

Annual Report



2013/14

City of Armadale
7 Orchard Avenue
Armadale WA 6112

9399 0111
www.armadale.wa.gov.au
info@armadale.wa.gov.au



Front Cover Image: The recently completed Piara Waters Pavilion



Contents

The future of Armadale	4
Mayor's Foreword	6
CEO's Report	7
Your Council	8
Organisational Structure	10
CEO's Office	12
Corporate Services	14
Community Services	16
Development Services	22
Technical Services	28
Plan for the future of the district	32
Statutory Reports	36
Auditors Report	38
Financial Report	40
<i>Statement of Comprehensive Income</i>	41
<i>Statement of Financial Position</i>	43
<i>Statement of Changes in Equity</i>	44
<i>Statement of Cash Flows</i>	45
<i>Rate Setting Statement</i>	46
<i>Notes to, and forming part of, the Financial Report</i>	47



The future of Armadale

The City of Armadale Strategic Community Plan 2013 – 2028 is a blueprint for the future direction of the City and its community members. It represents a shared community vision and sets out long-term strategies designed to strengthen and build on Armadale's unique assets.

Inspired and driven by community input the Strategic Community Plan will help guide the City's policies and actions as it seeks to meet the needs of the current and future population. The plan identifies shared community objectives, priorities and values, which reflect what is important to the City's residents as they live, work and play in our vibrant and diverse region.

Community Vision

By 2028 Armadale will be:

A liveable city for future generations that is responsive to community values, appreciative of our exceptional environment, providing a choice of lifestyle, supporting opportunities for education and employment, and a strategic metropolitan centre respected by the wider Western Australian community.

Our Mission

To provide the leadership, facilities and infrastructure that will serve the needs of our local and wider communities.

Our Values

-  Honesty
-  Professionalism
-  Respect
-  Accountability

As a rapidly growing Strategic Metropolitan Centre, with outstanding recreation facilities, lush bushland, scenic rivers and hills, enviable residential lifestyles and expanding commercial/industrial precincts, the City of Armadale is an ideal place to live, work and visit.

The City of Armadale is one of Western Australia's fastest growing local government areas, with its population forecast to reach 127,585 by 2028. The newer western suburbs are the focus of intense residential and infrastructure development, with new schools, shopping and recreation facilities planned.

Strategically located at the gateway arterial routes of Armadale Road, South Western Highway and Albany Highway, the Armadale CBD is a modern urban hub quickly establishing itself as a major metropolitan shopping, commercial and service centre.

The development of the City centre into a hive of local activity has proven a welcome addition for families and for City businesses, with more and more people calling the City of Armadale home each year.

A nighttime photograph of a city street. In the foreground, a white pickup truck is parked on the left, and a dark car is partially visible on the right. The background features a multi-story building with illuminated windows and storefronts. A prominent sign for 'SUBWAY' is visible on the right side of the building. The scene is lit with warm streetlights and the cool blue and white lights of the buildings.

Council Statistics 2013/14

Distance from Perth (km)	28
Area (sq km)	560.4
Length of Sealed Roads (km)	695
Length of Unsealed Roads (km)	5.87
Estimated Population	75,000
Number of Electors	41,289
Number of Dwellings	28,426
Total Rates Levied	\$47,153,000
Total Revenue	\$98,012,000
Number of Employees	499
Areas of Parks and reserves (hectares)	1847
Libraries	3
Primary Schools	21
Secondary Schools	9
Localities and suburbs	19



Mayor's Foreword



During 2013/14, the City of Armadale once again delivered a wide range of significant, value for money services aimed at supporting the quality of life enjoyed by all of our residents.

October 2013 saw the swearing in of seven Councillors, two of whom are Councillors for the first time. All of the City's Councillors continue to work together to deliver positive outcomes to all areas of this vast and varied community.

This year we continued to embrace the challenges of Local Government Reform in metropolitan Perth. The State Government initially announced their preferred model for the area as an amalgamation of the City of Armadale and Shire of Serpentine Jarrahdale. The resulting Council would be responsible for an enormous area of land and house well over 180,000 residents in coming years.

Further work by the City and the Shires of Murray and Serpentine Jarrahdale has sought to instead see only part of the Shire of Serpentine Jarrahdale joined with Armadale and the remainder to join Murray. This would create communities of interest, as the suburban northern section of Serpentine Jarrahdale would join with the Metropolitan Regional Centre of Armadale, while the more rural areas would share many values with residents of Murray. We are still hoping the final Local Government Advisory Board recommendation, and Ministerial decision, will reflect that work.

