



***Annual Report***  
**2005-2006**

Keep Australia Beautiful Council

### **Letter of Transmittal**

In accordance with section 66 of the Financial Administration and Audit Act 1985, I hereby submit for your information and presentation to Parliament the Annual Report of the Keep Australia Beautiful Council WA for the twelve months ending 30 June 2006.

The Annual Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.



Mel Hay  
CHAIRPERSON

**Vision**

*To strive for a litter-free Western Australia.*

**Mission**

*To help reduce litter and littering in WA through the development and implementation of effective policy, education and enforcement initiatives.*

**Values**

- **Customer Focus** - *We are committed to providing excellent service to our customers.*
- **Innovation** - *We initiate changes to enhance our performance.*
- **People** - *We value teamwork, integrity and effort.*
- **Resources** - *We aim to maximise the use of the resources invested in us.*
- **Performance** - *We strive to achieve high results on a continuous basis.*
- **Quality** - *We work hard to achieve quality exceeding expectations.*

## **Chairman's Overview**

In late 2005 I was privileged to be asked by the then Minister for the Environment, Dr Judy Edwards, to accept the appointment as Chair of the Keep Australia Beautiful Council (KABC).

Reducing littering in Western Australia is certainly a challenge, however my many years policing experience will certainly help me with my new responsibilities and I am confident that with the support of my fellow Councillors and also the staff of the KABC we will succeed.

Chairing the Litter Prevention Taskforce has also given me a valuable insight into littering and helped me develop my network.

I wish to acknowledge the many years dedicated service given to KABC by the previous Chair, Mr Trevor Wright. Trevor's leadership of KABC and his commitment to a litter-free Western Australia has helped enormously in the fight against littering .

I know that Trevor will join me in thanking the Council members and also the Litter Prevention Taskforce members for their valuable contributions during the preceding year.

During 2005/06 the Keep Australia Beautiful Council (WA) continued to work closely with key stakeholders including other Government agencies, Local Governments, the education sector, the business community, non-government organisations and the community and also our colleagues at the National KAB and the KABs of other States and Territories.

Western Australia now has a comprehensive Litter Prevention Strategy which provides clear direction and specific actions that as they are implemented with our partners, will result in reduced littering.

KABC has also increased its focus on illegal dumping which appears to be escalating in many parts of Western Australia. Funding has been secured to employ two dedicated investigators who have been working closely with Local Governments and other key stakeholders including charity organisations who are facing increasing costs as a result of unwanted materials being dumped around or in their bins.

I am extremely pleased to report on the very valuable contributions made during 2005/06 towards a litter-free Western Australia by the dedicated staff of KABC (WA), my fellow Council members, the Litter Prevention Taskforce members, our project partners and the many community members who are involved in Council's programs.

Mel Hay  
Chairman  
Keep Australia Beautiful Council (WA)

## Authority

The Keep Australia Beautiful Council (WA) was established in May 1980 following the proclamation of the *Litter Act 1979*. The Act established a body corporate with perpetual succession and provided a constitution and proceedings for the Council in the First and Second Schedules.

Fifteen people from business, community and government, conservation, consumer and workplace interests form the Council. The Keep Australia Beautiful Council (WA) reports to the Minister for the Environment.

## Statement of Compliance

Keep Australia Beautiful Council (WA) has complied with public sector standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and the Keep Australia Beautiful Council's own Code of Conduct and the requirements of the Financial Administration and Audit Act 1985.

KABC (WA) has exercised controls providing reasonable assurance that the receipt and expenditure of moneys and the incurring of liabilities have been in accordance with the legislative provisions.

KABC (WA) is not aware of any circumstances which would render the particulars included in this statement misleading or inaccurate.

## Compliance Report

KABC (WA) is an equal opportunity employer.

No claims for job related injuries were received during the reporting period.

No Freedom of Information requests were received during the reporting period.

The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

Number lodged	Nil
Number of breaches found	Nil
Number still under review	Nil

The Council adopted a Risk Management Program in September 1994. This program is monitored to ensure that the program addresses adequately Council's exposure to risk.

## Committees and other bodies

The Council continued the Litter Prevention Task Force in 2005 / 06 to oversee and guide the continued development and subsequent implementation of the State-wide Litter prevention Strategy.

**Council Meetings**

The number of meetings of the Council and number of meetings attended by each member during the 12 months ended 30 June 2005 are as follows:

NO. OF MEETINGS HELD: 11

(June 06, May 06, April 06, Mar 06, Feb 06, Dec 05, Nov 05, Oct 05 Sept 05, Aug 05, July 05)

**Member**

Mr T Wright (Chair) (2005)	6
Mr Mel Hay (Chair) (2006)	5
Ms V Scott ( Deputy Chair)	9
Mr J Anderton	9
Mr J Munn	3
Ms M Buckland	5
Ms G Keating	9
Ms A Braithwaite	7
Mr G Williams	2
Mr C Williams	2
Ms C Gick	3
Mr N Munslow-Davies	9
Mr A Chua (Deputy)	2
Mr D Medley (Deputy)	1
Mr O Crosthwaite (Deputy )	1
Mr G Pittaway	4
Mr J Young	1
Mr B Rogers	2
Mr N Husbands (Deputy)	2

**Relationship with the Department of Environment**

In 2001 the Machinery of Government Task Force recommended that the Keep Australia Beautiful Council (WA) be merged with the Department of Environment and the Water and Rivers Commission to form the Department of Environment. Cabinet decreed that Council will change its status to Advisory Committee from a Statutory Authority.

The legislative changes required to effect these decisions are currently still being drafted, however all of the Council's administrative requirements are now provided by the new Department of Environment and Conservation (DEC). Council has also adopted all of the DEC's administrative policies, however Council remains a separate legal entity and therefore requires separate accounting and reporting.

Council has established a very close working relationship with the DEC, particularly with the DoE's Waste Management and Community Education branches.

**Customer Services Charter**

A Customer Services Charter was established in 1995. The KABC (WA) surveys members of the public to determine the extent to which its programs meet their needs. This feedback assists the KABC (WA) to assess the success of the programs and allows for our customers needs and expectations to be met.

**Language Service Outcomes**

The KABC (WA) has acknowledged the requirement to meet the needs of our customers, especially those of a non-English speaking background and endeavors to meet their special needs.

**KABC (WA) Organisational Structure at 30 June 2006**

**Minister for Environment, Racing and Gaming**  
**The Hon M McGowan MLA**

**Keep Australia Beautiful Council**

**Chairman: Mr Mel Hay**

*Ms Virginia Scott*

*Mr J Anderton*

*Mr J Munn*

*Ms M Buckland*

*Ms G Keating*

*Ms A Braithwaite*

*Mr N Munslow-*

*Davies*

*Mr G Bennett*

*Mr G Williams*

*Ms C Gick*

*Mr C Williams*

*Not represented*

*Unions WA*

*Manufacturers cans*

**Manager, Community  
 Education Section,  
 DEC**  
 Greg Allen

**Manager, KABC Programs**  
 Jennie Anderton

*Litter Policy*  
 Susie Waller

*Tidy Towns  
 Program*  
 Biddy Myres  
 Lauren Holst  
 Sherilee  
 Macready  
 Amy Thom  
 Cathy Gossel

*Environment  
 Awards  
 Program*  
 Joanne King  
 Ceased Mar  
 06

*Illegal  
 Dumping*  
 Geoff Fulford

*Enforcement  
 Officer*  
 Val Miller  
 Tarnya Fowler



## Corporate Partners and Sponsors

The KABC (WA) wishes to acknowledge the following Corporate Partners. Without the support from these organisations KABC (WA) would not have been able to provide the important programs detailed in this Annual Report.

- Publishers National Environment Bureau
- Beverage Industry Environment Council
- Main Roads WA
- Western Australian Newspaper Holdings
- Waste Management Board of WA
- Sustainable Energy Development Office
- ChevronTexaco
- The Swan River Trust
- Whiteman Park
- Hyatt Regency Perth
- AHG Holdings

KABC (WA) looks forward to continuing its strong working relationship with its Corporate Partners.

## LITTER PREVENTION PROGRAMS

### 1. Litter Prevention Strategy for Western Australia

*Objective: to finalise and begin implementation of the Litter Prevention Strategy for Western Australia.*

During 2005-06 the Western Australian Litter Prevention Taskforce finalised the development of a *Litter Prevention Strategy for Western Australia*.

The Taskforce released a draft Strategy for a two-month consultation period during September – November and reviewed the submissions, incorporating recommendations into the final document where appropriate. The final Strategy was released by the Minister for the Environment, Mr Mark McGowan, on April 15.

The three-year Strategy sets out a framework for effective litter and illegal dumping prevention and management, and provides strategic direction for the combined and consistent efforts of community, industry and government throughout the State.

