence and trust in its processes and financial viability. Concentrating on these priorities – as well as recognising that a revision of the Strategic Plan needs the active involvement of the new CEO - has meant that commencement of the strategic planning process has had to be deferred until early 2011.

Another focus during the reporting period has been the commencement of a five year financial plan ahead of the higher level plans. This will in turn be modified and revised as the strategic and corporate plans are developed.

At this time the financial objectives for the City are clear:

- Reduce debt;
- Appropriately resource existing infrastructure assets; and
- Limit the creation of maintenance dependent new assets.

Unfortunately, the economic downturn continues to affect the City's financial position, as well as the community generally, and this means the City must continue to identify any opportunities to deliver services more effectively and efficiently, whilst at the same time endeavouring to maintain current service levels.

In closing, I would like to take this opportunity to thank the staff, Mayor and Councillors, community leaders, groups and individuals that have contributed to and continue to support the City of Albany.

John Bonker

Chief Executive Officer



Albany in Brief

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

Aboriginal connections to Albany's landscape go back at least 25,000 years. An Aboriginal Accord operates between the City of Albany and the Mineng Aboriginal people to guide corporate and community development issues and processes.

Albany's European settlement history started on Christmas Day, 1826, when Major Edmund Lockyer sailed into Princess Royal Harbour in the Brig Amity to create a British penal outpost then called Frederickstown. In 1832 WA Governor Sir James Stirling visited the new town and named it Albany.

Over the decades, European settlement expanded into the hinterland. Albany evolved into a busy port, servicing the immigration and produce needs of the Goldfields and exporting timber and agricultural products. In 1914, Australian and NZ troops assembled and departed from Albany on a voyage via Egypt to Gallipoli, where they landed on April 25, 1915. Many soldiers' last glimpse of Australia was the hills of Albany fading into the distance at the start of that voyage. Albany is uniquely connected and recognised as an iconic homeland commemorative place for all Australians to commemorate Albany's Anzac heritage. It is a place where the Anzac journey began.

The municipality is bounded by the Shires of Denmark to the west, Plantagenet to the north and Jerramungup to the east. Albany is an established holiday playground – its natural attractions, history and recreation and adventure opportunities make it a magnet for Australian and international visitors.

Tourism ventures in accommodation, recreation, food and hospitality continue to grow in and around the City, including prime development sites available at the Albany Waterfront development and at Middleton Beach. Migrating whales and spring wildflowers offer unique seasonal drawcards while year-round attractions like the impressive wind farm, coastal walk trails and museums bring with them abundant opportunities for tourism enterprise.

Albany has a temperate climate, characterised by soft winters and mild, sparkling summers. The average annual rainfall in 2009 was 852.0mm (Albany airport over 177 days). Winter temperatures in July range from 7.5C to 15.8C on average and mid-summer temperatures in February average a comfortable 14.4C to 24.9C.

Agricultural industries of the region including wool, plantation timber, viticulture, horticulture, grain and livestock continue to feed into the City, and the capacity to value-add and diversify has never been greater. Wine, aquaculture, timber processing, fishing, meat processing, olive oil, organic produce, dairy, essential oils and cosmetics are examples of existing industries serving local, tourist and export markets. These industries are backed by expanding education and training facilities and support a growing population. Further opportunities now exist in a range of small business enterprises and service industries.

Plantation timbers have changed the local landscape over the past two decades. Woodchips are exported through the Albany port and are valued at around \$150m per annum. Despite the collapse of several plantation timber companies, the industry still contributes significant income and employment to Albany. The potential to value-add to the resource exists in the fields of construction lumber, biomass pellet production, biomass energy and pulp manufacture.

ALBANY Key Statistics

Distance from Perth (km)	409
Area (sq km)	4,324
Length of Sealed Roads (km)	750
Length of Unsealed Roads (km)	937
Estimated Resident Population (2009)	35,550
Five year average annual growth rate of population (2004-2009)	1.9%
Number of Electors	23, 095

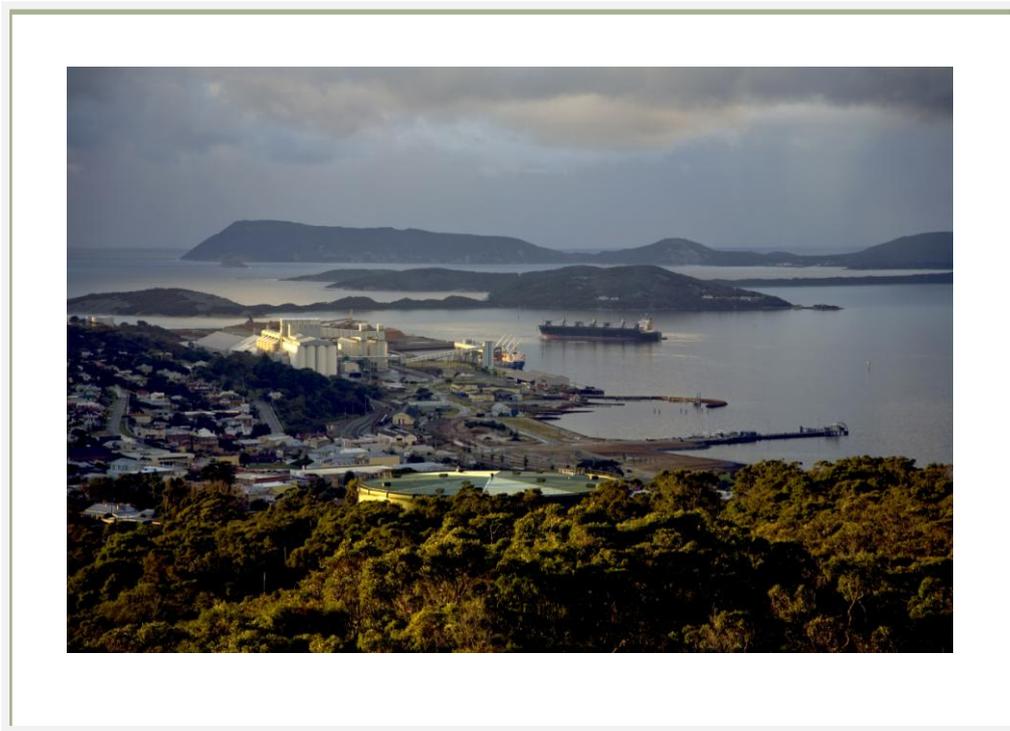
Albany's port is a first-class shipping facility servicing agricultural activities in the Great Southern region. It supports the capacity for new industry with its expanded berthing facilities, cold storage and road and rail access and is capable of expanding further to enable the future export of magnetite iron ore that is prospective beyond 2011. Albany has several industrial estates, including Mirambeena, which is used to process timber (woodchips and biomass pellets) agricultural products and cosmetics. A world-class export abattoir for sheep products is located near Albany and generates ongoing employment and trade for the City. Albany's modern airport allows for fast and convenient travel to and from the City for those needing national and international connections through Perth.

Redevelopment of Albany's Waterfront is nearing completion and will provide a 620-seat entertainment centre and sites for a major hotel, marina, cafes and restaurants. The Albany Waterfront Project will return a lively bustle to the City's foreshore and reconnect the harbour with the City centre. It will host boating, fishing and water-based tourism ventures to coexist with other commercial activities to bring vitality and colour to the harbour. Next to the Albany Waterfront Project, the ANZAC Peace Park was officially opened in 2010 and recognises Albany's historical links to the ANZAC legend. The City is well advanced in plans to redevelop its CBD and has completed a comprehensive master plan to guide implementation in future years.

Accommodation in Albany is available in a range of housing options from modern to heritage, beachside to inner city, riverfront to semi-rural. The cost of commercial land and property is competitive for potential business ventures.

The region's mild climate and magnificent lifestyle make investment in retirement accommodation attractive. Continued strong residential and non-residential building activities signal robust consumer confidence in the future of Albany.

Albany has experienced a consistent population growth rate and the forecast is for increased growth due to new mining, timber process and tourism projects. Long-standing residents and people from around the world continue to be drawn to Albany's abundance. A broad mix of expertise in business, the arts, hospitality and the professions is among the outcomes of a growing and diverse population.



City of Albany Council 2009/2010

The City has six wards, each represented by two Councillors. The full Council comprises of 12 Councillors and a popularly elected Mayor.

Councillor representation changed during 2009/10 as a result of three resignations and the ordinary election on 17 October. The members of Council and the wards they represented in 2008/09 were:

Mayor

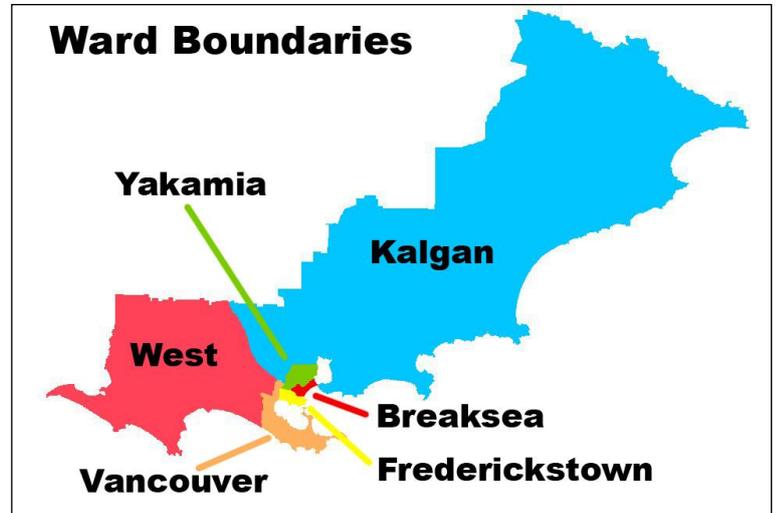
Milton Evans JP - four year term commenced on 20 October, 2007 and expires in October 2011.

Yakamia Ward

Joy Matla - four year term commenced on 20 October, 2007. Her term expires in October 2011.

Robert Sutton - four year term commenced on 17 October, 2009 and expires in 2013.

Gordon Kidman - served a full term commenced on 20 October, 2007 to 17 October, 2009.



Kalgan Ward

Robert Buegge – served from 20 October, 2007 to 17 September, 2009.

John Walker - served full term 20 October, 2007 to 17 October, 2009.

Chris Holden (replaced Cr Buegge) the term commenced in March 2010 and expires in October 2011.

Mervyn Leavesley (replaced Cr Walker) - four year term from 17 October, 2009 and expires in 2013.

West Ward

Nicolette Williams – served from 20 October, 2007 to 21 November, 2008.

Des Wolfe - four year term from 20 October, 2007 and expires in 2011. Cr Wolfe also served as Deputy Mayor until 17 October, 2009.

Don Dufty (replaced Cr Williams) the term commenced in February 2010. Re-elected for four year term from 17 October, 2009. The term expires 2013.

Breaksea Ward

Daniel Wiseman – served from 20 October, 2007 to 11 February, 2009.

Jill Bostock – commenced a four year term on 20 October, 2007 and expires 2011.

Ray Hammond (replaced Cr Wiseman) – commenced a four year term from 17 October, 2009 and term expires 2013.

Vancouver Ward

Kim Stanton - served full term 20 October, 2007 to 17 October, 2009.

Roley Paver – commenced a four year term from 20 October, 2007 and expires 2011.

Dr David Bostock (replaced Cr Stanton) – commenced a four year term from 17 October, 2009 and expires 2013.

Frederickstown Ward

Chris Morris - served from 20 October, 2007 to 3 November, 2008.

Vera Torr (replaced Chris Morris) served from 28 February, 2009 to 17 October, 2009.

Dot Price – served a four year term from 20 October, 2007 to March 2010.

Jim Swann (replaced Cr Price) - commenced a term on 15 July and expires in 2011.

Dennis Wellington – commenced a four year term from 17 October, 2009. Cr Wellington was appointed Deputy Mayor on 20 October, 2009. Cr Wellington's term as councillor expires in 2013 and as the Deputy Mayor expires in 2011.

Voting at Council elections is not compulsory but participation by residents in elections is greatly encouraged as it is the basis for effective governing. Residents not included on the Electoral Roll should contact the Australian Electoral Commission to register to vote.

Council meetings are held on the third Tuesday of each month at the City of Albany Civic Centre at 102 North Road, Yakamia. Meetings start at 7pm and are open to the public. Agendas and Minutes are available for viewing at the City of Albany's North Road office, the Albany Public Library and on the City's website at: <http://www.albany.wa.gov.au/your-council/agenda-and-minutes/>.

An agenda briefing session is held at 6pm on the second Tuesday of each month, one week before each Council meeting. Members of the public are welcome to attend meetings. This practice was introduced to help increase information flow between Councillors, staff and members of the public, and is an opportunity to raise questions on the agenda items to be considered by the Council at the forthcoming meeting.

An annual general meeting of electors is held each financial year, notice of which is published in a local newspaper. Additional information about elections and the Council process is available from the City's North Road administration office.

The City provides: community services helping children, youth, aged and people with disabilities; recreation and leisure facilities; events, arts and cultural activities; health and local laws; fire prevention and management, Council information and publications; citizenship, building and planning services; environmental programs; waste services; maintenance of roads, drains, gardens, parks and other physical assets; and support to business and industry.



Councillors Attendance Report – Ordinary Council Meetings (June 09 – June 10)

		2009/2010-Ordinary & Special Council Meetings												
Title	Name	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Mayor	MJ Evans JP	2	1	1	1	1	2	1	1	1	1	1	1	3
Councillor Breaksea	J Bostock	0	0	1	1	1	2	0	1	0	1	0	1	3
Councillor Breaksea	R Hammond					1	2	2	1	1	1	1	1	3
Councillor Frederickstown	V Torr	2	1	1	1	1								
Councillor Frederickstown	D Wellington					1	2	2	1	1	1	1	1	3
Councillor Frederickstown	D Price	2	1	0	1	1	2	2	1	1	Councillor Price Resigned			
Councillor Kalgan	R Buegge	0	1	0	Councillor Buegge Resigned									
Councillor Kalgan	J Walker	2	1	0	1	1								
Councillor Kalgan	C Holden										1	1	1	0
Councillor Kalgan	M Leavesley					1	2	2	1	1	1	1	1	3
Councillor Vancouver	K Stanton	2	1	0	1	1								
Councillor Vancouver	R Paver	0	0	1	0	2	1	0	0	1	1	1	1	0
Councillor Vancouver	D Bostock					1	2	0	1	1	1	1	1	3
Councillor Yakamia	G Kidman	1	1	1	1	1								
Councillor Yakamia	R Sutton					1	2	2	1	1	1	1	1	0
Councillor Yakamia	J Matla	1	1	0	0	2	2	2	0	1	1	1	1	3
Councillor West Ward	D Wolfe	2	1	1	1	2	2	2	1	1	1	1	1	3
Councillor West Ward	D Dufty	2	1	1	1	2	2	2	1	1	1	0	1	3



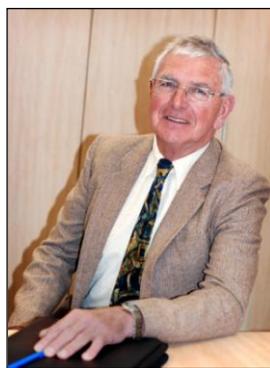
John Bonker
Chief Executive Officer

- General management services
- Corporate governance
- Planning governance
- Public relations



Graeme Bride
Executive Director
Planning and
Development Services

- Land use planning
- Strategic planning
- Building control
- Food inspections
- Effluent disposal



Peter Madigan
Executive Director
Corporate and
Community Services

Corporate Services:

- Customer service
- Finance
- Information technology
- Records
- Human resources
- Economic Development

Community Services:

- Community development
- Recreation development
- Albany Public Library
- Albany Regional Day Care Centre
- Albany Visitor Centre
- Town Hall Theatre
- Albany Leisure and Aquatic Centre
- Princess Royal Fortress
- Albany Regional Airport
- Community arts
- Ranger Services
- Perth Dive Wreck, Town Jetty
- Emu Point boat pens

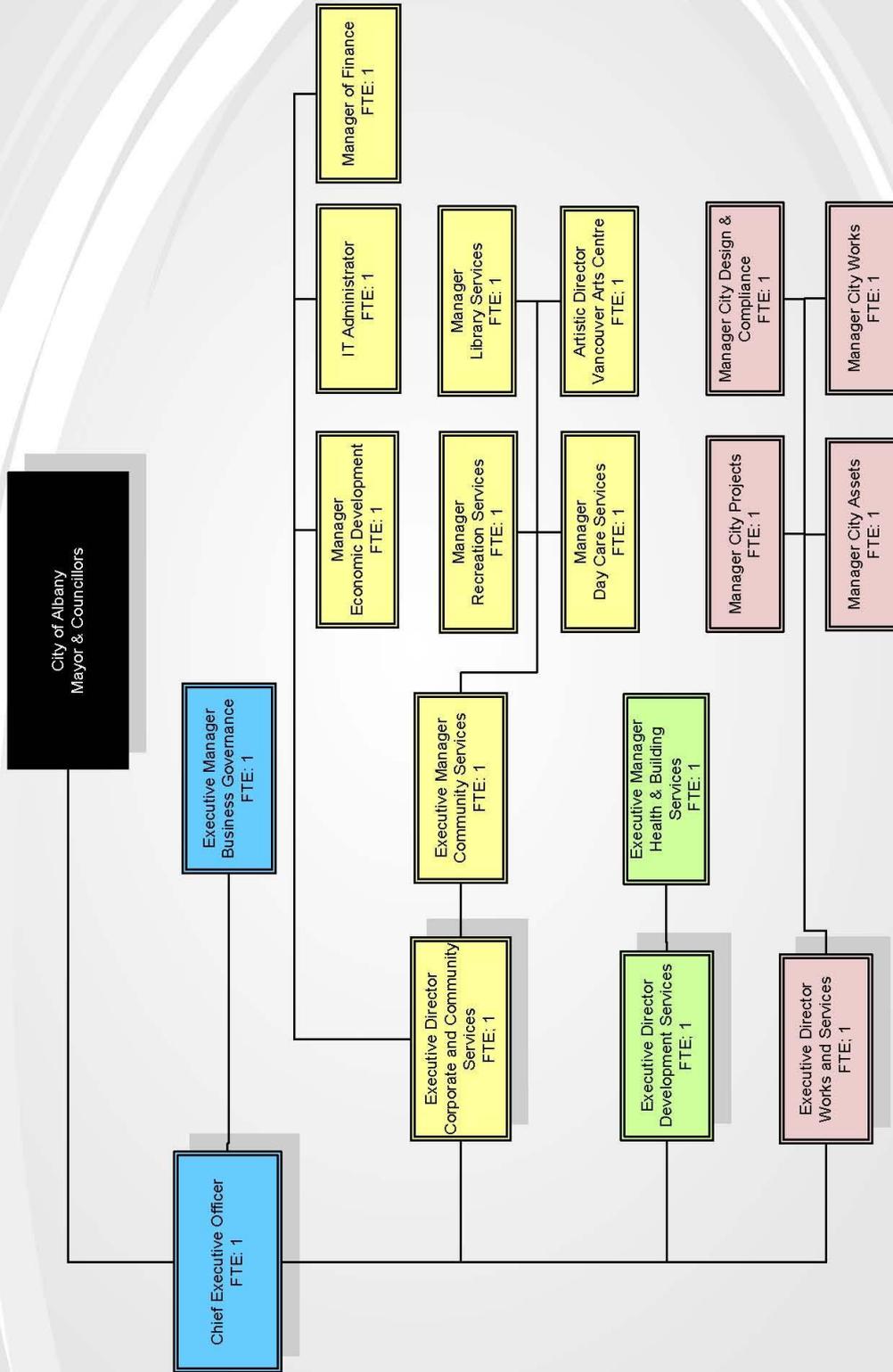


Kevin Ketterer
Executive Director
Works and Services

- Project implementation
- Roads, paths and drainage
- Survey and design
- Streetscapes
- Development subdivisions and new utility services
- Asset management
- Parks and reserves
- Bush care
- Landfill, waste and sanitation
- Procurement and contract services
- Property and building management
- Depot, including stores and mechanics

City of Albany Organisation Chart

Management Team





The Vision for Albany

By 2025 Albany will be:

“Historic Albany – Home to a vibrant, resourceful and culturally diverse community driven by a spirit of generosity and opportunity, nestled around a spectacular natural harbour in a region of unique beauty”.

