CITY OF Armadale

SPECIAL MEETING OF COUNCIL
24 October 2006

M I N U T E S

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ATTACHMENTS

"A-1" – 2005/2006 ANNUAL REPORT FOR YEAR ENDING 30TH JUNE 2006 ------- 5-70

CITY OF ARMADALE

M I N U T E S

OF **A SPECIAL MEETING OF THE ARMADALE CITY COUNCIL** HELD IN THE **COUNCIL CHAMBERS**, 7 ORCHARD AVENUE, ARMADALE ON **TUESDAY, 24 OCTOBER 2006** COMMENCING AT **6.15 PM**

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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Mayor, Cr Reynolds, declared the meeting open at 6.15 pm.

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2 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (previously approved)

PRESENT:

Mayor, Cr L Reynolds AM JP presided over	Heron Ward
Deputy Mayor, Cr J H Munn JP CMC	Minnawarra Ward
Cr J Knezevich	Minnawarra Ward
Cr C J MacDonald	Lake Ward
Cr A L Cominelli JP	Lake Ward
Cr G A Best	Neerigen Ward
Cr H A Zelones JP	River Ward
Cr P J Hart	Jarrah Ward
Cr L Scidone	Jarrah Ward
Cr J Everts	Palomino Ward
Cr G T Wallace	Palomino Ward
Cr J A Stewart	Heron Ward

IN ATTENDANCE:

Mr R S Tame	Chief Executive Officer
Mr A F Maxwell	Executive Director Corporate Services
Mr I MacRae	Executive Director Development Services
Mr A Bruce	Executive Director Technical Services
Mr C Askew	Executive Director Community Services
Mrs Y Ward	CEO's Executive Assistant (Acting)

Public: Nil
Press: Nil

LEAVE OF ABSENCE:

Leave of absence previously granted to Cr Tizard.

APOLOGIES:

Apology received from Cr R Butterfield

MOVED Cr Scidone that the apology be received.

280/10/2006 MOTION not opposed, DECLARED CARRIED (12-0)

3 PUBLIC QUESTION TIME

NIL

4 BUSINESS OF THE SPECIAL MEETING

***ANNUAL REPORT – 2005/2006

WARD	All
FILE REF:	CM/RP/AR
DATE	12 Oct 2006
REF	MD
RESPONSIBLE MANAGER	Manager Governance & Administration

In Brief:

Council is requested to:
- Accept the 2005/2006 Annual Report
- Determine the date, time and place of the 2006 Annual General Meeting of Electors

Tabled Items
Nil

Officer Interest Declaration
Nil

Strategic Implications
Planning Ahead & Evaluating Progress: Regularly evaluate the implementation of Plans
Communication: Communicate our achievements to the community

Legislation Implications
Local Government Act 1995: Sections 5.27, 5.53, 5.54 and 5.56.

Council Policy/Local Law Implications
Nil

Budget/Financial Implications
Sufficient funds have been allocated in Council's Budget to cover all costs associated with the preparation of the 2005/2006 Annual Report and Annual General Meeting of Electors.

Consultation
- Mayor
- CEO
- Management Executive (MANEX)
- PR Coordinator
- Design/publishing houses

COMMENT

In accordance with sections 5.27 and 5.54 of the *Local Government Act 1995* (the Act) Council's acceptance is required of the content of the 2005/2006 Annual Report and to determine the date, time and place of the Annual General Meeting of Electors (AGM).

Annual Report

A copy of the 2005/2006 Annual report is included as **Attachment A-1** to these Minutes for review and incorporates the following statutory requirements:

- A report from the Mayor and Chief Executive Officer;
- An overview of the Plan for the Future;
- The financial report for the financial year;
- The Auditor's report for the financial year;
- Information as prescribed in relation to payments made to employees;
- Information relating to the City's Disability Access and Inclusion plan; and
- Other information as prescribed including reference to the City's Information Statement, National Competition Policy and Record Keeping requirements.

Annual General Meeting of Electors

Due to a number of meeting conflicts including the National General Assembly of the Australian Local Government Association, it is proposed that the 2006 Annual General Meeting of Electors be held one week earlier than in 2005. A proposed timetable to this effect is presented below:

DATE	TYPE	REQUIREMENT
Tues 24 Oct 06	Special Council Meeting	Council adopt Annual Report and determine the date, time and place of the 2006 Annual General Meeting of Electors.
Tues 31 Oct 06 & Thurs 9 Nov 06	Public Advertising	Public notice of the availability of the Annual Report and the date, time and place of the Annual General Meeting
Thurs 2 Nov 06	Full Colour Reports available	Colour copies of the Annual Report distributed to Councillors and all required Statutory Bodies.
Tues 7 Nov 06	Full Colour DL pamphlets available	Distribution of A4 flyers summarising the Annual Report to residents.
Wed 15 Nov 06	Annual General Meeting	Annual General Meeting of Electors to be held in the Administration Centre Function Room, 7 Orchard Avenue Armadale commencing at 7:00pm
Mon 4 Dec 06	Post AGM Council Meeting	Minutes of AGM adopted by Council.

The Chief Executive Officer outlined a few minor amendments to the text of the annual report which were endorsed by Council.

MOVED Cr Best:

That Council:

1. Accepts the 2005/2006 Annual Report for the year ending 30th June 2006, as presented and amended at Attachment "A-1".

2. Hold its Annual General Meeting of Electors on Wednesday, 15th November 2006 at 7:00 p.m. in the City's Function Room, 7 Orchard Avenue, Armadale.

SECONDED Cr Munn

281/10/2006 MOTION DECLARED CARRIED BY AN ABSOLUTE MAJORITY DECISION OF COUNCIL (12-0)

5 CLOSURE

The Mayor, Cr Reynolds, declared the meeting closed at 6.25 pm.

MINUTES CONFIRMED THIS 6th DAY OF NOVEMBER 2006

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MAYOR

CITY OF Armadale

2005 / 2006
Annual Report Text

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A SNAPSHOT OF THE CITY OF ARMADALE

Located only 30 minutes south east of the CBD, the City of Armadale is a growing regional centre at the heart of a bustling urban community that offers a relaxed lifestyle with all the conveniences of modern day living.
Boasting a modern City centre nestled amongst scenic parks, undulating hills and picturesque valleys, the City takes pride in its cultural heritage and unique community feel.
The City of Armadale has a bright future having recently been earmarked as one of the top five growth regions in the Perth metropolitan area. It is experiencing rapid growth and estimates its population will increase from 55,000 to 85,000 over the next ten years.

The development of an international rowing course and white water park at Champion Lakes, the $150 million expansion of the Armadale Plaza and Armadale City Shopping Centre and the delivery of millions of dollars worth of revitalisation projects via the State Government appointed Armadale Redevelopment Authority (ARA) have positioned the City of Armadale on the cusp of a major boom.

The State Government's extension of the Tonkin Highway has provided for a range of new opportunities. The City is ripe for investment and offers a vast and diverse array of residential, commercial and industrial opportunities.

With a number of residential developments taking shape, including those in North Forrestdale and Brookdale, the City has already attracted the attention of significant investors. Industrial investors will also be catered for as a 180 hectare business park, to be strategically located in the Forrestdale area, begins to take shape.

Vision

Our vision is for the City of Armadale to be:

- a strategic regional centre
- strong in opportunity
- clean, green and prosperous
- a place combining City living with a beautiful bushland setting
- a place where change is welcomed
- a great place to raise children and grow old with dignity

Our community will be recognised for:

- a tradition of innovation, readily embracing new people and new ideas
- a strong sense of hospitality and tolerance
- pride in its City

The six 'steps to the future' or key result areas that will help us realise our vision are:

- planning ahead and evaluating progress
- building our community
- communicating and marketing
- developing our City
- developing our organisation

- providing physical infrastructure and caring for the natural environment

Our commitment to the future is to create a caring vibrant City, rich in history, heritage and lifestyle.

History

Significant dates in Armadale's history include:

- the creation of the Kelmscott Road Board in 1894
- the renaming of the Kelmscott Road Board to the Armadale Kelmscott Road Board in 1910
- the designation of the Shire of Armadale Kelmscott in 1961
- the proclamation of the Town of Armadale in 1979
- the creation of the Armadale Redevelopment Authority (ARA) to assist and facilitate the development of the district in 2001

Current Facts

The City of Armadale has:

- a population on 55,000
- an area of 545 square kilometres
- 553 kilometres of roads
- 1,645 hectares of parks and reserves
- 20,018 homes
- 22 primary schools
- eight secondary schools
- three libraries
- localities and suburbs which include Armadale, Bedfordale, Brookdale, Champion Lakes, Forrestdale, Kelmscott, Karragullen, Mt Nasura, Mt Richon, Roleystone, Seville Grove, Westfield and Wungong.

MAYOR'S FOREWORD

The compilation of our annual report is an ideal time to reflect on how far Armadale has come in the past year.

And what an amazing journey it has been. We've enjoyed a truly exciting period of growth, with projects such as the Roleystone Shopping Centre upgrade, the Kelmscott Village Redevelopment, the approval of a new West Armadale shopping centre, rapid development at North Forrestdale and Seville Grove and the redevelopment of Rushton Park. Meanwhile the Armadale CBD powers from strength to strength.

But such progress doesn't mean it's time to sit back. We need to continually define our vision for the future of this vibrant city.

We've got a host of exciting projects to look forward to as business confidence continues to grow and the early planning work of Council and the ARA begins to be rolled out.

Major projects include the development of the Roleystone Revitalisation Project, further development at North Forrestdale and Seville Grove, the release of ARA controlled land at Champion Lakes and Champion Drive, and the revitalisation of the Kelmscott town centre.

Further down the track we've also got the Canning River Foreshore Development to look forward to, work to progress State government offices in the Armadale CBD, the Australian Technical College, multi storied housing on the western side of the rail line, and the Education Centre of Excellence.

Such progress is particularly significant when one considers the extraordinarily small amount of taxes local governments have to work with.

Not many people realise that while in 2004/05 the Federal Government collected 82% of taxes and the State Government 15%, local government collected just 3% of tax payers' dollars and only received another 1% in grants. To achieve so much with such a small portion takes a huge amount of forward planning.

Our future, however, is not only about 'bricks and mortar' planning and development. It's also about our sense of community, our environment and our state of general wellbeing.

While harder to measure, these factors are key to building a new and vibrant Armadale.

Projects that beautify our city and encourage jobs and education are an excellent start to fostering wellbeing and pride.

But we also need to encourage people to become more involved in their community by welcoming public consultation, supporting community groups and encouraging community projects.

This way residents can play an active role in building the future Armadale they would like to see. They can indulge their passion for the place they have chosen to make home.

It is after all the people who believe in Armadale, who develop the relationships and services, who will make the City a special place to be.

CHIEF EXECUTIVE OFFICER'S REPORT

Presenting the City's 2005/06 Annual Report reminds me once again of the responsibility this administration proudly bears on behalf of future generations of our district.

Your City is a major enterprise, competing in a dynamic environment. We need to attract the best staff, the highest quality builders, the best range of retail and commercial enterprises, new government projects and facilities, and more families and citizens to ensure the district's future prosperity.

Boom times in WA increase the competition but we've done the ground work over the past decade to be at the forefront of Perth's new growth. Along with our partners at the Armadale Redevelopment Authority we now have to ensure that the strategies put in place are delivered. Development must be guided and measured

The City introduced its new Town Planning Scheme in November last year which will result in a range of new development opportunities and add to the growing sense of vibrancy in our community.

The Canning River Precinct Study will pave the way for an exciting new recreational facility along the banks of the river.

Armadale's new growth is being led by North Forrestdale with subdivision approvals granted for more than 2,400 lots in new residential estates. High subdivision growth has also been evident in Seville Grove.

We also enjoyed record building licence approval levels, with the value of work approved by construction rising 130 per cent over what were already record levels the year before.

Protection of the natural environment remains a core objective, confirmed through the adoption of the State of the Environment Report 2005.

This Report recognises the importance of initiatives such as the Streamcare Promotion and the Bushcare and Environmental Advisory Committee Volunteer Recognition Program, while also recommending new schemes to target weeds, Dieback and threats to the City's bushland.

In the past 12 months the City has also taken over the important role of visitor servicing in our region. Armadale is shaking off its 'dormitory' tag and in the future tourists and day visitors will play a crucial role in the marketing and promotion of the district.

Our Community Services Department deal with numerous enquiries and requests for assistance each week. The Department provides advocacy and advice on community activities, the development of projects, funding requirements and venue negotiations. They also organise a range of award winning cultural events, which last year attracted around 80,000 residents and visitors.

Technical Services staff have also been as busy as ever, working on major civil construction works such as the upgrades of Armadale Road, Champion Drive, Commerce Avenue, Slab Gully and Croyden Road.

Many residents will not be aware of the work undertaken on their behalf as our professional officers represent Armadale at metropolitan, State and Federal forums, trying to deliver the best for our community. I'm very proud to lead this team for you, and look forward to another successful year in 2006/07**.**

YOUR COUNCIL

The City of Armadale is the local government representing the communities of Armadale, Bedfordale, Brookdale, Champion Lakes, Forrestdale, Kelmscott, Karragullen, Mt Nasura, Mt Richon, Roleystone, Seville Grove, Westfield and Wungong. The municipality spans 545 square kilometres and has an estimated population of 55,000.

Armadale City Council is the elected body responsible for the administration of the City. It undertakes this responsibility by:

- directing and controlling the City's affairs
- taking responsibility for the performance of the City's functions
- overseeing the allocation of the City's finances and resources
- determining the City's policies

The City of Armadale is divided into seven wards. They are Heron, Lake, Jarrah, Minnawarra, Neerigen, Palomino and River Ward. Two Councillors are elected to represent each of these wards for a period of four years. The Armadale City Council is made up of fourteen Councillors, including the Mayor.

Elections are currently held every two years on the first Saturday in May with seven of the fourteen Councillors up for re-election at each inaugural election. No elections were held within the 2005/06 reporting period.