The Strategy details 26 objectives and 66 actions under seven key areas of priority: auditing and evaluation; policy and legislation; education, information and training; enforcement; physical intervention; incentives; and stakeholder responsibility.

The Taskforce commenced implementation of the following Strategy actions during the 2005-06 period:

- Assessment of the Keep Australia Beautiful National Litter Index
- Review of the *WA Litter Act 1979*

- Participating in the container deposit systems Stakeholder Advisory Group
- Participating in the development of the State used tyre strategy
- Development of a schools litter education campaign
- Appointment of an Illegal Dumping Enforcement Officer
- Authorisation of enforcement officers under the Litter Act
- Appointment of a State Litter Coordinator

## 2. Tidy Towns Sustainable Communities Program

**Objective:** *To foster and encourage community action in rural towns to protect their natural and built environs.*

The Keep Australia Beautiful Council, through Tidy Towns, encourages communities to embrace the concepts of sustainability and rewards their efforts through the annual Tidy Towns awards. It is one of the Western Australian Government's key programs for community development and environmental action in WA and it continues to be an icon for travelers across Western Australia.

The Tidy Town Program Manager and the Department's regional staff have continued to work closely to ensure that Tidy Towns Committees have access to relevant and current environmental information.

Tidy Towns had a substantial increase in entrants in 2005, with eighty two towns entering the program. As usual, it was very difficult to select Regional winners and the overall State winner because of the high quality of each entrant. As a result a Special Commendation was awarded by the State Judging Panel to the Kambalda Cans Cans Tidy Towns Committee. The newly formed group achieved amazing improvements to the town throughout 2004/05.

### STATE WINNER 2005

Collie was selected as the State winner because of the outstanding work undertaken by the local community. The people of Collie addressed key social, environmental and cultural concerns of importance to their community. Schools, community groups, local businesses, industry, and hundreds of individuals worked on many projects and new innovations, including river restoration, weed eradication, 'recycling' grass trees and the collection of ring pulls for prosthetic limbs and mobile phones for reuse. Environmental education programs are embraced by Collie's schools resulting in young people in becoming involved in environmental and cultural projects throughout the town.

Collie represented Western Australia at the National Tidy Towns Awards and was announced as the **2006 National Tidy Towns Winner**, in addition to the national title Collie also took home the Community Action award. This is a fantastic achievement for the South West town. The Tidy Towns program staff, in conjunction with other Department staff will continue to promote this great accomplishment throughout 2006.

### REGIONAL WINNERS 2005

Each of the forty five towns judged were outstanding examples of communities working hard to sustain the environmental, economic and social fabric of their towns. Each year the judges find it very difficult to select only one town as the regional winner and regularly comment on the high quality of the work and broad scope undertaken by the communities.

The Regional winners for Tidy Towns 2005 were:

Kimberley Regional Winner	Bidyadanga Community
Pilbara Regional Winner	Tom Price
Gascoyne Regional Winner	Exmouth
Goldfields and Experance Regional Winner	Kambalda
Wheatbelt Regional Winner	Goomalling
Mid West Regional Winner	Dandaragan
South West Regional Winner	Collie
Peel Regional Winner	Cuballing
Great Southern Regional Winner	Albany

### 3. WA Environment Awards

**Objective:** *To publicly acknowledge the environmental protection achievements of Western Australian organisations and individuals.*

The WA Environment Awards are a combination of the State 3R Awards, KABC (WA)'s Perth Environment Awards and Perth's Best Beaches and the Energy Awards (SEDO). Winners are automatically entered in the prestigious Australian Banksia Awards. Five WA Environment Awards winners were selected as finalists in the 2005 Banksia Awards. Two were awarded the prestigious Banksia Award.

Sixty organisations and individuals entered the WA Environment Awards across 12 categories in 2005. Projects ranged from restoring degraded foreshores to providing clean and green public transport. The quality of submissions was very impressive and demonstrated a passion and dedication for our environment.

The 2005 Winners and Finalists were:

#### OVERALL WINNER:

Custom Composts – This business took on the challenge to improve environmental management in an intensive piggery. Their approach included composting solid organic waste as well as managing significant volumes of liquid waste and old sludge in settling ponds.

Thousands of tonnes of organic materials from a wide range of sources are composted by Custom Composts each year.

**CATEGORY WINNERS:**

Individual Award	Bob Goodale – Naragebup
Community Achievement	Naragebup Rockingham Regional Environment Council
Corporate Business Leading by Example	BP Refinery Kwinana
Small Business Leading by Example	Custom Composts
Government Leading by Example	Rottnest Island Authority
Bush, Land and Waterways	Whiteman Park
Coastal and Marine	Shire of Chapman Valley
Waste Management/Minimisation	South West Regional College of TAFE
Air Quality	BP Refinery Kwinana
Water Conservation and Management	Harvey Irrigation Systems Project
Eco Building, Infrastructure or Services Award	City of Subiaco
Promoting Behaviour Change	Landcare Solutions

**4. Rural Roadside Litter Removal**

**Objective:** To encourage community organisations to participate in the removal of roadside litter in rural areas.

During the financial year the KABC (WA) provided approximately 153,600 car litter bags and 73,800 large litter bags, either free or below cost, to Tidy Towns' Committees, other voluntary or community groups and Local Governments. The provision of litter bags helps keep Western Australia's roadsides litter free.

**5. Enforcement**

**Objective:** To deter littering through the application of appropriate penalties.

KABC produced two publications for Enforcement in 2005, one on information about fines for littering and illegal dumping and another on reporting litterers, with an attached registration form. These have been distributed to all Local Governments and other relevant agencies.

The registered Litter Reporter's database was also reviewed and all reporters were asked to re-register to update the system. All reporters have been allocated new numbers and a new database has been developed.

Due to the new Ranger software system and better procedures for infringement management KABC (WA) increased the number of infringements processed in 2005. KABC also joined the Fines Enforcement Registry which recovers unpaid fines which assisted in better recovering of payments.

During 2005/06 3723 infringement notices were issued, an increase of 1097 over 2004/05. A total of \$163,660 was collected for infringements notices issued, an increase of \$69,107.

## **6. Cleanup Australia Day**

***Objective:** To promote the impact of littering and encourage community volunteers to participate in the clean up of specific sites.*

KABC continued their strong partnership with the Cleanup Australia Day Foundation and managed Cleanup Australia Day in Western Australia in 2006.

Cleanup Australia Day 2006 was again well supported with over 10,000 community volunteers cleaning up throughout Western Australia. Many Local Governments also participated by coordinating sites, providing additional resources and by collecting full litter bags.

## **7. Clean Sites Program**

***Objective:** To promote the use of effective litter management, pollution management and waste minimisation strategies by the building and construction industry.*

In 2005/06 KABC (WA) cancelled the Clean Sites Program because of the over-heated housing market and the lack of regulatory and policy context within which to work. Excess funds were returned to sponsors.

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (WA)**

**CERTIFICATION OF PERFORMANCE INDICATORS  
FOR THE YEAR ENDED 30 JUNE 2006**

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Keep Australia Beautiful Council performance, and fairly represent the performance of the Keep Australia Beautiful Council for financial year ended 30 June 2006.

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**P. PAROLO**  
Principal Accounting Officer  
Date:

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**M. Hay**  
Chair  
Date:

## **Key Effectiveness Indicators – Keep Australia Beautiful Council.**

The Keep Australia Beautiful Council (KABC) WA is a Statutory Authority appointed under the Litter Act 1979. The Council includes a part-time Chairman and fourteen members who are appointed by the Minister for the Environment.

### **1. KABC OUTCOME STATEMENT:**

- *to help reduce litter and littering in Western Australia*

The KABC (WA) utilises a number of strategies to assist with the reduction of littering throughout Western Australia. These strategies include Policy Development, Education and Enforcement which have proven to be effective in reducing negative anti-social behaviours such as speeding, illicit drug use and graffiti.

### **2. EFFECTIVENESS INDICATOR**

The KABC (WA) through the National Keep Australia Beautiful Association obtained funding for twice yearly litter audits at 150 sites throughout Western Australia. The first Audit was completed in September 2005 and the second in May 2006. The results of the audit are available on the KABC's website [www.kabc.wa.gov.au](http://www.kabc.wa.gov.au)

The Commonwealth Government has agreed to fund a second National Litter Audit in 2007 which will allow KABC (WA) in the future to make comparisons between the 2006 and 2007 audits and make an assessment of the effectiveness of its litter reduction programs.

In the meantime the KABC (WA) has again used the number of infringements issued as its Effectiveness Indicator as the imposition of penalties is a well-proven strategy to reduce negative behaviours. Please refer to Table 1.