The major goals for Albany ... by 2025	Over the next four years we will undertake a range of initiatives so that by 2025...
<p>1. Lifestyle & Environment</p> <p>Albany will be Western Australia’s regional City of first choice offering a diverse range of healthy and active lifestyle opportunities, with energy efficient housing and development that respects our environment.</p>	<p>Albany will be a City where:</p> <p>1.1 Our health services are significantly improved in order to accommodate the real needs of the region.</p> <p>1.2 Young adults are well catered for.</p> <p>1.3 Recreation facilities provide a diverse range of sporting and exercise opportunities.</p> <p>1.4 Our cultural and artistic communities are valued celebrated and supported.</p> <p>1.5 Development:</p> <ul style="list-style-type: none"> • Responds to our unique historical and environmental values • Embraces environmentally responsible approaches to energy and water consumption • Incorporates healthy lifestyle activities and access to green space <p>1.6 The long term problems of Climate Change and Peak Oil have been recognised and responded to.</p>
<p>2. Economic Development</p> <p>Albany will be Western Australia’s first choice for regional investment offering a wide range of development, employment and learning opportunities within a robust economy.</p>	<p>Albany will be a City where:</p> <p>2.1 Renewable energy completely powers the region.</p> <p>2.2 Investment is complementary to Albany’s sense of place and occurs within an up-to-date and effective planning framework.</p> <p>2.3 Our airport is a regional, national and international tourism gateway.</p> <p>2.4 Our strategic proximity to Antarctica is exploited to its maximum potential.</p> <p>2.5 Our unique cultural heritage attractions deliver world class</p>

	<p>tourism experiences.</p> <p>2.6 A significant annual international festival is hosted.</p> <p>2.7 We are recognised as a true University City and vocational development is supported by quality educational and training services.</p>
The major goals for Albany ... by 2025	Over the next four years we will undertake a range of initiatives so that by 2025...
<p>3. City Centre</p> <p>Albany's City Centre will be the most vibrant, safe, accessible and liveable in regional WA.</p>	<p>Albany's City Centre will be:</p> <p>3.1 Family and pedestrian friendly.</p> <p>3.2 A vibrant cultural hub stimulated by attractive inner city residential and tourism accommodation.</p> <p>3.3 A unique and accessible retail experience.</p> <p>3.4 Serviced by regular and affordable public transport service.</p>
<p>4. Governance</p> <p>The City of Albany will be an industry leader in good governance and service delivery.</p>	<p>The City of Albany will:</p> <p>4.1 Be a cohesive Council delivering ethical and responsible government committed to excellence in board governance.</p> <p>4.2 Manage our municipal assets to ensure they are capable of supporting our growing community.</p> <p>4.3 Deliver excellent community services that meet the needs and interests of our diverse communities.</p>

City of Albany Mission

"Working together to deliver innovation and service excellence for Albany".

Our values are **REAL**. At the City of Albany we:

Results

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

Ethics

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

Accountability

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

Leadership

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

Achievements & Awards

Awarded for Anzac Peace Park

Parks and Leisure Australian National Award

In 2009/10 the City of Albany was recognised for the design, development and management of the Anzac Peace Park. The award acknowledged the efforts of the City at a special awards ceremony in Darwin of the same year.

The opening of the Anzac Peace Park in April became a platform for further development of Anzac activities and showcased the foreshore parklands. The Premier Colin Barnett opened the park with more than 200 visiting dignitaries present. Many of those in attendance were international, national and state delegates. It provided an opportunity to promote Albany's unique heritage and future opportunities to commemorate the Anzac legend.

The success of the park and opening was due to a collaborative effort by the Australian Government, State Government, Veteran Affairs, RSL Albany Branch, City of Albany and many community organisations and individuals who sponsored or contributed to various elements of construction, maintenance and opening. The total infrastructure investment totalled \$3.75 million with the final amount to be invested when completed being \$4.8 million. The City of Albany is committed to continuing the improvements to the park as well as further improvements at Mt Clarence and Mt Adelaide prior to the Anzac Centenary of events in 2014/15.



Awarded for Sustainable Development

The City of Albany was recognised for its work with ICLEI, Local Governments for Sustainability, a worldwide network of local government organisations committed to sustainable development.

The City made a formal commitment toward sustainable water management within the council area and will continue to compile an inventory of water consumption data and water quality issues that are influenced by its own activities and those of its community. Once complete the inventory will identify areas where progress toward sustainable water management can be made.



The City of Albany's actions are reducing the impact on water resources with environmental, financial and social benefits. The City of Albany is one of 42 local governments that are committed to sustainable development who form part of a local government worldwide network.

Achieving World Certification

In 2009/10 the City of Albany achieved ISO 9001 certification. The new initiative is aimed at striving to provide higher levels of service to residents and the general community. Whilst seeking better ways of conducting business it was identified that there is a worldwide accepted initiative for achieving ever-increasing levels of quality.

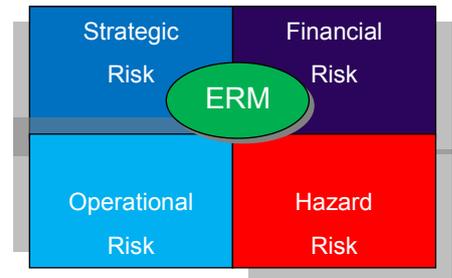


The ISO 9001 based management system is amongst the most widely accepted as the standard – ISO 9001, which defines the requirements for an organisation to implement, maintain, and continually improve its Quality Management Systems. As an initial phase of a whole organisational approach the following business units achieved certification by documenting procedures to ensure consistency and continuity:

- Customer Services;
- Building Services;
- Planning Services;
- Airport;
- Library;
- Day Care Centre;
- Town Hall; and
- City Projects - assets, design and compliance.

Achieving Enterprise Risk Management

The *Enterprise Risk Management Plan* was initiated by the Corporate and Community Services department. The system was completed in April 2009 and used to support all risk and hazard management processes at the City of Albany. It ensures the City will achieve its goals and objectives while minimising exposure to harm and loss. It is supported by an agreed set of Risk Tolerances that guide the decision making processes.



The policy will protect the organisation from absolute risk as part of the organisations cultural approach to risk including areas such as the employment process; the initiation of projects and the potential litigation and financial risks.

Staff Achievements

In 2010 the City of Albany acknowledged the commitment and loyalty of Graeme Bride who after more than 11 years of service in development services accepted a promotion to a senior position as the Executive Director of Development Services.

Graeme joined the City of Albany as a Planning Officer in 1999, was promoted to Senior Planning Officer in 2002, then to Manager of Planning and Ranger Services in 2005. In 2009, Graeme was appointed to the role of Executive Service Manager: Planning and Councillor Liaison. He became Acting Executive Director of Development Services in March 2010 and was formally appointed to that position by Council in June 2010.

Graeme's methodical and conscientious work ethic, combined with his approachable manner has earned him great respect amongst his peers and City Councillors and staff. He has overseen the completion of a number of major planning projects and has fulfilled a strategic and statutory role. These projects include the online building application portal and the recently completed Albany Central Area Master Plan.

Graeme is described by the Development Services team as astute, level-headed, loyal, committed, organised, considered and considerate. He is respected for leading his team by example, being an inspiring mentor and for being communicative and connected with his staff.

Graeme's appointment to the Executive Director of Planning and Development Services is worthy recognition of his hard work, dedication and the significant contribution he has made to Council.

Divisional Reports

General Management Services

Executive Services

A number of key responsibilities were undertaken by the Executive Services team in 2009/10, as the team reports directly to the CEO and was responsible, at that time, for corporate and planning governance, elected member support and public relations.

In March 2010, the General Management team changed leadership with the departure of the Chief Executive Officer, Mr Paul Richards and the recruitment and appointment of an interim Chief Executive Officer, Mr John Bonker, who commenced in June of the same year.

In the previous reporting period the City was assessed as a Category One of Local Government stating:

“Evidence indicates that there is existing organisational and financial capacity to meet current and future community needs.”

However, as a result of a breakdown in interpersonal relations across the Council, the public viewed the Council and Executives as unsettled and not agreeable.

Negative public perception of Council’s operations and subsequent request to the Minister of Local Government for an inquiry, resulted in the Department for Local Government conducting a Best Practice Review.

Coordinated through the Executive Manager Business Governance, the review team delved into the City’s core business areas seeking to reveal and assess how the elected group and staff were managing as a team during a transitional phase of leadership.

The review provided an unbiased assessment to the Minister of Local Government, Hon. GM (John) Castrilli, MLA, of perceived strengths and weaknesses of current operations and identified potential capacity gaps which might impact on the City’s ability to meet current and future community needs.

As a result of this investigation the Minister, enacted a Part 8, Division 1, review in order to further review the affairs of the City of Albany, and directed the appointment of an independent planning consultant, independent mediator and independent complaints officer.

The mediator continued to meet with elected members during 2009/10 to seek a positive path forward.

General Business

An ordinary election was conducted on the 17 October 2009 which resulted in six (6) new councillors being appointed for a four year term. It was then followed by an extraordinary local government election in February 2010 – Kalgan and July 2010, resulting from the ward representative in Frederickstown resigning.

Corporate Governance

The Council’s corporate governance and committee system adopted in 2008 was abolished in 2009 and replaced by a new Governance Meeting Framework Policy. The objective of the new policy is to provide a functional, transparent, and legally compliant meeting framework that serves to:

- Engage elected members in policy and strategy development from concept through to adoption;
- Facilitate opportunity for elected members to drive Council’s policy and strategy agenda with the assistance and collaboration of Council officers;
- Provide elected members with accurate, relevant and topical information upon which to make decisions and undertake their roles;

- Provide Council officers with a robust, contemporary and effective suite of Council management documents upon which to exercise delegated function or present advice and recommendation to Council for their determination; and
- Capitalise upon the skills, knowledge and enthusiasm of community members who sit on Council advisory committees.

This initiative has been well received by staff and the elected group.

Complaints

A total of 17 alleged complaints were served against elected members under Section 5.121 of the Act in the 2009/10 period from the previous Chief Executive Officer. All complaints were dismissed by the Standards Panel.

National Competition Policy

In 1995, the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy. Local Government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses. Local government will also be affected where local laws unnecessarily affect competition.

The City of Albany is required to comply with certain policies contained within the National Competition Policy statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

Competitive Neutrality

It is the City's responsibility to determine whether it is engaged in *significant business activities* within the context of its operations and therefore whether it is required to apply the competitive neutrality principles.

Local government is only required to implement the above principles to the extent that the benefits to be realised from implementation outweigh the costs in respect of individual business activities exceeding \$500,000 annual income.

Within these criteria the City identified the following business activities:

- Albany Leisure & Aquatic Centre;
- Albany Regional Airport; and
- Albany Regional Day Care.

Human Resources

During the period a continuous improvement project was implemented to analyse the City's HR and Occupational Health and Safety processes, systems and policies and implement improvements.

Within the 2010/2011 period it is expected that the project will deliver benefits to the operation of the City through ensuring:

- HR Policy and processes are clear and easily accessible to all staff; and
- HR systems are integrated and streamlined through the use of technology and duplication of effort is avoided.

A confidential organisational survey of all staff was also initiated. It was another avenue for the executive team to actively listen to staffing concerns and to encourage staff to actively challenge ideas or work practices.

Training

New employees are informed of their recordkeeping responsibilities as part of the City's Induction program and a *hands on training session* of the City's electronic recordkeeping system is provided within three months of appointment along with a communications induction.

Record keeping training is also included in the City's corporate training program, providing training sessions on a monthly basis to all staff. Training evaluation forms are provided at the completion of each session.

Ongoing training for staff continued as part of the training and development programs and opportunities were available to assist staff with ensuring that they have the requisite knowledge and skills to perform optimally as well as further their careers at the City.

Communication

The City produced a range of materials to keep residents and the general public informed about its activities which included:

- Annual Report 2008/09;
- Community Calendar distributed to all residents in June 2009;
- City News (Mayoral Column and City of Albany update advertised in the Albany Advertiser and The Great Southern Weekender on a monthly basis;
- In addition to core corporate materials, a range of publications and promotional material was also produced for the City's programs and services; and
- Rates information brochures.

Civic and Ceremonial Functions

The City of Albany hosted a number of Civic and Ceremonial events throughout the year. These included Citizenship Ceremonies, Volunteer Appreciation Functions and VIP functions in line with the City's Civic Events calendar.

The most significant function was undoubtedly the official opening and dedication of the ANZAC Peace Park on 24 April 2010. Other significant occasions included a visit by His Excellency Dr Ken Michael AC, Governor of Western Australia, Lions District Convention, a farewell to the Sisters of St. Joseph's, and the Western Australian Detachment of the Royal Australian Navy Band and the Australian Army Reserves Pipes and Drums – Perth who visited Albany to run student music workshops and stage an excellent Royal Flying Doctor Charity Concert performance in conjunction with student bands.

The City's Citizenship Ceremonies again proved popular and were well received, with 69 residents choosing to become Australian citizens.

The City demonstrated its commitment to volunteer appreciation by holding a number of Civic Receptions to recognise the importance of the contribution of its community groups, sporting clubs, conservation volunteers, seniors groups and many others.

VIP functions were held for sponsors and key stakeholders of the City's events and cultural programs such as the annual Albany Summer School and the combined Lions Clubs District Convention.

Elected Members Training and Support

As a commitment to the development of its Elected Members, and to ensure they receive the necessary information to perform well in their roles, the City provided a comprehensive induction manual.

Freedom of Information

In complying with the Freedom of Information Act 1992, a Freedom of Information Guide is published on the City's website annually.

During 2009/10 the City processed a total of 14 Freedom of Information applications, with an average of 10 days to complete each application. The Freedom of Information act allows for 45 days to process requests for information.

Record Keeping

The City's commitment to electronic record keeping in accordance with legislative requirements provides a single repository for all corporate information. The focus on retaining corporate documents in an electronic format, using Synergy Soft, a modern comprehensive records and document management system, ensures best practice in recordkeeping and improves efficiencies for document processing to meet future customer service and volume demands.

The number of records captured into the City's corporate record keeping system during 2009/10 was 1423 compared to 1955 records captured in 2008/2009.

In complying with the State Records Act 2000, the City has reviewed and updated its *Record Keeping Plan*, which has been submitted to the State Records Commission for approval.

Public Relations

The City has refined its marketing and public relations processes in order to seek greater public engagement to ensure the wishes of its community are considered, and information regarding the activities is published without the bias of media. Improved internal processes reduced the associated costs for advertising, printing, production and design in 2010.

The City of Albany website has had a significant review and Council has extended the time allocated to public statement and question time at ordinary and extraordinary meetings of Council to help facilitate this initiative.

In 2009/10 a total of 47 media releases were generated providing information to media and the community via the City website. The monthly Community Information Page provided news and reminders to residents in the Weekender Newspaper. The production of the Albany Community Calendar continued in 2009/10 as did the rates information booklets. The Albany Visitor Centre, Vancouver Arts Centre, Albany Leisure and Aquatic Centre and The Princess Royal Fortress Museum provided regular newsletters to their members/subscribers.

The City continued to provide a media liaison contact point for responding to media enquiries, promoting the Cities major projects, services and general public relations activities with local, state and national agencies. In particular, the extensive liaison and promotion of the Anzac Centenary continue as a priority of the City leading up to and beyond the 2014/14 Anzac Centenary.

Divisional Reports

Corporate and Community Services

Community Development

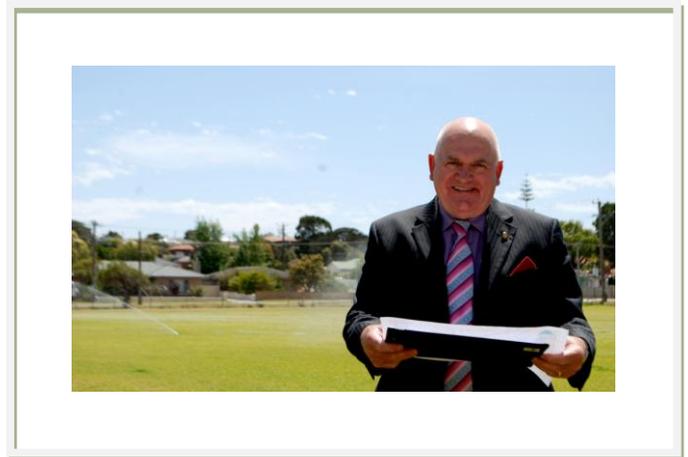
The City of Albany Community Development team assisted a number of community groups over the year with projects and initiatives in the Albany community in addition to a range of programs and initiatives developed and run by the team.