The City of Armadale is one of the top three fastest growing local governments in WA and one of the outer metropolitan growth areas across Australia that are together experiencing growth at a rate double to the Australian average. So regardless of the outcome of Local Government reform we will continue to see many exciting changes in our community for years to come.

The City's exponential population growth, investment affordability and location on major transport routes make the City a hub for retail, commercial and industrial business opportunities. The Forrestdale Business Park continues as a focus of commercial and industrial activity for the City, providing many jobs for the community and economic stimulus through the wider community.

This year Forrestdale Business Park continued to experience a surge in development, with multi-national manufacturing giant Hitachi Construction Machinery purchasing land to bring its headquarters to Forrestdale. This has encouraged associated industries to purchase land for their own businesses, further increasing the growth of the Park.

Once again, during the year the City delivered a highly successful calendar of free community events that included such highlights as: the annual Carols by Candlelight celebrations in Memorial Park, with pre-show entertainment

with a Parade of the Toys; Australia Day celebrations, boasting one of the largest fireworks displays in WA; the Dog's Day out fun family day in Rushton Park; Minnowarra Art Awards and Festival; and of course the very popular Scots themed Highland Gathering event and inaugural Perth Kilt Run.

One of the major projects the City delivered this year for youth was the much awaited redevelopment of the Cross Park Skate Park in Roleystone, at a total cost of \$430,000 mostly funded by the City with \$50,000 from the Australian Government's Attorney General's Office Safety Suburbs Program. The local young people and residents of Roleystone can now enjoy a high quality riding facility that includes features such as plazas, transitions, banks, hubbas, ledges and new public seating.

Upgrades on Palomino and Fletcher Parks were carried out, catering for the equestrian activities in our community.

The City of Armadale's Drug Aware Ignite Basketball program has continued to go from strength to strength with several hundred young people registered this year, showing the need for this type of intervention program within the community. The program uses basketball to engage young people through physical activity, leadership development, education/training and community involvement. Ignite Basketball provides young people with an outlet to not only play basketball but also learn basic life skills which most of us take for granted – we've seen this initiative change the lives of many young people in our local community.

As we look towards another busy year, it's important to reflect on what has been accomplished and all the efforts that have gone into providing services, infrastructure and programs for our residents. Local councils are the 'grass roots' level of government, as Elected Members, staff and volunteers all have direct contact with the local community. The hard work, dedication and professionalism shown by everyone have been greatly appreciated and are a credit to the community.

Local government is so much more than roads, rates and rubbish; it is the institution that provides leadership and strength to bind communities together. We have worked with our residents towards this end over the past year, and will continue to do so for years to come.

Henry Zelones OAM, JP
Mayor



CEO's Report



Despite the uncertainty of Local Government Reform hanging over all of the City's decision making in 2013/14, it can be seen that the immediate past financial year has been especially busy and productive. This Annual Report outlines the significant progress made over that period towards achieving our goals, as specified in the City's Strategic Community Plan.

As mentioned by the Mayor, all decision making on rolling out our rapidly-growing new suburbs or improving our established areas has had to be 'second guessed' because of the uncertainty of our future responsibility, due to Local Government Reform. However, I can assure you that, whatever the outcome the many hours of work being committed to re-evaluating our services and examining how your City and the Shires of Serpentine Jarrahdale and Murray might be better managed – will not go to waste. What we need now is a decision that will enable us to move on and get back to the all important strategic planning and resourcing for the future for which Armadale is renowned.

Here I have sought to highlight just a few of the major projects the City undertook in the busy 2013/14 financial year.

Major road projects completed included improvements to Nicholson Road, between Wright Road and north of Piara Drive to a four lane dual carriageway. This upgrade was funded via the City's Development Contribution Scheme and is an integral component of the North Forrestdale precinct, allowing continuous flow of increasing residential and commercial traffic in the fast growing western suburbs of the City.

The extension of Ranford Road between Lake Road and Armadale Road was completed, creating a four lane dual carriageway link all the way from Fremantle to Armadale, opening up a thoroughfare for the booming business and residential growth in Forrestdale. Works on the Abbey Road/Armadale Road/Railway Avenue realignment and traffic signals were also completed at a cost of \$2.6 million.