#### **2.1 Penalties for littering**

Part IV of the Litter Act (WA) 1979 establishes that 'any person who deposits litter, or causes litter to be deposited on any land or any waters (unless exempt by clauses (a) to (d)) commits an offence. The Litter Act and Regulations prescribes penalties for specific offences, the issue of infringement notices to offenders and for the appointment of Authorised officers to assist with the enforcement of the Litter Act. Penalties for littering were increased in 2003/04.

KABC (WA) has recruited Volunteer Litter Reporters who are encouraged to report to KABC (WA) people who throw litter from their vehicles. KABC (WA) subsequently issues infringement notices to offenders using the information supplied by the Volunteer Litter Reporters. The information supplied by the reporters is validated by the Department of Planning and Infrastructure prior to issue of an infringement notice.

## 2.2 The number of infringements issued each year for littering.

Table 1 provides details of infringements issued for 2005/06 and also the previous four financial years.

The significant increase in the number of infringement notices issued resulted from the increase in litter reporters and also a decision by Council to forward to the Fines Enforcement Registry for recovery action which has significantly increased the payment rate of infringement notices.

	01/07/05 - 30/06/06	01/07/04 - 30/06/05	01/07/03 - 30/06/04	01/07/02 - 30/06/03	01/07/01 - 30/06/02
Infringement Notices Issued	3173	2626	1540	831	462
Warnings Issued	Nil	205	586	199	175
Reports not proceeded with	257	393	500	70	52
Number of reports submitted	3430	3224	2626	1,100	689
<b>Revenue Collected</b>	<b>\$164,335</b>	<b>\$94,553</b>	<b>\$42,070</b>	<b>\$20,260</b>	<b>\$9,065</b>

Table 1: Infringement issued 2005/06

## 3. EFFICIENCY INDICATORS

The KABC (WA) has developed an Efficiency Indicator for each of each of its three strategies ie Enforcement, Policy Development and Education.

### 3.1 Enforcement

#### Target:

The KABC (WA) seeks to increase the number of infringements issued for littering each year (refer to Table 1).

The total KABC cost for managing litter infringements was \$68,184 (04/05: \$65,336). The KABC cost per litter infringement issued was \$21.48 (04/05 \$24.88).



### **3.2 Policy development.**

#### **(a) Cost of policy development.**

The full cost of Policy Development for 05/06 was \$336,409 (04/05: \$426,123).

#### **(b) Cost of WA Environment Awards**

##### **Target:**

The KABC (WA) seeks to increase the number and quality of entries in the WA Environment Awards each year.

In 2005/06 Environment Awards 60 submissions were received. In 2004/05, 88 entries were received.

The total cost of the program was \$126,746 (04/05 \$173,437). The cost per entrant was \$2,112 (04/05 \$1,970).

### **3.3 Education Programs**

##### **Target:**

To increase the number of rural communities participating in the Tidy towns program each year.

#### **Cost of Tidy Towns**

In 2005/06, 45 regional communities participated in the Tidy Towns program. In 2004/05, 55 regional communities participated.

The cost of the program for 2005/06 was \$149,194 (04/05 \$102,608). The cost per participating town was \$3,315 (04/05 \$1,866).

Our Ref:  
Your Ref:

Date: 11 August 2006

Mr D D R Pearson  
Auditor General  
Office of the Auditor General  
4th Floor, Dumas House  
2 Havelock Street  
WEST PERTH WA 6005

Dear Mr Pearson

REPRESENTATION LETTER IN RESPECT OF KEEP AUSTRALIA BEAUTIFUL COUNCIL ("THE COUNCIL") FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2006

We submit the following representation for the year ended 30 June 2006 after making appropriate enquiries and according to the best of our knowledge and belief. This representation covers all material items in each of the categories listed below.

**1. GENERAL**

- (a) The financial statements and performance indicators are drawn up in accordance with the Financial Administration and Audit Act 1985, Treasurer's Instructions, applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
- (b) You have been notified of any material and contentious methods used in the presentation of the financial statements and performance indicators.
- (c) We believe we have established and maintained adequate internal controls to facilitate the preparation of reliable financial statements and performance indicators.
- (d) All financial records and related data have been made available for inspection. All material transactions have been properly recorded in the accounting records underlying the financial statements and performance indicators.

- (e) All internal audit reports and reports resulting from other management reviews, including legal issues and legal opinions which have the capacity to be relevant to the control environment and the fair presentation of the financial statements and performance indicators, including, where relevant, minutes of meetings, have been brought to your attention and made available to you.
- (f) There have been no major or significant:
  - violations or possible violations of laws or regulations, the effects of which should be considered for disclosure in the financial statements or as a basis for recording a contingent loss; or
  - communications from regulatory authorities concerning non-compliance with, or deficiencies in, financial reporting practices.
- (g) There have been no changes in accounting policies or application of those policies that would have a material effect on the financial statements.

## **2. CONTINGENT LIABILITIES**

There were no contingent liabilities as at year end that need to be disclosed in the Notes to the financial statements.

## **3. COMMITMENTS**

Other than those commitments reported in the Notes to the financial statements, there were no significant commitments carrying over at year end.

## **4. REMUNERATION OF THE BOARD OF DIRECTORS AND SENIOR OFFICERS**

We confirm the Board of Directors and senior officers of the Council have not received any other money, consideration or benefit (except amounts being reimbursements for out of pocket expenses) which has not been included in the remuneration disclosed in the financial statements.

## **5. EVENTS OCCURRING AFTER REPORTING DATE**

There were no matters or occurrences that have come to our attention up to the present time, which would materially affect the financial statements or disclosures therein or which are likely to materially affect the future results or operations of the Council.

## **6. INTERNAL CONTROLS**

- (a) We acknowledge our responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error.

(b) We have maintained proper accounts and records of all the transactions and affairs of the Council and have adequate procedures to ensure all moneys received are properly brought to account, all payments are correctly made and properly authorised, and that adequate control is maintained over public property and other property of or in the custody of the Council and over the incurring of liabilities by the Council.

(c) No frauds or suspected frauds have occurred to the knowledge of management of the Council.

## **7. PERFORMANCE INDICATORS**

We have reviewed the disclosures made for key performance indicators of effectiveness and efficiency and consider the indicators reported to be relevant and appropriate for assisting users to assess the Council performance and the information disclosed to fairly represent the indicated performance for the year ended 30 June 2006.

## **8. INSURANCE**

We confirm that best practice risk management techniques are used and the assistance of appointed consultants is arranged in assessing insurable risk and in managing the Council's insurance portfolio. In our judgment, all reasonable commercial considerations are included in arriving at insurable risk. To the best of our knowledge and belief the Council's assets are securely covered by appropriate insurances.

## **9. RISK MANAGEMENT**

We acknowledge our responsibility to identify the risks the Council is exposed to and to measure, assess and develop a prioritised action plan. We confirm that we have established, maintained, operated and demonstrated an appropriate framework of business controls, to cover all our operational, technical, commercial, financial and administrative activities.

## **10. RELATED PARTIES**

All related parties and related party transactions have been completely and adequately recorded and disclosed to your office.

## **11. ELECTRONIC PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS AND AUDIT OPINIONS**

(a) We acknowledge that we are responsible for the electronic presentation of the financial statements and performance indicators.

- (b) We will ensure that the electronic version of the audited financial statements and performance indicators, and the audit opinions presented on the web site are the same as the final signed versions of the audited financial statements and performance indicators, and the audit opinions.
- (c) We have clearly differentiated between audited and unaudited information in the construction of the Council's web site and understand the risk of potential misrepresentation in the absence of appropriate controls.
- (d) We have assessed the security controls over audited financial and performance indicators and the audit opinion and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.
- (e) We will ensure that where the audit opinions on the financial statements and performance indicators are provided on the web site, the financial statements and performance indicators are also provided in full.

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**Chairman****Date**

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**Principal Accounting Officer****Date**

## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

#### **KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.) FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2006**

##### **Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Keep Australia Beautiful Council (W.A.) at 30 June 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions;
- (ii) the controls exercised by the Council provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key effectiveness and efficiency performance indicators of the Council are relevant and appropriate to help users assess the Council's performance and fairly represent the indicated performance for the year ended 30 June 2006.

##### **Scope**

The Council is responsible for keeping proper accounts and maintaining adequate systems of internal control, for preparing the financial statements and performance indicators, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and the Notes to the Financial Statements.

The performance indicators consist of key indicators of effectiveness and efficiency.

##### **Summary of my Role**

As required by the Act, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".


An audit does not guarantee that every amount and disclosure in the financial statements and performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and performance indicators.

**D D R PEARSON**  
AUDITOR GENERAL  
25 September 2006

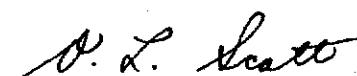
**CERTIFICATION OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

The accompanying financial statements of the Keep Australia Beautiful Council (W.A.) have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2006 and the financial position as at 30 June 2006.