Crime Prevention

The City of Albany in consultation with local police, Government agencies, community groups and residents formulated the City of Albany *Community Safety and Crime Prevention Plan* which identified key areas to reduce crime in the community and improve perceptions of safety.

Those areas include:

- Promoting Safer Communities;
- Designing out Crime;
- Breaking Cycles and Building Futures; and
- Reduce and minimise harm.



A number of initiatives were actioned since the plan was adopted in January 2010. These included *Graffiti Workshops*, *Eyes on the Street* training for staff and external agencies. The plan also led to the collaborative expansion of PCYC's activities through partnerships with Troode St Church and YMCA to open the centre every Friday night during the school term to provide young people with a safe place to socialise and engage in a range of fun activities.

Other initiatives held during the year in partnership with local police included the *Business Security Workshops* and the community educational *Graffiti Busters* brochure.

Recreation Development

The Centennial Oval Precinct Steering Committee was formed to conduct a review of the Great Southern's most significant sporting precinct. The committee provided strategic oversight to future developments and liaised with all tiers of Government to increase capacity.

The Albany BMX Track was reopened as a public freestyle BMX park which has generated increased interest in the sport of BMX amongst youth in Albany.

Albany was once again selected as part of the YMCA's Summer Sk8 Series competition. A total of 45 participants competed for a chance to enter the State Titles with over 300 spectators in attendance on the day.

Seniors

The popular *Seniors Wellness Expo* was held again and featured a wide range of participation from corporate and community groups.

The *Dinosaurs on the Page Program* continued with the publishing of a second anthology titled *Remember When ...; Yarns and Anecdotes by Albany's Seniors*. A third anthology is due to be released later in 2010.

The Seniors Advisory Committee continued to provide feedback to the City and advocated for seniors' interests across a wide range of areas including pathways, parking, roads and other healthy living initiatives.

Albany Regional Day Care

Albany Regional Day Care Centre is a caring, educational and supportive environment for all families in the Albany community. The Centre provides interest based programs to meet individual and group needs of children. In 2009/10 the centre staff strived to further develop a nurturing environment that was also challenging and interesting for children.

The Centre had upgrades to several areas of the centre in 2009/10 with improvements to bike paths, synthetic turf and shaded areas.

With professional development opportunities and happy working environment the Centre has again successfully retained the committed working team with only one new team member being appointed late in 2010. Retaining staff assisted in providing stability to the care of children, which is a priority in the continuity of care provided by the Centre.

Volunteering

The City continued to work closely with the Albany and Regional Volunteer Service through membership on its executive board. The Albany and Regional Volunteer Service provides a valuable service to the Albany community through the recruitment, selection, training and referral of volunteers throughout the community, as well as running events to recognise and promote volunteering.

The City commenced the process of developing a Volunteering Strategy to enhance volunteering in appropriate City of Albany internal and external groups. The Strategy is likely to assist in the retention and attraction of volunteers in the future.

In partnership with the Albany and Regional Volunteer Service and the Albany Youth Advisory Council, the City of Albany held a special Volunteer Week Sundowner at the Vancouver Arts Centre to celebrate and thank the many volunteers in the community.

Youth

The City continued to support leading youth agencies through membership on the boards of management in the Albany community.

The City Youth Advisory Council had a busy year, both as a consultation group and running youth events. The 'YAC' represented Youth at the Senate Hearing Committee regarding changes to Youth Allowance and provided feedback on several strategies and plans for the City of Albany. Through the membership of the Local Drug Action Groups, several members attended the *Fogarty Youth Leadership Forum - Switch Up* and all members completed training sessions in grant writing, event planning and management.

A Youth Forum was held as part of the Drug Action Week focusing on ways to reduce binge drinking by young people. The YAC continued to run its own *Youth Radio* station, broadcasting Wednesday evenings in partnership with Albany Community Radio and the Albany PCYC.

Albany was the first regional centre to host the *National Youth Week State Launch*. The event was hosted in partnership with the Department of Communities and local youth agencies at Albany PCYC. Local youth along with young people from surrounding communities enjoyed live music, hip hop workshops, skate & BMX Competition, free popcorn and Mocktails (provided by the Youth Advisory Council) and a range of activities including a bucking sheep and sumo suit games.

The City of Albany in partnership with other agencies facilitated a *Drug Action Week Roadshow* which visited local high schools providing education activities around harm minimisation and enabled local students to engage with local youth workers.

Princess Royal Fortress Military Museum

Throughout 2009/10 the focus at the Princess Royal Fortress was the identification of its origins from its establishment in 1893 to what is presented today. An outcome of the process was the implementation of new initiatives such as the inaugural *Albany Gun Salute* and the *21st Birthday* celebrations. The Forts also commenced the *9-pound Gun Demonstrations* for visiting delegations throughout the year.

The Forts also displayed exhibitions such as the *Rue de Kanga* from Sister City Peronne, the *Our Noongar Service Display* that highlighted the sacrifices of local Noongar men and their families, and the continued expansion of the *Ellam-Innes Collection*.

There were also several new displays in place funded with assistance from Lotterywest as well as a grant to create the new Curatorial and Archival offices. Other events such as the *Ulysses Motorcycle Club AGM* in March, the *Extraordinary Taxi Ride* in April and delivery of two torpedos from the Royal Australian Navy in December added to the year's busy program.

The Forts also developed resources such as school educational programs, personal family military research and the supply of military memorabilia through the new retail outlet. All have proven popular and personally rewarding for both staff and customers.

The year would not have been as successful without the hard work of volunteers who throughout the course of a week volunteered over 90 hours. The volunteers are always willing to put in additional hours when cruise ships, school and tour groups visit.

The Forts welcomed two new volunteering positions, curatorial and workshop volunteers who accompanied the existing gate volunteers. Several members discontinued their services due to retirement and we said a sad farewell to some who passed away.

In all, with over 20,000 visitors for 2009/10, it was a highly positive and productive year.

Albany Public Library - Enrich, Explore, Evolve, Entertain, Educate, Escape

Membership & Collections

Community support and use of the programs, services, facilities and collections at the Albany Public Library has continued positively throughout 2009/10. Membership numbers remained steady. Free library membership enabled residents and visitors to borrow from the extensive range of resources and collections as well as access to an array of online services via the Library's website.

Focus over the last 12 months has been on the *Languages Other Than English (LOTE) Collections* (junior and adult). Changing regional and local demographics resulted in an increased demand for foreign language literature. The *Language Learning Collection* is earmarked for development over the forthcoming financial year with a view to rebuilding the collection and replacing outmoded formats of delivery.

The process of indexing all of the resources housed within the *Albany History Collection* continued and was completed. The next stage of the digitisation process is to catalogue all the resources according to priority, which started in earnest this year. Once all resources are catalogued, they will be scanned and stored



electronically to ensure preservation for future generations and increased access for reference and distribution.

Library Building

Over the course of 2009/10 general maintenance was undertaken including re-vamping the outside panel for the 24 hour returns chute and re-painting of the interior walls throughout the major traffic areas. The newspaper storage and presentation unit, assorted display shelves and some trolleys, which were shabby but still functional, were powder-coated to improve presentation and longevity.

Additional improvements included the introduction of a set of 'kid steps' at the internal 'returns' chute to enable little people to 'post' their own items through. A projector screen was purchased for event presentations, slideshows and/or power-point aspects.

A wind/fall protection option along the edge of the concourse directly outside the main doors was earmarked as a priority for 2010/11.

Programs and Events

The Library's focus on providing quality programs and events continued throughout 2009/10 including the *Community Events Program*, with one or more events per month, which focused on:

- Information events featuring community organisations and interest groups; and
- Literary events featuring writers and book launches.

The launch of *Community Registers* for Community Groups, Artisans and Researchers was a new development this year. All registers aim to develop a central repository of information for ready access and sharing.

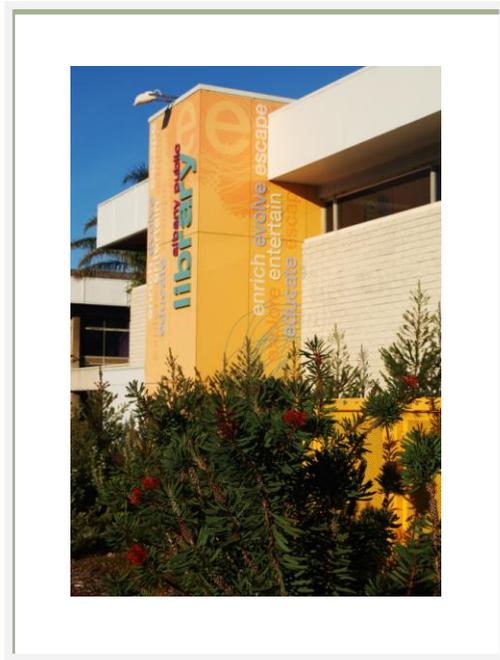
The youth programs continue to be popular. *Children's Book Week* brought in over 1100 people in 2009/10 during the last week in August. The *Storytime-in-the-Park Outreach Program* grew in partnership with YMCA Albany. *Storytime* and *Rhymetime* were still highly popular library programs, running four days a week. All programs were aimed at encouraging community involvement, promoting a love of reading, developing literacy and life-long learning skills whilst increasing access to, and awareness of, library services and resources.

Collaborative special events programs during 2009/10 included continued support of the *Perth International Arts Festival (Great Southern)* and the annual *Sprung Festival* in September. The *Dinosaurs on the Page* project continued to self-fund from sales of publications and the Library hosted a series of community writing workshops for those seniors involved. The project was co-ordinated by Diane Wolfer and focused on local history and reminiscences. The launch of the resultant publication occurred in November.

A number of health-specific sessions also became regular annual events at the Library offering hearing and eye checks to the Albany community.

Youth Services

The *Better Beginnings* Early Childhood Literacy program continued with positive interest. The program is a partnership between the State Library of Western Australia, the City of Albany and local Community Health services. It aims to introduce children to books and stories and to promote the vital role of parents as their child's first teacher. The program encouraged the introduction of language, literacy and child development practices in the home. The key essential of the program was a literacy toolkit - which was distributed to the parents of all newborns in the City, and support services including the *Rhyme-time* and *Story-time* sessions which were held free at the Library for babies and toddlers. The Library's *Parenting Collection*, with



resources on parenting and child development, is constantly being reviewed and refined and information sessions were held at the Library to further support the *Better Beginnings* objectives.

The Library's involvement with the *Finding My Place Program*; alternative career guidance for local high school students considered to be at risk, funded by the Department of Education, continued also. The program aims to re-engage students using a variety of methods to consider a range of educational, training and employment options and increase their awareness of youth services available locally. The personal development elements of the program reap impressive results with students demonstrating improved self-esteem and self-confidence, maturity and more effective and confident communication skills. The program has been running for four years and has gained a positive reputation amongst local education and training providers.

Online Services

Services currently available 24/7 online through the Albany Public Library website include membership updates, borrower self-management options (including renewals and reservations), access to the Library catalogue, the Albany History Collection website and the SLWA catalogue plus a range of on-line subscription reference services such as Health & Wellness; Britannica Online; and Australian & New Zealand Reference Centre (see: <http://library.albany.wa.gov.au>).

The *Silver Surfers* regular monthly series of workshops began at the start of 2010, designed for seniors covering all aspects of library on-line use, including basic computer navigation, accessing online catalogues and sites plus general internet reference and research.

The Library also offers free (to all members) an on-line tutoring service called *YourTutor* which operates from 4 - 8pm every week day and designed for students from Year 4 to Year 12. Students make direct contact with tutors via the internet and are able to access a wide variety of educational support. New additions to online services included member access to *Computer School* – an on-line skills and training package for computer applications and software packages. All public access computers are networked to a centralised printing (black and white only) facility and offer USB ports for thumb-drives.

Study Support

As part of our ongoing commitment to support students during out-of-school hours, the Library continued to provide a study support facility. The Group Study room comprises of 6 computers, which are networked to access the *YourTutor* support service, reference and research sites. Scanners provide additional features in the room. Further resource study guides provided study support to TEE students with past TEE exam papers across a wide-range of subject areas and study guides available for review. The room is equipped with a projector and screen for in-house training purposes.

Local History Services

The *Detection Collection* community workshops were launched early this year. These sessions focused on local history and culture and introduced participants to the *History Collection*, family and general history resources and the equipment used to access information.

In partnership with Rotary, the *History Collection* continued to develop its *Oral History Program*. Local identities were given the opportunity to share their memories and history through digitalised recorded interviews. The recordings are then transcribed and made available for borrowing. Previously recorded oral histories are currently archived in the *Adult Audio-visual Collection*.



Albany Town Hall

The Albany Town Hall was again a popular venue on the state and national touring venue circuit. Stand-out performances over the year included the West Australian Youth Jazz Orchestra, La Boheme, Clare Bowditch, Akmal and the Bachelors.

Online ticketing and information services continued to grow and best practice reviews of the venues' operations highlighted the value in partnerships with the Department of Arts and the Australia Arts Council.

Town Hall staff were very busy preparing the business for the big move into the Albany Entertainment Centre. The Town Hall continued to operate in a transition period and began to form a wonderful synergy with the new Entertainment Centre, offering the community additional opportunities.

Whilst the future of the Town Hall has not yet been determined, a partnership with the State Government had ensured culture and the arts is well catered for in Albany. Following extensive public consultation the Town Hall will have a different focus in 2011, but will be representative of the community's needs into the future.

Corporate Services

Information Technology

The City upgraded its new website with a more modern look and feel, with up to date information and a range of new features that included:

- Events Calendar comprising of a comprehensive list of the City's upcoming events;
- Refurbished front page;
- On line development applications is expected to be completed early 2011; and
- A disaster recovery site where the data is synchronised every 5 minutes to the live site to reduce the information technology risks.

The City of Albany IT Team introduced a new back up technologies which negate the use of physical tape media. This makes a back up process much more reliable and robust.

The City continued to maintain a comprehensive data management tool to keep records, register information and financial record keeping including a new module for budgeting and finance reporting. The helpdesk facility provided continuous support and offered advice to staff on the use of electronic recordkeeping systems.

Economic Development

2010-2015 Economic Development Strategy

A new economic development strategy was prepared and adopted by Council in December 2009. The Strategy provides Council and relevant stakeholders with a guide and roadmap to the City of Albany's planned involvement in economic development projects and activities over the period 2010-2015.

The Key Focus Areas (KFA's) for influencing economic development were identified in the strategy as:

- *Strategic Infrastructure Projects*
Council will advocate, facilitate and co-ordinate the development of selected strategic infrastructure projects that may have a major impact on the economic and social development of Albany.
- *Investment Attraction*
Council will facilitate the positioning of Albany as Western Australia's most highly sought after place to live, work and invest.
- *Community-based Economic and Enterprise Development*
Council will partner with community, business and industry groups to identify economic and enterprise growth opportunities
- *Tourism Development*

Council will aid in positioning and maintaining Albany within the top two fastest growing visitor destinations in the Australia's South West Tourism region by 2015

- **Regional Leadership**
Council will manage and develop stakeholder relationships and deliver services that will maximise the City's economic development potential.

The Strategy identified a tool box that local Governments can use to influence or facilitate economic development (see Figure 1).

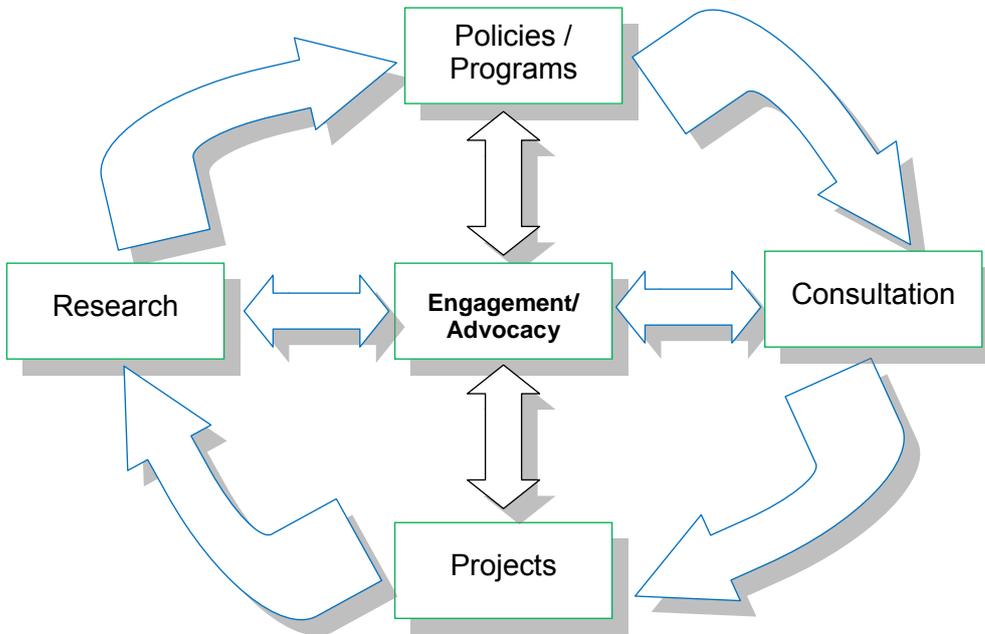


Figure 1 - Tools local government can use to facilitate economic development.

Albany Entertainment Centre

Construction of the Albany Entertainment Centre continued during the 2009/10 financial year, with the spectacular crystalline roof completed and significant work undertaken on the interior fit-out.

A detailed business review of the centre was undertaken, including an analysis of the impact of the Global Financial Crisis on Council's operating budgets. The review resulted in a revised risk assessment of the City's ability to financially operate the centre. Negotiations with the State Government commenced, resulting in an in-principle agreement for the Perth Theatre Trust and AEG Ogden (Perth) Pty Ltd to operate the Centre for the first two years of its operations with support from the City of Albany.



When completed in late 2010, the centre will be the region's focal point for performing arts, community functions and convention and conferences. It will form the centrepiece of the Albany Waterfront redevelopment.

City and Community Events

The City of Albany's major event program continued to grow, with the major festive events season attracting record numbers in 2009/10. This included the following annual events coordinated by the City:

- Christmas Pageant and Concert
- New Years Eve Concert and Fireworks; and
- Australia Day FREE Family Fun Day and Fireworks.

Major sponsorship was achieved for each of these events to ensure that they continued to grow in quality and innovation. In 2009/10 the City contributed, for the second year running, to the Volunteers Week events with the *Volunteers Thank you Sundowner* at the Vancouver Arts Centre which was well received by a dedicated group of volunteers. Hosting community events in City venues provided an opportunity to showcase facilities to new and wider audiences.