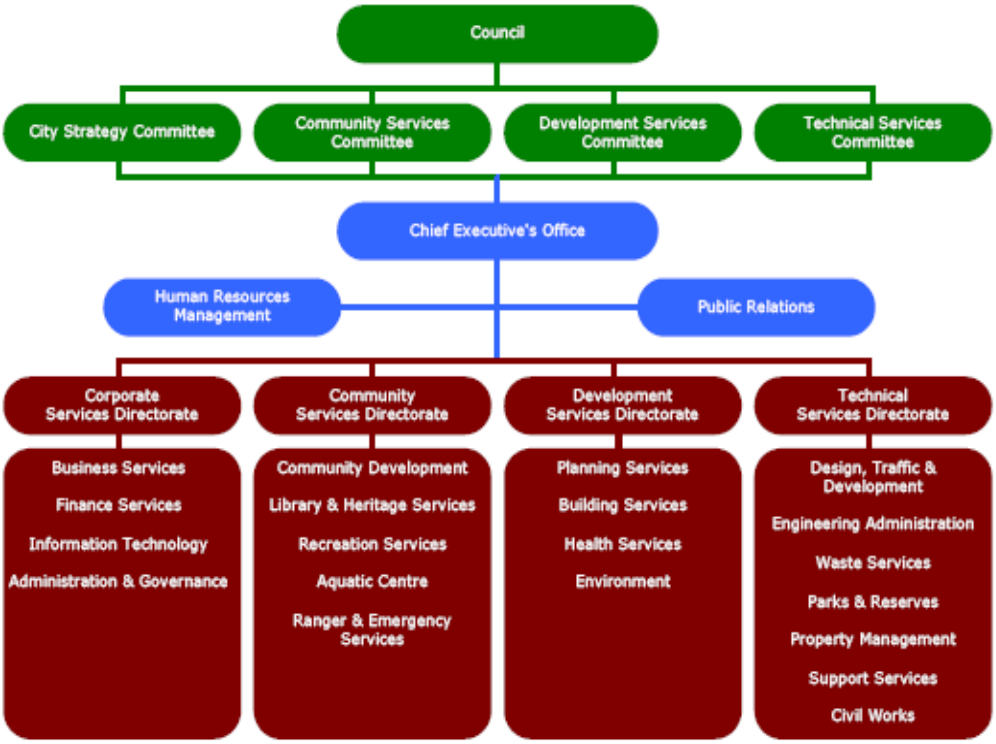
The Mayor is elected every two years at each inaugural election by the Councillors and represents the interests of the entire municipality.

The Armadale City Council meets regularly to make decisions on behalf of local residents. There are four primary committees of Council, each concentrating on one of the following areas:

- City Strategy - considers corporate matters, reviews the City's strategic and financial position and matters that cross the boundaries of other committees
- Development Services - considers development proposals, subdivisions, land-use matters, swimming pools, building applications, building safety, immunisation, food handling and disease control
- Technical Services – is responsible for roads, footpaths, parks, reserves, the construction and maintenance of Council buildings and the collection and disposal of waste, including recycling
- Community Services - deals with all recreation, aquatic, libraries and cultural matters as well as community development issues and ranger services

All Committee and Council Meetings are open to the public. Committee meetings are held monthly and Council meetings twice monthly. Meeting dates and times and copies of the agenda and minutes from previous meetings are listed on the City's web site at www.armadale.wa.gov.au

ORGANISATIONAL STRUCTURE



CORPORATE SERVICES

The Chief Executive's Office is responsible for the overall management and strategic direction of the City of Armadale.

Together with the Corporate Services Directorate it is responsible for human resource management, public relations, financial management, administration, rating, IT and records management, Councillor services and governance, and electoral matters.

Some of the significant achievements of the Chief Executive's Office and Corporate Services Directorate during the 2005/06 financial year are highlighted below.

Projects Associated with the Armadale Redevelopment Authority

Throughout the year the City has worked steadily with the Armadale Redevelopment Authority (ARA) on the advancement of projects integral to the economic development of the district.

Projects include an Australian Technical College campus to be established in Armadale, the approval and oversight of two major shopping centre developments in the CBD, development of plans for the Kelmscott Town precinct and continuing negotiations on the proposed education/learning precinct in the vicinity of the Armadale Railway Station.

Work also continues on the Champion Lakes recreational development and advance planning for the future Brookdale residential precinct with its projected population of 25,000.

Financial Management Regulation Amendments

Amendments to the Local Government (Financial Management) Regulations, gazetted on 31 March 2005 and effective from 1 July 2005, repealed Regulations 34 and 35 relating to monthly and quarterly/tri-annual financial reports. They were substituted with a new Regulation 34. This regulation only requires local governments to report on a monthly basis, although it is much more prescriptive as to what is required and its intention is to establish a minimum standard across the industry.

The new regulations require local governments to prepare, each month, a Statement of Financial Activity reporting on the sources and applications of funds for the month in question.

The City successfully implemented these new reporting standards during the year, and will continue to build upon these reports to provide greater transparency in the future.

Training and Development

The City has continued to implement its extensive training and development program for staff at all levels. Outdoor staff supervisors and leading hands have completed a nationally recognised Certificate 3 Program in supervision. Other staff training programs were offered in the areas of customer service, communication, computer skills, disability awareness, finance and governance, teamwork and performance management.

A Study Assistance Policy aimed at encouraging professional development has also been implemented.

Equal Employment Opportunity

A revised Equal Employment Opportunity Policy and Procedure has been developed and implemented which actively promotes the principles of equity and diversity in the workplace.

The Policy recognises the City's efforts to provide a work environment that fosters good working relationships where employees, contractors and volunteers are treated fairly and equally and that unlawful discrimination does not take place.

Recruitment and Retention

The skills shortage has required the City to explore alternative recruitment strategies in order to attract staff. These strategies include extending the City's existing Apprenticeship/Trainee Program and encouraging internal promotion. The City has also offered many local students the opportunity to gain work experience to enhance their skills and career opportunities.

Industrial Relations and Agreements

Negotiations with outdoor staff are nearing completion, with staff set to agree on a new Field Staff Enterprise Bargaining Agreement.

Occupational Safety and Health

The City has implemented a comprehensive Occupational Safety and Health Management Plan, confirming its commitment to achieve best practice in the area of occupational safety and health. This Plan is aligned with the City's Strategic Plan and reflects our focus on developing our organisation and continuously improving our management systems. New safety systems have been introduced, and the City continues to operate its Fleet Safety System and other safety training programs. One hundred and twenty nine people participated in the City's annual Health Assessments Program and 128 people took part in the Sun Safe Program.

Marketing and Communications

To ensure the City's marketing and communication efforts are well coordinated, effectively managed and responsive to the information needs of our community the City developed a Marketing and Communications Strategy. The Strategy also provided a framework for the City to market and promote itself to potential outside investors. Prior to the adoption of the Strategy by Council, an options paper was produced that assessed the effectiveness of the City's previous marketing and communication initiatives and welcomed feedback. Since the adoption of the Marketing Strategy, a bi-monthly glossy external newsletter and monthly advertorial have been established. An updated version of the City's *Armadale Alive* publication has also been produced and was distributed to targeted media and potential investors. A review of the City's web site is nearing completion. The City has also renewed its focus on proactive media and issues management.

Record Keeping Plan Review

During April 2006, in line with the City's record keeping requirements, the City successfully completed a review of its Record Keeping Plan. The latest Plan includes a number of key achievements by the City, particularly in the areas of electronic records management and improved record storage. The Plan also identifies a number of areas where further improvements may be needed. These include the inclusion of more comprehensive record keeping clauses within contracts and further training and development for officers in the area of electronic document management.

Lotterywest Grants

The City received a sum of approximately $46,000 from Lotterywest during 2005/06 for an Active Attitudes Seminar ($11,000), Australia Day celebrations ($11,000), Concerts in the Park ($5500) and the Ready for Life Program ($18,499).

A Central Records System – Electronic Document Management

In recognition of the increasing need for agencies to access information readily and in an electronic format on 7 March 2006 the City's main records hardcopy filing system and a number of hardcopy satellite filing systems were replaced with a central Electronic Document Management System (EDM). With the implementation phase of this project now nearing completion, the Records Team have begun to work with internal directorates to develop and refine the system and to identify operational areas that have not yet been captured by EDM.

Construction of a Large Records Archive Store

As the City continues to grow, space within the City's Administration Centre remains at a premium. This coupled with space shortages at the State Archives have prompted the City to consider longer term record storage options.

Consequently the construction of a high quality dedicated records archive/storage facility was completed in February 2006. This high quality facility will greatly alleviate space pressures currently experienced within the Administration Centre and will provide the City with a more secure and climate controlled records storage facility well into the future.

Service Tenders

During the financial period 2005/06, the City invited tenders for its legal services, with the intent of appointing four firms to the City's legal panel for a five year period. The Corporate Services Directorate will continue to offer quality assistance to other directorates in the area of tendering with a number of new service initiatives proposed for the 2006/07 financial year.

DEVELOPMENT SERVICES

The Development Services Directorate it is responsible for planning and development, Town Planning Schemes, land use, environment, building and health control, noise control, immunisation and signage.

Some of the significant achievements of the Development Services Directorate during the 2005/06 financial year are highlighted below.

Planning

Final Approval of Town Planning Scheme No.4

The City's new Town Planning Scheme was gazetted on 4 November 2005. The result has been a more up-to-date Scheme offering a range of additional development opportunities. A number of initiatives were put on hold, pending the finalisation of the Scheme and as a result a number of amendments were initiated following its gazettal.

Continuing Support for the Armadale Redevelopment Authority

The Armadale Redevelopment Authority (ARA) has facilitated the delivery of a number of projects within the City. These projects include the finalisation of a concept plan that better accommodates the growth and revitalisation of the Kelmscott precinct and the establishment of a framework for the development of a high quality, sustainable residential estate on Champion Drive. In addition, planning has progressed for the area west of the Armadale CBD, the Forrestdale Business Park and for a residential community in Brookdale, where up to 14,000 lots will be created. The City's Planning Department have worked closely with the ARA on these projects.

Completion of the Canning River Precinct Study

Following intensive public consultation the Canning River Precinct Study was completed by consultants and considered by Council in February 2006.

The project, which would result in the rezoning of a portion of land from rural to urban and the reservation of the Canning River foreshore for parks and recreation, will now form the basis for a future amendment to the Metropolitan Region Scheme.

Progress on the Development of North Forrestdale

Following the adoption of the Structure Plan for 450 hectares of land in North Forrestdale, subdivision approval has now been granted for over 2,400 lots in the new residential estates. The City has advertised for comment a Developers Contribution Scheme that shares amongst developers the cost of providing the necessary community facilities that will benefit the whole locality.

Municipal Heritage Inventory Review

Consultants have been engaged to complete the review of the Municipal Heritage Inventory. Progress has been made during the year and the Inventory is expected to be finalised following public consultation in the next financial year.

Public Open Space (POS) Strategy implementation

A high priority has been given to progressing the rationalisation of the City's Open Space Network. Considerable progress has been made on stages one to seven of the Public Open Space Strategy following the gazettal of Town Planning Scheme No.4 in November 2005. Stages one to five have been rezoned, stage six has been advertised and adopted by Council, and stage seven has been advertised for public comment. The City is currently acquiring POS areas identified in stage one from the State Government and several disposals are planned in the next financial year.

Upturn In General Development Activity

Following a decade of relatively slow growth in the subdivision of new areas, significant changes have occurred over the past year with lots being subdivided in Seville Grove, Bedfordale and Karragullen. Most significantly the first lots in North Forrestdale have been created in three new residential estates with over 2,400 lots granted preliminary approval. A large number of applications for grouped dwellings have been received by the City over the past year due to opportunities created by the new Town Planning Scheme.

Building Activity and Services

Record building licence approval levels characterised the year. The value of work approved for construction by the City in the last year rose by 130 per cent over what were record levels the year before. In particular this resulted in the approval of a building licence for the extension of Armadale Shopping City and the submission of an application to expand the Armadale Plaza to incorporate Woolworths, thus creating an integrated shopping complex.

Residential approvals remain extremely strong as more quality land comes onto the market in the City. This has been particularly prevalent this year in Seville Grove, however, initial applications have also been received for North Forrestdale as a foretaste of the significant development anticipated.

Health and safety

Food Sampling

The City was again among the twenty or so local governments throughout the State to fully utilise their allocated analytical entitlement under the Local Health Authority's Analytical Committee Scheme.

Following the successful prosecution of a major national retailer for sale of food labelled with misleading nutritional information, the City has, in the public interest, given greater focus to testing nutrition panel claims. Although no further prosecutions have so far been instigated, a number of warnings have been issued and action with respect to nine cases is yet to be determined, being dependent to some degree upon information to be supplied by manufacturers and legal advice currently being sought.

A fish substitution survey was undertaken during the year as part of a broad based metropolitan program. Although some substitution of cheaper fish for higher priced species has been identified, the analyst has yet to provide a breakdown of results for each participating local government.

Food Safety Plans

The increased focus on the development of Food Safety Plans by 'high risk' food businesses (as categorised by the classification systems advanced by Food Standards Australia New Zealand) continued during the year. The mandatory adoption of such plans is yet to be introduced in Western Australia because of technicalities associated with the Western Australia legislative regime. The response by businesses at this time is on a voluntary basis only.

In March, an information night on Food Safety Standards was held, with the objectives of both educating proprietors and staff of high risk food businesses on the requirements of the Standards and demonstrating the benefit of Food Safety Plans. The evening was a success with 30 people attending. Questions asked suggested a reasonable level of interest.

Industrial Waste Management

The City increased its focus on the Industrial Liquid Waste Management/Cleaner Production Subprogram that commenced last year. An Industrial survey and Inspection Pilot Program was undertaken in collaboration with the South East Regional Centre for Urban Land Care during November and December. The survey aimed to engage small and medium enterprise owners/managers in environmental management using an education and support approach and focusing on run off water quality protection.

Problems identified in a significant number of cases included:

- contamination of run off water with detergents, sand and silt (although information gathered suggested that vehicle wash down water and treated waste water were most often not likely to be contaminants)
- discharge of at least some waste to the storm water system
- unacceptable storage arrangements for wastes (most commonly oil)

- lack of emergency management or spill management procedures

The greatest barriers to effective environmental management, in the view of business owners/managers were:

- lack of information
- lack of government assistance
- lack of environmental expertise
- likely costs involved

While overall the Program was considered fairly successful in engaging business in discussion aimed at encouraging them to take action to protect our storm water quality, an understanding of the barriers business face in relation to environmental management is critical to bridging the gap between awareness and behaviour. Local government is constrained in addressing many of these issues, in particular due to the lack of an effective legislative framework in which to operate.