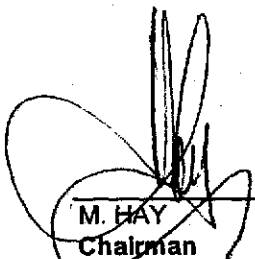
At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



**P. PAROLO**  
**Chief Finance Officer**  
11 August 2006



**V. SCOTT**  
**Deputy Chairperson**  
11 August 2006



**M. HAY**  
**Chairman**  
11 August 2006

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	4	417,335	347,732
Supplies and services	5	221,803	219,861
Depreciation expense	6	1,111	2,673
Grants and subsidies	7	30,491	10,600
Loss on disposal of non-current assets	12	5,574	-
Other expenses	8	16,720	19,815
<b>Total cost of services</b>		<b>693,034</b>	<b>600,681</b>
<b>Income</b>			
<b>Revenue</b>			
User charges and fees	9	326,843	324,539
Interest revenue	10	17,346	8,249
Other revenue	11	751	5,617
<b>Total Revenue</b>		<b>344,940</b>	<b>338,405</b>
<b>Gains</b>			
Gain on disposal of non-current assets	12	-	335
<b>Total Gains</b>		<b>-</b>	<b>335</b>
<b>Total income other than income from State Government</b>		<b>344,940</b>	<b>338,740</b>
<b>NET COST OF SERVICES</b>		<b>348,094</b>	<b>261,941</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
State government grant	13	341,000	271,000
<b>Total income from State Government</b>		<b>341,000</b>	<b>271,000</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(7,094)</b>	<b>9,059</b>

See also note 30 'Schedule of Income and Expenses by Service'.

The Income Statement should be read in conjunction with the accompanying notes.



**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**BALANCE SHEET**  
**AS AT 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	20	139,579	210,119
Receivables <sup>(a)</sup>	14	82,517	16,382
<b>Total Current Assets</b>		<b>222,096</b>	<b>226,501</b>
<b>Non Current Assets</b>			
Plant, equipment and vehicles	15	2,394	5,868
<b>Total Non Current Assets</b>		<b>2,394</b>	<b>5,868</b>
<b>TOTAL ASSETS</b>		<b>224,490</b>	<b>232,369</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Provisions	17	25,755	20,326
Other liabilities	18	18,029	23,921
<b>Total Current Liabilities</b>		<b>43,784</b>	<b>44,247</b>
<b>Non-Current Liabilities</b>			
Provisions	17	9,288	9,610
<b>Total Non-Current Liabilities</b>		<b>9,288</b>	<b>9,610</b>
<b>Total Liabilities</b>		<b>53,072</b>	<b>53,857</b>
<b>NET ASSETS</b>		<b>171,418</b>	<b>178,512</b>
<b>Equity</b>			
Accumulated surplus	19	171,418	178,512
<b>TOTAL EQUITY</b>		<b>171,418</b>	<b>178,512</b>

<sup>(a)</sup> In accordance with AASB 1,36A and Treasurer's Instruction 1101 the recognition, measurement and disclosure of line items accounted for under AASB 139 will remain on the existing AGAAP basis as at the date of transition on 1 July 2004 and for the comparative period ending 30 June 2005. The date of transition date for these items will be 1 July 2005.

The Balance Sheet should be read in conjunction with the accompanying notes.

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>Balance of equity at start of period</b>	19	178,512	169,453
<b>ACCUMULATED SURPLUS</b>			
Balance at start of period	19	178,512	169,453
Net adjustment on transition to AIFRS		-	-
Change in accounting policy or correction of prior period errors		-	-
Restated balance at start of period		<u>178,512</u>	<u>169,453</u>
Surplus/(deficit) for the period		<u>(7,094)</u>	<u>9,059</u>
Balance at end of period		<u>171,418</u>	<u>178,512</u>
<b>Balance of equity at end of period</b>		<u>171,418</u>	<u>178,512</u>
Total income and expense for the period <sup>(a)</sup>		(7,094)	9,059

<sup>(a)</sup> The aggregate net amount attributable to each category of equity is: deficiency \$7,094 (2005: surplus \$9,059).

The Statement of Changes in Equity should be read in conjunction with the following notes.

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 Inflows (Outflows)	2005 Inflows (Outflows)
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Grant from State Government		271,000	271,000
Net cash provided by State Government		<u>271,000</u>	<u>271,000</u>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(424,999)	(348,889)
Supplies and services		(212,008)	(240,330)
Grants and subsidies		(30,491)	-
GST payments on purchases		(26,149)	(26,651)
GST Payments to ATO		(35,973)	-
Other payments		(16,720)	(13,110)
<b>Receipts</b>			
User charges and fees		333,051	363,718
Interest received		16,721	8,466
Other receipts		851	5,617
GST receipts on sales		42,495	23,212
GST receipts from ATO		14,893	(5,091)
Net cash used in operating activities	20(b)	<u>(338,329)</u>	<u>(233,058)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets		-	12,557
Purchase of non-current physical assets		(3,211)	-
Net cash provided by investing activities		<u>(3,211)</u>	<u>12,557</u>
Net decrease in cash held		(70,540)	50,499
Cash assets at the beginning of the financial year		210,119	159,620
<b>CASH ASSETS AT THE END OF THE FINANCIAL YEAR</b>	20(a)	<u><u>139,579</u></u>	<u><u>210,119</u></u>

The Cash Flow Statement should be read in conjunction with the accompanying notes.

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

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**1 FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**General**

This is the Council's first published financial statements prepared under Australian equivalents to International Financial Reporting Standards (AIFRS).

Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' has been applied in preparing these financial statements. Until 30 June 2005, the financial statements of the Council had been prepared under the previous Australian Generally Accepted Accounting Principles (AGAAP).

The Australian Accounting Standards Board (AASB) adopted the Standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005 by issuing AIFRS which comprise a Framework for the preparation and Presentation of Financial Statements, Accounting Standards and the Urgent Issue Group (UIG) Interpretations.

In accordance with the option provided by AASB 1 paragraph 36A and exercised by Treasurer's Instruction 1106 'Transition to Australian equivalents to International Financial Reporting Standards', financial instrument information prepared under AASB 132 and AASB 139 will apply from 1 July 2005 and consequently comparative information for financial instruments is presented on the previous AGAAP basis. All other comparative information is prepared under the AIFRS basis.

**Early adoption of standards**

The Council cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. This TI requires the early adoption of revised AASB 119 'Employee Benefits' as issued in December 2004, AASB 2004-3 'Amendments to Australian Accounting Standards; AASB 2005-3 'Amendments to Australian Accounting Standards [AASB 119]', AASB 2005-4 'Amendments to Australian Accounting Standard [AASB 139, AASB 132, AASB 1, AASB 1023 & AASB 1038]' and AASB 2005-6 'Amendments to Australian Accounting Standards [AASB 3]' to the annual reporting period beginning 1 July 2005. AASB 2005-4 amends AASB 139 'Financial Instruments: Recognition and Measurement' so that the ability to designate financial assets and financial liabilities at fair value is restricted. AASB 2005-6 excludes business combinations involving common control from the scope of AASB 3 'Business Combinations'.

Reconciliations explaining the transition to AIFRS as at 1 July 2004 and 30 June 2005 are provided at **note 31** 'Reconciliations explaining the transition to AIFRS'.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) General Statement**

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

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Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

**(b) Basis of Preparation**

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars rounded to the nearest dollar.

**(c) Reporting Entity**

The reporting entity comprises the Council and entities listed at **note 28** 'Related bodies'.

**(d) Contributed Equity**

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) are designated as contributions by owners and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See **note 19** 'Equity'.

**(e) Income**

***Revenue***

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

***Sale of Goods***

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser.

***Rendering of services***

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion.

***Interest***

Revenue is recognised as the interest accrues.

***Grants from State Government***

Grants from State Government are recognised as revenues at nominal value in the period in which the Council gains control of the appropriated funds, which is at the time those funds are deposited to the bank account or credited to the holding account held at the Department of Treasury and Finance (see **note 13** 'Income from State Government').

***Grants, donations, gifts and other non-reciprocal contributions***

Revenue is recognised at fair value when the Council obtains control over the assets comprising the contributions, usually when cash is received.

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

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 the notes.

**Gains**

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

**(f) Borrowing Costs**

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpected portion of the borrowings. Other borrowing costs are expensed when incurred.

**(g) Property, Plant and Equipment and Infrastructure**

***Capitalisation/Expensing of assets***

Items of property, plant and equipment and infrastructure costing over \$1,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$1,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

***Initial recognition and measurement***

All items of property, plant and equipment and infrastructure are initially recognised at cost.