The National Aboriginal Islander Day Observance Committee (NAIDOC) Week, the Gala Dinner and the Noongar Excellence Awards also continued to prosper. The US Submariners Memorial Service, Dedication of the Anzac Peace Park, Anzac Day Services and Info Expo's also contributed to the 2009/10 program.

The City played a major advocacy role in assisting with the Ulysses Motorcycle AGM in March 2010. This event attracted over 3500 visitors from all over Australia with over 450 motorcyclists for the week-long event. Showcasing Albany to such a large captive audience provided an opportunity for positive word of mouth promotion injecting significant income into the Albany economy. The event was successful due to the five year organisational planning by a number of City officers.

The City also continued to provide support to external events through the *Community Events Financial Assistance Program* to encourage a vibrant and prosperous events calendar for Albany, with beneficiaries as follows:



- 2010 Albany Classic Motor Event
- 2010 Albany RSL ANZAC Commemorations
- 2010 Albany Agricultural Show
- 7th Annual Art and Craft Trail
- Perth International Arts Festival- Great Southern
- Albany Wine Festival
- Festival of the Sea
- State Basketball League Qualifier
- WAYJO Big Band Concerts
- City of Albany 4km Harbour Swim – Princess Royal Harbour, Albany
- 2 Day Showjumping Competition
- Jazz Masala Cruise Ships Project
- Lions District 201WS Convention
- City of Albany Handicap at Albany Race Club
- The Naked Bean City of Albany Surf Club Challenge
- WA State Masters Games; and
- 2011 Mirror World Championships.

2010 also saw a complete redevelopment of the calendar of events website, encompassing a new, user friendly layout and thorough systems of ensuring it remained well populated and current.

Tourism Development

The 2010 Winter Campaign was the final tourism initiative to be implemented within the current Tourism Strategy (2005-2010). Preliminary industry consultation and drafting of the new tourism strategy began as part of the Albany Tourism Marketing Advisory Committee (ATMAC) activity.

The *amazingalbany* style was revamped to showcase a new, sleek style, developing towards an adaptable style appealing to target demographics such as heritage and adventure tourism. Marketing surrounding the new style featured in The West, Spice Magazine, Minestyle Magazine, Scoop Traveller, the AAA Guide and Website to showcase Albany and appeal to a new audience.

These publications also heavily featured Albany editorial further adding value to promotions.

The Winter Campaign featured the revamped Albany Traveller Magazine of which 70,000 copies are distributed throughout the visitor centre networks, trade shows and other outlets throughout the year, with an additional 400,000 copies distributed as an insert within the West Australian Magazine.

The extensive campaign also included newspaper pointer ads within The West Australian Newspaper and a vibrant radio campaign on Mix 94.5, the top Perth radio station to reach Albany's target audience.

The City also participated in Tourism WA's Extraordinary Taxi Ride promotion and National Landscapes Initiation Project.

Interim revamping of the *amazingalbany.com* website was undertaken to be launched in late 2010. The website complemented the new style Albany Traveller magazine and advertising campaign.

Planning for the 2014/15 ANZAC Centenary

Planning and advocacy work was undertaken in an effort to position Albany as a major focal point for commemoration of the ANZAC Centenary between 2014 and 2018. The alliance between the City of Albany and the Returned and Services League was formed to ensure a collaborative approach was taken to strategic planning. Advocacy work was commenced to inform key military, political, diplomatic, Government and other stakeholders, of Albany's significant military heritage in an effort to win support for a range of infrastructure upgrades and future commemorative events associated with the ANZAC Centenary.



As part of the Anzac Centenary strategy, concept and interpretative planning was undertaken to improve infrastructure at Mount Clarence. Detailed engineering drawings and cost assessments for several nodes on Mount Clarence were completed to support funding advocacy and guide future implementation programs.

Disability Access Inclusion Plan Progress Report 2009/10

Under the Disability Services Act 1993 all local governments were required to develop a *Disability Access and Inclusion Plan (DAIP)* addressing six desired outcomes to be submitted to the Disability Services Commission (DSC).

The City of Albany commenced a review of its existing DAIP in July 2007 that led to the development of a new *Access Inclusion Strategy for People with Disabilities*. On the 31 July 2009 the City submitted the report addressing the outcomes, as seen below:

Outcome 1 – City Services and Events

- The City continues to provide a *Companion Card* for carers accessing the Albany Town Hall.
- The City continues to provide the *Companion Card* initiative at the Princess Royal Fortress and has registered on the web as *Companion Card* friendly.
- The City now provides the *Companion Card* initiative at the Albany Leisure and Aquatic Centre.
- The entire City of Albany organisation is now a *Companion Card* Affiliate.
- The City of Albany continues to provide access to a wheelchair for visitors of the Princess Royal Fortress.
- The City continues to provide access to an aquatic wheelchair at the Albany Leisure and Aquatic Centre.
- The City continues to provide access to an automatic sling hoist and electric raising and lowering bed for people with a disability accessing the Albany Leisure and Aquatic Centre swimming pool.
- The City continues to provide programs at the Albany Leisure and Aquatic Centre for people with a disability.
- The City of Albany Youth Advisory Council (YAC) holds activities and programs throughout the year that are programmed in a safe and inclusive environment. This past year YAC has successfully delivered 5 programs including youth forums, drug action week activities and family friendly activities.
- Community groups at the Vancouver Arts Centre (VAC) are supported through reduced fees for services such as Room Hire (the Lower Great Southern Community Living Association, the Lower Great Southern Family Support Association and ACTIV Foundation currently run an annual program of arts based classes for their clients at the VAC as a direct result of this support).
- The VAC offers art workshops specifically for people living with a disability. These *Arty Party* classes will run in term 4 in 2010, and are always very popular. Students can bring along their own support workers and an additional support worker is employed by the VAC to assist students as required. These classes are generally provided for free and are supported by the Lower Great Southern Community Living Association.
- The VAC encourages participating in all programs and activities by offering reduced rates for VAC Members. The membership fee is minimal and the savings to be made are generous.
- Access is considered in the set up of each exhibition to ensure even the largest wheel chair can easily be manoeuvred around exhibits. The recent *Art on the Move Exhibition* Video Dome was a

great example of this. The exhibition featured a huge inflatable fabric dome which took up most of the gallery. The exhibition curator worked with VAC Gallery Technicians and a volunteer who was confined to a wheel chair and his support worker to ensure that access to the dome was easy and stress free.

- The Princess Royal Fortress engages volunteer assistance from Activ Foundation to help with minor maintenance and jobs.
- Princess Royal Fortress has conducted planning to further improve access and inclusion for people with a disability for both customers and volunteers.
- The Albany Visitors Centre distributes a list of attractions with easy access for people that require wheelchair access.

Outcome 2 – City Buildings and Facilities

- A jetty for disabled access has been built at Emu Point.
- Bench seating, hand rails and non-slip stripping on access steps was installed at the City of Albany Day Care Centre approximately 18 months ago creating greater access and comfort for patrons.
- The City of Albany Day Care Centre was purpose built to meet the needs of children who may require special needs. The facility was designed with wide door frames for wheelchair and pram access as well as large toilet spaces – this also allows for continued ease of access.
- Disabled swing set continues to be available at the Albany Leisure and Aquatic Centre.
- Interpretive signage for the Princess Royal Fortress has been designed to accommodate for people with vision impairment.
- The City of Albany has installed hand railing at the Albany Visitors Centre to help support patrons accessing the Centre.
- The City of Albany Projects team has administered the construction of public toilets with disability access at Cheynes Beach, Surfers Beach, Mills Park and Cape Ridge.
- The City of Albany Seniors Advisory Committee has completed an ACROD bay review on the City Centre in conjunction with City Officers. The review detailed the request for the provision of increased number of bays, their location and the future policing of the bays.
- The Vancouver Arts Centre provides rear automatic entrance doors for easy access.

Outcome 3 – City Information

- The City continues to provide the audio loop in the Council Chambers to improve accessibility to people with a hearing impairment.
- The City continues to provide a traffic light visual system in the Council Chambers which indicates a start, wrap up point and complete timing phase of discussed items and has also improved the audio output system.
- The City continues to provide large LED screens in the Council Chambers for viewing by the public gallery on updates throughout the Council meetings.

- The City's IT department has created a spec to implement an increase/decrease font size to the City's website.
- The Vancouver Arts Centre Newsletter is available in a variety of formats.

Outcome 4 – Quality Service

- Staff and volunteers at the Princess Royal Fortress view the *You Can Make a Difference to Customer Relations for People with Disabilities* CD-ROM from the Disability Service Commission.
- The City of Albany continues to implement the Customer Service Strategy outlining the minimum service provided.
- The Princess Royal Fortress continues to provide a hearing impaired phone for volunteers that have a hearing impairment.
- The City continues to provide assistance in completing forms when required and requested.

Outcome 5 – City Complaint Procedure

- The City's complaints procedure continues to be accessible from the website.
- The City continues to provide assistance in completing forms when required and requested.

Outcome 6 – Public Consultation Process

- The City's *Access and Inclusion Strategy for People with Disabilities* is currently available on the City website.
- The City's website continues to provide a link to the Disability Services Directory that is produced by the Disability Services Commission.
- The Vancouver Arts Centre has an ongoing partnership with the Lower Great Southern Community Living Association. Through this partnership programs and workshops for people living with a disability are regularly developed. Advice and guidance are also provided by the Association.
- The Albany Leisure and Aquatic Centre continually consult with a variety of community service providers for people with a disability and their carers.
- The City of Albany holds representation at the Combined Agencies Meetings held quarterly.

Community Arts

The Vancouver Arts Centre

Vancouver Arts Centre is a peak regional arts organisation that harnesses the creative spirit of Albany, engaging and inspiring the community to make *art pArt of life*. It forges partnerships that stimulate and support our local arts industry, and provides equitable and diverse arts experiences that encourage participation and cultural expression. It strives for innovation through excellence and has become the artistic heart of the region; a catalyst for innovation and a resource for other arts organisations.

As well as a comprehensive *Community Arts Program* the VAC also offered a variety of rooms for hire, studio spaces, gallery, resource centre and accommodation. It is home to an average of 15 local arts and cultural groups that hire the facilities for their workshops, seminars, meetings and professional development sessions.

In 2009, 8,125 people used the Room Hire Service, 6,655 people came to view an exhibition, 4,520 participated in the VAC's Annual programs and in total over 25,000 people made *art pArt of life* through the Vancouver Arts Centre.

Annual Workshop Program

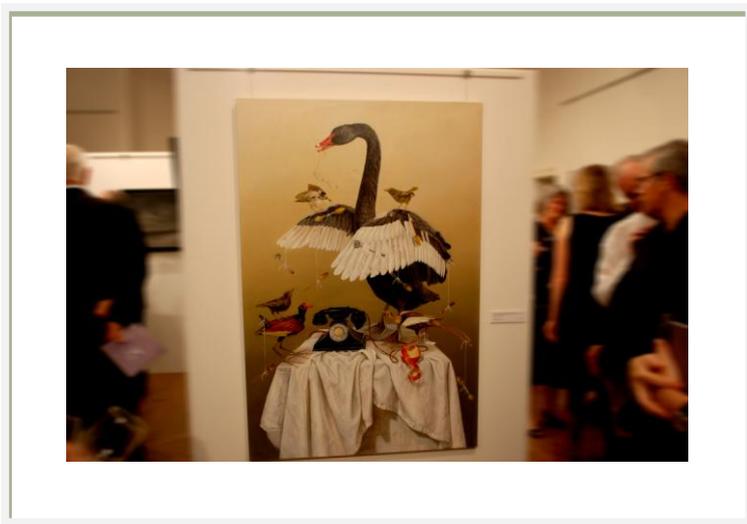
The Workshop program featured a range of workshops for the community. Over 220 people attended workshops throughout the year.

Through the *Cross Cultural Series*, the Noongar community continued to be involved with the VAC. Participation in *Creative Seniors* increased from 58 in 2008 to 68 in 2009, with all classes held reaching maximum student numbers and an extra session being held due to demand. The *Artistic Development Series* was again very successful. Each class almost reached its capacity. The series occurred in Terms 1, 2 & 3.

Unhiding Creativity through Arty Party brought a very vibrant audience back to the VAC. Creative Youth opened the program up to a new group of young people – those with an interest in visual arts. With the connection made, several of the participants continued involvement both through the *Artist in Residence Program* and the *Banners in the Terrace Project*, a positive yet unanticipated outcome. The *Professional Development* workshop attracted a record participation number of 36 people who were keen to find out how to write funding applications.

Annual Exhibition Program

During 2009, the VAC was proud to present a rich and varied Exhibition Program to the community. Floor talks were provided when possible and new marketing and promotional ideas were implemented. Some program highlights included the *Curator's Choice*, the *Mungart Boodja Showcase Series*, the *Mentorship Show* and the *Edinburgh Sculpture Workshop* response by Barbie Greenshields and *Retrospective 09*.



The *Curator's Choice* became a regular fixture on the program in 2009. The arts community welcomed Alan Dodge as the first guest curator at the VAC. Alan shared over 38 years of experience in the art world and provided a floor talk which gave a new insight into the *City of Albany Collection*.

An exciting new addition to the 2009 Exhibition Program was the *Mungart Boodja Showcase Series*. In a partnership between the VAC and Mungart Boodja, the VAC provided free gallery space to Mungart Boodja to enable them to host 3 showcase exhibitions for indigenous clients. The 2009 program featured exhibitions showcasing the work of Kelvin Penny, Barbara Colbung, Edith Penny, Glenda Williams and Elizabeth Smith.

Hayley Fletcher was the second artist to benefit from the VAC's *Mentorship Program*, and in 2009 the *Mentorship Show* provided Hayley the opportunity to showcase art to the Albany community. Barbie Greenshields also impressed audiences with her exhibition in June which was a response to her visit to the *Edinburgh Sculpture Workshop* as part of the VAC's *International Residency Exchange Program*. *Retrospective 2009* featured prominent local artist Jacquie Codee and was curated by Sue Codee.

Gallery favourites like the LGS Noongar Exhibition and INHOUSE continued to draw strong audiences. Other events included the *2 Art on the Move* touring shows and a range of shows featuring local artists, *Paperartzi* and the *City of Albany Art Prize*. The 2009 program provided something for everyone in the arts community.

For the first time ever a brochure was produced to help promote the program. Over the year this became a valuable marketing and promotional tool.

Annual Music Program

The 2009 *Music Program* featured the *VAC Concert Series*, the *Big Trill Singing Weekend*, the *Recipe for Jam* and the *Busking Project*. Thanks to funding support from Healthway, 6 concerts were held during 2009. Many young people from Albany and surrounding communities came to enjoy a musical blend of local and imported acts in a safe and smoke free venue.

With funding support from Healthway, the 2009 Trill Singing Weekend attracted a huge response from the community with a record number of 66 people who worked with Teresa Hughes and Rachel Hore during the uplifting weekend of activities. The men's workshop attracted a further 30 people during the weekend.

In 2008 the *Big Trill* formed a partnership with The Men's Resource Centre. The partnership continued in 2009. The Men's Resource Centre hosted the *Spooky Men of the West* - a men's choral group from Perth. As well as performing at the Town Hall in a *Return of the Spooks* concert, the Spooky Men held a singing workshop for men that were well attended by approximately 30 men of all ages. The workshop complemented the *Big Trill Weekend* by fostering an atmosphere of community involvement in choral and vocal skills and thus providing an opportunity for singers of varying ability and experience to participate. The weekend concert also featured Albany's own *Southern Right Males* and concluded with a short Family and Friends concert which showcased the songs learnt over the weekend.

The 5th year of *Recipe for Jam* saw the program return to grass roots, focusing on re-establishing the process. The recording aspect was removed as it was felt that this was beginning to distract from the overall achievements of the participants.

One of the highlights of the 2009 program was the involvement of Midnight Oil's founding member Rob Hirst. Rob gave so much of his time and energy to the group and the results were clearly seen in the final concert. Rob worked with the participants focusing on song writing and also offered a drumming workshop to the wider community which was attended by approximately 15 people. Rob's final concert with the Sneaky Weasel Gang was a sell out.

The *Busking Project* aimed to increase the vitality of York Street by encouraging talented buskers to perform through a voucher incentive, where talented buskers are rewarded with vouchers to spend at local retail outlets. Project Coordinator Michael O'Doherty (a keen busker himself) was constantly looking at ways to encourage buskers into the heart of the City. The major time of activity takes place from December to April each year.



Annual Projects

The 2009 Annual Projects included:

- The Sprung Festival
- Harmony Week
- The Mother's Day Market
- Banners in the Terrace
- Artist in Residence and Edinburgh Exchange Program

- Artistic Insight Talks.
- Mentorship Program
- Emerging Artist Fund Paperartzi; and
- From the Brink – a collection of ink.

The Sprung Festival

In 2009 the introduction of *Meet the Writer Breakfast* targeted the business community. While the *Noongar Storytelling* at schools, the *Long Table Lunch* and the *Hypothetical* became a great success. The events enabled *Sprung* to widen its audience with many first timers attending the festival. Feedback suggested that both the writers and readers took the opportunity to attend the festival. The inclusion of celebrity guests including Charles Firth and Maggie Beer opened the program up to new audiences and assisted to develop the festival attracting broader appeal within the literary festival circuit.

Harmony Week

Working together with the Migrant Resource Centre, the Vancouver Arts Centre offered interested community members two opportunities to cook up a storm with cooks Iran Milne and Nehla Yaqoob. Participants worked together as a group assisting in the preparation of a wonderful meal that was shared together on the picturesque veranda at Mary Thomson House. The sessions were highly interactive and very social and friendships were formed in the sharing of favourite family recipes.

The Mother's Day Market

The *Annual Mothers Day Market* provided a wide selection of stalls including jewellery, confectionery, cards, pottery, handmade soap, weaving, paintings and woodcraft, as well as the fine crafts. There were lunches served and entertainment throughout the daylong market. The event was highly anticipated and well attended.

Banners in the Terrace

A group of young people who were earlier involved with the *Creative Youth Series* worked with tutor Kaye Embleton to create a banner to represent Albany in the WA Local Government Association *Banners in the Terrace* competition, proudly supported by the City of Perth.