The foyer and entrance to the Armadale Aquatic Centre was upgraded with new lighting, floor and ceiling treatments, and new access doors to control entry and exit to the facility. The upgrade provides a modern welcome statement and affords staff easier control of activities, especially during peak periods of the summer season.

The final stage of the much anticipated and spectacular Piara Waters Pavilion and sporting grounds was completed. The first new sporting and community facility to be developed in the area, the facility will meet the needs of the fast growing suburbs of Piara Waters and Harrisdale. The new facility will be home to the Piara Waters Senior and Junior Football Clubs, the Piara Waters Cricket Club, and will also accommodate a number of other sporting and community groups. The total project cost was over \$5.85 million, with over \$3.4 million from the City's North Forrestdale Developer Contribution Scheme, \$1.4 million from the City of Armadale and \$1 million of grant funding secured through the Department of Sport and Recreation's Community Sporting and Recreation Facilities Fund.

The City's tireless Customer Service team was kept very busy again this year, responding to over 28,000 enquiries and telephone calls, a figure I imagine is likely to increase significantly in the coming year as we approach the likely implementation of Local Government Reform.

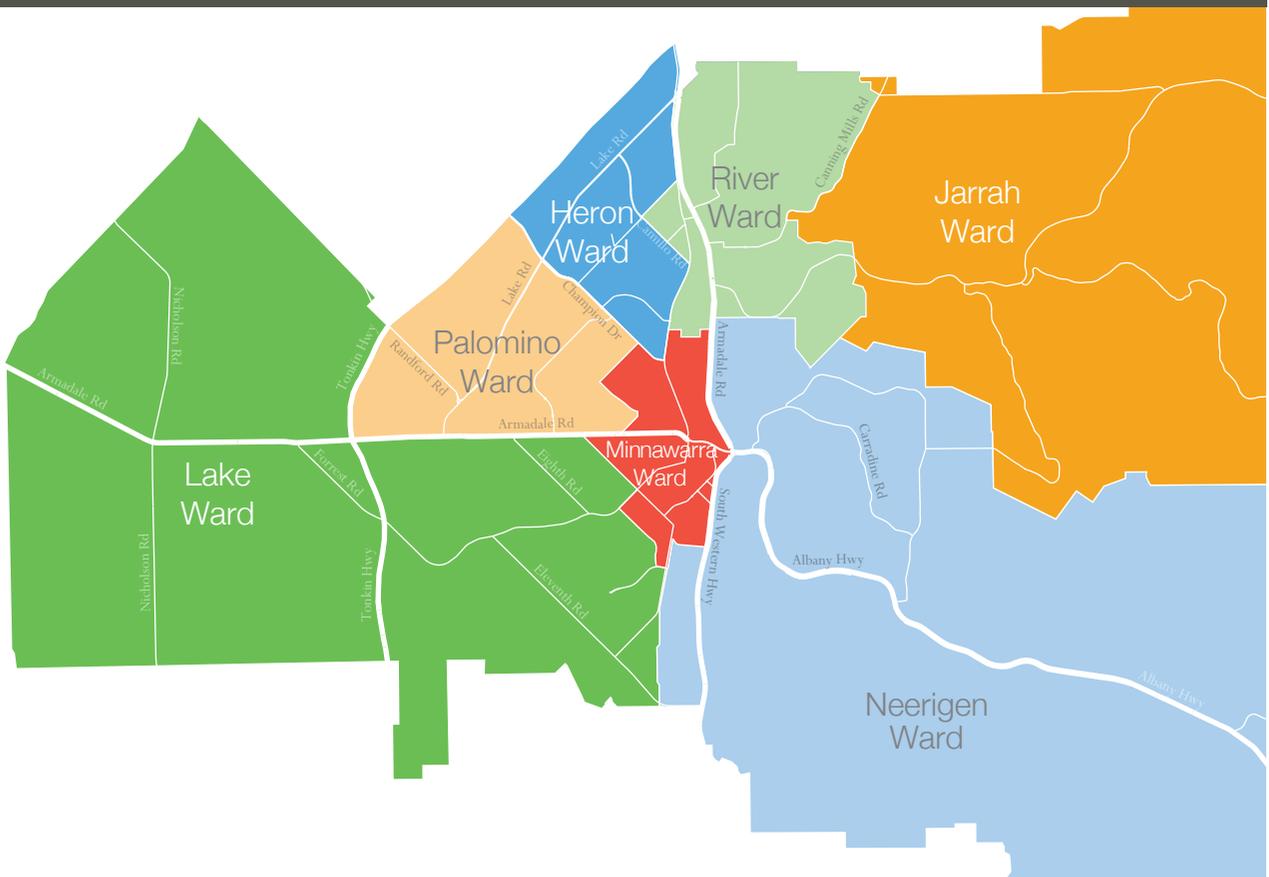
I would like to thank the current Council for their decision-making towards achieving the goals set out in the Strategic Community Plan. We are likely to have some challenging times ahead of us with the anticipated reform recommendations, but I feel very positive about the City's direction and look forward to working through those challenges to an even better future. The ongoing efforts of Council, ratepayers, residents and staff in all areas of the City will be essential to that successful outcome, and I believe we are more than up to the task.