For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

***Subsequent measurement***

After recognition as an asset, the revaluation model is used for the measurement of land, buildings and infrastructure and the cost model for all other property, plant and equipment. Land, buildings and infrastructure are carried at fair value less accumulated depreciation on buildings and infrastructure and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Where market evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, ie the depreciated replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

The revaluation of land and buildings is provided independently on an annual basis by the Department of Land Information (Valuation Services).

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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Fair value of infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market evidence of value is available. Land under infrastructure is included in land reported under Property, plant and equipment. Independent valuations are obtained every 3 to 5 years.

When infrastructure is revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets. Professional judgement by a valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Refer to note 15 'Property, Plant & Equipment' for further information on revaluations.

**Depreciation**

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Land is not depreciated. Depreciation on other assets is calculated on the straight line basis, using rates which are reviewed annually. Expected useful lives for each class of depreciable asset are:

Buildings	20-80 Years
Plant and equipment	5-20 Years
Furniture and fittings	7-10 Years
Computer equipment and accessories	3-5 Years

**(h) Impairment of Assets**

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Council is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell the depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where the replacement cost is falling. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment at each reporting date irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each reporting date.

See note 16 'Impairment of assets' for the outcome of impairment reviews and testing.

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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**(i) Leases**

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the Council is expected to benefit from their use. Minimum lease payments are allocated between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

The Council has entered into an operating lease arrangement for the rent of plant and equipment where the lessor effectively retains all of the risks and benefits incidental to ownership of the items held under the operating leases. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the plant and equipment.

**(j) Financial Instruments**

**The Council has two categories of financial instrument:**

- Loans and receivables (includes cash and term deposits); and
- Non-trading financial liabilities

Initial recognition and measurement is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

**(k) Cash and Cash Equivalents**

For the purpose of the Cash Flow Statement, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

**(l) Accrued Salaries**

Accrued salaries (see note 18 'Other Liabilities') represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Council considers the carrying amount of accrued salaries to be equivalent to its net fair value.

**(m) Receivables**

Receivables are recognised and carried at original invoice amount less any provision for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Council will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(i) 'Financial Instruments' and note 14 'Receivables'.

**(n) Payables**

Payables are recognised at the amounts payable when the Council becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 2(j) 'Financial Instruments'.



**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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**(o) Provisions**

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance sheet reporting date. See note 17 'Provisions'.

**Employee Benefits**

All employees performing the functions of the Council are employees of either the Department of Environment. Therefore the Council has no liability in relation to employee benefits. Liability for employee entitlements rests with the relevant Department.

The liability for annual and long service leave expected to be settled within 12 months after the end of the reporting date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the reporting date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the reporting date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**Superannuation**

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members.

The Council has no liabilities under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Council to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees who are not members of either the Pension or the GSS Schemes become non contributory members of the West State Superannuation Scheme (WSS), an accumulation scheme. The Council makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. The WSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the WSS Scheme.

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped by the Treasurer for the employer's share.

See also note 2(p) 'Superannuation expense'.

**(ii) Provisions - Other**  
**Employment On-costs**

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Council's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. See note 8 'Other expenses' and note 17 'Provisions'.

**(p) Superannuation Expense**

The following elements are included in calculating a superannuation expense:

(a) Defined benefit plans - Change in the unfunded employer's liability (i.e. current service cost and actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme (GSS); and

(b) Defined contribution plans - Employer contributions paid to the GSS and the West State Superannuation Scheme (WSS).

**(q) Resources Received Free of Charge or for Nominal Consideration**

Resources received free of charge or for nominal value that can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

**(r) Comparative Figures**

Comparative figures have been restated on the AIFRS basis except for financial instruments, which have been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. The transition date to AIFRS for financial instruments is 1 July 2005 in accordance with the exemption allowed under AASB 1, paragraph 36A and Treasurer's Instruction 1101.

**3 DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES**

**Future Impact of Australian Accounting Standards Not Yet Operative**

The Council cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. As referred to in Note 1, TI 1101 has only mandated the early adoption of revised AASB 119, AASB 2004-3, AASB 2005-3, AASB 2005-4 and AASB 2005-6. Consequently, the Council has not applied the following Australian Accounting Standards and UIG Interpretations that have been issued but are not yet effective. These will be applied from their application date:

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

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1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007. The Standard is considered to result in increased disclosures of an entity's risks, enhanced disclosure about components of an financial position and performance, and changes to the way of presenting financial statements, but otherwise there is no financial impact.

2. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an "insurance contract" under AASB 4 'Insurance Contracts' or as a "financial guarantee contract" under AASB 139 'Financial Instruments: Recognition and Measurement'. The Council does not undertake these types of transactions resulting in no financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2006.

3. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease'. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At reporting date, the Council has not entered into any arrangements as specified in the Interpretation resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2006.

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
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**4 EMPLOYEE BENEFITS EXPENSE**

Wages and salaries <sup>(a)</sup>	385,084	323,348
Superannuation-defined contribution plans <sup>(b)</sup>	21,623	22,439
Annual Leave <sup>(c)</sup>	-	2,592
Long Service Leave <sup>(c)</sup>	10,628	(647)
	417,335	347,732

<sup>(a)</sup> Includes the value of the fringe benefit to the employee plus the fringe benefits tax component

<sup>(b)</sup> Defined contribution plans include West State and Gold State

<sup>(c)</sup> Includes a superannuation contribution component

Employment on-costs such as workers' compensation insurance are included at **note 8 'Other Expenses'**. The employment on-costs liability is included at **note 17 Provisions'**.

**5 SUPPLIES AND SERVICES**

Communications	340	2,011
Consultants and contractors	85,813	130,583
Consumables	34,636	17,332
Materials	175	70
Travel	14,846	7,450
Other	85,993	62,415
	221,803	219,861

**6 DEPRECIATION EXPENSE**

Office Fixtures and Fittings	294	1,921
Office Equipment	817	752
	1,111	2,673

**7 GRANTS AND SUBSIDIES**

<u>Recurrent</u>		
Tidy Town Competition	17,991	10,600
Midland Brick	7,500	
Landcorp	5,000	-
	30,491	10,600

**8 OTHER EXPENSES**

Equipment repairs and maintenance	50	181
Insurance	4,731	8,805
Employment On-costs <sup>(a)</sup>	3,039	2,329
Other related expenses <sup>(b)</sup>	8,900	8,500
	16,720	19,815

<sup>(a)</sup> Includes workers compensation insurance and other employment on-costs. The on-costs liability associated with recognition of annual and long service leave liability is included at **note 17 'Provisions'**

<sup>(b)</sup> Includes audit fees of \$8,900 (\$8,500 in 2005)

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
<b>9 USER CHARGES AND FEES</b>		
<u>User Charges</u>		
Recoups from other state government agencies	15,554	47,460
Recoups from private/commercial agencies	-	2,500
Industry grants and levies <sup>(a)</sup>	144,706	177,504
Sale of litter bags	2,248	2,522
	<u>162,508</u>	<u>229,986</u>
 <u>Fees</u>		
Litter infringement notices	164,335	94,553
<b>Total user charges and fees</b>	<u>326,843</u>	<u>324,539</u>
 <sup>(a)</sup> Industry grants and levies		
Beverage Industry Environmental Council	40,000	37,000
BP Refinery Kwinana	-	10,000
Chevron Australia P/L	10,000	-
City of Swan	-	4,545
Department of Premier and Cabinet	-	2,500
Environmental Awards Function	39,706	21,927
IKEA	-	5,000
KAB National Association	-	13,636
Landcorp	5,000	-
Midland Brick	7,500	-
Premier's Water Foundation	-	10,000
Publishers National Environment Bureau	5,000	-
Shire of Kalamunda	-	40,000
Sustainable Energy	7,500	10,000
Waste Management Board	10,000	-
Westen Power	-	2,500
Other	20,000	20,396
	<u>144,706</u>	<u>177,504</u>
 <b>10 INTEREST REVENUE</b>		
Interest Revenue from investments	17,346	8,249
 <b>11 OTHER REVENUE</b>		
Other operating revenue	<u>751</u>	<u>5,617</u>
 <b>12 NET GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS</b>		
<u>Costs of Disposal of Non-Current Assets</u>		
Furniture and fittings	(5,574)	-
Motor vehicles	-	(12,222)
 <u>Proceeds from Disposal of Non-Current Assets</u>		
Motor vehicles	-	12,557
 <b>Net gain/(loss)</b>	<u>(5,574)</u>	<u>335</u>

See also note 15 'Property, plant and equipment'

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$

**13 INCOME FROM STATE GOVERNMENT**

Grant received from the following government agency:

- Department of Environment	341,000	271,000
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**14 RECEIVABLES**

Current

Receivables	76,407	13,970
GST receivable	5,324	2,251
	<u>81,731</u>	<u>16,221</u>

Loans and advances:

Interest receivable on investment	786	161
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Total current	<u>82,517</u>	<u>16,382</u>
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**15 PROPERTY, PLANT AND EQUIPMENT**

Office fixtures and fittings at cost

Accumulated depreciation	-	19,211
	<u>-</u>	<u>(13,343)</u>
	<u>-</u>	<u>5,868</u>

Office equipment at cost

Accumulated depreciation	3,212	15,983
	<u>(818)</u>	<u>(15,983)</u>
	<u>2,394</u>	<u>-</u>

	<u>2,394</u>	<u>5,868</u>
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**Reconciliations**

Reconciliations of the carrying amounts of office equipment, fixtures and fittings at the beginning and end of the current financial year are set out below.