Artist in Residence and Edinburgh Exchange Program

The *Artist in Residence Program* had a very broad appeal. The VAC continued to invite members of the community to develop a personal involvement with visiting artists. In 2009/10, the program welcomed 8 resident artists from within the region and as far away as Melbourne, Sydney and Brisbane.

Mentorship Program

The VAC provided assistance between local emerging artist Hayley Fletcher and established and well renowned local artist Trish Ware. Hayley used the mentorship to develop her first solo exhibition. The mentorship began in 2008 and culminated in Hayley's Exhibition *1000 Red Bows* which took place in March 2009. The VAC was able to provide financial assistance to the value of \$2000 toward the mentorship.

Brush with Fame

In February the VAC was involved in the filming of the *Lockie Leonard TV Series*. The VAC was transformed into a private boarding school in Perth. It was a very exciting day and the regular customers were happy to be involved in the film industry for the day.

The Vancouver Arts Centre had a full and complete year that was exciting and busy. A priority for 2009/10 was to bring a strong strategic focus to the Centre. It resulted in a vibrant program that offered a range of educational and professional development opportunities to the Great Southern community. The VAC staff experienced many rewards and received encouraging positive feedback from all areas of the community.

Albany Leisure and Aquatic Centre

In 2009/10 the Albany Leisure and Aquatic Centre was presented with a number of significant challenges. The most significant of these included the breakdown of the leisure pools heating system. As a result general patronage, swim school enrolments and Cafe income did not reach its full earning potential. The system was rectified and patronage increased as a consequence.

The Stage 2 re-development project, which includes three additional indoor multi-purpose courts are expected to be completed in late 2010. The project will provide a state of the art facility including a *show court* constructed to international standard. It will allow the Centre to host National and International sporting events. User groups who have toured the new facility have been genuinely impressed and are looking forward to their next season when numbers will be able to be increased as a result of more space.

The Gym and Group Fitness areas have shown steady growth with the gym maintaining its great atmosphere and high quality equipment. The past year has seen Group Fitness introduced and launch its new *Radical Fitness* programs with qualified and trained instructors. The highly popular *Zumba* classes were also a hit since their introduction.

Event highlights included:

- The Albany Short Course titles;
- Relay for Life 24 hr Swimathon;
- Seniors Expo; and
- Australia Day Celebrations.

The Centre continued to maintain its family friendly focus with facilities and programs providing equal opportunity to a broad section of the community. Leisure opportunities for adults have been supported by modern crèche facilities. *School Holiday Programs* continued to provide an active, fun environment for children.

Albany Airport

Australian Airports Association AGM

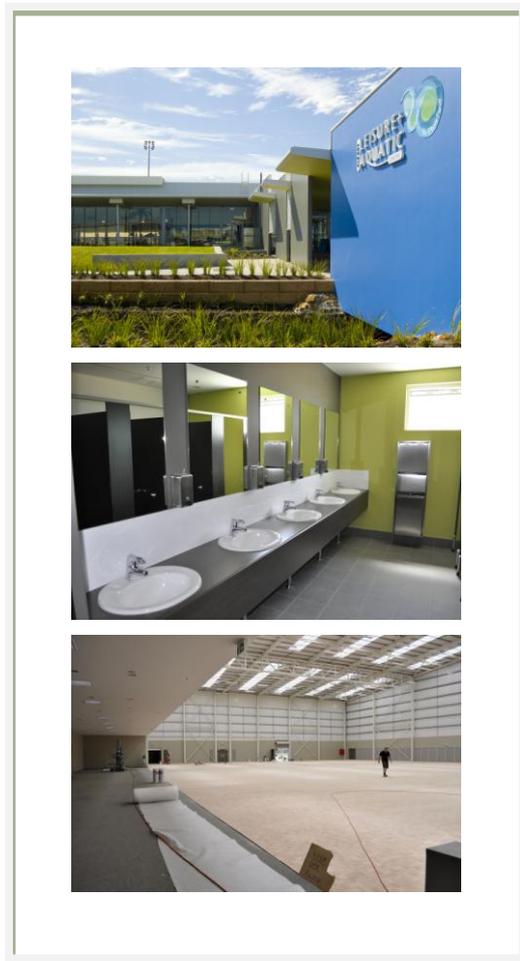
WA Division of Australian Airports Association (AAA) held its Annual General Meeting in Albany in April 2010 with 35 delegates and guest speakers attending. Some travelled as far as Kununurra and Broome to enjoy presentations on technical update of industry standards. Airports that are members of the association take turns to host the event with presentations being overseen by Mr John McArdle, AAA CEO. It is an opportunity to meet and network with others in a highly regulated and legislated industry.

Aircraft and Passenger Movements

Passenger numbers travelling in and out of Albany Airport in 2009 declined by 6317 passengers from previous 2008 figures, one can only speculate that this was the aftershock of the global financial meltdown. Figures to date indicate an increase of 3008 passengers from this time last year. If this trend continues it could be estimated that Albany Airport will break the 60,000 pax per annum barrier in 2010.

The Passenger levy fee was increased this financial year after a review with an overdue increase that was implemented to place Albany in a mid range fee scheduling state-wide. These charges had not increased in over 4 years.

Aircraft movements are now recorded and landing fees charged accordingly, although an allowance to recreational aircraft of an Annual Landing fee is available to hangar leasees or ratepayers of Albany.



AIR BP

March 2010 saw the completion of an upgrade to the AIR BP depot at the Albany Airport with underground tanks removed and replaced by two above ground tanks with a combined capacity of 55,000 litres of AVGAS and JETA1 fuel. A swipe card facility was installed airside so pilots no longer rely on ground staff to refuel their aircraft but can self serve if they are a client of AIR BP. Extensive training to staff members was conducted to ensure continued excellent customer service to aviation participants.

Sports Amateur Association of Australia (SAAA) Fly-In

The SAAA Chapter 13 held a Fly-In in February 2010 at Denmark Airport with 52 mostly amateur built aircraft participating in a weekend of Aviation activities and frivolities. Most of the aircrafts visited Albany to refuel. To encourage visitation to Albany the City of Albany withdrew all landing fees for those aircraft involved.

Royal Flying Doctors Service (RFDS)

The City of Albany Airport donated approx \$20,000 last financial year in landing fees to support the residents of Albany and surrounding districts access an essential health service.

Bureau of Meteorology (BOM)

The BOM have commenced works to relocate their facilities to another area of the Aerodrome. This will assist the airport to expand and provide more space to accommodate the demand to provide more hangar space. Entry will be from Parker Brook road as this area of the aerodrome allows better monitoring of weather conditions without radar interference from the expanding timber plantations west of Albany Highway.

QANTAS

Since the de-regulation of the Airline industry in Western Australia in July 2010 the Department of Transport asked for expressions of interest from airline operators to tender for a two line service to Albany and Esperance. The tenders closed on 13 August with an expected announcement later in the year. In conjunction with QANTAS and the release earlier this year of the Aviation White Paper in which the Federal Government allocated funds to help implement passenger and luggage screening at regional airports in Australia that receive Regular Public Transport (RPT), it is highly likely in the not too distant future that Albany will qualify for such funding. Unfortunately the Federal elections hindered this process and implementations are now running behind schedule.

Airport Focus Group

This group had previously been structured as a group. However, Council recommended the group be re-structured as a committee reportable to Council. This will provide stakeholders at Albany Airport a clear channel of communication to Council on matters relating to the Airport. The committee nominated Cr Des Wolfe as chairperson and Mr Steve Johnson as Deputy Chair who will meet quarterly to make recommendations to Council.

Airport Masterplan

A five year airport masterplan is in the process of being developed to create vision and growth for the expanding needs placed upon Albany aerodrome. This plan will include changes to the Terminal to allow for the expansion and housing of passengers once they have been through the screening process. The plan will identify strategic changes to allow for the growing future of the Albany region.

Inductions and Drug and Alcohol Management Plan (DAMP) and Transport Security Plan (TSP)

As part of the legislative requirements from the Civil Aviation Safety Authority (CASA), Albany Airport has adopted a DAMP and a TSP. Both of these plans are audited by CASA and an education and testing program forms part of the plan. Inductions are due to commence at the Airport during the month of November to all agencies that have access to airside.

Divisional Reports

Development Services

Planning

Planning activity decreased slightly in 2009/10 to 531 applications, down from 608 applications in 2008/09. The \$118.7 million worth of work approved in 2008/09 was under the \$159.6 million approved in the previous financial year.

Whilst there was a reduction in planning applications, several large structure plans were submitted for Council consideration during 2009/10 for localities such as Big Grove, Bayonet Head, and Emu Point and are at various stages of the approval process. The structure planning work considered by Council will ensure that in the short to medium term lot supply will be consistent or greater than the level of demand.

In 2009/10 the City adopted the following planning strategies/ master plans:

- The *Albany Local Planning Strategy*,
- The *Tourist Accommodation Planning Strategy*,
- The *Activities Centres Planning Strategy*, and
- The *Albany Central Area Master Plan*.

The Albany Local Planning Strategy in particular sets a vision and future development framework for the City. This strategy has also received final endorsement from the Western Australian Planning Commission.



(see: <http://www.albany.wa.gov.au/you-and-your-property/planning/planning-policies-and-structure-plans/>)

Council's draft *Local Planning Scheme No. 1* has been assessed by the Environmental Protection Authority and consent to advertise the Scheme from the Western Australian Planning Commission is likely to be forthcoming in early 2011.

Environmental Health

The environmental health team investigated, and worked to resolve, in excess of 95 complaints relating to noise, smoke, poultry, dust, mosquitoes, vermin, food and hygiene issues. The team also processed applications for 96 on-site waste water systems.

Preventative environmental health programs were undertaken in the areas of:

- Initial and follow-up inspections of food premises, itinerant food vendors, alfresco dining areas, caravan parks, public accommodation, offensive trades, public buildings and miscellaneous health premises (hairdressers, beauty therapy, massage, etc).
- Routine testing of rural drinking water supplies and public swimming pools; and
- Assessing facilities at major public events (circus, agricultural show, concerts, etc.).

(see: <http://www.albany.wa.gov.au/you-and-your-property/environmental-health/>)

Building

A total of 1222 building permits were issued during the year with a construction value of \$156.4 million. New home approvals increased during the year by 84 per cent. There were 440 new homes approved compared to 238 in 2008/09.

Major developments approved during the year included:

- Sporting complex, art & design centre and boarding house at Great Southern Grammar;
- Early Learning Centre classrooms and office at St Joseph's College;
- Additions and alterations to Dog Rock Boulevard Shopping Centre;
- Stage One of the St Ives Villages development at Lange; and
- Warehouse & factory for Active Foundation.

To ensure the high standard of building works within the City was maintained, building officers continued to monitor building activity through inspections of buildings at various stages of construction and as part of on-going registration requirements.

Divisional Reports

Works and Services

The Works and Services department had a very good year in terms of meeting goals, and setting new standards of service delivery. Particular areas addressed were the eradication of delays in approval and commentary on development applications, which were in extreme cases delayed by up to 14 months.

A further major area of improvement was required in the capacity of technical skills internally to address the demands on staff. The aim was to outsource approximately 50% of all design work, and for the balance to be completed in-house. It was considered important to retain a large proportion of design work in-house, so that staff skill sets are continuously improved, and cadet learners have the facility to learn under experienced designers.

Work flow and a logical succession of activities were also identified as being a target for improvement. Works and Services was part of the City wide project of process engineering and significant improvements to efficiencies and service delivery were the result.

The Works and Services department had therefore used the 2009/10 year as a year of consolidation and improvement. All individual basic processes were considered to be of a good standard, work flow and coordination was improved through a process of role clarification, job hand-over and quality assurance.

Major achievements at a department level were:

- The establishment of the City Projects office where project management of all projects is coordinated and reported;
- The establishment of the Design and Compliance Section where all activities relating to designs and private developments are coordinated; and
- The appointment of additional technical staff to balance workloads with staff capacity.

These improvements have gone a long way towards enhancing the reputation of the City as a proud service delivery agent to the residents of Albany.

City Assets

City Assets achieved a year of consolidation with a smaller team focused more on asset management with the Design and Compliance functions now falling under a new Manager – Design and Compliance. Additionally, City Assets has taken on the responsibility for environmental initiatives with the completion of policy and action plan documents.

Key achievements for the past 12 months have been the following:

- Completion of *Asset Management Plans* for:
 - Natural Reserves
 - Developed Reserves
 - Roads
- The development of the *City of Albany Environmental Policy and the Draft Action Plan*; and
- The ongoing development of the full suite of Asset Management Plans for:
 - Drainage
 - Buildings



- Fleet
- Plant.

Over the next 12 months, City Assets will be focusing on the completion of asset management plans for each asset classification in alignment with the Western Australian *Asset Management Improvement Program* (WAAMI) and national sustainability initiatives.

(see: <http://www.albany.wa.gov.au/your-council/city-assets/management-plans-and-strategies/>)

City Assets also manages the City's waste activities on a strategic and operational level. The City has *Local and Regional Waste Management Plans* in place and there has been a continuance of key actions included in these plans including:

- The establishment of an 'e waste' collection service;
- The planning of a household hazardous waste facility;
- The design & development of the AWARE centre landscaping; and
- A regional site investigation with support from the Shire of Denmark.

(see: <http://www.albany.wa.gov.au/your-council/city-assets/waste-management/>)

City Works

State Government Royalties for Regions funding stimulated the City *Capital Works Program* for the 09/10 year. Following public consultation, funding was primarily directed to pathway construction. Other major projects included Emu Point enhancement and the building of a new soccer field at the Centennial Park Sporting Precinct.

A relatively dry autumn provided a longer than normal construction period, which enabled all capital works projects to be completed on schedule.

Drainage continued to be a priority area of work in response to problems identified during the November 2008 floods.

Capital Upgrades

In 2009/10 over 60 capital works projects were undertaken by the City Works teams in the areas of roads, drainage, pathways and in parks. Total budgeted expenditure for these projects was \$5.31 million and largely funded by federal and state government grants.

Road Construction

Major road construction projects completed during the year were:

- | | |
|-----------------------|-----------|
| • Lower Denmark Rd | \$823,000 |
| • Millbrook Rd | \$417,000 |
| • John St | \$113,000 |
| • Nanarup/Prideaux Rd | \$111,000 |
| • Gull Rock Rd | \$98,000 |
| • Redmond | \$165,000 |

Drainage

The City spent over \$570,000 on major drainage works for the 2009/10 year. Storm water upgrades were undertaken in Kalgan Heights, further work in Bayonet Head at Leishman Crt/Wren Way and Anchorage Vista as well as projects at Rowley/Finlay Sts and Lower York St.

Pathways

Eight pathways were constructed in 2009/10. The major pathway projects being:

- Cunningham St
- Ulster Rd
- Le Grande Ave
- South Coast Highway
- La Perouse Rd.

Parks Construction

Following the hard landscaping completed at the Peace Park in 2008/09, the planting of the garden beds was a major project for the 2009/10 year. 50,000 native plants were planted by the City parks staff in conjunction with student representatives from local schools.



Stage One of the Bob Thompson Gardens landscape incorporating the major component of the hard landscaping was completed. A stone wall using local granite, steps and a new lawn have been constructed. Bob Thompson Gardens is a popular location for outdoor weddings and civil ceremonies.

The construction of the new soccer field was a major project involving the City's construction, drainage and parks teams as well as local contractors. While the soccer field was built by the City the ongoing maintenance will be undertaken by the Albany Soccer Association.

Maintenance

Road Maintenance

The City of Albany has approx 1700 kms of road network spread across urban and rural areas of the municipality. Continued maintenance of the sealed and unsealed road network was undertaken as part of the annual program. Maintenance includes such activities as shoulder grading of bitumen roads, scheduled grading of gravel roads, patching of potholes, pruning of roadside vegetation, road sweeping and the cleaning of drainage sumps.

Parks Maintenance

The Albany area contains many beautiful parks, gardens and natural reserves. Many of these areas have recreational facilities, which are enjoyed by our local residents and visitors each year. There are 356 reserves with 200,000 hectares of reserve land, of which the City is responsible for managing 12,068 hectares. Of this, 4,000 hectares of the City's reserves have been developed for either active or passive recreation, leisure and community use purposes. The balance is natural bush. The Parks and reserves team continued the maintenance of these areas according to their annual programs. This includes mowing, planting, weeding, pruning, reticulation and roadside spraying.

Bushcare

The City has both a statutory and civic responsibility to protect and manage the natural bushland on land managed by and vested in the City. The Environmental Weeds Strategy adopted by Council provides a framework and the tools to effectively control environmental weeds. The strategy identifies priority environmental weeds for Albany. The implementation of the strategy not only depends on funding but also on support from the community.

Not only has the Bushcare team continued its good work with its environmental weed control program during the 2009/10 year, but it has also built partnerships with various environmental agencies to foster a regional response in natural resource management.

Disability Services Upgrades

During 2009/10 a number of improvements were made to existing infrastructure to maintain safe accessibility for members of the community who have disabilities. The majority of this work was directed to improving the safety of steps at the Visitors Centre and the Day Care Centre. Various areas within the City also received ongoing work such as tactile paving, hand rails and non slip materials.

City Projects

The City Projects office was created in 2008/09 to ensure project management of all projects was coordinated and reported. With a new team involving staff from a range of technical areas, the development of a strong work ethic and an appropriate methodology for processing projects, provided a challenge.

After the restructure, the aim of the City Projects office was identified:

- To ensure the disciplines of project management contribute to efficiency savings, greater accountability and improved operations across the organisation;
- To be a central point within the organisation for project responsibilities;
- To ensure project activities are undertaken within an agreed framework; and
- To promote *best practice* project management across the organisation.

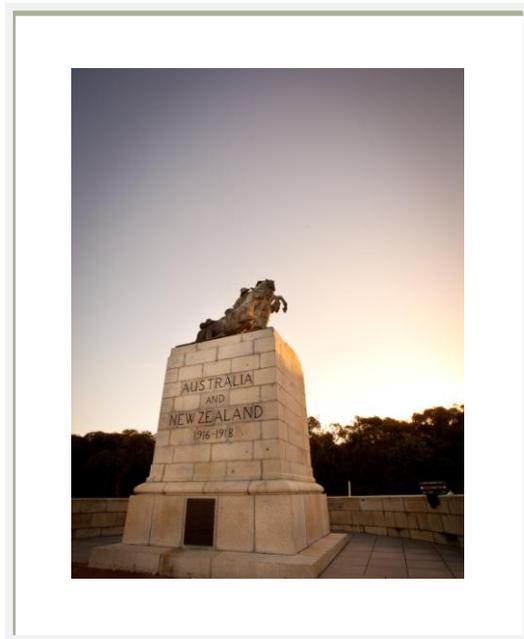
City Projects office project managed nominated projects, and provided project assessor support for other approved City projects. The co-ordination of projects and liaison with other project managers provided invaluable training for all project staff.