RS Tame
Chief Executive Officer



Your Council

The City of Armadale is divided into the seven wards of Heron, Jarrah, Lake, Minnowarra, Neerigen, Palomino and River (see map below).



Two councillors are elected to represent each of these wards for a period of four years. Armadale City Council is made up of 14 Councillors, including the Mayor.

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

- Acting and controlling City 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.

Elections are held every two years on the third Saturday in October. Councillors are elected for four year terms with half the positions up for election every two years.

Council meetings are held twice monthly and four Committees meet monthly. Meeting dates, times, agendas and minutes are listed on the City's website at:

www.armadale.wa.gov.au

All committee and Council meetings are open to the public.



Heron Ward

Cr Donna Shaw



Cr Jim Stewart

Jarrah Ward

Cr Caroline Wielinga



Cr Grant Nixon

Lake Ward

Cr Carole Frost



Cr Jeff Munn JP CMC

Minnawarra Ward

Cr Matt Norman



Cr Kerry Busby

Neerigen Ward

Cr Guenter Best



Cr Mark Geary

Palomino Ward

Cr Colin Campbell JP



Cr Melissa Northcott

River Ward

Cr Ruth Butterfield



Cr Henry Zelones JP



Organisational Structure

The City of Armadale Council meets regularly to make decisions on behalf of residents. There are four primary committees of Council, each concentrating on one area of operation.

City Strategy

Considers corporate matters, reviews the City's strategic and financial position and matters that cross the boundaries of other committees.

Community Services

Deals with all the recreation, aquatic, library and cultural matters as well as community development and rangers services.

Development Services

Considers development proposals, subdivisions, land use matters, building applications, building safety, food handling and disease control.

Technical Services

Responsible for roads, footpaths, parks, reserves, the construction and maintenance of City buildings, plant and fleet management, and the collection and disposal of waste, including recycling.

Organisational Structure



City of Armadale Key Staff

				
Chief Executive Officer	Executive Director Corporate Services	Executive Director Community Services	Executive Director Development Services	Executive Director Technical Services
Ray Tame	Tony Maxwell	Yvonne Loveland	Ian MacRae	Kevin Ketterer



CEO's Office

Recruitment and Retention

Recruitment has continued to be a key focus for Human Resources. Issues impacting on the level of recruitment include continued growth, additional services, retirements, resignations and the seasonal operations of some facilities.

Training and Development

Training and development was a major activity for 2013/14. The City has continued to roll out the required training and this year has delivered a Diploma of Management for identified staff.

Occupational Health and Safety

The City has conducted a significant review of its Occupational Health and Safety systems. We have promoted safe work practices and procedures to all areas and have seen improvements across the board.

Economic Development Strategy 2013 - 2017

The City commenced implementation of the Economic Development Strategy 2013 - 2017 which was approved by Council in May 2013.

As part of the City's focus to provide information for prospective investors about our key economic performance indicators, as well as to market and promote Armadale and potential opportunities to the business and investment communities, the City developed a Business Investment Prospectus which

was distributed to over 800 key decision makers including Federal and State politicians, State Government departments, real estate agents, property developers, industry bodies and businesses from key industry sectors.

Workforce Plan

During 2013/14 the Workforce Plan was reviewed. Detailed assessment was undertaken of the Directorate growth and staff levels required to maintain existing service levels, and to deliver the outcomes and strategies within the Strategic Community Plan. This resulted in the approval of an additional 17.20 Full Time Employees for 2013/14.