2006	Office Fixtures & Fittings \$	Office Equipment \$	Motor Vehicles \$	Total \$
Carrying amount at start of year	5,868	-	-	5,868
Additions	-	3,211	-	3,211
Disposals <sup>(a)</sup>	(5,574)	-	-	(5,574)
Depreciation	<u>(294)</u>	<u>(817)</u>	<u>-</u>	<u>(1,111)</u>
Carrying amount at end of year	<u>-</u>	<u>2,394</u>	<u>-</u>	<u>2,394</u>

<sup>(a)</sup> Furniture and fittings with a book value of \$5,574 were disposed of during the year.

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

2005	Office Fixtures & Fittings	Office Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Carrying amount at start of year	7,789	752	12,222	20,763
Additions	-	-	-	-
Disposals <sup>(a)</sup>	-	-	(12,222)	(12,222)
Depreciation	(1,921)	(752)	-	(2,673)
Carrying amount at end of year	5,868	-	-	5,868

2006	2005
\$	\$

**16 IMPAIRMENT OF ASSETS**

There were no indications of impairment to property, plant and equipment, infrastructure and intangible assets.

**17 PROVISIONS**

**Current**

**Employee benefits provision**

Annual leave <sup>(a)</sup>	8,349	12,384
Long service leave <sup>(b)</sup>	17,406	5,764

**Other provisions**

Employment on-costs <sup>(c)</sup>	-	2,178
	25,755	20,326

**Non-current**

**Employee benefits provision**

Long service leave <sup>(b)</sup>	9,288	8,580
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**Other provisions**

Employment on-costs <sup>(c)</sup>	-	1,030
	9,288	9,610

<sup>(a)</sup> Annual Leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting date.

<sup>(b)</sup> Long service leave liabilities have been classified as current where there is no unconditional right to settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of reporting date	17,406	5,764
More than 12 months after reporting date	9,288	8,580
	26,694	14,344

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers compensation insurance. The provision is the present value of expected future payments. The associated expense is included under **note 8 'Other expenses'**

**Movements in Other Provisions**

Movements in each class of provisions during the financial year, other than employee benefits are set out below:

Employment on-cost provision		
Carrying amount at start of year	29,936	27,991
Additional provisions recognised	-	1,945
Payment/other sacrifices of economic benefits	(3,242)	-
Carrying amount at end of year	<u>26,694</u>	<u>29,936</u>

**18 OTHER LIABILITIES**

Accrued expenses	13,811	23,921
Accrued salaries	4,218	-
	<u>18,029</u>	<u>23,921</u>

**19 EQUITY**

Equity represents the residual interest in the net assets of the Council. The Government holds the Equity interest in the Council on behalf of the community.

**Accumulated surplus**

Balance at start of year	178,512	169,453
Result for the period	(7,094)	9,059
Balance at end of year	<u>171,418</u>	<u>178,512</u>

**20 NOTES TO THE CASH FLOW STATEMENT**

**(a) Reconciliation of cash**

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Operating account and petty cash	89,184	162,267
Term deposits	<u>50,395</u>	<u>47,852</u>
Cash assets	<u>139,579</u>	<u>210,119</u>

**(b) Reconciliation of net cost of services to net cash flows used in operating activities**

Net cost of services	<u>(348,094)</u>	<u>(261,941)</u>
Non-cash Items:		
Depreciation expense	1,111	2,673
Doubtful debt expense	-	(5,610)
Net (gain)/loss on sale of non-current assets	5,574	(335)
(Increase)/decrease in assets:		
Current receivables	7,563	45,006



**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
Loans and advances	(625)	
Increase/(decrease) in liabilities		
Current provisions	(5,107)	1,945
Current payables	-	5,522
Other current liabilities	5,892	(3,102)
Net GST (payments)/receipts	(3,073)	(8,530)
Change in GST in receivables	(1,570)	(8,686)
<b>Net cash used in operating activities</b>	<b>(338,329)</b>	<b>(231,053)</b>

**21 COMMITMENTS**

Lease commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, are payable as follows:

Within 1 year	2,917	2,917
Later than 1 year and not later than 5 years	5,105	8,022
Later than 5 years	-	-
	<u>8,022</u>	<u>10,939</u>

Representing:

Cancellable operating lease	8,022	10,939
	<u>8,022</u>	<u>10,939</u>

**22 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Council has no contingent liabilities or contingent assets at 30 June 2006.

**23 EVENTS OCCURRING AFTER THE REPORTING DATE**

No events have occurred after reporting date which would materially impact on the financial statements.

**24 EXPLANATORY STATEMENT**

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% and \$10,000.

**(i) Significant variances between estimated and actual results for 2006**

		2006	2006		
		Actual	Estimate	Variance	Variance
	Note	\$	\$	\$	%
<b>Expenses</b>					
Employee benefits expense	(ii)	417,335	379,584	37,751	10%
Supplies and services		221,803	324,649	(102,846)	(32%)
Grants and subsidies		30,491	14,400	16,091	112%
<b>Total cost of services</b>		<b>669,629</b>	<b>718,633</b>	<b>(49,004)</b>	<b>(7%)</b>

**Employee benefits expense**

Additional activities as part of the expanded Tidy Towns Program has resulted in extra employee benefits expenditure.

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**Supplies and services**

Delay in activities for the implementation of the Litter Prevention Strategy has resulted in less expenditure on supplies and services during the year than forecast.

**Grants and subsidies**

The Clean Site Program was discontinued during the year, and grants previously received for this program were refunded to the grant payers. Further, there was additional spending on the expanded Tidy Towns Program.

**(i) Significant variances between actual results for 2005 and 2006**

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% and \$10,000.

	Note	2006 Actual	2005 Actual	Variance	Variance %
<b>Expenses</b>					
Employee benefits expense		417,335	347,732	69,603	20%
Grants and subsidies		30,491	10,600	19,891	188%
<b>Total cost of services</b>		<b>447,826</b>	<b>358,332</b>	<b>89,494</b>	<b>25%</b>
<b>Income</b>					
State government grant		341,000	271,000	70,000	26%
<b>Total income</b>		<b>341,000</b>	<b>271,000</b>	<b>70,000</b>	<b>26%</b>

**Employee benefits expense**

Additional activities as part of the expanded Tidy Towns Program has resulted in extra employee benefits expenditure.

**Grants and subsidies**

The Clean Site Program was discontinued during the year, and grants previously received for this program were refunded to the grant payers. Further, there was additional spending on the expanded Tidy Towns Program.

**State government grant**

Additional grant of \$70,000 provided by the Department of Environment to cover extra program costs related to Tidy Towns, including awards.

**25 FINANCIAL INSTRUMENTS**

**(a) Financial Risk Management Objectives and Policies**

Financial instruments held by the Council are cash and cash equivalents, loans, finance leases, Treasurer's advances and receivables and payables. The Council has limited exposure to financial risks. The Council's overall risk management program focuses on managing the risks identified below.

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**Credit Risk**

The Council trades only with recognised, creditworthy third parties. The Council has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Council's exposure to bad debts is minimal. There is no significant concentration of credit risk.

**Liquidity risk**

The Council has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

**(b) Financial instrument disclosures**

Financial instrument information for the year ended 2005 has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. Financial instrument information from 1 July 2005 has been prepared under AASB 132 'Financial Instruments: Presentation' and AASB 139 'Financial Instruments: Recognition and Measurement'. See also note 2(r) 'Comparative figures'.