In 2009/10, the team directly project managed the following:

- ANZAC Peace Park – Memorial Wall
- ANZAC Peace Park – Pier of Remembrance
- Royalties for Regions projects – Emu point Enhancement, four public toilets, Day Care Upgrade, North Rd Soccer ground, eight pathways
- Mt Clarence ANZAC Memorial Upgrade Design; and
- APEC Lookout design and construction.

The City Projects team also attend to:

- Financial monitoring and budget preparation for the Works & Services directorate
- Matters relating to the Land Administration Act
- Sourcing external funding opportunities; and
- Procurement management in the City.



Albany Waterfront Re-development

The Albany Waterfront project was established as a joint initiative between the City of Albany and the State Government (through its land development agency Landcorp). The project aimed to transform the neglected foreshore of Albany into a more vibrant entertainment and community precinct.

During the reporting period, Landcorp continued civil works for the land-based components of the project with significant work undertaken on land west of the entertainment centre. The creation of a 0.96 ha site (adjacent to the entertainment centre) was commenced and, when completed, will be marketed by Landcorp for the establishment of new hotel and short-stay commercial tourism accommodation. A granite rock breakwater was also commenced which will provide a protected harbour for recreational and commercial vessels. The completed development is expected to include restaurants, cafés and other retail/business operations.

City Design and Compliance

City Design and Compliance are a section of the Works & Services Directorate. The section was created in April 2010 to separate the Design and Compliance components from City Assets.

Four staff members were recruited to increase the technical capacity of the team, with expertise in the design and co-ordination of roads, footpaths, drainage and other civil infrastructure projects.

The team has undertaken the following in-house designs for the 10/11 construction programs:

- North Road Soccer Field (Stage 2)
- Bayview Drive footpath
- Flinders Parade footpath; and
- Lockyer Ave / Cockburn Rd intersection.

The team has also coordinated external consultants to deliver designs for:

- Lower Denmark Road – Stage 2
- Newby St upgrade
- Range Road upgrade
- North Road Roundabouts – Barnesby Drive and Beaufort St intersections
- Lower King Road upgrade
- Transport planning
- Future planned new and upgraded footpaths, and
- Drainage and flood mitigation projects, as identified in the City Assets Flood Management Strategy.

The Design and Compliance team were also responsible for overseeing land developments and ensuring the completion of projects are in accordance within the City of Albany's Subdivision & Development Guidelines. The team undertook a review of the guidelines to assist developers with the planning and implementation of development works. In 2009/10 the number the number of development constructions declined. The number of submissions for new developments has also declined in the past year.



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CITY OF ALBANY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2010

CITY OF ALBANY
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

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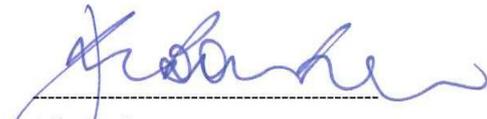
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CITY OF ALBANY
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010
LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Albany being the annual financial report and supporting notes and other information for the financial year ended 30th June 2010 are in my opinion drawn up to present fairly the financial position of the City of Albany at 30th June 2010 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the *17th* day of *November* 2010



John Bonker
Interim Chief Executive Officer

CITY OF ALBANY
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2010

	NOTE	2010 \$	2010 Budget \$	2009 \$
Revenue				
Rates	23	21,575,584	21,346,462	19,277,114
Grants & Subsidies	28	3,424,202	3,069,252	4,051,358
Contributions, Reimb. & Donations		395,475	362,187	408,898
Fees and Charges	26	7,091,836	7,294,973	7,276,163
Service Charges	27	3,011,136	2,996,718	2,698,198
Interest Earned	2(a)	904,653	645,200	767,880
Other Revenue/Income		399,263	303,500	419,376
		36,802,149	36,018,292	34,898,987
Expenses				
Employee Costs		(14,308,136)	(14,039,923)	(13,749,398)
Utilities		(1,335,373)	(1,311,912)	(903,193)
Interest Expenses	2(a)	(1,180,372)	(1,179,588)	(1,322,148)
Depreciation on Non-current Assets	2(a)	(11,226,465)	(11,818,000)	(10,714,400)
Contracts and Materials		(10,516,730)	(11,628,876)	(11,490,819)
Insurance Expenses		(476,810)	(453,863)	(410,959)
Other Expenses		(1,251,141)	128,769	(11,553)
		(40,295,027)	(40,303,393)	(38,602,470)
NET FROM OPERATIONS		(3,492,878)	(4,285,101)	(3,703,483)
Non-Operating Grants and Subsidies	28	5,876,907	70,066,581	6,497,507
Non-Operating Contributions Reimbursements and Donations		3,408,787	5,175,706	4,738,136
Profit/Loss on Asset Disposals	20	(23,732)	(32,000)	61,301
Fair Value – Investment Adjustments	2(a)	(116,275)	0	(193,144)
Cash Backing of Reserves		1,651,060	1,987,226	0
Change in Net Assets from Operations		7,303,869	72,912,412	7,400,317
Other Comprehensive Income				
Changes on revaluation of non-current assets		0	0	0
Total Other Comprehensive Income		0	0	0
TOTAL COMPREHENSIVE INCOME		7,303,869	72,912,412	7,400,317

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 2010

	NOTE	2010 \$	2010 BUDGET \$	2009 \$
Revenue	2(b)			
General Purpose Funding		25,752,685	24,296,335	23,947,724
Governance		43,680	66,000	77,289
Law, Order and Public Safety		285,040	255,800	278,977
Health		11,324	44,500	46,776
Education and Welfare		807,681	852,434	754,755
Community Amenities		4,633,532	4,452,619	4,414,242
Recreation and Culture		2,559,171	2,978,004	2,481,593
Transport		1,039,019	1,707,100	1,049,916
Economic Services		769,632	575,000	880,351
Other Property and Services		900,385	715,500	973,258
		36,802,149	35,943,292	34,904,881
Expenses Excluding Finance Costs	2(b)			
General Purpose Funding		(456,743)	(475,689)	(416,837)
Governance		(2,481,463)	(2,471,182)	(2,064,501)
Law, Order and Public Safety		(1,196,953)	(1,275,947)	(1,191,919)
Health		(532,447)	(552,725)	(462,862)
Education and Welfare		(1,239,410)	(1,238,245)	(1,214,326)
Community Amenities		(6,455,806)	(6,411,523)	(6,257,038)
Recreation and Culture		(10,032,402)	(9,872,555)	(9,802,120)
Transport		(14,836,777)	(15,101,256)	(13,871,756)
Economic Services		(1,521,551)	(1,548,524)	(1,385,761)
Other Property and Services		(361,103)	(101,159)	(619,096)
		(39,114,655)	(39,048,805)	(37,286,216)
Non-Operating				
Grants and Subsidies – non-operating		5,876,907	70,066,581	6,497,507
Contribution Reimbursements and Donations – non-operating		3,408,787	5,175,706	4,738,136
Profit/Loss on Asset Disposals		(23,732)	(32,000)	61,301
Fair Value – Investment Adjustments		(116,275)	0	(193,144)
Cash Backing of Reserves		1,651,060	1,987,226	0
		10,796,747	77,197,513	11,103,800
Finance Costs				
Governance		(172,307)	(172,308)	(253,895)
Community Amenities		(21,949)	(21,827)	(23,721)
Recreation and Culture		(342,243)	(342,823)	(356,531)
Transport		(566,608)	(565,366)	(590,525)
Economic Services		(46,088)	(46,087)	(49,523)
Other Property and Services		(31,177)	(31,177)	(47,953)
	2(a)	(1,180,372)	(1,179,588)	(1,322,148)
TOTAL COMPREHENSIVE INCOME		7,303,869	72,912,412	7,400,317

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 2010

	NOTE	ACTUAL 30-JUN-10	BUDGET 30-JUN-10	ACTUAL 30-JUN-09
CURRENT ASSETS				
Cash – Municipal	3	2,445,735	776,514	477,330
Restricted cash	3	1,488,688	1,976,788	1,987,438
Reserve Funds – Financial Assets	3,4	1,054,480	0	1,170,755
Reserve Funds - Other	3	5,725,809	2,647,383	7,360,046
Receivables and Other	5	3,428,043	1,600,000	2,912,825
Assets Classified as Held for Sale	6	3,523,483	0	0
Stock on hand	6	1,083,708	780,000	1,033,538
TOTAL CURRENT ASSETS		18,749,946	7,780,685	14,941,932
CURRENT LIABILITIES				
Current Portion of Long Term Borrowings	10	2,532,106	1,230,000	5,887,897
Employee Provisions	11	2,245,816	2,200,000	2,023,128
Trust Liabilities		1,417,308	1,778,124	1,930,516
Creditors Prov. and Accruals	9	6,656,166	3,000,000	4,190,792
TOTAL CURRENT LIABILITIES		12,851,396	8,208,124	14,032,333
NET CURRENT ASSETS		5,898,550	(427,439)	909,599
NON-CURRENT ASSETS				
Receivables	5	77,272	152,865	106,322
Pensioners Deferred Rates	5	320,923	265,945	292,616
Investment Land		2,220,758	2,150,000	2,150,000
Property, Plant & Equipment	7	68,034,400	131,774,682	67,901,036
Infrastructure Assets	7,8	188,881,619	197,134,056	186,048,239
Local Govt House Shares		19,501	19,501	19,501
TOTAL NON-CURRENT ASSETS		259,554,473	331,497,049	256,517,714
NON-CURRENT LIABILITIES				
Borrowings	10	18,264,569	19,566,675	15,996,675
Employee Provisions	11	364,845	262,000	259,838
TOTAL NON-CURRENT LIABILITIES		18,629,414	19,828,675	16,256,513
NET ASSETS		246,823,609	311,240,935	241,170,800
EQUITY				
Retained Surplus		221,268,686	289,818,918	212,131,561
Reserves – Cash Backed	4,12	6,780,289	2,647,383	10,264,605
Reserves – Assets Revaluation	13	18,774,634	18,774,634	18,774,634
TOTAL EQUITY		246,823,609	311,240,935	241,170,800

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 2010

	Actual 2009/10	Budget 2009/10	Actual 2008/09
RESERVES			
Opening Balance	10,264,605	6,944,503	12,681,963
Transfers to Municipal Fund	(7,667,967)	(4,018,514)	(9,932,030)
Transfers from Municipal Fund	5,834,711	1,708,620	7,514,672
Change of Purpose	(1,651,060)	(1,987,226)	0
	6,780,289	2,647,383	10,264,605
ASSET REVALUATION RESERVE			
Opening Balance	18,774,634	18,774,634	18,774,634
Asset revaluation	18,774,634	18,774,634	18,774,634
ACCUMULATED SURPLUS			
Opening Balance	212,131,561	214,596,611	202,313,885
Changes in net assets from Operations	7,303,869	72,912,412	7,400,317
Transfers from reserves	7,667,967	4,018,515	9,932,030
Transfers to reserves	(5,834,711)	(1,708,620)	(7,514,671)
	221,268,686	289,818,918	212,131,561
TOTAL EQUITY	246,823,609	311,240,395	241,170,800

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 2010**

	NOTE	2010 \$	2010 BUDGET \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		21,063,083	21,346,462	19,232,972
Grants and Subsidies		3,424,202	3,069,252	4,051,358
Contributions and Donations		395,475	362,187	408,897
Fees and Charges		7,143,930	7,448,656	6,245,522
Service Charges		3,011,136	2,996,718	2,698,198
Interest Earnings		896,363	547,200	802,865
Other Revenue		(104,608)	401,500	581,105
		35,829,581	36,171,975	34,020,917
Payments				
Employee Cost		14,473,937	13,939,923	13,316,762
Materials and Contracts		10,592,508	11,628,876	11,724,693
Utility Charges		1,335,373	1,311,912	903,193
Insurance		476,810	453,863	410,959
Interest Expense		1,275,782	1,179,588	1,333,592
Other Expenditure		(1,727,089)	(128,769)	(724,880)
		26,427,321	28,385,393	26,964,319
NET CASH PROVIDED BY OPERATING ACTIVITIES	14	9,402,260	7,786,582	7,056,598
CASH FLOWS FROM INVESTING ACTIVITIES				
Payment for purchase & construction of assets		(18,394,507)	(87,335,505)	(19,597,565)
Less: Subdivision Developers' Contribution		3,312,117	3,816,300	3,816,300
Less: Fire FESA		0	140,000	0
Proceeds from sales of Assets		467,050	142,000	1,228,365
Capital Grants & Subsidies		5,876,907	70,066,581	6,497,507
Capital Contributions		96,670	1,219,406	921,836
Net Cash Used in Investing Activities		(8,641,763)	(11,951,218)	(7,133,557)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of loans		(5,887,897)	(5,887,897)	(2,523,215)
Proceeds from new loans		4,800,000	4,800,000	0
Proceeds from self supporting loans		46,543	46,317	46,004
Net Cash Provided By Financing Activities		(1,041,354)	(1,041,580)	(2,477,211)
NET INCREASE/(DECREASE) IN CASH HELD		(280,857)	(5,206,216)	(2,554,170)
Cash at beginning of year		10,995,569	10,606,900	13,549,739
Cash at end of year	14	10,714,712	5,400,684	10,995,569
CASH AND INVESTMENT SUMMARY				
Municipal Account – unrestricted		2,445,735	770,014	470,480
Petty Cash		7,850	6,500	6,850
Restricted Cash		1,488,688	1,976,788	1,987,438
Financial Assets		1,054,480	0	1,170,755
Reserve Account		5,725,809	2,647,383	7,360,046
TOTAL		10,714,712	5,400,685	10,995,569

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

**CITY OF ALBANY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2010 ACTUAL \$	2010 BUDGET \$
REVENUE			
Governance		43,680	66,000
General Purpose Funding		4,177,101	2,949,878
Law, Order and Public Safety		285,040	255,800
Health		11,324	44,500
Education and Welfare		807,681	852,434
Community Amenities		4,633,532	4,452,619
Recreation and Culture		2,559,171	2,978,004
Transport		1,039,019	1,707,100
Economic Services		769,632	575,000
Other Property and Services		900,385	715,500
		15,226,565	14,596,835
EXPENSES			
Governance		(2,653,770)	(2,643,490)
General Purpose Funding		(456,743)	(475,689)
Law, Order and Public Safety		(1,196,953)	(1,275,947)
Health		(532,447)	(552,725)
Education and Welfare		(1,239,410)	(1,238,245)
Community Amenities		(6,477,755)	(6,433,350)
Recreation and Culture		(10,374,645)	(10,215,378)
Transport		(15,403,385)	(15,666,622)
Economic Services		(1,567,639)	(1,594,611)
Other Property and Services		(392,280)	(132,336)
		(40,295,027)	(40,228,393)
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
Depreciation on Assets		11,226,465	11,818,000
Capital Expenditure and Revenue			
Purchase Plant, Equipment and Infrastructure		(18,278,232)	(84,185,505)
Capital Grants and Contributions		9,285,694	75,242,287
Proceeds from Disposals of Assets	20	467,050	142,000
Repayments of Loans		(5,887,897)	(5,887,897)
Proceeds from New Loans		4,800,000	4,800,000
Self-Supporting Loan Principal Income		46,543	46,317
Transfers to Reserves (Restricted Assets)	12	(5,834,712)	(1,708,620)
Transfers from Reserves (Restricted Assets)	12	7,667,967	4,018,514
		(7,733,587)	(7,532,904)
ADD Estimated Surplus/(Deficit) July 1 B/Fwd			
LESS Estimated Surplus/(Deficit) June 30 C/Fwd			
Amount Required to be Raised from Rates	23	(21,575,584)	(21,346,462)

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 2010

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

b) The Local Government Reporting Entity

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

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

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

c) Goods and Services Tax

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

d) Cash and Cash Equivalents

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

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (...continued)

e) Trade and Other Receivables

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

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

f) Inventories

General

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

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

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

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

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

g) Fixed Assets

Initial Recognition

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

Revaluation

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

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (...continued)

Land under Roads

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

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

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

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

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

h) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets. Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	50 to 100 years
Furniture and Equipment	10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and major re-surfacing - bituminous seal	20 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths – slab	40 years

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (...continued)

i) Investments and Other Financial Assets

Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired.

Classification (Cont.)

Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to maturity, re-evaluates this designation at each reporting date.

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

Recognition and Derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (...continued)

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

j) Estimation of Fair Value

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

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

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

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

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (...continued)

k) Impairment

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

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

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

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

l) Trade and Other Payables

Trade and other payables are carried at cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

m) Employee Benefits

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

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

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

ii) Long Service Leave (Long-term Benefits)

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (...continued)

n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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.

o) Provisions

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

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

p) Leases

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

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

q) Joint Venture

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (...continued)

r) Rates, Grants, Donations and Other Contributions

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

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

s) Superannuation

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

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

t) Current and Non-Current Classification

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

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

u) Rounding Off Figures

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

v) Comparative Figures

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

w) Budget Comparative Figures

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (...continued)

x) New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2010.

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9– Financial Instruments	Dec 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
ii) AASB 124– Related Party Disclosures	Dec 2009	01 January 2011	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.
iii) AASB 2009-5 - Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	May 2009	01 January 2010	Nil – The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.
iv) AASB 2009-8 - Amendments to Australian Accounting Standards – Group Cash – Settled Share-based Payment Transactions [AASB 2]	July 2009	01 January 2010	Nil - The Council will not have applicable transactions.
v) AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	Dec 2009	01 January 2011	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.
(vi) AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	Dec 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (ii) above).
(vii) AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]	Dec 2009	01 July 2010	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (...continued)

Title and Topic	Issued	Applicable (*)	Impact
AASB 2010- 1 Amendment to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosure for First-time Adopters [AASB 1 & AASB 7]	Feb 2010	01 July 2010	
AASB 2009- 10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB132]	Oct 2009	01 February 2010	
Interpretation 19– Extinguishing Financial Liabilities with Equity Instruments	Dec 2009	01 July 2010	

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

y) Adoption of New and Revised Accounting Standards

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

The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the Council.

AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Council's financial statements.

Disclosure Impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required owner changes in equity and other comprehensive income to be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either a single statement, the statement of comprehensive income, or two statements,

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (...continued)

a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Council has adopted the single statement approach and the financial statements now contain a statement of comprehensive income.