Economic Development activities

Other initiatives during 2013/14 included targeting key industry sectors potentially interested in Forrestdale Business Park, provision of training seminars for small businesses in Armadale, working with State Government to secure the relocation of Government Departments to the Armadale Strategic Metropolitan Centre, and the commencement of a feasibility study into Short Stay Accommodation opportunities within the City.

Marketing and Communications Plan

The City engaged consultants to review the City of Armadale Marketing and Communications Strategy and develop a new Marketing and Communications Plan identifying opportunities and actions for the City of Armadale for the coming two to three years with regard to Marketing and Communication.



The recently completed Piara Waters Pavilion



A vastly changing local government landscape demands a consistent brand position, and an integrated communications approach to achieve the City of Armadale's goals. The completed Marketing and Communications Plan will guide how we promote the organisation and district of Armadale.

The Plan details how the strategies of the City's Strategic Community Plan 2013 - 2028 are proposed to be addressed by five Marketing Strategies. Those strategies aim to increase cross communication to maximise value received by the organisation, and evaluate new channels for reaching target markets.

Media

Each year the City's staff provide a proactive media liaison service in order to maintain the organisation's good reputation and seek opportunities for positive media coverage of the district. During the year the City prepared hundreds of media releases and responses to media enquiries, from local and state newspapers, television and radio, relating to the City's programs and services.

Communications

Communicating with our residents is crucial in ensuring they have the opportunity to access the services and facilities the City provides, and encouraging the development of vibrant and sustainable communities. To do this we used a variety of mediums to ensure information about our activities reached as many residents as possible.

The City's newsletter 'City Views' was distributed to more than 27,000 households on a quarterly basis and provided residents with up to date information on plans, projects, services and events. The newsletter is well received by the local community and has helped strengthen Council's corporate image.

Another key part of the Strategy includes the production of traditional newspaper advertisements and direct mail promotions with the goal of enhancing communications and engagement with the community and developing advocacy documents for external stakeholders.

Significant time was also devoted to keeping the community informed about the developments in the local government reform process, allaying fears, clarifying misconceptions and hearsay, and reassuring residents of the City's efforts towards ensuring positive outcomes for the district.

Marketing

In today's competitive environment it is essential that we ensure that the City's image and corporate brand are maintained. This involves proofing many thousands of documents each year, including web content, public documents, marketing materials, advertising, letters, speeches, eNewsletters and posters to name just a few.

It is also critical to develop artwork that meets the corporate objective of maintaining a reputation as a respected organisation while also attracting people to interact with, engage with and act on the messages promoted. Artwork developed included corporate documents, brochures, posters, promotional items, information sheets, advertising, flyers, invitations and newsletters.

The Marketing and Communications team has dedicated time to building the City's library of photographs for use in documents and publications providing the community with aspirational images of their community with which to identify.

City staff worked hard this year on ensuring the City had a professional and consistent presence at all corporate and community events and developing the materials to make that possible.

Style Guide

The City of Armadale Style Guide has been reviewed and 2013/14 saw a refreshed corporate style developed for all marketing and communications. The revised guide provides guidelines for all staff to be aware of the corporate style expectations and makes it easier for the Marketing and Communications team to manage external contractors and maintain the City's style and image.

Social Media Proposal

Through the development of the Marketing and Communications Plan it was established that Social Media was an area where substantial opportunities to communicate with demographics that are traditionally difficult to reach could be found. A Social Media Proposal was developed and approved by Council and a City facebook profile was launched on 1 July 2014. A high quality and consistent social media presence will provide the City with an immediate avenue for communication with residents and stakeholders who have expressed an interest in what the City is doing and chosen to follow the City's profiles.



Corporate Services

Corporate Asset Management System

The City has captured and recognised Land and Buildings in stage two of a three year project to fulfil a requirement to report future assets at their Fair Value in accordance with the Australian Accounting Standards. Stage three of the project being infrastructure assets, will be completed during 2014/15.

Customer Service

The Customer Service team received 28,232 in-person customer enquiries at the City's main administration centre in 2013/14.

For the same period over 15,065 customer requests were logged with 2747 captured by the Customer Service team, 4764 by Waste Services and 7554 by Ranger Services.