The following table details the Council's exposure to interest rate risk as at the reporting date:

2006	Weighted Average Effective Interest Rate %	Variable Interest Rate \$	Fixed Interest Rate Maturities			Non- Interest Bearing \$	Total \$
			1 Year or less \$	1 to 5 years \$	Over 5 years \$		
<b>Financial assets</b>							
Operating account	4.75	88,884	-	-	-	300	89,184
Term deposit	5.55	-	50,395	-	-	-	50,395
Receivables		-	-	-	-	81,731	81,731
		88,884	50,395	-	-	82,031	221,310
<b>Financial liabilities</b>							
Payables		-	-	-	-	18,029	18,029
<b>Net financial assets</b>		<b>88,884</b>	<b>50,395</b>	<b>-</b>	<b>-</b>	<b>64,002</b>	<b>203,281</b>

2005	Weighted Average Effective Interest Rate %	Variable Interest Rate \$	1 Year or less \$	1 to 5 years \$	Over 5 years \$	Non- Interest Bearing \$	Total \$					
<b>Financial assets</b>												
Operating account	4.75	161,967	-	-	-	300	162,267					
Term deposit	5.20	-	47,852	-	-	-	47,852					
Receivables		-	-	-	-	16,221	16,221					
		161,967	47,852	-	-	16,521	226,340					
<b>Financial liabilities</b>												
Payables		-	-	-	-	23,951	23,951					
<b>Net financial assets</b>		<b>161,967</b>	<b>47,852</b>	<b>-</b>	<b>-</b>	<b>(7,430)</b>	<b>202,389</b>					

**Fair Values**

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values.

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$

**26 REMUNERATION OF MEMBERS OF THE COUNCIL AND SENIOR OFFICERS**

Remuneration of members of the Council

The number of members of the Council, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$	2006	2005
0 - 10,000	2	1

The total remuneration of the members of the Council was:

<u>14,005</u>	<u>7,630</u>
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The superannuation included here represents the superannuation expense incurred by the Council in respect of members of the Council. No members of the Council are members of the Pension Scheme.

**27 REMUNERATION OF AUDITOR**

Remuneration to the Auditor General for the financial year is as follows:

Auditing the accounts, financial statements and performance indicators

<u>9,790</u>	<u>8,250</u>
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**28 RELATED BODIES**

The Council does not provide any assistance to other agencies which would deem them to be regarded as related or affiliated bodies under the definitions included in Treasurer's Instruction 951.

**29 SUPPLEMENTARY FINANCIAL INFORMATION**

Write-offs

Receivables

<u>-</u>	<u>66</u>
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**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**30 SCHEDULE OF INCOME AND EXPENSE BY SERVICE**

	Administration		Litter Enforcement		Clean Sites		Tidy Towns		Total
	2006	2005	2006	2005	2006	2005	2006	2005	
	\$	\$	\$	\$	\$	\$	\$	\$	
<b>COST OF SERVICES</b>									
Expenses									
Employee benefits expense	384,155	220,593	-	44,540	-	-	33,180	82,599	347,732
Supplies and services	148,506	182,042	10,184	20,796	5,667	6,614	57,446	10,409	221,803
Depreciation expense	1,111	2,673	-	-	-	-	-	-	1,111
Grants and subsidies	28,923	1,000	-	-	-	-	1,568	9,600	30,491
Loss on disposal of non-current assets	5,574	-	-	-	-	-	-	-	5,574
Other expenses	16,720	19,815	-	-	-	-	-	-	16,720
<b>Total cost of services</b>	<b>584,989</b>	<b>426,123</b>	<b>10,184</b>	<b>65,336</b>	<b>5,667</b>	<b>6,614</b>	<b>92,194</b>	<b>102,608</b>	<b>693,034</b>
									<b>600,681</b>
<b>Income</b>									
<b>Revenue</b>									
User fees and charges	102,647	130,936	166,583	139,098	-	14,545	57,614	39,960	324,539
Interest revenue	17,346	8,249	-	-	-	-	-	-	8,249
Other revenue	751	5,617	-	-	-	-	-	-	751
	<b>120,744</b>	<b>144,802</b>	<b>166,583</b>	<b>139,098</b>	<b>-</b>	<b>14,545</b>	<b>57,614</b>	<b>39,960</b>	<b>338,405</b>
<b>Gains</b>									
Gain on disposals of non-current assets	-	335	-	-	-	-	-	-	335
<b>Total Gains</b>	<b>-</b>	<b>335</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>335</b>
<b>Total income other than income from State Government</b>	<b>120,744</b>	<b>145,137</b>	<b>166,583</b>	<b>139,098</b>	<b>-</b>	<b>14,545</b>	<b>57,614</b>	<b>39,960</b>	<b>338,740</b>
<b>NET COST OF SERVICES</b>	<b>464,245</b>	<b>280,986</b>	<b>(166,399)</b>	<b>(73,762)</b>	<b>5,667</b>	<b>(7,931)</b>	<b>34,580</b>	<b>62,648</b>	<b>261,941</b>
<b>INCOME FROM STATE GOVERNMENT</b>									
State government grant	341,000	271,000	-	-	-	-	-	-	341,000
<b>Total income from State Government</b>	<b>341,000</b>	<b>271,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>271,000</b>
<b>Surplus/(deficit) for the period</b>	<b>(123,245)</b>	<b>(9,986)</b>	<b>156,399</b>	<b>73,762</b>	<b>(5,667)</b>	<b>7,931</b>	<b>(34,580)</b>	<b>(62,648)</b>	<b>9,059</b>

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**31 RECONCILIATIONS EXPLAINING THE TRANSITION TO AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)**

**RECONCILIATION OF EQUITY AT THE DATE OF TRANSITION TO AIFRS: 1 JULY 2004 (AASB 1.39 (a)(i))**

Note	Previous AGAAP 1 July 2004	Adjustments	AIFRS 1 July 2004
	\$	\$	\$

**ASSETS**

**Current Assets**

(1) Cash and cash equivalents	159,620	-	159,620
Receivables	46,368	378	46,746
Other Assets	378	(378)	-
<b>Total Current Assets</b>	<b>206,366</b>	<b>-</b>	<b>206,366</b>

**Non-Current Assets**

Property, plant and equipment	20,763	-	20,763
<b>Total Non-Current Assets</b>	<b>20,763</b>	<b>-</b>	<b>20,763</b>

**TOTAL ASSETS**

	<b>227,129</b>	<b>-</b>	<b>227,129</b>
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**LIABILITIES**

**Current Liabilities**

Payables	17,651	-	17,651
Provisions	17,507	-	17,507
(2) Other current liabilities	12,034	-	12,034
<b>Total Current Liabilities</b>	<b>47,192</b>	<b>-</b>	<b>47,192</b>

**Non-Current Liabilities**

Provisions	10,484	-	10,484
<b>Total Non-Current Liabilities</b>	<b>10,484</b>	<b>-</b>	<b>10,484</b>

**Total Liabilities**

	<b>57,676</b>	<b>-</b>	<b>57,676</b>
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**NET ASSETS**

	<b>169,453</b>	<b>-</b>	<b>169,453</b>
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**EQUITY**

Accumulated surplus	169,453	-	169,453
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**TOTAL EQUITY**

	<b>169,453</b>	<b>-</b>	<b>169,453</b>
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- (1) Equivalent AGAAP line item 'Cash Assets' (AIFRS 'Cash and cash equivalents')  
 (2) Equivalent AGAAP line item 'Other liabilities' (AIFRS 'Other current liabilities')

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**RECONCILIATION OF EQUITY AT THE END OF THE LAST REPORTING PERIOD UNDER PREVIOUS AGAAP:**  
**30 JUN 2005 (AASB 1.39 (a)(ii))**

Note	Previous	Adjustments		
	AGAAP 1 July 2005	Accrued Interest	Accrued Expenses	AIFRS 1 July 2005
	\$	\$	\$	\$
<b>ASSETS</b>				
<b>Current Assets</b>				
(1) Cash and cash equivalents	210,119			210,119
Receivables	16,221	161		16,382
Other assets	161	(161)		-
<b>Total Current Assets</b>	<u>226,501</u>	<u>-</u>	<u>-</u>	<u>226,501</u>
<b>Non-Current Assets</b>				
Property, plant and equipment	5,868			5,868
<b>Total Non-Current Assets</b>	<u>5,868</u>	<u>-</u>	<u>-</u>	<u>5,868</u>
<b>TOTAL ASSETS</b>	<u>232,369</u>	<u>-</u>	<u>-</u>	<u>232,369</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	23,921		(23,921)	-
Provisions	20,326			20,326
(2) Other current liabilities			23,921	23,921
<b>Total Current Liabilities</b>	<u>44,247</u>	<u>-</u>	<u>-</u>	<u>44,247</u>
<b>Non-Current Liabilities</b>				
Provisions	9,610			9,610
<b>Total Non-Current Liabilities</b>	<u>9,610</u>	<u>-</u>	<u>-</u>	<u>9,610</u>
<b>Total Liabilities</b>	<u>53,857</u>	<u>-</u>	<u>-</u>	<u>53,857</u>
<b>NET ASSETS</b>	<u>178,512</u>	<u>-</u>	<u>-</u>	<u>178,512</u>
<b>EQUITY</b>				
Accumulated surplus	178,512			178,512
<b>TOTAL EQUITY</b>	<u>178,512</u>	<u>-</u>	<u>-</u>	<u>178,512</u>