Nonetheless, the survey produced some useful information and aided in the understanding of issues that will be put to good use as the City's Industrial Waste Program continues.

Immunisation

The State subsidised Schools Immunisation Program this year focused on Hepatitis B and Varicella (Chicken Pox). There were over 1600 Hepatitis B and more than 400 Varicella vaccinations administered during the two rounds of the Schools Program.

Environment

In January 2006 Council adopted the State of the Environment Report 2005. The Report reviewed the condition of the City's environment, pressures on the environment, existing responses and identified priority project and policy responses to be implemented over the next five years. The priority projects and policy responses were developed after extensive research and an innovative public consultation process that included focus **groups, a survey** mailed to 3,000 residences and other forms of consultation.

The State of the Environment Report 2005 recognised the need to continue many of the City's leading edge programs and projects, such as the Streamcare Promotion and the Bushcare and Environmental Advisory Committee's Volunteer Recognition Program. In order to address threats to its bushland the City is continuing with routine programs that focus on weeds, Dieback and capital works. The Bushpig Signage Trial has been a success and will be applied across other bushland areas threatened by activities such as rubbish dumping and fire.

The City has significantly improved and republished a series of environmental information sheets covering waterway issues, Dieback management, vegetation and ways to keep Armadale clean, green and prosperous.

The City has maintained its partnership with the Armadale Gosnells Landcare Group.

As a member of the South East Regional Energy Group (SEREG) the City has achieved significant corporate and community reductions in greenhouse gas emissions. The reductions total over 70,000 tonnes (carbon dioxide equivalent) per annum across the region.

A pool blanket was installed at the Armadale Aquatic Centre in November 2005 and is expected to reduce corporate emissions by two per cent and save the City in the order of $20,000 per annum in energy costs. Council endorsed the SEREG Business Plan 2006/08 and increased funding to secure implementation of SEREG's existing and proposed programs such as the proposed five star display village at Newhaven in North Forrestdale.

COMMUNITY SERVICES

The Community Services Directorate is responsible for, and involved in, the planning, development, support and delivery of services and facilities to the community across a wide range of target groups including youth, seniors, indigenous people and people with a disability.

In addition to its core services (libraries and Rangers) it is also responsible for other areas of importance to the community including recreation, safety, museums and local studies, facility bookings, art and culture, community events, facility and community service planning, tourism and Council assistance.

In 2005/06 the Community Services Directorate provided the community with a range of successful services, programs and activities, many with the assistance of grant funds. Some of the significant achievements of the Directorate during the 2005/06 financial year are highlighted below.

Rangers

The primary focus of the Ranger Services Department is managing the response to the community for requests for service. This has increased over the last five years commensurate with the population growth and the general requirement for Ranger Services to enforce a number of Acts of Parliament and other Local Laws relating to Local Government operations and jurisdiction. It is estimated that approximately 70 per cent of a Ranger's workload is deployed in these activities with the remaining 30 per cent allocated to matters of a more administrative nature including school education programs, school parking, pound duties, courier deliveries and court actions. This latter aspect is an increasing area of resource allocation, as part of a general trend towards increased litigation in our society and an increasing number of issues are being referred to the courts for determination. This is becoming a resource hungry responsibility with the individual Ranger being required to be fully conversant with the issues and associated legalities of each case being deal with.

The current incinerator/crematorium at the dog pound is nearing the end of its lifecycle and the maintenance costs associated with keeping the facility functional are increasing each year. A number of significant repairs have been carried out over the last few years, however, given that the current facility is in excess of 16 years old and it is now overdue for replacement the City has set aside $60,000 in 2006/07 for its replacement.

Libraries

The engagement of a consultant and the resulting Strategic Directions for Library Services Study and Report sets the direction for library services for the next 10 years and was a major achievement of the Library Department.

The City's libraries have enhanced their service by offering reading and writing groups, storytelling sessions, a social group for people whose second language is English, school holiday activities, baby rhyme time sessions, and community information talks and sessions. All of these activities contribute to making the City's libraries a central hub of community life.

The City was one of two Western Australian libraries invited by the Association for the Blind to participate in a 'Books in the Sky' national trial to make audio books more readily available to vision impaired people. The trial is ongoing and proving to be very successful.

Heritage

The 175th anniversary of the Kelmscott Township and the centenary of Bedfordale were two of the major highlights of the year.

A preservation survey of the Birtwistle Local Studies Library holdings was also achieved through grant funds.

During the financial year 2,000 people visited the History House Museum and Birtwistle Local Studies Library collectively.

This year volunteers have offered approximately 2,000 hours of their time. The ongoing contribution of volunteers was recognised at a number of functions throughout the year.

Visitor Servicing

The appointment of a Visitor Centre Coordinator following the City's resumption of management of the Armadale Visitor Centre was a major achievement during the year. Some major physical changes to the internal layout of the Visitor Centre were also made. This brings the Centre closer to achieving the level one status afforded it by Tourism WA.

Community Development

As part of its daily operations the Community Development Department are responsible for supporting and facilitating associated activities of the Aboriginal and Torres Strait Islander Advisory Committee, Disability Advisory Committee, Seniors Interest Advisory Committee, Community Safety Advisory Committee and the Youth Advisory Committee. Some of the activities the City has assisted with include the development of the Seniors Plan, Community Safety Plan, and Disability Access and Inclusion Plan. The City has also been involved in planning for a Youth Precinct Study in the CBD and events such as NAIDOC celebrations and the Youth Careers Expo.

In providing community support and professional advice to community groups and individuals, the Community Development Department receives an estimated 40 to 50 enquires and requests for assistance per week. The enquiries range from requests for advocacy to advice regarding community activities, project development, funding requirements and venue negotiations.

Officers are often requested to attend meetings and provide representation on committees, which has necessitated prioritising due to demand. Officers regularly attend meetings with government and non-government agencies including Centrelink, the Department for Community Development, youth service providers, seniors groups, volunteer networks and community based organisations. The City has also fostered a productive working relationship with the Armadale Redevelopment Authority in particular with regard to projects such as the Youth Precinct Study and venues for community organisations.

The City's Community Development Department actively assists organisations with writing grant applications and is responsible for implementing the City's Requests for Assistance Policy which includes the Community Grants Program, donations and annual contributions. A total of $66,508 was distributed in 2005/06.

The Department manages the Armadale Volunteer Resource Service (AVRS) using a combination of State Government grant and municipal funds. The Service is instrumental in

providing information, links and networks between volunteers and agencies and plays a major role in assisting Centrelink clients fulfil their mutual obligation requirements.

Since its establishment in 2003, the AVRS has assisted over 600 individuals looking for volunteer opportunities and has registered 95 agencies who are seeking volunteers. The coming year will see the expansion of the Service as a partnership with the City of Gosnells is finalised and two additional part-time workers are employed.

A change in Federal Government funding has seen a change in direction for the Aboriginal Family Support Service (AFSS) as it makes the transition towards an Indigenous Children's Program. The transition will require a complete new approach to the provision of activities and support for Aboriginal children and their families. In effect, the AFSS has ceased to exist and a new service called *Koorlungah Mia* (Children's Place) is being developed.

The Ready for Life Project reached the end of its funded period in 2005/06 year and was successful in providing leadership training to over 44 seniors who then went on to develop their own activities and projects, these included Lifeball, the Water Walkers, the Armadale Mall Walkers and the Armadale Women's Lifestyle Centre for over 50's. The programs and activities developed through the Project have proven to be self-sustaining and the Community Development Department will continue to support them to ensure their long term viability. The Ready for Life Project also initiated community forums on a variety of subjects including aged pensions, safety, marketing for community groups, and working with the media. These forums were attended by more than 500 individuals. The Seniors Directory was produced in 2005 as part of the information strategy of the Ready for Life Project and has been well received.

The Community Development Department continues to be involved with social planning and community infrastructure. An analysis of the process involved in the 'place planning' of Forrestdale and Roleystone will enable the City to consider the most effective way of informing future planning and service provision in new growth areas as well as addressing the existing and changing needs of the City's current residential communities.

Recreation

The Recreation Services Department consists of five full time staff as well as approximately 30 seasonal and casual aquatic centre staff who are involved in a diverse range of projects and programs aimed at creating a more active and healthy community.

The Recreation Services Department organises and funds an extensive range of community events. Boasting twilight concerts in Minnawarra Park, a range of exhibitions, an art and craft festival, Australia Day fireworks extravaganza and the largest Scottish festival in WA there is something for everyone to enjoy. This year's Cultural Events Program was highly successful, attracting over 80,000 local residents and visitors. The City's Spring Bushwalks Program was again a great success and walks were well attended.

The Recreation Services Department this year attracted $148,000 in grants and sponsorship for a range projects and events.

Although attendances at the Armadale Aquatic Centre were down on the previous year due to cooler weather conditions, over 148,000 patrons enjoyed the facilities and services available at the Centre during the season.

The implementation of the redevelopment of the former pool site at Rushton Park was largely completed during the year. The Park has become a special place for people of all

ages to gather to watch a community performance, attend a sporting match, enjoy a barbecue, play or take a leisurely walk.

Lighting upgrade projects at Frye Park, Cross Park and Rushton Park tennis courts are scheduled for completion by the end of the financial year. Each of these projects was partly funded by grants from the Department of Sport and Recreation.

As part of its daily operations the Recreation Services Department develops partnerships and provides support to approximately 300 community and sporting groups that offer recreation activities in the City. The Department also manages the City's recreation facilities, cultural events and programs.

The major priority for the Recreation Service Department in 2006/07 will be to complete a review of the City's Recreation Strategic Plan (not including those strategies that are yet to be funded) and commence planning for the next three to five year period. Other strategic priorities will include progressing the provision of an enclosed aquatic facility within the City and reviewing the existing management model for Armadale Arena.

TECHNICAL SERVICES

The Technical Services Directorate it is responsible for roads, footpaths and drainage, building and maintenance, parks and reserves, waste and recycling collections, composting and landfill, maintenance of Council assets and support services.

Some of the significant achievements of the Technical Services Directorate during the 2005/06 financial year are highlighted below.

Principal Activity Plan – Performance Assessment

Principal activities carried out by the Technical Services Directorate fall into four main categories being civil works, parks and reserves, property management and waste services.

Sound management practices in each department enabled programmed works and routine maintenance to be completed at nominated service levels within projected timeframes and in accordance with budget allocation.

Civil works

Armadale Road

The completion of the southern carriageway and associated works from Forrest Road to Anstey Road, including a roundabout at the Anstey Road/Weld Street intersection, were undertaken to improve traffic conditions and road safety. The works were completed by the City on behalf of Main Roads WA in February 2006 at a total cost of $1.2 million.

Champion Drive

The construction of a new section of Champion Drive, between Lake Road and Tonkin Highway, included the construction of culverts on the Southern River and was opened to traffic in January 2006. The cost of this section on completion was $1.3 million.

Commerce Avenue

Ongoing streetscape improvements were undertaken in Commerce Avenue from Church Avenue to Third Road. The roundabout at Commerce Avenue and Church Avenue was completed in February 2006. The total cost of the streetscape upgrade was $1.5 million.

Slab Gully – stage two

The section of Slab Gully Creek between Billeroy Road and Borrello Park was upgraded. The works included the canalisation of the open drain and construction of a compensating basin. The cost of the drainage works was $104,000.

Croyden Road

1.2 kilometres of Croyden Road from Brookton Highway was reconstructed. The aim of this project was to improve road conditions and pedestrian safety in the area. The majority of work has been completed. It is anticipated that the project will be finalised in August 2006 at an approximate cost of $562,000.

Footpath Construction

Some 32 new footpaths were constructed at various locations during the year at a cost of $420,000.

Road Resurfacing

This ongoing program involved the resurfacing of some 25 roads at a cost of $735,000.

Parks and reserves

The City maintains 233 parks, natural areas, street gardens, community facilities and public access ways.

During the 2005/06 financial year, $2.7 million was spent on the maintenance of the City's parks and reserves with a further $1.1 million expended on development projects.

Streetscaping

Projects completed this year include the streetscaping of Champion Drive and Corfield Street, ongoing works along Commerce Avenue and roundabout landscaping at Lake Road /Cammillo Road and Church Avenue.

Park Improvements

This year the redevelopment of Kuhl Park was completed while upgrades to Memorial Park continued. The redevelopment of Rushton Park was also completed offering quality park facilities including play equipment, barbecues, shelters, a drinking fountain, paths, an outdoor performance space and a public toilet.

Playgrounds

The City has 72 playgrounds. During 2005/06 Kuhl Park, Bernice Hargraves Reserve, Memorial Park, Borrello Park, Rushton Park, Heather Locke Reserve and Westfield Heron Reserve received new play equipment as part of an ongoing improvement program.

Irrigation

In line with the State Water Strategy, the City's parks and streetscapes continue to be improved to ensure that we use water wisely. In 2006 the City's Parks Department developed a Water Operating Strategy in consultation with the Department of Environment to achieve a sustainable irrigation supply for the City of Armadale**.**

Recreation

In 2005/06 improvements to the City's sporting facilities included lighting upgrades to tennis club facilities at Kelmscott and Roleystone, oval flood lighting at Cross Park and Frye Park and turf renovation works at Bob Blackburn Reserve and Rushton Park.

Environment

The City continues to support environmental initiatives undertaken by community groups represented on the Bushcare Environmental Advisory Committee and Armadale Gosnells Landcare Activities. Nature Reserve Management Plans have been developed and a range of environmental works are implemented on an annual basis such as weed control programs, interpretive signs, walk trails and fencing. School tree planting projects and National Tree Day activities continue to be popular.

Street Trees

A database of all street trees throughout Armadale has been created to facilitate the effective management of trees under power lines to meet Western Power regulations. The Parks Department continues to add to its recently created Significant Tree Register to ensure that the oldest and most important trees in the City are identified and managed responsibly.

Property management

The City maintains 186 buildings, comprising of public halls, community facilities and clubrooms, and leased premises.