Other Comprehensive Income – The revised version of AASB 101 introduces the concept of ‘other comprehensive income’ which comprises income and expenses not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

2. REVENUES AND EXPENSES

(a) Net Result

The Net Result includes:

<i>(i) Charging as an Expense:</i>	2010	2009
	\$	\$
Significant Expense		
General Purpose Funding	(116,275)	(193,144)
This significant expense relates to the reduction in the fair value of the City's investments (refer to Note 4 for further details).		
Auditors Remuneration		
- Audit	26,648	29,448
- Other Services	4,972	5,470
Depreciation		
Buildings	1,070,326	1,057,164
Furniture and Equipment	820,987	776,128
Plant and Equipment	1,274,847	1,312,863
Infrastructure	8,060,305	7,568,245
	11,226,465	10,714,400
Interest Expenses (Finance Costs)		
Debentures (<i>refer Note 22(a)</i>)	1,180,372	1,322,148
	1,180,372	1,322,148

<i>(ii) Crediting as Revenue:</i>	2010	2010 Budget	2009
	\$	\$	\$
Interest Earnings			
Investments			
- Reserve Funds	153,861	57,200	0
- Other Funds	515,556	400,000	568,056
Other Interest Revenue (<i>refer note 25</i>)	235,236	188,000	199,824
	904,653	645,200	767,880

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

2. REVENUES 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.

General Purpose Funding

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

Governance

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

Law, Order & Public Safety

Fire prevention/fighting, WA Fire Brigades Levy, contributions to local brigades, Animal control, general ranger duties to ensure public safety.

Health

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

Education and Welfare

Pre-school, Day Care Centre operations, Senior Citizens centre and Community Development Officer expenditure.

Community Amenities

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

Recreation & Culture

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

Transport

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

Economic Services

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

Other Property & Services

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

2. REVENUES AND EXPENSES (...continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 01-Jul-2008 \$	Received ⁽²⁾ 2008/09 \$	Expended ⁽³⁾ 2008/09 \$	Closing Balance ⁽¹⁾ 30-Jun-09 \$	Received ⁽²⁾ 2009/10 \$	Expended ⁽³⁾ 2009/10 \$	Closing Balance ⁽¹⁾ 30-Jun-10 \$
Grants for Community Activities (Recreation and Culture)		160,069	32,618	(130,069)	62,618	71,215	(58,073)	75,760
Grants for Capital Activities		463,825	1,764,783	(463,825)	1,764,783	2,689,492	(1,764,783)	2,689,492
Total		623,894	1,797,401	(593,894)	1,827,401	2,760,707	(1,822,856)	2,765,252

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 2010

3. CASH AND CASH EQUIVALENTS

	2010 \$	2009 \$
Unrestricted		
Municipal Fund	2,445,735	477,330
Restricted		
Restricted Cash	1,488,688	1,987,438
Reserve Funds -Cash	5,725,809	7,360,046
Reserve Funds - Fixed Term Investment	1,054,480	1,170,755
	10,714,712	10,995,569

4. INVESTMENTS

	2010 \$	2009 \$
Financial assets at fair value through profit or loss	1,054,480	1,170,755
Financial assets at fair value through profit or loss		
At beginning of the year	1,170,755	4,246,363
Revaluation to Income Statement	(116,275)	(678,320)
Additions	0	0
Disposals	0	(2,397,288)
At end of the year	1,054,480	1,170,755
Held for trading		
- FRNs	0	0
- CDOs	1,054,480	1,170,755
- Managed Funds		
	1,054,480	1,170,755

- (a) The values for these securities are provided a third party who in turn source values from a number of market providers and participants. The third party, and therefore the City, is unable to verify the accuracy of the information. Valuation of these securities in the current market environment is difficult due to the absence of liquid markets for the securities.
- (b) In adopting the 2009-10 Budget, Council resolved to return Reserves to full cash backing by changing the purpose of certain reserves and applying the amounts to losses incurred on financial assets. The change of purpose is detailed in Note 12. The above investments are cash backed against reserves.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

5. TRADE & OTHER RECEIVABLES

	2010	2009
	\$	\$
Current		
Rates & Charges Outstanding	931,227	455,634
Trade Debtors	2,136,455	1,218,872
Prepaid Expenses	75,492	34,458
Other Accrued Income	255,593	1,157,092
Loans-Clubs & Institutions	29,276	46,769
GST Receivable		
	3,428,043	2,912,825
Non-Current		
Rates Outstanding Pensioners	320,923	292,616
Loans - Clubs, Institutions	77,272	106,322
	398,195	398,938

6. INVENTORIES

	2010	2009
	\$	\$
Current		
Construction Materials	996,081	973,139
History Books	19,977	21,600
Other	67,650	38,799
	1,083,708	1,033,538
Assets Classified as Held for Sale - Cost		
Cost of Acquisition	77,500	0
Development Costs	3,445,983	0
	3,523,483	0

7. PROPERTY, PLANT & EQUIPMENT

	2010	2009
	\$	\$
Land	8,186,433	8,057,833
	8,186,433	8,057,833
Paintings @ Council Valuation	326,610	326,610
Buildings	51,674,682	50,981,620
Less: Accumulated Depreciation	(10,739,372)	(9,669,047)
	40,935,310	41,312,573

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

7. PROPERTY, PLANT & EQUIPMENT (...continued)

	2010	2009
	\$	\$
Furniture & Fittings	8,522,564	8,093,197
Less: Accumulated Depreciation	(6,124,120)	(5,303,133)
	2,398,444	2,790,064
Plant & Equipment	16,386,529	15,513,421
Less: Accumulated Depreciation	(8,489,619)	(7,571,086)
	7,896,910	7,942,335
Total Property, Plant & Equipment	59,743,707	60,429,415
Work In Progress yet to be classified	8,290,693	7,471,621
Total Property, Plant & Equipment and Work in Progress	68,034,400	67,901,036

Movements in Carrying Amounts

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

	Land & Buildings	Paintings	Furniture & Equipment	Plant & Equipment	Work in Progress	Total
	\$	\$	\$	\$	\$	\$
Balance as at 1 st July 2009	49,370,406	326,610	2,790,064	7,942,335	7,471,621	67,901,036
Additions	821,662		429,367	1,720,204	819,072	3,790,305
(Disposals)				(490,782)		(490,782)
Revaluations – Increments (Decrements)						
Impairment – (Losses) Reversals						
Depreciation (expense)	(1,070,325)		(820,987)	(1,274,847)		(3,166,159)
Balance as at 30th June 2010	49,121,743	326,610	2,398,444	7,896,910	8,290,693	68,034,400

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

8. INFRASTRUCTURE

	2010	2009
	\$	\$
Roads - Cost	203,730,254	196,944,765
Less Accumulated Depreciation	(70,263,788)	(64,974,419)
	133,466,466	131,970,346
Footpaths - Cost	5,573,384	4,349,427
Less Accumulated Depreciation	(1,994,321)	(1,793,389)
	3,579,063	2,556,038
Drainage - Cost	17,573,366	16,819,079
Less: Accumulated Depreciation	(8,855,583)	(8,494,799)
	8,717,783	8,324,280
Other - Cost	57,512,381	55,382,428
Less: Accumulated Depreciation	(14,394,074)	(12,184,853)
	43,118,307	43,197,575
Total Infrastructure Cost	284,389,385	273,495,699
Less: Accumulated Depreciation	(95,507,766)	(87,447,460)
Total Infrastructure	188,881,619	186,048,239

Movements in Carrying Amounts

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

	Roads	Footpaths	Drainage	Other	Total
	\$	\$	\$	\$	\$
Balance as at 1 st July 2009	131,970,346	2,556,038	8,324,280	43,197,575	186,048,239
Additions	6,785,489	1,223,957	754,287	2,129,953	10,893,686
(Disposals)					
Revaluations – Increments (Decrements)					
Impairment – (Losses) Reversals					
Depreciation (expense)	(5,289,369)	(200,932)	(360,784)	(2,209,221)	(8,060,306)
Balance as at 30th June 2010	133,466,466	3,579,063	8,717,783	43,118,307	188,881,619

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

9. TRADE AND OTHER PAYABLES

	2010 \$	2009 \$
Current		
Sundry Accruals	1,047,082	402,173
Creditors	4,780,512	2,422,545
Prepaid Rates	198,775	205,475
Provision - Gravel Pit regeneration	255,158	280,767
Income received in advance	279,198	195,486
Accrued Wages	46,995	540,490
Accrued Interest	48,446	143,856
	6,656,166	4,190,792

10. LONG-TERM BORROWINGS

	2010 \$	2009 \$
Current		
Current Loans		
Secured by Floating Charge		
Debentures	2,532,106	5,887,897
Lease Liability		
Non-Current		
Non-Current Loans		
Secured by Floating Charge		
Debentures	18,264,569	15,996,675
Lease Liability		
	20,796,675	21,884,572

Additional detail on borrowings is provided in Note 22.

11. EMPLOYEE PROVISIONS

	2010 \$	2009 \$
Current		
Provision for Annual Leave	911,800	910,003
Provision for Long Service Leave	1,334,016	1,113,125
	2,245,816	2,023,128
Non-Current		
Provision for Long Service Leave	364,845	259,838

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

12. REVERVES

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash and restricted investments in Note 3 and Note 4 to this financial report.

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

<u>Airport Reserve</u> <i>To facilitate the future development and improvements at the Albany Airport.</i>	2010 \$	2010 Budget \$	2009 \$
Opening Balance	502,817	674,561	667,479
Transferred from Accumulation	317,748	309,706	(1,380)
Transferred to Accumulation	0	(101,086)	(163,282)
Closing Balance	820,565	883,181	502,817
<u>ALAC – Future Development Reserve</u> <i>To facilitate the development, redevelopment of future improvements at the Albany Leisure & Aquatic Centre.</i>			
Opening Balance	87,289	87,289	384,181
Transferred from Accumulation	2,921	0	0
Transferred to Accumulation	0	0	(296,892)
Change of Purpose	(90,210)	(87,289)	0
Closing Balance	0	0	87,289
<u>ALAC Synthetic Surface "Carpet" Reserve</u> <i>To provide a replacement of the synthetic surface "carpet"</i>			
Opening Balance	85,928	96,434	81,691
Transferred from Accumulation	9,238	30,150	4,237
Transferred to Accumulation	0	0	0
Closing Balance	95,166	126,584	85,928
<u>Albany Classic Barriers</u> <i>To provide funding for the roadside barriers for the Albany Classic Event.</i>			
Opening Balance	49,313	15,843	15,843
Transferred from Accumulation	1,615	0	33,470
Transferred to Accumulation	(10,293)	0	0
Change of Purpose	0	(15,843)	0
Closing Balance	40,635	0	49,313

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

12. REVERVES (...continued)

<u>Amity Improvements Reserve</u> <i>To facilitate maintenance and development works of the Big Amity.</i>	2010 \$	2010 Budget \$	2009 \$
Opening Balance	17,752	17,752	17,752
Transferred from Accumulation	594	0	0
Transferred to Accumulation	0	0	0
Change of Purpose	(18,346)	(17,752)	
Closing Balance	0	0	17,752
<u>Anzac Centenary</u> <i>To provide funding for the Anzac Centenary</i>			
Opening Balance	70,877	70,877	60,877
Transferred from Accumulation	12,631	11800	10,000
Transferred to Accumulation	0	0	0
Closing Balance	83,508	82,677	70,877
<u>Bayonet Head Infrastructure Reserve</u> <i>To hold owner funding for infrastructure items and works within the Bayonet Head Outline Development Plan Area.</i>			
Opening Balance	49,678	49,678	49,678
Transferred from Accumulation	1,654	1,200	0
Transferred to Accumulation	0	0	0
Closing Balance	51,332	50,878	49,678
<u>Car Parking Reserve</u> <i>To provide for the acquisition of land, the development of land for car parking within the Central Business District.</i>			
Opening Balance	236,554	236,554	236,554
Transferred from Accumulation	7,907	0	0
Transferred to Accumulation	0	0	0
Change of Purpose	(194,469)	(236,554)	0
Closing Balance	49,992	0	236,554
<u>Concert / Cultural Reserve</u> <i>To facilitate and enhance the development of Concert and Cultural facilities.</i>			
Opening Balance	0	0	380,280
Transferred from Accumulation	0	0	0
Transferred to Accumulation	0	0	(380,280)
Closing Balance	0	0	0

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

12. REVERVES (...continued)

Council Publications Reserve <i>To provide for reprinting of Council Publications.</i>	2010 \$	2010 Budget \$	2009 \$
Opening Balance	8,916	8,916	8,916
Transferred from Accumulation	298	0	0
Transferred to Accumulation	0	(8,916)	0
Change of Purpose	(9,214)	0	0
Closing Balance	0	0	8,916
Economic Development Reserve <i>To facilitate the funding of economic development issues.</i>			
Opening Balance	0	0	1,908
Transferred from Accumulation	0	0	0
Transferred to Accumulation	0	0	(1,908)
Closing Balance	0	0	0
Emu Point Boat Pens Development Reserve <i>To provide for the development/redevelopment of the Emu Point Boat Pens.</i>			
Opening Balance	124,895	124,287	87,890
Transferred from Accumulation	85,787	44,800	37,005
Transferred to Accumulation	0	0	0
Closing Balance	210,682	169,087	124,895
Long Service Leave & Gratuities Reserve <i>To provide for long service leave payments and lump sum and special payments to employees on retirement, resignation & termination.</i>			
Opening Balance	210,717	312,144	464,771
Transferred from Accumulation	6,073	0	61,600
Transferred to Accumulation	(4,864)	(25,000)	(315,654)
Change of Purpose	(211,926)	(287,144)	0
Closing Balance	0	0	210,717
Lost and Damaged Stock Reserve <i>To provide for replacement of lost or damaged library stocks.</i>			
Opening Balance	12,031	12,031	12,031
Transferred from Accumulation	402	0	0
Transferred to Accumulation	0	0	0
Change of Purpose	(12,433)	(12,031)	0
Closing Balance	0	0	12,031

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

12. REVERVES (...continued)

<u>Masterplan Funding Reserve</u> <i>To provide for funding of asset masterplans</i>	2010 \$	2010 Budget \$	2009 \$
Opening Balance	654,247	861,813	1,473,967
Transferred from Accumulation	15,226	18,000	145,000
Transferred to Accumulation	(315,000)	(422,780)	(964,720)
Closing Balance	354,473	457,033	654,247
<u>Parks Development Reserve</u> <i>To provide for the development/enhancement of parks and park facilities.</i>			
Opening Balance	66,544	66,544	59,691
Transferred from Accumulation	2,216	0	6,853
Transferred to Accumulation	0	(66,544)	0
Closing Balance	68,760	0	66,544
<u>Parks, Recreation Grounds & Open Space Reserve</u> <i>For the purchase of land for parks, recreation grounds</i>			
Opening Balance	390,240	390,240	179,810
Transferred from Accumulation	45,556	9,200	282,230
Transferred to Accumulation	0	0	(71,800)
Closing Balance	435,796	399,440	390,240
<u>Plant Replacement Reserve</u> <i>To provide for the future replacement of plant, and reduce dependency on loans for this purpose.</i>			
Opening Balance	86,193	20,856	108,138
Transferred from Accumulation	858,491	925,956	1,076,931
Transferred to Accumulation	(658,000)	(658,000)	(1,098,876)
Closing Balance	286,684	288,812	86,193
<u>Property Acquisition-Traffic Management Reserve</u> <i>To facilitate traffic management through the strategic acquisition of land.</i>			
Opening Balance	350,960	350,960	350,960
Transferred from Accumulation	11,743	0	0
Transferred to Accumulation	0	0	0
Change of Purpose	(362,703)	(350,960)	0
Closing Balance	0	0	350,960

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

12. REVERVES (...continued)

Refuse Depot Reserve <i>To facilitate the rehabilitation, redevelopment and development of refuse sites.</i>	2010 \$	2010 Budget \$	2009 \$
Opening Balance	679,513	616,882	968,733
Transferred from Accumulation	266,843	357,808	75,000
Transferred to Accumulation	(785,000)	(785,000)	(364,220)
Closing Balance	161,356	189,690	679,513
Roadworks Reserve <i>To facilitate roadworks</i>			
Opening Balance	620,331	620,331	870,331
Transferred from Accumulation	83,024	0	0
Transferred to Accumulation	0	0	(250,000)
Change of Purpose	(569,783)	(620,331)	0
Closing Balance	133,572	0	620,331
SBS Equipment Reserve <i>To provide for necessary maintenance, or replacement</i>			
Opening Balance	4,618	4,618	4,618
Transferred from Accumulation	154	0	0
Transferred to Accumulation	0	0	0
Change of Purpose	(4,772)	(4,618)	0
Closing Balance	0	0	4,618
Software Enhancement Reserve <i>To provide for future software development</i>			
Opening Balance	54,004	54,004	54,004
Transferred from Accumulation	1,807	0	0
Transferred to Accumulation	0	0	0
Change of Purpose	(55,811)	(54,004)	0
Closing Balance	0	0	54,004
Planning Reserve <i>Carry over committed funds from prior years</i>			
Opening Balance	5,783,728	2,134,428	5,774,401
Transferred from Accumulation	4,098,853	0	5,783,725
Transferred to Accumulation	(5,894,810)	(2,134,428)	(5,774,398)
Closing Balance	3,987,771	0	5,783,728
Town Jetty Replacement Reserve <i>To facilitate the replacement of part of the Town Jetty as required in the license.</i>			
Opening Balance	80,609	80,609	330,609
Transferred from Accumulation	2,697	0	0
Transferred to Accumulation	0	0	(250,000)
Change of Purpose	(83,306)	(80,609)	0
Closing Balance	0	0	80,609

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

12. REVERVES (...continued)

Tyre Disposal Reserve <i>To facilitate the disposal of tyres deposited on Council Land</i>	2010 \$	2010 Budget \$	2009 \$
Opening Balance	23,285	23,285	23,285
Transferred from Accumulation	779	0	0
Transferred to Accumulation	0	0	0
Change of Purpose	(24,064)	(23,285)	0
Closing Balance	0	0	23,285
VAC Reserve <i>To facilitate future development at the Vancouver Arts Centre</i>			
Opening Balance	13,566	13,566	13,566
Transferred from Accumulation	454	0	0
Transferred to Accumulation	0	0	0
Change of Purpose	(14,020)	(13,566)	0
Closing Balance	0	0	13,566
Total			
Opening Balance	10,264,605	6,944,503	12,681,964
Transferred from Accumulation	5,834,711	1,708,620	7,514,671
Transferred to Accumulation	(7,667,967)	(4,018,514)	(9,932,030)
Change of Purpose	(1,651,060)	(1,987,226)	0
Closing Balance	6,780,289	2,647,383	10,264,605
Represented by:			
Cash and Cash Equivalent (Note 3)	5,725,809	2,647,383	7,360,046
Financial Assets (Note 4)	1,054,480	0	1,170,755
Cash shortfall - (Note 4 (b))	0	0	1,733,804
	6,780,289	2,647,383	10,264,605