- (1) Equivalent AGAAP line item 'Cash Assets' (AIFRS 'Cash and cash equivalents')  
(2) Equivalent AGAAP line item 'Other liabilities' (AIFRS 'other current liabilities')

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

**RECONCILIATION OF INCOME STATEMENT (PROFIT OR LOSS) FOR THE YEAR ENDED 30 JUNE 2005 (AASB 1.39 (b))**

Note	Adjustments					TOTAL	AIFRS 30 June 2005
	AGAAP 30 June 2005	Employee Benefits	Audit Cost	Asset Disposal	Other		
		AASB 119					
		31.3	31.4	31.5	31.6		
	\$	\$	\$	\$	\$	\$	\$

**COST OF SERVICES**

**Expenses**

(1) Employee benefits expenses	339,282	8,450				8,450	347,732
Supplies and services	229,362	(820)	(8,500)		(181)	(9,501)	219,861
Depreciation expense	2,673					-	2,673
Accommodation costs	11,134	(2,329)				(2,329)	8,805
Grants and subsidies	10,600					-	10,600
(2) Carrying amount of non-current assets disposed of	12,222			(12,222)		(12,222)	-
(2) Loss on disposal of non-current assets	-					-	-
(3) Other expenses	7,630	(5,301)	8,500		181	3,380	11,010
<b>Total cost of services</b>	<b>612,903</b>	<b>-</b>	<b>-</b>	<b>(12,222)</b>	<b>-</b>	<b>(12,222)</b>	<b>600,681</b>

**Income**

**Revenue**

Litter infringement notices	94,553				(94,553)	(94,553)	-
Recoups and other	2,522				(2,522)	(2,522)	-
Industry grants and levies	177,504				(177,504)	(177,504)	-
User fees and charges					324,539	324,539	324,539
Interest revenue	8,249					-	8,249
(2) Proceeds from disposal of non-current assets	12,557			(12,557)		(12,557)	-
Gain on disposal of non-current assets	-			335		335	335
(4) Other revenue	55,577				(49,960)	(49,960)	5,617

**Total income other than income from**

<b>State Government</b>	<b>350,962</b>	<b>-</b>	<b>-</b>	<b>(12,222)</b>	<b>-</b>	<b>(12,222)</b>	<b>338,740</b>
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**NET COST OF SERVICES**

<b>261,941</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>261,941</b>
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**INCOME FROM STATE GOVERNMENT**

Service appropriations	271,000					(271,000)	-
Grant from State Government	-					271,000	271,000
<b>Total income from State Government</b>	<b>271,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>271,000</b>

**SURPLUS/(DEFICIT) FOR THE PERIOD**

(5) <b>PERIOD</b>	<b>9,059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,059</b>
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- (1) Equivalent AGAAP line item 'Employee expenses' (AIFRS 'Employee benefits expense')
- (2) Disposals are treated on the net basis under AIFRS
- (3) Equivalent AGAAP line item 'Other expenses from ordinary activities' (AIFRS 'Other expenses')
- (4) Equivalent AGAAP line item 'Other revenues from ordinary activities' (AIFRS 'Other revenue')
- (5) Equivalent AGAAP line item 'Change in net assets' (AIFRS 'Surplus/(deficit)')



**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
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**RECONCILIATION OF CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005 (AASB 1.40)**

Note	AGAAP	Adjustments		TOTAL	AIFRS
	30 June 2005	AASB 119	Other		30 June 2005
	\$	\$	\$	\$	\$

**CASH FLOWS FROM STATE**

Grant from State Government	271,000	-	-	-	271,000
<b>Net cash provided by State Government</b>	<b>271,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>271,000</b>

Utilised as follows:

**CASH FLOWS FROM OPERATING**

**Payments**

(1) Employee benefits	(340,439)	(8,450)		(8,450)	(348,889)
Supplies and services	(243,660)	3,149	181	3,330	(240,330)
Other payments	(18,230)	5,301	(181)	5,120	(13,110)
GST payments on purchases	(26,651)			-	(26,651)

**Receipts**

(2) Sale of goods and services	2,522		(2,522)	(2,522)	-
User fees and charges	94,553		269,165	269,165	363,718
Interest revenue	8,466			-	8,466
GST receipts on sales	23,212			-	23,212
GST receipts from ATO	(5,091)			-	(5,091)
Other receipts	272,260		(266,643)	(266,643)	5,617
<b>Net cash used in operating activities</b>	<b>(233,058)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(233,058)</b>

**CASH FLOWS FROM INVESTING**  
**ACTIVITIES**

Proceeds from sale of non-current physical	12,557			-	12,557
Purchase of non-current physical assets				-	-
<b>Net cash used in investing activities</b>	<b>12,557</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,557</b>

**CASH FLOWS FROM FINANCING**  
**ACTIVITIES**

Repayment of borrowings				-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Net increase in cash and cash equivalents</b>	<b>50,499</b>				<b>50,499</b>
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Cash and cash equivalents at the beginning of period	159,620				159,620
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**CASH AND CASH EQUIVALENTS AT THE**  
**END OF PERIOD**

<b>210,119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210,119</b>
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- (1) Equivalent AGAAP line item 'Employee costs' (IFRS 'Employee benefits')  
(2) Equivalent AGAAP line item 'Other receipts' (IFRS 'Sale of goods and services')

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
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**31 NOTES TO THE RECONCILIATIONS**

**31.1 Accrued Interest Receivable**

Accrued interest receivable is included in 'Other assets' under AGAAP, and under 'Receivables' under AIFRS. Accrued interest receivable has been re-classified from 'Other assets' to 'Receivables' the 2004 and 2005 Equity Statements (\$378 for 2004 and \$161 for 2005).

**31.2 Accrued Expenses**

Accrued expenses are included in 'Payables' under AGAAP, and under 'Other current liabilities' under AIFRS. Accrued expenses of \$23,921 have been re-classified from 'Payables' to 'Other current liabilities'.

**31.3 Employee Benefits**

Employment on-costs are not included in 'Employee benefits' under AGAAP or AIFRS. However, under AGAAP 'Employee benefits' and 'On-costs' are disclosed together on the face of the Income Statement as 'Employee costs'. Under AIFRS 'Employee benefits' is the equivalent item disclosed on the face. Re-classifications from AGAAP to comply with AIFRS of the following expenses have occurred:

Type of expense	Amount	From	To
Board members' sitting fees	\$ 7,630.00	Other expenses	Employee benefits expense
Expenses subject to FBT	\$ 820.00	Supplies and services	Employee benefits expense
Workers compensation expense	\$ 2,329.00	Accommodation costs	Other expenses

**31.4 Audit Cost**

Audit fees are included in 'Supplies and services' under AGAAP, and under 'Other expenses' under AIFRS. Audit costs of \$8,500 have been re-classified from 'Supplies and services' to 'Other expenses'.

**31.5 Asset Disposals**

Under AIFRS, either a net gain from the disposal of assets or a net loss from the disposal of assets is recognised. This varies from the AGAAP treatment where proceeds from the disposal of assets are recognised as a revenue item and the carrying amount of assets disposed is recognised as an expense item.

'Proceeds from the disposal of non-current assets' of \$12,557 and 'Carrying amount of non-current assets disposed' of \$12,222 have been re-classified as one line item 'Gain on disposal of non-current assets'.

**KEEP AUSTRALIA BEAUTIFUL COUNCIL (W.A.)**  
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**31.6 Other**

Re-classifications from AGAAP to comply with AIFRS of the following revenues and expenses have occurred:

Type of transaction	Amount	From	To
Building related expense	\$ 181.00	Supplies and Services	Other Expenses
Accommodation	\$ 8,805.00	Accommodation	Other Expenses
Litter infringement fees received	\$ 94,553.00	Litter infringement notices	User fees and charges
Sales of litter bags	\$ 2,522	Recoups and other	User fees and charges
Industry grants and levies	\$ 177,504	Industry grants and levies	User fees and charges
Recoups from other entities	\$ 49,960	Other revenue	User fees and charges
Grant from Department of Environment	\$ 271,000	Service Appropriation	State Government Grant
Payments from industry	\$ 177,504	Industry grants and levies	User fees and charges
Fees received from public trading enterprises and other state departments	\$ 49,960	Other revenue	User fees and charges

**31.7 Other cash flow items**

Re-classifications from AGAAP to comply with AIFRS of the following cash flow items have occurred:

Type of transaction	Amount	From	To
Building related expense	\$ 181.00	Supplies and services	Other Expenses
Payments from industry and other user charges	\$ 266,643	Other receipts	User fees and charges
Sales of litter bags	\$ 2,522	Sale of goods and services	User fees and charges