During the 2005/06 financial year, $1.4 million was spent on building maintenance and asset preservation with a further $120,000 plus grant allocation expended on development projects.

Last year the following asset management and development projects were completed.

- The old Kelmscott Library Building and Kelmscott Child Health Clinic were demolished.
- The old Kelmscott Scouts building at Frye Park was demolished and the Scouts were relocated to the Creyk Park Pavilion.
- The Roleystone Scouts were relocated to the newly refurbished Karragullen Hall.
- The Armadale Golf Club facilities were upgraded which included the installation of safety grilles, emergency exits and lighting.
- The existing change room amenities at Rushton Park were refurbished which included the installation of a new unisex toilet facility, verandas and upgrading the kiosk area.
- At Rushton Park the old grandstand was refurbished, a gazebo and story wall were constructed, brick paving was laid and security lighting was installed.
- Sections of the City's Administration Centre were refurbished, including the training room, Mayor's office, meeting rooms, rest rooms, Building and Health Departments.

- An Emergency Fire Alarm System was installed in the City's Administration Centre.
- Internal modifications were completed at the City's Visitor Centre.
- Existing grandstands, toilet and shower facilities at the Armadale Aquatic Centre were refurbished.
- New air-conditioning units were installed at the Armadale Library.
- History House Museum was re-roofed and new air-conditioning units were installed.
- A new archive centre was constructed at the Depot which including shelving, the installation of air-conditioning and security.
- Roof access safety harness points were installed at the Armadale Arena.
- A heating system was installed at the Bob Blackburn Pavilion.

Waste services

The City's Waste Services Department continue to work towards the minimisation of waste to landfill and increasing recycling activity. Recent increases in the financial rebate figures reflect the City's consistent efforts throughout the year in effectively carrying out established programs including:

- kerbside recycling collections (mobile garbage bins)
- verge side green waste, junk and motor vehicle collections
- the sale of salvageable material from the landfill facility
- free mulched green waste for residents

PLAN FOR THE FUTURE

The past five years have seen the introduction of the Armadale Redevelopment Authority (ARA), construction of the Tonkin Highway, a cinema, new railway station and commencement of two large shopping centre redevelopments in Armadale, plus a library and further shopping centre redevelopment in Kelmscott.

Over the next five years, the Plan for the Future extends the vision as Armadale enters a new phase of urban growth.

Parts of that vision are fulfilled by investment attracted from our Government and private enterprise partners who have recognised the City's potential and who wish to be part of its progress.

In 2008/09 a $4.3 million redevelopment of the Armadale Aquatic Centre will be undertaken. In the same year Council will allocate $1.8 million to relocate the Armadale library to a new education and learning precinct near the Armadale Railway Station. This multi-million dollar State Government project will be just down the road from the Federal Government's Australian Technical College ($8 million) in Commerce Avenue.

By that time the City's Administration Centre, built in 1985 and designed for just 85 staff, will need to be extended and refurbished. $2.9 million is allocated in the Plan for these works.

The Council is proud of its progress over recent years in the presentation and care of its parks and reserves. An additional $1.5 million has been added to improving and maintaining our parks over the next five years.

Work has already commenced on the redevelopment of the City's two major shopping centres, Armadale Shopping City and Armadale Plaza. Over $150 million will be invested in these two developments over the next two years. Council has allocated an extra $1.75 million for initiatives associated with the City centre's economic development.

Residential growth in North Forrestdale and Brookdale will accelerate in the next five years, with the City's population expected to double by 2026. The Forrestdale Business Park has become a focus for business investors and will be substantially developed over the next decade. The City has estimated $3.25 million will need to be allocated to additional staff and resources to provide the additional services required to 2010.

In 2007 Champion Lakes will be commissioned for use by the WA rowing and canoeing fraternity. As the ARA advances this wonderful project the City has allocated $250,000 over 5 years to support the development of an Aboriginal Interpretive Centre planned for the precinct.

Armadale is famous for its events and celebration and $1.3 million is allocated to continue these programs through to 2010. Both Minnawarra Park and the newly enhanced Rushton Park provide excellent venues for community events.

The City has added new initiatives totalling over $22 million in its estimated Budget of $200 million over the next five years. As this first phase of the City's 15 Year Plan rolls out, residents of Armadale will indeed see the vision unfolding.

STATUTORY REPORTS

National Competition Policy

The City of Armadale, in satisfaction of the provisions of clause seven of the Competition Principles Agreement offers the following reports on activities which occurred during 2005/06.

Competitive neutrality

This principle deals with ensuring that government business operations have no advantage or disadvantage in comparison with the private sector.

The policy dictates that competitive neutrality should apply to all business activities which generate a user pays income of over $200,000 unless it can be shown that it is not in the public interest.

In this regard, no significant new business activities for the purposes of competitive neutrality were initiated or considered during the year and no non-compliance allegations were made.

Structural reform

The City of Armadale did not privatise any activities in 2005/06 and as a consequence there were no obligations for structural reform.

Legislation review

The eight yearly review of the City of Armadale local laws relating to the removal of refuse, rubbish and disused materials was completed resulting in no amendments being made.

A review of the Signs, Hoardings and Bill Posting Local Law was also completed with substantial amendments made enabling it to become a more compliance orientated local law.

The City of Armadale Health Local Laws 2002 were reviewed and amended to reflect present State administrative arrangements with respect to electrical safety and varied requirements for the placement of refuse receptacles.

The City of Armadale Environment, Animals and Nuisance Local Laws were also reviewed and amended to provide the means for the City to deal with unsafe excavations on land and reflect provisions of Town Planning Scheme No. 4 with respect to the keeping of certain animals.

The Parking and Parking Facilities Local Law is currently under review.

Record Keeping Plan *(State Records Act* 2000*)*

The Record Keeping Plan (RKP) is an important document and describes the City's commitment to effective and compliant record keeping procedures. The City's first RKP was approved by the State Records Office on 22 April 2004 for a period of two years with a compulsory review required by 22 April 2006.

In accordance with its requirements the City reviewed and revised its RKP during the 2005/06 reporting period and submitted it to the State Records Office by the due date for compliance assessment. The City's revised Plan includes details of a recently introduced Electronic Document Management System (EDMS), a formalised Records Procedures Manual and a number of Record Management Key Performance Indicators.

The City's introduction of a new image based Electronic Document Management System (EDM) in early 2006 resulted in a complete review of the City's record keeping practices including a significant change to the City's record management training and induction activities.

Although just months into the implementation phase of the new record management system, the City has conducted an internal survey in order to evaluate and improve both the services offered by the Records Team and the new system itself. This survey will be conducted annually, the results of which will be used to continually refine and improve the City's Record Management System and practices.

Records training is provided to all employees who undertake record keeping duties and covers their respective roles and responsibilities in line with the State Records Act and the City's Record Keeping Plan.

Further, the City's Induction Program is designed to build on an initial system overview and usage, with training follow-ups planned along with audit checks to ensure roles and responsibilities are maintained. This Induction Program will be evaluated annually.

Employees are regularly advised on any additional information relating to records policy and procedures and the Records Team provide ongoing training, advice and assistance as required.

The City of Armadale is confident that with further ongoing development of its new records system it is well placed to serve the needs of our community now and well into the future.

Public Interest Disclosures

The City of Armadale recognises its obligations under the *Public Interest Disclosure Act 2003*, which aims to facilitate and encourage the disclosure of public interest information and to provide protection for those who make disclosures and for those whom disclosures are made.

Internal procedures have been implemented adhering to this legislation and the City has appointed a designated senior officer as a Public Interest Disclosure Officer.

Throughout the 2005/06 reporting period no public interest disclosures were lodged with the City of Armadale.

Information Statement

Under the *Freedom of Information Act* 1992 (FOI Act) the City is required to prepare an Information Statement annually detailing its administration and compliance with the FOI Act and the *Local Government Act* 1995 in relation to the provision of information to the public. A copy of this statement is available from Council's Administration Centre, 7 Orchard Avenue, Armadale during normal business hours or from the City's web site www.armadale.wa.gov.au

Disability Access and Inclusion Plan outcomes (*Disability Services Act* 1993)

In order to effectively respond to the needs of people with a disability living and working in Armadale the City was proud to be the first Local Government in WA to develop, and lodge with the Disability Services Commission (DSC), a 'Disability Services Plan' in 1995. Thanks to E-QUAL consultants and input received from local residents, community groups, disability agencies, other government authorities as well as City staff and Council, the City is again delighted to be one of the first Local Governments to review and change this Plan to a 'Disability Access and Inclusion Plan' (DAIP) as per legislative requirements through the DSC.

The new City of Armadale Disability Access and Inclusion Plan 2005-2009 outlines the manner in which it will ensure that people with disabilities have equal access to it's facilities and services and sets priorities and strategies in an 'Action' Plan which under five standard key outcome areas, and an additional two to cover employment within the City and community awareness, will address the locally identified issues and opportunities that exist and strive for best practice in creating an accessible and inclusive community.

The City's DAIP is being monitored and actioned through the Community Development Department with ongoing advice provided through the City's Disability Advisory Committee.

The City's Libraries have independently undertaken some proactive strategies to better meet the needs of people who are vision impaired including compilation of an extensive stock of large print and talking books (cassettes, CDs and MP3s), the supply of magnifying glasses and wheelchairs and a range of other services such as books on wheels, home delivery and the recent availability of a number of library services from the City's website.

An exciting achievement for the City was being accepted by the Association for the Blind of WA as one of three trial sites in the state, two of these being Local Government based, for the Books in the Sky Project Initiative currently receiving much attention and recognition in the Eastern States. This 'pilot' project was launched here at the City in February 2006 in partnership with the Association for the Blind.

Within the area of Recreation, the City also has a comprehensive events program for which venue location and facilities are determined and provided with access issues in mind. In May 2006 the Armadale Council authorised the City's registration of the Armadale Aquatic Centre for the Companion Card Program. This program provides free entry to the centre for carers or companions of people with disabilities and will be in place for the 2006/07 season. At the same venue, in conjunction with the Local Area Coordination branch of the Disability Services Commission, the City conducted a two week pilot swimming program for children with disabilities during the 2006 Easter School holidays. This was partly funded by the Commonwealth Carers Respite Centre and is something the City will be looking to provide ongoing support and development of in the future.

In order to ensure that people with a disability receive information in an appropriate format, the City can, upon request, provide local residents with City of Armadale publications and reports in an alternative format to written form such as Braille, computer disk, and audiotape.

The City also provides regular 'Disability Awareness' and other similar types of training for all staff members.

In order to ensure residents with a disability have a voice and an avenue to be involved in public consultation processes, the City continues to support a Disability Advisory Committee (DAC) through which recommendations and information can be passed on to Council via the Community Services Committee, on a range of issues which affect the quality of life of people with a disability living in the City of Armadale.

The City also has a close working relationship with the Armadale Redevelopment Authority (ARA) and has provided input into the disability relevant areas of the ARA's Community Development Strategy during its recent review. The City's relationship with the ARA has also been heightened in the disability area through the active involvement of the ARA in the monthly DAC Meetings and the consequent significant input into developments under ARA jurisdiction such as the Armadale Train Station, Armadale Shopping City Redevelopment, and the Armadale Plaza Shopping Centre Development.

Further information on the full range of services, facilities and programs available under the City's Disability Access and Inclusion Plan is available by contacting the City's Senior's and Disability Community Development Officer.

INDEPENDENT AUDIT REPORT

BARRETT & PARTNERS — DFK

Certified Practising Accountants

INDEPENDENT AUDIT REPORT

TO: RATEPAYERS OF THE CITY OF ARMADALE

PARTNERS
Anthony D Macri FCPA
Domenic A Macri CPA
Connie C Macri CA

Scope

We have audited the financial report of the City of Armadale, comprising the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Rate Setting Statement and the notes to and forming part of the financial report for the year ended 30 June 2006. The Council is responsible for the preparation and presentation of the financial report and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the ratepayers of the City of Armadale.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the Local Government Act 1995 (as amended) and Regulations under that Act, Australian Accounting Standards and other mandatory professional reporting requirements so as to present a view of the City of Armadale which is consistent with our understanding of its financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

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

(a) present fairly the financial position of the City of Armadale as at 30 June 2006 and the results of its operations for the year then ended in accordance with applicable Accounting Standards; and

(b) are prepared in accordance with the requirements of the Local Government Act 1995 and Regulations under that act and other mandatory professional reporting requirements.

We did not during the course of our audit become aware of any instances where the Council did not comply with the requirements of the Local Government Act and Regulations under that Act.

BARRETT & PARTNERS – DFK
Certified Practising Accountants
Level 1, 28 Thorogood Street
BURSWOOD WA 6100

A MACRI
PARTNER

PERTH
DATED THIS 16TH DAY OF OCTOBER 2006.

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DFK INTERNATIONAL
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FINANCIAL REPORT

CITY OF Armadale

Financial Report
For the year ended 30 June 2006

Local Government Act 1995
Local Government (Financial Management) Regulations 1996

Statement by Chief Executive Officer

The attached financial report of the City of Armadale, being the annual financial report and supporting notes and other information for the financial year ended 30 June 2006, are in my opinion properly drawn up to present fairly the financial position of the City of Armadale at 30 June 2006 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and regulations under that Act.

Signed on the 12th day of October 2006.