13. RESERVES – ASSET REVALUATION

	2010 \$	2009 \$
Asset revaluation reserves movement :		
Opening Balance	18,774,634	18,774,634
Revaluation Increment		
Revaluation Decrement		
Closing Balance	18,774,634	18,774,634

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

14. NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of Cash

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

	2010	2009
	\$	\$
Cash and Cash Equivalents	10,714,712	10,995,569
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result		
Net Result	(3,492,878)	(3,703,483)
Depreciation	11,226,465	10,714,400
Provision for Doubtful Debts	1,409	0
(Increase)/Decrease in Receivables	(527,472)	(1,024,745)
(Increase)/Decrease in Inventories	(50,170)	(233,298)
(Increase)/Decrease in Payables	2,923,916	718,695
(Increase)/Decrease in Employee Provisions	(165,801)	432,636
Consolidation of Trust Controlled Transactions	(513,209)	152,393
Net Cash from Operating Activities	9,402,260	7,056,598
(c) Undrawn Borrowing Facilities Credit Standby Arrangements		
Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	50,000	50,000
Credit Card Balance at Balance Date	(2,143)	(6,892)
Total Amount of Credit Unused	47,857	43,108
Loan Facilities		
Loan Facilities – Current	2,532,106	5,887,897
Loan Facilities - Non-Current	18,264,569	15,996,675
Total Facilities in Use at Balance Date	20,796,675	21,884,572
Unused Loan Facilities at Balance Date	47,857	43,108

15. CONTINGENT LIABILITIES

A legal claim by the former CEO, if successful, will be covered by insurance except for an excess amount of \$12,500.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

16. CAPITAL AND LEASING COMMITMENTS

c) Capital Expenditure Commitments	2010	2009
	\$	\$
Contracted for:		
- capital expenditure projects	3,089,884	3,903,552
- plant & equipment purchases	0	618,000
Payable:		
- not later than one year	3,089,884	4,521,552
The capital expenditure projects outstanding at the end of the current reporting period represents:		
Albany Entertainment Centre	0	1,000,000
Cull Road Subdivision	0	1,514,984
Anzac Peace Park	0	1,388,568
ALAC Stage 2	3,024,087	0
Lower Denmark Road Reconstruction	65,797	0

17. JOINT VENTURE

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

	2010	2009
	\$	\$
Non-Current Assets		
Plant & Equipment	350,982	350,982
Less: Accumulated Depreciation	(99,957)	(92,937)
	251,025	258,045
Revenue		
Joint Venture Income	(4,821)	(7,708)

18. TRUST FUNDS

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

	Balance	Amounts	Amounts	Balance
	1 July 2009	Received	Paid	30 June
	\$	\$	\$	2010
				\$
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	3,777	0	2,500	1,277
Commission Sales-Town Hall	22,054	0	22,054	0
	62,984	0	24,554	38,430

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2010	2009
	\$	\$
Governance	7,506,170	7,958,037
Law, Order, Public Safety	1,873,972	1,996,674
Health	202,180	202,180
Education and Welfare	194,428	204,003
Community Amenities	18,050,084	17,099,706
Recreation and Culture	44,129,083	43,363,338
Transport	176,245,673	174,906,526
Economic Services	5,238,956	5,250,687
Other Property and Services	10,835,927	11,276,248
Unallocated	13,523,297	9,202,247
	277,799,770	271,459,646

20. DISPOSALS OF ASSETS - 2009-10 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	490,782	174,000	467,050	142,000	(23,732)	(32,000)

21. FINANCIAL RATIOS

	2010	2009	2008
Current Ratio	117.4%	73.7%	70.6%
Untied Cash to Unpaid Trade Creditors Ratio	51.2%	19.7%	37.6%
Debt Ratio	11.3%	11.2%	11.9%
Debt Service Ratio	7.5%	11.1%	6.6%
Gross Debt to Revenue Ratio	56.9%	63.2%	80.3%
Gross Debt to Economically Realisable Assets Ratio	25.9%	26.2%	30.4%
Rate Coverage Ratio	63.3%	58.5%	61.6%
Outstanding Rates Ratio	5.4%	3.7%	3.5%

When carryovers (unspent Budgeted amounts that are transferred to Reserves at the end of the financial year and returned as funding in the following financial year) are added for the purposes of the calculation of the Untied Cash to Unpaid Trade Creditors Ratio, the ratio equates to 139%, indicating that there is sufficient cash to pay creditors.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

21. FINANCIAL RATIOS (...continued)

The above ratios are calculated as follows:

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

22. INFORMATION ON BORROWINGS

(a) Loan Repayments

Particulars	Principal 1/07/2009 \$	New Loans \$	Principal Repayments		Principal 30/06/2010		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Saleyards Loan	424,373		26,919	26,919	397,454	397,454	28,038	28,038
Depot Construction	28,051		28,051	28,051	0	0	1,065	425
PR Sailing Club - Principal Balance *	16,393		16,393	16,393	0	0	628	628
Computer Upgrade	98,059		47,712	47,712	50,347	50,347	4,169	4,169
Plant Purchases 2000-2001	110,317		53,676	53,676	56,641	56,641	4,690	4,690
Jetty	37,413		18,158	18,158	19,255	19,255	1,738	1,738
Liquid Waste Project	210,582		20,412	20,412	190,170	190,170	14,561	14,440
Dive Ship	263,227		25,515	25,515	237,712	237,712	18,049	18,049
Plant	181,942		56,606	56,606	125,336	125,336	11,495	11,495
Airport-Loan 145 Renegotiated	39,841		12,395	12,395	27,446	27,446	2,661	2,517
Library Development	424,014		37,647	37,647	386,367	386,367	22,260	22,382
Recreation	142,031		12,611	12,611	129,420	129,420	7,497	7,497
Waste Management	139,952		12,426	12,426	127,526	127,526	7,387	7,387
Plant Purchases	73,335		73,335	73,335	0	0	2,513	2,513
Roadworks - Asset Upgrade	1,613,549		70,208	70,208	1,543,341	1,543,341	114,933	114,933
Roadworks - Asset Upgrade	1,500,000		1,500,000	1,500,000	0	0	79,122	79,122
Roadworks – Refinanced	0	1,500,000			1,500,000	1,500,000	0	0
Roadworks - 03/04	682,918		27,768	27,768	655,150	655,150	44,750	44,750
Plant - 03/04	231,107		112,055	112,055	119,052	119,052	12,479	12,479
Admin Building 1	1,003,487		39,329	39,329	964,158	964,158	58,339	58,339
LGSHA (2) - Principal Balance *	59,546		18,759	18,759	40,787	40,787	3,149	3,149
Roadworks - 04/05	1,769,443		69,348	69,348	1,700,095	1,700,095	103,523	103,523
Asset Masterplan	3,443,664		177,043	177,043	3,266,621	3,266,621	218,359	218,359

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

22. INFORMATION ON BORROWINGS (...continued)

(a) Loan Repayments (...continued)

Particulars			Principal Repayments		Principal 30/06/2010		Interest Repayments	
	Principal 1/07/2009 \$	Re-financed Loans \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
ALAC Redevelopment	2,394,750		74,237	74,237	2,320,513	2,320,513	153,297	153,297
ALAC Redevelopment	2,196,578		57,294	57,294	2,139,284	2,139,284	155,870	155,870
Subdivision Funding	3,300,000		3,300,000	3,300,000	0	0	223,156	314,090
Subdivision Funding	0	3,300,000	0	0	3,300,000	3,300,000	0	0
Admin Building 2 A	1,500,000		0	0	1,500,000	1,500,000	109,800	109,800
Total	21,884,572	4,800,000	5,887,897	5,887,897	20,796,675	20,796,675	1,403,528	1,493,679

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

b) Re-financed Debentures - 2009/10

Particulars/Purpose	Amount Borrowed		Institu tion	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Roadworks	1,500,000	1,500,000	WATC	Interest Only	1	78,000	5.33	1,500,000	1,500,000	0
Subdivision Funding	3,300,000	3,300,000	WATC	Interest Only	2	351,780	5.20	3,300,000	3,300,000	0

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

23. RATING INFORMATION - 2009-10 FINANCIAL YEAR

	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Total Revenue \$
RATE TYPE							
General Rate							
GRV Occupied	10.2632	13,058	165,277,745	17,308,030		17,308,030	17,308,030
GRV Vacant	5.2551	1,050	18,924,445	1,048,671		1,048,671	1,048,671
UV	0.2614	1,364	652,484,042	2,167,087		2,167,087	2,167,087
Sub-Totals		15,472	836,686,232	20,523,788		20,523,788	20,523,788
Minimum Rates							
GRV Occupied	580	164	790,611	95,120		95,120	95,120
GRV Vacant	580	1,209	9,351,178	701,220	419,659	1,120,879	878,854
UV	580	165	20,266,245	95,700		95,700	95,700
Sub-Totals		1,538	30,408,034	892,040	419,659	1,311,699	1,069,674
Total							
					Discount	(259,903)	(247,000)
					Total Rates Raised	21,575,584	21,346,462
					Ex Gratia Rates	59,776	62,000
					Total Made up From Rates	21,635,360	21,408,462

24. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2009/10 FINANCIAL YEAR

	Type	Disc %	Total	Budget
Rates	Discount	2%	259,903	247,000
Rate Assessment	Write-Off		646	0

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

25. INTEREST CHARGES AND INSTALMENTS – 2009/10

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		108,071	68,000
Interest on Instalments Plan	5.50%		90,791	90,000
ESL Penalty Interest	11.00%		5,999	0
Instalment Charges		3.00	30,375	30,000
			235,236	188,000

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

25. INTEREST CHARGES AND INSTALMENTS – 2009/10 (...continued)

In accordance with Section 6.45 (1) Local Government Act 1995, ratepayers had the option of paying rates in four equal instalments, due on 16th September 2009, 16th November 2009, 15th January 2010 and 16th March 2010. Administration charges and interest applied for the final three instalments.

26. FEES & CHARGES

	2010	2009
	\$	\$
Governance		
General Purpose Funding		
Law, Order, Public Safety	92,185	85,626
Health	7,203	42,517
Education and Welfare	720,876	727,393
Community Amenities	1,615,230	1,696,924
Recreation and Culture	2,250,530	2,184,452
Transport	1,019,925	1,034,058
Economic Services	701,559	746,001
Other Property and Services	684,328	759,192
	7,091,836	7,276,163

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

27. SERVICE CHARGES – 2009/10

	2010	2009
	\$	\$
Community Amenities	3,011,136	2,698,198

The service charge is for the provision of refuse removal services.
The proceeds of the service charge are applied to the costs of providing the service.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

28. GRANT REVENUE

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

	2010 \$	2009 \$
By Nature and Type:		
Operating Grants and Subsidies	3,424,202	4,051,358
Non-Operating Grants and Subsidies	5,876,907	6,497,507
	9,301,109	10,548,865
By Program:		
Governance	3,148,384	3,806,983
General Purpose Funding	0	0
Law, Order, Public Safety	11,200	0
Education and Welfare	58,208	26,545
Community Amenities	88,534	1,585,547
Recreation and Culture	1,581,556	1,807,904
Transport	4,358,227	3,268,477
Economic Services	20,000	53,409
Other Property and Services	35,000	0
	9,301,109	10,548,865

29. EMPLOYEE NUMBERS

	2010	2009
The number of full-time equivalent employees at balance date	250	251

30. COUNCILLORS' REMUNERATION

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

	2010 \$	2010 Budget \$	2009 \$
Mayor Fees	14,000	14,000	14,000
Mayor Allowances	14,400	14,400	14,400
Deputy Mayor Fees	7,000	7,000	7,000
Deputy Mayor Allowances	5,400	5,400	5,400
Councillors Fees	70,000	77,000	70,000
Councillors Allowances	22,482	26,400	23,257
Other expenses	12,667	20,000	8,779
	145,949	164,200	142,836

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

31. EMPLOYEES' REMUNERATION

Set out below, in bands of \$10,000, is the number of employees of the City entitled to an annual salary of \$100,000 or more as at 30 June 2010.

Salary Range \$	2010	2009
100,000 - 109,999	3	
110,000 - 119,999		2
120,000 - 129,999		
130,000 - 139,999	2	
140,000 - 149,999		1
150,000 - 159,999		
160,000 - 169,999		
170,000 - 179,999	1	
200,000 - 209,000		
250,000 - 259,000	1	1

32. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2009/10 financial year.

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2009/10 financial year.

34. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

34. FINANCIAL RISK MANAGEMENT (...continued)

	Carrying Value		Fair Value	
	2010 \$	2009 \$	2010 \$	2009 \$
Financial Assets				
Cash and cash equivalents	9,660,231	9,824,814	9,660,231	9,824,815
Receivables	3,428,043	2,912,825	3,428,043	2,912,825
Financial assets at fair value through profit or loss	1,054,480	1,170,755	1,054,480	1,170,755
Available-for-sale financial assets				
Held-to-maturity investments				
	14,142,754	13,908,394	14,142,754	13,908,395
Financial Liabilities				
Payables	6,656,166	4,190,793	6,656,166	4,190,793
Borrowings	20,796,675	21,884,572	20,796,675	21,884,572
	27,452,841	26,075,365	27,452,841	26,075,365

Fair value is determined as follows:

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

(a) Cash and Cash Equivalents

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

The major risk associated with investments is price risk – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by

factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

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

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

34. FINANCIAL RISK MANAGEMENT (...continued)

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

	30-Jun-10 \$	30-Jun-09 \$
Impact of a 10% ⁽¹⁾ movement in price of investments:		
- Equity	105,480	117,076
- Income Statement ⁽²⁾	105,480	117,076
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	155,700	148,803
- Income Statement	155,700	148,803

Notes:

(1) Sensitivity percentages based on management's expectation of future possible market movements. Recent market volatility has seen large market movements for certain types of investments.

(2) Maximum impact.

b) Receivables

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

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

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

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

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

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

	30-Jun-10	30-Jun-09
Percentage of Rates and Annual Charges		
- Current	74%	61%
- Overdue	26%	39%
Percentage of Other Receivables		
- Current	97%	96%
- Overdue	3%	4%

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

34. FINANCIAL RISK MANAGEMENT (...continued)

c) Payables and Borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total Contractual Cash flows \$	Carrying values \$
2010					
Payables	6,656,166	0	0	6,656,166	6,656,166
Borrowings	3,824,311	13,188,566	12,246,705	29,259,582	20,796,675
	10,480,477	13,188,566	12,246,705	35,915,748	27,452,841
2009					
Payables	4,190,793	0	0	4,190,793	4,190,793
Borrowings	7,301,518	8,600,632	15,432,499	31,334,649	21,884,572
	11,492,311	8,600,632	15,432,499	35,525,442	26,075,365

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

34. FINANCIAL RISK MANAGEMENT (...continued)

(d) Interest Rate Risk

The City's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities recognised at balance date are as follows:

	Floating Interest Rate		Fixed Interest Rate Maturing In:						Non Interest Bearing		Total Carrying Amount		Weighted Average Effective Interest Rate %	
			< 1 Year		>1<2 Years		>5 Years						2010	2009
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
FINANCIAL ASSETS														
Cash and Cash Equivalents	9,660,231	9,824,814									9,660,231	9,824,814	4.51%	5.58%
Trade and Other Receivables									3,826,237	3,311,763	3,826,237	3,311,763	N/A	N/A
Financial Assets - Other	1,054,480	1,170,755									1,054,480	1,170,755	5.79%	7.88%
Total Financial Assets	10,714,711	10,995,569							3,826,237	3,311,763	14,540,948	14,307,332		
FINANCIAL LIABILITIES														
Debentures			1,834,071	7,301,518	5,581,318	476,896	21,844,193	16,489,897			29,259,582	24,268,311	6.32%	6.46%
Trade and Other Payables									6,656,166	4,190,793	6,656,166	4,190,793	N/A	N/A
Total Financial Liabilities			1,834,071	7,301,518	5,581,318	476,896	21,844,193	16,489,897	6,656,166	4,190,793	35,915,748	28,459,104		



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

Report on the Financial Report

We have audited the accompanying financial report of the City of Albany ("City"), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statements of changes in equity, and statements of cash flows for the year ended 30 June 2010, a summary of significant accounting policies and other explanatory notes, and the Statement by the Chief Executive Officer.

Councils' responsibility for the financial report

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

Auditor's responsibility

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

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

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

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

Independence

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

Basis for Qualified Auditor's Opinion

Financial Assets

Since July 2007, global financial markets have experienced a period of high volatility led by events in the US housing markets, particularly sub prime loans, which has impacted the value, recoverability, liquidity, cash flows and rates of return of many financial assets including Collateralised Debt Obligations (CDO's) and certain other Managed Funds.

At 30 June 2010, the City of Albany held CDO's with Corporate Reference Entities totalling \$1,054,480. These CDO's are classified as being held to maturity.

As many of these securities do not have market values that are independently quoted and are not widely traded, there is insufficient external evidence to ascertain whether principal and interest amounts for these securities which are held to maturity will be fully recovered. These circumstances have resulted in our inability to obtain sufficient appropriate audit evidence to satisfy ourselves as to the fair value and recoverability of \$1,054,480 of the City's CDO's.

Qualified Auditor's opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the recoverable amount of the CDO financial assets and the allocation of any impairment in the value of these financial assets to the statement of comprehensive income, the financial report:

- (i) gives a true and fair view of the City of Albany's financial position as at 30 June 2010 and of its performance for the financial year ended 30 June 2010,
- (ii) complies with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (iii) are prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under that Act.

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Statutory Compliance

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

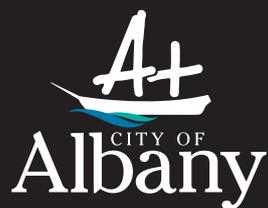
Grant Thornton Audit Pty Ltd

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P. Warr

P W Warr
Director – Audit & Assurance

Perth, 17 November 2010



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