R S Tame
Chief Executive Officer

City of Armadale
Income Statement by Program
For the year ended 30 June 2006

	Note	2006	2006 Budget	2005
		$	$	$
Revenues from Ordinary Activities	2			
General Purpose Funding		22,833,515	22,164,431	20,812,105
Governance		340,246	20,494	1,400
Law, Order and Public Safety		406,701	426,419	439,969
Health		116,231	97,367	102,462
Education and Welfare		198,469	142,785	204,964
Community Amenities		4,597,428	4,442,774	4,218,965
Recreation and Culture		587,166	1,029,665	961,571
Transport		6,165,376	4,348,823	5,122,093
Economic Services		719,701	317,498	379,230
Other Property and Services		104,195	133,880	386,740
		36,069,028	**33,124,136**	**32,629,499**
Expenses from Ordinary Activities Ex Borrowing Cost	2			
General Purpose Funding		567,189	285,322	679,869
Governance		966,375	762,500	655,433
Law, Order and Public Safety		1,163,315	1,274,830	1,076,793
Health		702,041	697,657	823,200
Education and Welfare		1,311,843	1,376,420	1,395,799
Community Amenities		5,911,213	6,475,805	5,336,838
Recreation and Culture		10,562,309	12,011,679	11,105,177
Transport		8,567,052	8,942,524	6,704,094
Economic Services		895,470	915,677	1,021,363
Other Property and Services		263,229	212,675	172,138
		30,910,036	**32,955,089**	**28,970,704**
Borrowing Costs Expense	2			
General Purpose Funding		0	0	0
Governance		67,525	92,950	0
Community Amenities		0	0	6,166
Recreation and Culture		17,913	39,383	16,209
Transport		0	12,750	0
Economic Services		915	5,900	0
Other Property and Services		0	0	48,925
		86,353	**150,983**	**71,300**
Net Result		**5,072,639**	**18,064**	**3,587,495**

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

City of Armadale
Balance Sheet
As at 30 June 2006

	Note	2006	2005
		$	$
Current Assets			
Cash and Cash Equivalents	3	16,411,330	14,420,034
Trade and Other Receivables	4	2,961,591	2,563,727
Inventories	5	91,183	88,994
Total Current Assets		**19,464,104**	**17,072,755**
Non-Current Assets			
Other Receivables	4	688,654	577,327
Property, Plant and Equipment	6	25,305,404	25,401,706
Infrastructure	7	172,495,615	167,901,845
Total Non-Current Assets		**198,489,673**	**193,880,878**
Total Assets		**217,953,777**	**210,953,633**
Current Liabilities			
Trade and Other Payables	8	5,790,850	4,296,568
Borrowings	9	234,072	419,172
Provisions	10	2,274,574	1,815,019
Total Current Liabilities		**8,299,496**	**6,530,759**
Non-Current Liabilities			
Long Term Payables	8	77,527	0
Borrowings	9	1,381,029	1,209,666
Provisions	10	529,359	619,481
Total Non-Current Liabilities		**1,987,915**	**1,829,147**
Total Liabilities		**10,287,411**	**8,359,906**
Net Assets		**207,666,366**	**202,593,727**
Equity			
Retained Surplus		194,488,434	190,099,036
Reserves - Cash Backed	11	4,726,184	4,042,943
Reserves - Asset Revaluation	12	8,451,748	8,451,748
Total Equity		**207,666,366**	**202,593,727**

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

City of Armadale
Statement of Changes in Equity
For the year ended 30 June 2006

	Note	2006	2005
		$	$
Retained Surplus as at 1 July		**190,099,036**	**187,344,302**
Net Result		5,072,639	3,587,495
Transfer from / (to) Reserves		(683,241)	(832,761)
Balance as at 30 June 2006		**194,488,434**	**190,099,036**
Reserves - Cash Backed			
Balance as at 1 July 2005		4,042,943	3,210,182
Transfer (to) / from Retained Surplus		683,241	832,761
Balance as at 30 June 2006	11	**4,726,184**	**4,042,943**
Reserves - Asset Revaluations			
Balance as at 1 July 2005		8,451,748	10,275,810
Revaluation Increment		0	0
Revaluation Decrement		0	(1,824,062)
Balance as at 30 June 2006	12	**8,451,748**	**8,451,748**
Total Equity		**207,666,366**	**202,593,727**

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

City of Armadale
Cash Flow Statement
For the year ended 30 June 2006

	Note	2006	2006 Budget	2005
		$	$	$
Cash Flows from Operating Activities				
Receipts				
Rates		18,927,554	19,803,208	18,199,840
Grants and Subsidies - Operating		2,455,390	2,326,600	2,330,377
Contributions, Reimbursements and Donations		3,121,102	931,905	590,848
Service Charges		0	0	0
Fees and Charges		5,979,582	7,217,483	4,810,520
Interest Earnings		1,130,515	770,226	906,674
Goods and Services Tax (on revenue)		830,026	500,000	761,789
Goods and Services Tax (refunded)		1,555,852	450,000	853,973
Other		274,471	194,016	134,968
		34,274,492	**32,193,438**	**28,588,989**
Payments				
Employee Costs		(14,920,256)	(12,748,101)	(10,790,993)
Materials and Contracts		(4,975,139)	(11,349,800)	(6,112,493)
Utilities		(1,082,135)	(1,153,040)	(387,110)
Insurance		(410,680)	(536,743)	(483,085)
Interest		(86,353)	(150,983)	(71,300)
Goods and Services Tax		(2,385,878)	(950,000)	(1,729,914)
Other		625,789	(103,045)	(454,646)
		(23,234,652)	**(26,991,712)**	**(20,029,541)**
Net Cash Provided by Operating Activities	13	**11,039,840**	**5,201,726**	**8,559,448**
Cash Flows from Investing Activities				
Payment for Development of Land		0	0	0
Payment for Property, Plant and Equipment		(2,085,068)	(2,496,104)	(2,540,640)
Payment for Infrastructure		(11,030,883)	(14,391,088)	(6,441,147)
Advances for Community Groups		0	0	0
Grants and Subsidies - Non Operating		3,228,848	3,290,242	4,914,945
Proceeds from Sale of Assets		852,296	884,706	479,093
Proceeds from Advances		0	0	0
Net Cash Provided by Investing Activities		**(9,034,807)**	**(12,712,244)**	**(3,587,749)**
Cash Flows from Financing Activities				
Repayment of Debentures		(333,737)	(409,917)	(194,050)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures		320,000	1,020,000	585,000
Net Cash Provided by Financing Activities		**(13,737)**	**610,083**	**390,950**
Net Increase (Decrease) in Cash Held		**1,991,296**	**(6,900,435)**	**5,362,649**
Cash at Beginning of Year		**14,420,034**	**14,320,033**	**9,057,385**
Cash at End of Year	13	**16,411,330**	**7,419,598**	**14,420,034**

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

City of Armadale
Rate Setting Statement
For the year ended 30 June 2006

		Note	2006 $	2006 Budget $
Revenues				
	General Purpose Funding		3,506,179	2,961,314
	Governance		340,246	20,494
	Law, Order and Public Safety		406,701	426,419
	Health		116,231	97,367
	Education and Welfare		198,469	142,785
	Community Amenities		4,597,428	4,442,774
	Recreation and Culture		587,166	1,029,665
	Transport		6,165,376	4,348,823
	Economic Services		719,701	317,498
	Other Property and Services		104,195	133,880
			16,741,692	**13,921,019**
Expenses				
	General Purpose Funding		(567,189)	(286,322)
	Governance		(1,033,900)	(762,500)
	Law, Order and Public Safety		(1,163,315)	(1,274,830)
	Health		(702,041)	(697,657)
	Education and Welfare		(1,311,843)	(1,376,420)
	Community Amenities		(5,919,357)	(6,481,705)
	Recreation and Culture		(10,572,993)	(12,050,062)
	Transport		(8,567,052)	(8,972,274)
	Economic Services		(895,470)	(915,677)
	Other Property and Services		(263,228)	(288,625)
			(30,996,388)	**(33,106,072)**
Adjustments for Cash Budget Requirements				
Non-Cash Expense and Revenue				
	(Profit) / Loss on Asset Disposals	19	(426,388)	(181,523)
	Depreciation on Assets	2	8,192,576	8,073,767
Capital Expense and Revenue				
	Purchase Land and Buildings	6	(270,632)	(195,647)
	Purchase Furniture and Equipment	6	(3,681)	(183,082)
	Purchase Plant and Machinery	6	(1,810,755)	(2,117,375)
	Purchase Infrastructure - Roads	7	(8,914,449)	(11,451,843)
	Purchase Infrastructure - Drainage	7	(584,863)	(1,163,400)
	Purchase Infrastructure - Pathways	7	(619,111)	(717,345)
	Purchase Infrastructure - Parks / Reserves	7	(912,460)	(1,058,500)
	Proceeds from Disposal of Assets	19	852,296	884,700
	Repayment of Debentures	21	(333,875)	(409,917)
	Proceeds from New Debentures	21	320,000	1,020,000
	Transfer to Reserves	11	(1,733,742)	(1,753,300)
	Transfer from Reserves	11	1,050,500	1,318,175
Add	Estimated Surplus / (Deficit) 1 July		5,747,446	7,146,459
Less	Estimated Surplus / (Deficit) 30 June		5,625,502	(770,767)
Amount Required from Rates		22	**(19,327,336)**	**(19,203,117)**

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

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

1. Significant Accounting Policies

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

a. Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with the applicable Australian Accounting Standards, other mandatory professional reporting requirements and the Local Government Act 1995 and accompanying regulations. The report has also been prepared on the accrual basis under the convention of historical cost accounting.

First AIFRs Financial Report

This is the City's first Australian Equivalents to International Financial Reporting Standards (AIFRSs) annual financial report covered by AIFRSs and AASB 1 – First time adoption of Australian equivalents to International Financial Reporting Standards. The preparation of the annual financial report, in accordance with AIFRSs, resulted in changes to accounting policies as compared with the most recent annual financial statements prepared under previous Generally Accepted Accounting Principles (previous GAAP). The accounting policies set out below have been consistently applied to all periods presented in this financial report. They have also been applied in preparing an opening AIFRSs balance sheet as at 1 July 2004 for the purpose of the transition to Australian Accounting Standards – AIFRSs as required by AASB 1. The impact of the transition from previous GAAP to AIFRSs, which is nil, is explained in Note 34.

Compliance with IFRSs

International Financial Reporting Standards (IFRSs) form the basis of Australian Accounting Standards adopted by the AASB, being AIFRSs. The financial report of the City complies with IFRSs and interpretations adopted by International Accounting Standards Board, except as follows:

1. AIFRSs include specific provisions relating to not-for-profit entities. These are not included in IFRSs.
2. Australian Accounting Standard (AAS) 27 – Financial reporting by Local Governments – also applies and there is no equivalent standard in IFRSs.

The principal areas of non-compliance with IFRSs include:

1. The recognition of non-reciprocal revenue
2. The definition of value in use for the purposes of estimating the recoverable amount of impaired assets, and
3. The offsetting of asset revaluation increments and decrements on a class of asset basis rather than individual asset basis.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances – the results of which form the basis of making judgements about carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ.

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

1. **Significant Accounting Policies (continued)**

b. **The Local Government Reporting Entity**

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 17 to these financial statements.

c. **Goods and Services Tax**

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

d. **Fixed Assets**

Property, plant and equipment and infrastructure assets are brought to account at cost or at independent or management valuation less, where applicable, any accumulated depreciation, amortisation or impairment losses.

The value of all infrastructure assets (other than land under roads) has been recorded in the Balance Sheet. Land under roads is excluded from infrastructure in accordance with accounting standards and legislative requirements.

Council has elected to measure property, plant and equipment and all infrastructure assets at cost basis with regular revaluations being conducted.

e. **Land Held for Resale**

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

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

1. **Significant Accounting Policies (continued)**

f. **Depreciation of Non-Current Assets**

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

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

▪ Buildings	50 years
▪ Electronic Equipment	5 years
▪ Furniture and Equipment	15 years
▪ Plant and Machinery	3 to 20 years
▪ Sealed Roads and Streets	
Clearing and Earthworks	Not depreciated
Construction and Road Base	50 years
Original Surface and Major Resurfacing	50 years
▪ Gravel Roads	
Clearing and Earthworks	Not depreciated
Construction and Road Base	50 years
Gravel Sheet	12 years
▪ Drainage	50 years
▪ Pathways	20 years
▪ Parks and Reserves	20 years

g. **Investments**

All investments are valued at cost. Interest on those investments is recognised when accrued.

h. **Joint Venture**

The City's interest in any joint ventures has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the Statement of Financial Position and Operating Statement and set out in Note 16.

i. **Leases**

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

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

1. Significant Accounting Policies (continued)

j. Employee Benefits

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

Wages, Salaries, and Annual Leave (Short-term benefits)

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

Annual Leave and Long Service Leave (Long-term benefits)

The provision for employees' benefits for annual leave and long service leave expected to be settled more than 12 months from the reporting date represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees' service to balance date.

k. Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the City obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner, or used over a particular period, and were undischarged as at the reporting date, these are disclosed in Note 2. That note also discloses the amount of contributions recognised as revenues in a previous reporting period that were obtained in respect of the City's operations for the current period.

l. Superannuation

The City of Armadale contributes to defined contribution schemes.

m. Interest Rate Risk

The City's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is considered negligible for all financial instruments other than borrowings. Information on interest rate risk is disclosed in Note 21.

n. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements. The City does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the City.

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

1. **Significant Accounting Policies (continued)**

o. **Fair Values**

The fair value of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets, where the carrying amount exceeds fair values, have not been written down as council intends to hold these assets to maturity. The aggregate fair value and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to, and forming part of, the accounts.

p. **Rounding Off Figures and Minor Differences**

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Due to the nature of rounding, minor differences between totals may occur.

q. **Comparative Figures**

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year and may differ from previous period reporting.

r. **Impairment**

The City's assets, other than inventory, are assessed at each reporting date to determine whether there is any impairment. An impairment loss is recognised whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount.

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

		Note	2006	2005
			$	$
2.	**Revenues and Expenses**			
a.	**Net Result from Ordinary Activities was arrived at after:**			
i.	**Charging as Expenses:**			
	Significant Expense		Nil	Nil
	Amortisation		Nil	Nil
	Auditor's Remuneration			
	Audit		12,000	12,000
	Other Services		1,670	1,470
	Bad and Doubtful Debts			
	Rates Written Off		31,124	20,738
	Sundry Debtors Written Off		17,574	25,677
	Provision for Doubtful Debts		122,378	122,378
	Depreciation			
	Land and Buildings		532,782	437,067
	Plant and Machinery		1,193,548	1,148,733
	Furniture and Equipment		29,132	121,907
	Roads		2,344,332	2,240,420
	Drainage		527,046	517,134
	Pathways		283,949	266,893
	Reserves		3,281,787	3,261,674
			8,192,576	7,993,828
	Interest Expenses			
	Finance Lease Charges			0
	Debentures	21	86,353	71,300
			86,353	71,300

ii. Crediting as Revenues:

	Note	2006	2006 Budget	2005
		$	$	$
Interest Earnings				
Investments - Reserve Funds		763,489	400,000	159,038
Investments - Other Funds		209,530	158,651	592,625
Other Interest Revenue	26	157,496	211,575	154,971
Other Interest Revenue - Loans		0	0	39
		1,130,515	770,226	906,673

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

2. Revenues and Expenses (continued)

b. Statement of Objective

In order to discharge its responsibilities to the community, the city has developed a set of operational and financial objectives. The objectives have been established both on an overall basis, reflected by the City's Commitment and Vision statements, and for each of its broad activities / programmes.

Our Commitment

To create a caring and vibrant City, rich in history, heritage and lifestyle.

Our Vision

- A major regional centre
- A place with the advantages of city living and the natural beauty of the bushland setting
- A city strong in opportunity – in comparison to any other city in Australia
- A great place to raise small children
- Clean, green and prosperous

Council operations, as disclosed in this report, encompass the following service oriented activities / programmes:

General Purpose Funding

This programme includes rates, statutory grants from the Western Australian Local Government Grants Commission and interest on investments from Municipal and Reserve funds.

Governance

This programme includes the administration and operation of facilities and services to the elected members of Council. It also includes civic receptions, citizenship ceremonies, research, development and preparation of policy documents, strategic planning, annual budgets, annual financial reports, audit fees and the annual report.

Law, Order and Public Safety

This programme includes the administration and operation of volunteer fire services and the state emergency services, together with animal control and community safety.

Health

This programme includes services such as immunisation, health inspections, pest control, noise control and health clinics.

Education and Welfare

This programme includes pre-schools, senior citizen centres, disability services and other community development activities such as seniors, youth and indigenous services.

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

2. Revenues and Expenses (continued)

b. Statement of Objective (continued)

Community Amenities

This programme includes town planning and regional development services, protection of the environment, refuse collection and disposal, provision of public toilets, bus shelters and street furniture.

Recreation and Culture

This is the provision of public buildings, libraries, aquatic centres, community events, cultural activities, museums, indoor and outdoor sporting complexes, parks and gardens, and playgrounds.

Transport

This programme includes the maintenance and construction of roads, drains, pathways, crossovers and traffic calming devices, plus street lighting and cleaning, road signs and parking areas.

Economic Services

This programme covers building control, private swimming pool inspections, tourism and economic development.

Other Property and Services

This programme includes public works overheads and the purchase and maintenance of engineering plant and equipment.

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

		2006	2005
		$	$
2.	**Revenues and Expenses (continued)**		
c.	**Conditions Over Contributions**		
	Grants recognised as revenues in a previous reporting period that were not expended at the close of the previous reporting period (i.e. opening balance)		
	Law, Order and Public Safety		
	Emergency Services	7,197	0
	Education and Welfare		
	Indigenous Youth Arts	0	21,990
	Keystart Neighbourhood Improvement	0	32,667
	Community Amenities		
	Waterwise	0	2,114
	Transport		
	Federal Blackspot	0	468,808
	Grants Commission Road Fund	66,000	0
	Local Government Road Fund	1,000,000	0
	Roads to Recovery	0	496,104
	Roadwise Safety Instructor	0	3,645
	State Blackspot	37,000	61,322
	Street Lighting	0	14,051
		1,110,197	**1,100,701**
	New grants that were recognised as revenues during the reporting period and that had not yet been fully expended in the manner specified		
	Law, Order and Public Safety		
	Emergency Services	17,398	7,197
	Transport		
	Grants Commission Road Fund	0	66,000
	Local Government Road Fund	0	1,000,000
	State Blackspot	0	37,000
		17,398	**1,110,197**

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

		2006	2006 Budget	2005
		$	$	$
2.	**Revenues and Expenses (continued)**			
c.	**Conditions Over Contributions (continued)**			
	Grants that have been recognised as revenues in a previous reporting period, and that were expended in the current reporting period in the manner specified by the contributor			
	Law, Order and Public Safety			
	Emergency Services	7,197		0
	Education and Welfare			
	Indigenous Youth Arts	0		21,990
	Keystart Neighbourhood Improvement	0		32,667
	Community Amenities			
	Waterwise	0		2,114
	Transport			
	Grants Commission Road Fund	66,000		468,808
	Local Government Road Fund	1,000,000		0
	Roads to Recovery	0		496,104
	Roadwise Safety Instructor	0		3,645
	State Blackspot	37,000		61,322
	Street Lighting	0		14,051
		1,110,197		**1,100,701**
	Closing balances of unspent grants	**17,398**		**1,110,197**
d.	**Revenues and Expenses Classified According to Nature and Type**			
	Revenues			
	Rates	19,327,336	19,203,117	17,703,117
	Grants and Subsidies - Operating	2,455,390	2,326,600	2,330,377
	Grants and Subsidies - Non-Operating	3,228,848	3,290,242	4,914,945
	Contributions, Reimbursements and Donations	3,121,102	931,905	590,848
	Service Charges	0	0	0
	Profit on Asset Disposals	442,375	190,547	173,175
	Fees and Charges	6,088,991	6,217,483	5,875,396
	Interest Earnings	1,130,515	770,226	906,673
	Other Revenue	274,471	194,016	134,968
		36,069,028	**33,124,136**	**32,629,499**
	Expenses			
	Employee Costs	14,924,318	12,229,670	10,864,403
	Materials and Contracts	6,910,130	10,849,800	8,646,489
	Utilities	1,082,135	1,153,040	387,110
	Depreciation	8,192,576	8,073,767	7,993,828
	Interest Expense	86,353	150,983	71,300
	Loss on Asset Disposals	15,986	9,024	141,143
	Insurance	410,680	536,743	483,085
	Other Expense	(625,789)	103,045	454,646
		30,996,389	**33,106,072**	**29,042,004**

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

		2006	2005
		$	$
3.	**Cash and Cash Equivalents**		
	Unrestricted	6,605,423	7,128,628
	Restricted	9,805,907	7,291,406
		16,411,330	**14,420,034**
	The following restrictions have been imposed by regulations or other externally imposed requirements:		
	Waste Management Reserve	2,455,134	2,081,634
	Plant and Machinery Reserve	1,134,475	1,130,475
	Land Acquisition Reserve	233,051	233,051
	Long Service Leave Reserve	77,526	60,085
	Workers' Compensation Reserve	99,841	99,841
	Revolving Energy Reserve	0	0
	Building Plant and Equipment Reserve	89,807	89,807
	PABX Telephone System Upgrade Reserve	8,000	8,000
	Mobile Garbage Bin Programme Reserve	492,850	292,850
	Future Recreation Facilities Reserve	75,500	47,200
	Emergency Waste Reserve	60,000	0
	Resource Recovery Centre Reserve	0	0
	Restricted Funds - Provisions	2,042,832	760,960
	Restricted Funds - Deposits and Bonds	1,758,150	1,377,306
	Restricted Funds - Unspent Grants	17,398	1,110,197
	Restricted Funds - Public Open Space	792,570	0
	Restricted Funds - North Forrestdale	146,611	0
	Restricted Funds - Works Contributions	322,161	0
		9,805,907	**7,291,406**
4.	**Trade and Other Receivables**		
	Current		
	Accrued Revenue	428,067	429,043
	Rates Outstanding	327,799	(44,665)
	Emergency Service Levy Debtors	19,308	0
	Sundry Debtors	2,308,796	2,301,727
	Provision for Doubtful Debts	(122,378)	(122,378)
		2,961,592	**2,563,727**
	Non-Current		
	Rates Outstanding - Pensioners	544,574	577,327
	Emergency Service Levy	16,451	0
	Long Service Receivable from Councils	127,629	0
		688,654	**577,327**
5.	**Inventories**		
	Current		
	Fuel and Materials	91,183	88,994
		91,183	**88,994**

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

		2006	2005
		$	$
6.	**Property, Plant and Equipment**		
	Land and Buildings - Cost	20,692,108	20,429,796
	Less Accumulated Depreciation	(532,782)	0
		20,159,326	**20,429,796**
	Furniture and Equipment - Cost	2,101,858	2,098,176
	Less Accumulated Depreciation	(2,056,546)	(2,027,414)
		45,312	**70,762**
	Plant and Machinery - Cost	11,209,302	10,616,531
	Less Accumulated Depreciation	(6,108,536)	(5,715,383)
		5,100,766	**4,901,148**
	Total Property, Plant and Equipment	**25,305,404**	**25,401,706**

Any valuations of Council's property, plant and equipment were originally based on the written down replacement cost, performed in accordance with Statement of Accounting Practice SAP 1 (Current Cost Accounting).

Effective from 1 July 2005, the carrying amount of property, plant and equipment, previously carried at a revalued amount, is deemed to be their cost.

This is in accordance with the exemptions on application of Accounting Standard AASB 1 (First-time Adoption of Australian Equivalents to International Financial Reporting Standards). These asset classes are now being carried at cost and, whilst not subject to a policy of regular scheduled revaluation, they are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 (Impairment of Assets).

However, Council has a practice of revaluing assets with sufficient regularity to ensure the carrying amount of each asset is fairly stated at reporting date. This practice also accords with the AASB.

Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year is shown below:

	Land and Buildings	Furniture and Equipment	Plant and Machinery	Total
Beginning Balance	20,429,796	70,762	4,901,148	**25,401,706**
Additions	270,632	3,681	1,810,755	**2,085,068**
Disposals	(8,320)	0	(417,589)	**(425,909)**
Revaluation Movements	0	0	0	**0**
Impairment Adjustments	0	0	0	**0**
Depreciation Expense	(532,782)	(29,131)	(1,193,548)	**(1,755,461)**
Carrying Amount	**20,159,326**	**45,312**	**5,100,766**	**25,305,404**

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

		2006	2005
		$	$
7.	**Infrastructure**		
	Roads - Cost	126,265,009	117,350,559
	Less Accumulated Depreciation	(18,065,297)	(15,720,965)
		108,199,712	**101,629,594**
	Drainage - Cost	26,939,111	26,354,248
	Less Accumulated Depreciation	(4,534,756)	(4,007,710)
		22,404,355	**22,346,538**
	Pathways - Cost	6,298,807	5,679,696
	Less Accumulated Depreciation	(1,911,398)	(1,627,449)
		4,387,409	**4,052,247**
	Parks and Reserves - Cost	66,566,014	65,653,554
	Less Accumulated Depreciation	(29,061,875)	(25,780,088)
		37,504,139	**39,873,466**
	Total Infrastructure	**172,495,615**	**167,901,845**

Any valuations of Council's infrastructure were originally based on the written down replacement cost, performed in accordance with Statement of Accounting Practice SAP 1 (Current Cost Accounting).

Effective from 1 July 2005, the carrying amount of infrastructure, previously carried at a revalued amount, is deemed to be their cost.

This is in accordance with the exemptions on application of Accounting Standard AASB 1 (First-time Adoption of Australian Equivalents to International Financial Reporting Standards). These asset classes are now being carried at cost and, whilst not subject to a policy of regular scheduled revaluation, they are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 (Impairment of Assets).

However, Council has a practice of revaluing assets with sufficient regularity to ensure the carrying amount of each asset is fairly stated at reporting date. This practice also accords with the AASB.

Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year is shown below:

	Roads	Drainage	Pathways	Parks and Reserves	Total
Beginning Balance	101,629,594	22,346,538	4,052,247	39,873,466	**167,901,845**
Additions	8,914,449	584,863	619,111	912,460	**11,030,883**
Disposals	0	0	0	0	**0**
Revaluation Movements	0	0	0	0	**0**
Impairment Adjustments	0	0	0	0	**0**
Depreciation Expense	(2,344,331)	(527,046)	(283,949)	(3,281,787)	**(6,437,113)**
Carrying Amount	**108,199,712**	**22,404,355**	**4,387,409**	**37,504,139**	**172,495,615**

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

		2006	2005
		$	$
8.	**Trade and Other Payables**		
	Current		
	Sundry Creditors	2,371,623	2,026,516
	Payroll Deductions	71,583	0
	Accrued Expenses	386,414	382,352
	Revenue Liability	1,127,051	38,914
	Sundry Deposits and Bonds	1,758,150	1,377,306
	Emergency Service Levy Liability	35,375	0
	Payroll Entitlements	40,654	471,480
		5,790,850	**4,296,568**
	Non-Current		
	Sundry Creditors	77,527	0
		77,527	**0**
9.	**Borrowings**		
	Current		
	Secured by Floating Charge		
	Debentures	234,072	419,172
		234,072	**419,172**
	Non-Current		
	Secured by Floating Charge		
	Debentures	1,381,028	1,209,666
		1,381,028	**1,209,666**
	Additional details on borrowings are provided in Note 21.		
10.	**Provisions**		
	Current		
	Provision for Annual Leave	1,161,894	961,152
	Provision for Sick Leave	100,000	100,000
	Provision for Long Service Leave	1,012,680	753,867
		2,274,574	**1,815,019**
	Non-Current		
	Provision for Annual Leave	339,137	197,067
	Provision for Long Service Leave	190,222	422,414
		529,359	**619,481**

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

		2006	2006 Budget	2005
		$	$	$
11.	**Reserves - Cash Backed**			
	Waste Management Reserve			
	Opening Balance	2,081,634	2,081,634	1,839,534
	Amount Set Aside / Transfer to Reserve	451,000	475,000	345,000
	Amount Used / Transfer from Reserve	(77,500)	(27,500)	(102,900)
	Closing Balance	**2,455,134**	**2,529,134**	**2,081,634**
	Plant and Machinery Reserve			
	Opening Balance	1,130,475	1,130,475	872,470
	Amount Set Aside / Transfer to Reserve	977,000	970,000	1,148,700
	Amount Used / Transfer from Reserve	(973,000)	(1,240,675)	(890,695)
	Closing Balance	**1,134,475**	**859,800**	**1,130,475**
	Land Acquisition Reserve			
	Opening Balance	233,051	233,051	233,051
	Amount Set Aside / Transfer to Reserve	0	0	0
	Amount Used / Transfer from Reserve	0	0	0
	Closing Balance	**233,051**	**233,051**	**233,051**
	Long Service Leave Reserve			
	Opening Balance	60,085	60,085	51,936
	Amount Set Aside / Transfer to Reserve	17,441	0	8,149
	Amount Used / Transfer from Reserve	0	0	0
	Closing Balance	**77,526**	**60,085**	**60,085**
	Emergency Waste Reserve			
	Opening Balance	0	0	0
	Amount Set Aside / Transfer to Reserve	60,000	60,000	0
	Amount Used / Transfer from Reserve	0	(50,000)	0
	Closing Balance	**60,000**	**10,000**	**0**
	Workers' Compensation Reserve			
	Opening Balance	99,841	99,841	0
	Amount Set Aside / Transfer to Reserve	0	0	99,841
	Amount Used / Transfer from Reserve	0	0	0
	Closing Balance	**99,841**	**99,841**	**99,841**
	Revolving Energy Reserve			
	Opening Balance	0	0	0
	Amount Set Aside / Transfer to Reserve	0	0	0
	Amount Used / Transfer from Reserve	0	0	0
	Closing Balance	**0**	**0**	**0**
	Building Plant and Equipment Reserve			
	Opening Balance	89,807	89,807	92,040
	Amount Set Aside / Transfer to Reserve	0	0	24,167
	Amount Used / Transfer from Reserve	0	0	(26,400)
	Closing Balance	**89,807**	**89,807**	**89,807**

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

		2006	2006 Budget	2005
		$	$	$
11.	**Reserves - Cash Backed (continued)**			
	Resource Recovery Centre Reserve			
	Opening Balance	0	0	0
	Amount Set Aside / Transfer to Reserve	0	20,000	0
	Amount Used / Transfer from Reserve	0	0	0
	Closing Balance	**0**	**20,000**	**0**
	PABX Telephone System Upgrade Reserve			
	Opening Balance	8,000	8,000	8,000
	Amount Set Aside / Transfer to Reserve	0	0	0
	Amount Used / Transfer from Reserve	0	0	0
	Closing Balance	**8,000**	**8,000**	**8,000**
	Mobile Garbage Bin Programme Reserve			
	Opening Balance	292,850	292,850	92,850
	Amount Set Aside / Transfer to Reserve	200,000	200,000	200,000
	Amount Used / Transfer from Reserve	0	0	0
	Closing Balance	**492,850**	**492,850**	**292,850**
	Future Recreation Facilities Reserve			
	Opening Balance	47,200	47,200	20,300
	Amount Set Aside / Transfer to Reserve	28,300	28,300	26,900
	Amount Used / Transfer from Reserve	0	0	0
	Closing Balance	**75,500**	**75,500**	**47,200**
	Total Reserves - Cash Backed	**4,726,184**	**4,478,068**	**4,042,943**

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

In accordance with Council resolutions in relation to each reserve account, the purpose for which the funds are set aside are as follows:

Waste Management Reserve
- To be used to assist in the management and future provisioning of Council's Waste Management Sites.

Plant and Machinery Reserve
- To be used to assist in the purchase and replacement of plant and machinery.

Land Acquisition Reserve
- To be used to assist in future acquisitions of land.

Long Service Leave Reserve
- To be used to cover Council's portable Long Service Leave liability.

Emergency Waste Reserve
- To be used to assist with the costs associated with storm damage clean-up collections and disposal.

Workers' Compensation Reserve
- To be used to assist in covering Council's workers' compensation liability.

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

		2006	2005
		$	$

11. Reserves - Cash Backed (continued)

Revolving Energy Reserve
- To be used to assist in establishing energy efficient management techniques.

Building Plant and Equipment Reserve
- To be used to assist in maintenance and replacement of equipment associated with Council buildings.

Resource Recovery Centre Reserve
- To be used to assist with the running costs of the Resource Recovery Centre and projects promoting recycling and waste minimisation.

PABX Telephone System Upgrade
- To be used to assist in the upgrade and replacement of Council's current PABX telephone system.

Mobile Garbage Bin Programme Reserve
- To be used to assist in the purchase and replacement of the City's Mobile Garbage Bins.

Future Recreation Facilities Reserve
- To be used to assist in the construction of future recreation facilities.

12. Reserves - Asset Revaluation

Asset revaluation reserves have arisen on revaluation of the following classes of non-current asset:

Land and Buildings		
Opening Balance	8,451,748	10,275,810
Revaluation Increment	0	0
Revaluation Decrement	0	(1,824,062)
Total Asset Revaluation Reserves	**8,451,748**	**8,451,748**

13. Notes to the Statement of Cash Flows

a. Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Balance Sheet as follows:

Cash	16,411,330	14,420,034

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

		2006	2005
		$	$
13.	**Notes to the Statement of Cash Flows**		
b.	**Reconciliation of Net Cash Provided by Operating Activities to Net Result**		
	Net Result	5,072,639	3,587,495
	Depreciation	8,192,576	7,993,828
	(Profit) / Loss on Sale of Asset	(426,389)	(32,032)
	(Increase) / Decrease in Receivables	(509,191)	(568,153)
	(Increase) / Decrease in Inventories	(2,189)	29,830
	Increase / (Decrease) in Payables	1,571,809	2,581,607
	Increase / (Decrease) in Employee Provisions	369,433	(118,182)
	Grants and Contributions for Asset Development	(3,228,848)	(4,914,945)
	Net Cash from Operating Activities	**11,039,840**	**8,559,448**
c.	**Credit Standby Arrangements**		
	Bank Overdraft Limit	100,000	100,000
	Bank Overdraft at Balance Date	0	0
	Credit Card Limit	6,000	6,000
	Credit Card at Balance Date	0	0
	Total Amount of Credit Unused	**106,000**	**106,000**
d.	**Loan Facilities**		
	Loan Facilities - Current	234,072	419,172
	Loan Facilities - Non-Current	1,381,029	1,209,666
	Total Facilities in Use at Balance Date	**1,615,101**	**1,628,838**
	Unused Loan Facilities at Balance Date	**0**	**0**
14.	**Contingent Liabilities**		
	Contingent Liabilities	Nil	Nil
15.	**Capital and Leasing Commitments**		
	Finance Lease Commitments	Nil	Nil
	Capital Expenditure Commitments	Nil	Nil
16.	**Joint Venture**		

The City does not have any joint ventures with other organisations.

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

	2006	2005
	$	$

17. Trust Funds

Funds held at the balance date over which the City has no control and that are included in the financial statements are as follows:

Item	Balance 1 July $	Amounts Received $	Amounts Paid $	Balance 30 June $
Rates in Suspense	17,881	1,010	0	**18,891**
SEMACC Lease Liability	10,525	0	0	**10,525**
Town Planning Bonds and S28A Deposits	51,362	0	0	**51,362**
	79,768	**1,010**	**0**	**80,778**

18. Total Assets (Current and Non-Current) Classified by Function and Activity

General Purpose Funding	9,842,282	6,939,367
Governance	2,268,706	1,019,362
Law, Order and Public Safety	1,335,976	1,234,575
Health	128,923	131,988
Education and Welfare	2,896,379	2,995,441
Community Amenities	5,935,114	5,159,124
Recreation and Culture	55,482,859	57,228,214
Transport	139,507,719	133,487,302
Economic Services	277,626	2,355,588
Other Property and Services	278,193	402,672
	217,953,777	**210,953,633**

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

19. Disposals of Assets - 2005-2006 Financial Year

The following assets were disposed of during the year:

	Net Book Value		Sale Price		Profit (Loss)	
	Actual	Budget	Actual	Budget	Actual	Budget
Item	$	$	$	$	$	$
Land and Buildings						
Recreation and Culture						
Lot 651 Westfield Road	8,318	180,000	212,786	180,000	204,468	0
	8,318	180,000	212,786	180,000	204,468	0
Total Land - Buildings	**8,318**	**180,000**	**212,786**	**180,000**	**204,468**	**0**
Plant and Machinery						
Governance						
P721 - Sedan	16,449	18,067	14,366	20,000	(2,083)	1,933
P748 - Sedan	29,735	31,893	29,523	33,000	(212)	1,107
P749 - Utility	26,745	28,602	29,185	27,000	2,440	(1,602)
	72,929	78,562	73,074	80,000	145	1,438
Law, Order and Safety						
P605 - Utility	12,048	13,480	11,468	14,000	(580)	520
P722 - Wagon	15,664	17,206	12,477	20,000	(3,187)	2,794
	27,712	30,686	23,945	34,000	(3,767)	3,314
Health						
P786 - Sedan	12,222	13,633	11,094	18,000	(1,128)	4,367
	12,222	13,633	11,094	18,000	(1,128)	4,367
Education and Welfare						
P753 - Sedan	25,508	27,256	24,295	27,000	(1,213)	(256)
	25,508	27,256	24,295	27,000	(1,213)	(256)
Community Amenities						
P713 - Utility	10,586	11,823	12,447	10,000	1,861	(1,823)
P730 - Sedan	14,765	16,172	14,503	18,000	(262)	1,828
P750 - Utility	13,898	15,362	16,943	18,000	3,045	2,638
P447 - Truck	0	0	0	30,000	0	30,000
P752 - Sedan	26,817	28,450	25,720	27,000	(1,097)	(1,450)
Minor Plant - Waste	0	0	0	1,000	0	1,000
	66,066	71,807	69,613	104,000	3,547	32,193
Economic Services						
P709 - Utility	14,469	15,893	13,766	12,000	(703)	(3,893)
P724 - Utility	14,020	15,400	15,114	20,000	1,094	4,600
	28,489	31,293	28,880	32,000	391	707

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

19. Disposals of Assets - 2005-2006 Financial Year (continued)

The following assets were disposed of during the year:

	Net Book Value		Sale Price		Profit (Loss)	
	Actual	Budget	Actual	Budget	Actual	Budget
Item	**$**	**$**	**$**	**$**	**$**	**$**
Plant and Machinery (continued)						
Recreation and Culture						
P296 - Utility	13,963	15,337	16,205	18,000	2,242	2,663
P337 - Trailer	0	0	91	100	91	100
P402 - Utility	14,134	15,525	15,252	18,000	1,118	2,475
P442 - Utility	10,934	12,085	15,275	14,000	4,341	1,915
P446 - Utility	10,934	12,085	13,811	14,000	2,877	1,915
P714 - Utility	13,031	14,401	17,094	18,000	4,063	3,599
P715 - Utility	16,873	18,534	20,730	24,000	3,857	5,466
P370 - Truck	0	12,294	0	20,000	0	7,706
P507 - Utility	0	15,855	0	18,000	0	2,145
P785 - Wagon	12,873	14,359	13,094	20,000	221	5,641
P878 - Tractor	0	0	28,316	15,000	28,316	15,000
P325 - Slasher	0	0	0	1,500	0	1,500
Minor Plant - Parks	1,429	0	1,091	3,000	(338)	3,000
Minor Plant - Property	725	0	641	1,000	(84)	1,000
	94,896	130,475	141,600	184,600	46,704	54,125
Transport						
P114 - Roller	0	20,000	25,570	20,000	25,570	0
P129 - Loader	0	0	62,770	30,000	62,770	30,000
P153 - Roller	0		40,000		40,000	0
P168 - Loader	0	0	50,000	30,000	50,000	30,000
P219 - Trailer	0	0	0	100	0	100
P254 - Compactor	0	10,000	939	10,000	939	0
P295 - Utility	13,690	15,037	13,603	18,000	(87)	2,963
P478 - Platform	0	0	0	1,000	0	1,000
P700 - Sedan	11,817	15,149	12,023	20,000	206	4,851
P733 - Sedan	0	13,000	0	13,000	0	0
P706 - Sedan	10,274	11,615	9,548	14,000	(726)	2,385
P708 - Sedan	10,116	11,437	9,750	14,000	(366)	2,563
P729 - Utility	15,928	18,071	18,185	24,000	2,257	5,929
Minor Plant - Support	977	0	600	1,000	(377)	1,000
Minor Plant - Engineering	3,290	0	1,112	3,000	(2,178)	3,000
P743 - Sedan	23,677	25,156	22,912	27,000	(765)	1,844
	89,769	139,465	267,012	225,100	177,243	85,635
Total Plant - Machinery	**417,591**	**523,177**	**639,513**	**704,700**	**221,922**	**181,523**
Total Assets	**425,909**	**703,177**	**852,299**	**884,700**	**426,390**	**181,523**

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

20. Financial Ratios

	2006	2005	2004	2003
Current Ratio	3.00	2.23	1.53	1.11
Untied Cash to Trade Creditors Ratio	2.79	3.52	9.70	0.91
Debt Ratio	0.05	0.04	0.03	0.02
Debt Service Ratio	0.01	0.01	0.04	0.02
Gross Debt to Revenue Ratio	0.05	0.06	0.04	0.02
Gross Debt to Realisable Assets Ratio	0.04	0.04	0.03	0.01
Rate Coverage Ratio	0.54	0.54	0.51	0.51
Outstanding Rates Ratio	0.02	0.03	0.06	0.08

The above ratios are calculated as follows:

Current Ratio — Current Assets Minus Restricted Current Assets / Current Liabilities Minus Liabilities From Restricted Assets

Untied Cash to Trade Creditors Ratio — Untied Cash / Unpaid Trade Creditors

Debt Ratio — Total Liabilities / Total Assets

Debt Service Ratio — Debt Service Cost (Principal and Interest) / Available Operating Revenue

Gross Debt to Revenue Ratio — Gross Debt / Total Revenue

Gross Debt to Realisable Assets Ratio — Gross Debt / Economically Realisable Assets

Rate Coverage Ratio — Net Rate Revenue / Operating Revenue

Outstanding Rates Ratio — Rates Outstanding / Rates Collectable

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

21. Information on Borrowings and Interest Rates

a. Repayment - Debentures (Budget)

Particulars	Principal 1 July $	New Loans $	Principal Payments Budget $	Principal 30 June Budget $	Interest Payments Budget $
Governance					
282 - Corporate System	705,013	0	95,000	610,013	42,000
283 - ARA Works (1)	0	400,000	13,000	387,000	17,000
285 - Temporary Admin	485,000	0	80,050	404,950	33,950
Recreation and Culture					
268 - Pries Park Pavilion	12,467	0	7,500	4,967	1,200
271 - Armadale Recreation	53,256	0	25,000	28,256	5,000
276 - Gwynne Park Pavilion	43,152	0	9,500	33,652	2,500
281 - Armadale Golf Plan	130,000	0	130,000	0	2,500
284 - Rushton Park Develop	0	320,000	16,750	303,250	20,150
286 - Kelmscott Library	100,000	0	6,967	93,033	8,033
Transport					
287 - Civil Works	0	300,000	9,750	290,250	12,750
Economic Services					
280 - Forrestdale Land	99,949	0	16,400	83,549	5,900
	1,628,837	**1,020,000**	**409,917**	**2,238,920**	**150,983**

b. Repayment - Debentures (Actual)

Particulars	Principal 1 July $	New Loans $	Principal Payments Actual $	Principal 30 June Actual $	Interest Payments Actual $
Governance					
282 - Corporate System	705,013	0	100,791	604,222	40,396
283 - ARA Works (1)	0	0	0	0	0
285 - Temporary Admin	485,000	0	37,104	447,896	27,129
Recreation and Culture					
268 - Pries Park Pavilion	12,467	0	7,827	4,640	744
271 - Armadale Recreation	53,256	0	25,858	27,398	2,638
276 - Gwynne Park Pavilion	43,152	0	43,152	0	1,545
281 - Armadale Golf Plan	130,000	0	11,405	118,595	7,229
284 - Rushton Park Develop	0	320,000	0	320,000	163
286 - Kelmscott Library	100,000	0	7,650	92,349	5,594
Transport					
287 - Civil Works	0	0	0	0	0
Economic Services					
280 - Forrestdale Land	99,949	0	99,949	0	915
	1,628,837	**320,000**	**333,736**	**1,615,100**	**86,353**

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

21. Information on Borrowings and Interest Rates (continued)

c. New Debentures - 2005-2006 Financial Year

Particulars	Amount Borrowed Actual $	Amount Borrowed Budget $	Amount Used Actual $	Amount Used Budget $	Balance Unspent $
284 - Rushton Park Develop	320,000	320,000	320,000	320,000	0

Particulars	Institution	Loan Type	Term (Years)	Total Interest and Charges	Interest Rate
284 - Rushton Park Develop	WATC	Debenture	10	116,409	6.22%

d. Unspent Debentures

There were no Unspent Debentures as at 30 June 2006.

e. Overdraft Facilities

Council did not utilise an overdraft facility during the 2005-2006 financial year, although a $100,000 facility has been established with the Challenge Bank to assist with short term liquidity requirements. A further provision to this facility is the permitted temporary increase to $1,500,000 during the months of July through September if required. Council did not utilise these facilities and the balance of any bank overdrafts at 1 July 2005 and 30 June 2006 was $nil.

City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2006

21. Information on Borrowings and Interest Rates (continued)

f. Interest Rate Risk Exposure

As at 30 June 2006

Description and any Applicable Average Rates	Non-Interest Bearing	Less than 1 Year	Between 1 and 5 Years	More than 5 Years	Total
Financial Assets					
Cash	16,411,330	0	0	0	**16,411,330**
Bank Bills / Term Deposits	0	0	0	0	**0**
Trade Receivables - Current	2,961,591	0	0	0	**2,961,591**
	19,372,921	**0**	**0**	**0**	**19,372,921**
Financial Liabilities					
Accounts Payable - Current	5,790,850	0	0	0	**5,790,850**
Employee Entitlements	2,274,574	0	0	0	**2,274,574**
Borrowings (5.91%)	0	32,038	722,817	860,245	**1,615,100**
	8,065,424	**32,038**	**722,817**	**860,245**	**9,680,524**

As at 30 June 2005

Description and any Applicable Average Rates	Non-Interest Bearing	Less than 1 Year	Between 1 and 5 Years	More than 5 Years	Total
Financial Assets					
Cash	14,420,034	0	0	0	**14,420,034**
Bank Bills / Term Deposits	0	0	0	0	**0**
Trade Receivables - Current	2,563,727	0	0	0	**2,563,727**
	16,983,761	**0**	**0**	**0**	**16,983,761**
Financial Liabilities					
Accounts Payable - Current	4,296,568	0	0	0	**4,296,568**
Employee Entitlements	1,815,019	0	0	0	**1,815,019**
Borrowings (5.86%)	130,000	322,469	902,150	274,218	**1,628,837**
	6,241,587	**322,469**	**902,150**	**274,218**	**7,740,424**

City of Armadale
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22. Rating Information - 2005-2006 Financial Year

	Budget					
Rate Type	**Rate in $ / Minimum Charge**	**Property Numbers**	**Rateable Value** $	**Rate Revenue** $	**Interim / Back Rating** $	**Total Revenue** $
General Rate						
Gross Rental Value	10.5000	17,455	156,178,448	16,398,737	10,842	**16,409,579**
Unimproved Value	0.5420	200	111,173,616	602,561	0	**602,561**
Sub-Total		**17,655**	**267,352,064**	**17,001,298**	**10,842**	**17,012,140**
Minimum Rate						
Gross Rental Value	$600	3,149	14,709,280	1,889,400	193,580	**2,082,980**
Unimproved Value	$721	21	2,025,697	15,141	0	**15,141**
Sub-Total		**3,170**	**16,734,977**	**1,904,541**	**193,580**	**2,098,121**
Total		**20,825**	**284,087,041**	**18,905,839**	**204,422**	**19,110,261**
Rate Equivalent Charge						0
Specified Area Rates		Note 23				92,856
Total						**19,203,117**

	Actual					
Rate Type	**Rate in $ / Minimum Charge**	**Property Numbers**	**Rateable Value** $	**Rate Revenue** $	**Interim / Back Rating** $	**Total Revenue** $
General Rate						
Gross Rental Value	10.5000	17,523	157,410,711	16,528,126	149,136	**16,677,262**
Unimproved Value	0.5420	212	111,052,600	601,905	11,951	**613,856**
Sub-Total		**17,735**	**268,463,311**	**17,130,031**	**161,087**	**17,291,118**
Minimum Rate						
Gross Rental Value	$600	3,171	14,795,511	1,902,600	22,459	**1,925,059**
Unimproved Value	$721	22	2,112,857	15,862	0	**15,862**
Sub-Total		**3,193**	**16,908,368**	**1,918,462**	**22,459**	**1,940,921**
Total		**20,928**	**285,371,679**	**19,048,493**	**183,546**	**19,232,039**
Rate Equivalent Charge						2,469
Specified Area Rates		Note 23				92,828
Total						**19,327,336**

City of Armadale
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23. Specified Area Rate - 2005-2006 Financial Year

In the 2005-2006 financial year Council imposed 5 separate Specified Area Rates, whose purpose was to enhance the amenity of selected Townscapes by way of increased and improved service levels. The service - referred to as the Townscape Amenity Service - provided and funded by the Specified Area Rate entailed increased and improved levels of street bin emptying, litter pick-ups, road and path sweeping, water blasting of pathways, garden maintenance, general maintenance (street furniture, signs, graffiti removal, bin cleaning etc) and weed control spraying.

The proceeds of the rate are applied in full to the provision of the service and, as such, no transfer to, or from, reserve accounts has occurred.

	Budget					
Rate Type	Rate in $	Property Numbers	Rateable Value $	Rate Revenue $	Interim / Back Rating $	Total Revenue $
Specified Area Rate - GRV						
A - Armadale Town Centre	0.00354	184	11,536,259	40,800	0	**40,800**
B - Kelmscott Town Centre	0.00659	134	4,127,107	27,200	0	**27,200**
C - Kelmscott Industrial Area	0.00179	596	3,796,335	6,800	0	**6,800**
D - South Armadale Industrial Area	0.00451	232	1,719,489	7,760	0	**7,760**
E - Identified Shopping Precincts	0.00514	26	2,001,177	10,296	0	**10,296**
Total		**1,172**	**23,180,367**	**92,856**	**0**	**92,856**

	Actual					
Rate Type	Rate in $ / Minimum Charge	Property Numbers	Rateable Value $	Rate Revenue $	Interim / Back Rating $	Total Revenue $
Specified Area Rate - GRV						
A - Armadale Town Centre	0.00354	184	11,533,104	40,832	0	**40,832**
B - Kelmscott Town Centre	0.00659	134	4,097,350	27,002	0	**27,002**
C - Kelmscott Industrial Area	0.00179	596	3,799,933	6,793	0	**6,793**
D - South Armadale Industrial Area	0.00451	232	1,774,594	7,866	0	**7,866**
E - Identified Shopping Precincts	0.00514	26	2,039,177	10,335	0	**10,335**
Total		**1,172**	**23,244,158**	**92,828**	**0**	**92,828**

24. Service Charges - 2005-2006 Financial Year

Council did not raise any Service Charges for the 2005-2006 financial year. Therefore no transfer to, or from, reserve accounts has occurred.

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25. Discounts, Incentives, Concessions and Write-Offs - 2005-2006 Financial Year

Discounts
Council did not offer any discounts in the 2005-2006 financial year.

Incentives
Council offered 3 rate payment incentives in the 2005-2006 financial year. The first was 4 prizes of $700 provided by the Armadale Shopping Centre and the Examiner Newspaper. The second was 4 prizes of $1,000 provided by the City and Australia Post for 'on time full payment' of rates. The third was 4 prizes of $500 to those ratepayers that were using, or opted to use, Council's yearly direct debit payment method. Conditions relating to timing of payment of rates and entry conditions applied.

Concessions
Council offered a rate concession for properties whose valuation basis for rating purposes was changed from unimproved to gross rental value with effect 1 July 2005 and where this change resulted in a rates increase for the 2005-2006 financial year on the previous year's rates of more than $200. The purpose of the rates concession was to lessen the cost impact of the more significant rate increases experienced by some ratepayers. The concession only applied for the 2005-2006 financial year rating period and was in the order of $2,909.

Write-Offs
The following Write-Offs were made during the 2005-2006 financial year:

	$
Various Rates	31,124
Various Sundry Debtors	17,574
	48,698

26. Interest Charges and Instalments - 2005-2006 Financial Year

Particulars	Interest Rate %	Admin Charge $	Revenue Actual $	Revenue Budget $
Interest on Late Paid Rates	11	-	74,884	78,946
Interest on Instalment Plans	5.5	-	82,612	94,735
Charges on Instalment Plans / per payment	-	6.60	101,614	126,313
Charges on Special Arrangements	-	32.00	17,616	10,180

Ratepayers had the option of paying rates in two or four equal instalments with administration charges and interest applied for the final instalments.

City of Armadale
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		2006	2006 Budget	2005
		$	$	$
27.	**Fees and Charges**			
	General Purpose Funding	289,356	236,492	287,235
	Governance	111,986	400	1,400
	Law, Order and Public Safety	283,633	273,984	256,780
	Health	103,195	70,000	76,686
	Education and Welfare	9,937	12,485	22,363
	Housing	0	0	0
	Community Amenities	4,361,266	4,345,878	3,865,925
	Recreation and Culture	24,415	481,532	678,387
	Transport	200,335	352,974	15,804
	Economic Services	704,868	312,898	369,831
	Other Property and Services	0	130,840	300,985
		6,088,991	**6,217,483**	**5,875,396**
	There were no changes during the year to any fees or charges detailed in the original budget.			
28.	**Grant Revenue**			
	By Nature and Type			
	Grants and Subsidies - Operating	2,455,390	2,326,600	2,330,377
	Grants and Subsidies - Non-Operating	3,228,848	3,290,242	4,914,945
		5,684,238	**5,616,842**	**7,245,322**
	By Programme			
	General Purpose Funding	2,021,968	1,995,000	1,868,519
	Law, Order and Public Safety	104,273	142,400	175,928
	Health	9,741	20,000	0
	Education and Welfare	188,692	117,500	177,497
	Community Amenities	83,351	96,500	50,300
	Recreation and Culture	258,800	227,000	146,792
	Transport	3,017,413	3,018,442	4,826,286
		5,684,238	**5,616,842**	**7,245,322**
29.	**Employee Numbers**			
	Number of full-time equivalent employees at balance date	**242**		**219**
30.	**Councillors' Remuneration**			
	The following fees, expenses and allowances were paid to Council members and / or the Mayor.			
	Annual Attendance Fees	105,000	105,000	90,000
	Annual Local Government Allowance	40,500	40,500	38,000
	Telecommunications Allowance	22,400	22,400	18,008
	Travel Reimbursement	10,382	9,000	7,072
	Communications Reimbursement	7,161	11,200	9,097
	Child Minding Reimbursement	0	5,000	0
	Information Technology Allowance	14,000	14,000	0
		199,443	**207,100**	**162,177**

City of Armadale
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	2006	2005
	$	$

31. Employees Remuneration

Set out below, in bands of $10,000, is the number of employees of the City entitled to an annual salary of $100,000 or more as at 30 June 2006.

100,000 - 109,999	2	2
110,000 - 119,999	2	0
120,000 - 129,999	0	0
130,000 - 139,999	0	0
140,000 - 149,999	0	1
150,000 - 159,999	1	0

32. Economic Dependency

Some revenue is received by way of grants from the State and Federal Government. The total of grant revenue from government sources is disclosed in Note 28.

33. Major Land Transactions

Council did not enter into any major land transactions in the 2005-2006 financial year.

34. Adoption of Australian Equivalents to International Financial Reporting Standards (AIFRSs)

Reconciliation of Equity at 1 July 2004
There were no material differences between Equity in the opening Australian equivalents to IFRS balance sheet and the Equity presented in the 1 July 2004 balance sheet under previous Generally Accepted Accounting Principles.

Reconciliation of Equity at 30 June 2005
There were no material differences between Equity in the 30 June 2005 balance sheet presented under Australian equivalents to IFRSs and the equity presented in the 30 June 2005 balance sheet under Generally Accepted Accounting Principles.

Reconciliation of Net Result for the year ended 30 June 2005
There were no material differences between the Net Result for the year ended 30 June 2005 presented under Australian equivalents to IFRSs and the Net Result for the year ended 20 June 2005 presented under previous Generally Accepted Accounting Principles.

Explanation of Material Adjustments to the Cash Flow Statement
There were no material differences between the Cash Flow Statement presented under Australian equivalents to IFRSs and the Cash Flow Statement presented under previous Generally Accepted Accounting Principles.