Back Scanning Project

Year four of an eight year back scanning project was successful with over 33,000 files scanned.

Areas completed include Scheme Amendment/ Metropolitan Regional Scheme, WAY files and all 2009 building applications and engineering drawings relating to the City's drainage assets from 1952 to 1991.

Other areas commenced include road files, general health reports, building approval enquiries and house plan requests.

City of Armadale Library Web Presence Redevelopment

The City's Library presence was redeveloped to provide a new contemporary look and provide greater capabilities for the Library team to update their information rapidly and to respond to growing customer requirements.

The redevelopment of the site also provided the opportunity for the Library to consolidate its customer facing image and take advantage of new features and benefits provided by the move to the new Drupal platform to provide enhanced online services to its growing customer base.

The result has been a modern contemporary Library web presence with new content management and workflow for the business.

This has resulted in information being easily updatable and a platform that represents an open source industry standard that is able to deliver technology advances and enhancements required for an information 'rich' business.

Jull Street WiFi Implementation

The City, as part of the Jull Street Mall redevelopment, recognised that any modern urban landscape needed to provide internet connectivity to enable its visitors to be connected to information sources for recreational, commercial and business uses. The City installed Public WiFi that covers the length of the Mall, to provide public internet access to WiFi users of enabled electronic devices in the new modern and revitalised Jull Street Mall.

Users of the Mall will now be able to easily access information about Armadale, or conduct professional or personal business using their mobile device whilst they are in the Mall. The installation provides high speed internet access that allows for an enjoyable internet experience.

The implementation is part of the City's ongoing digital enablement strategy to foster more effective interactions with the City and provide visitors and residents to the City of Armadale to connect with online opportunities.

Online Payment Options

The City's website online payment facility has been extended to include dog registration renewals as well as the payment of council rates, general debtor invoices and infringements. This option adds to the operational efficiency of dog registration renewals and is an easier payment method for the dog owner.

Authority Business Intelligence System

During the year the City implemented new budgeting software called Authority Business Intelligence (BIS). This software acts as the central collection point for the budgets of each directorate providing a standardised approach to budget data collection and greater scrutiny and consideration of the draft budget.



Community Services

Community Planning

Following the completion of the Active Sporting Reserves and Community Hubs Study, five Master Plans have been completed for Cross Park, Springdale Park, John Dunn Reserve, Rushton Park, and the Forrestdale Hub (Alfred and William Skeet Reserves). The study identified 12 community and sporting hubs throughout the City, and Master Planning for the remaining areas is progressing. Implementation of the various elements of the Master Plans has seen the implementation of new female change rooms at the Forrestdale Hub, with the City being successful in obtaining a grant from the Department of Sport and Recreation.

Planning is well underway in partnership with the Department of Education for shared school/ community use of several sites in growth areas of Piara Waters, Harrisdale, Hilbert and Haynes. Construction and service agreements are being progressed with the Department of Education, to achieve high quality open space and facilities for both school and community use.

Children and Families

The City of Armadale and the Department of Education have developed a training package on the importance of the Australian Early Development Index (AEDI). Training for centres in the City of Armadale has commenced and the Department of Education plans to deliver the training to Child Care Centres throughout the state, citing the City as the facilitator of the pilot initiative.

The City has facilitated the 12 week Stargate Drama Program since 2009 for children aged eight to 12; this year the Program has also been open to young people aged up to 16 years. The program aims to build confidence, promote team work, encourage creativity and imagination, and support the development of skills to deal with bullying and other negative interactions. Up to 40 children were invited to participate, with a small performance and celebration for families and friends held at the conclusion.

Eat Act Live

Eat Act Live, funded by the Federal Government's Healthy Communities Initiative, provided free physical activity and nutrition programs for people living in the Cities of Armadale and Gosnells, aiming to reduce chronic disease within the community.

Over two years, Eat Act Live has successfully engaged 942 people in the program and increased their knowledge in health and nutrition and how to reduce the impact of chronic disease.

The development of further education and training options, in particular the new Certificate I and II in Leadership Development and Nutrition, has enabled the benefits of Eat Act Live to be sustained beyond the funding term which ended in March 2014.

Positive Ageing, Access and Inclusion

During the Seniors Week Festival, a range of diverse activities for older people were held across the City. The main event was the annual Positive Ageing Expo which attracted 55 service and information stall holders. Positive Ageing Sessions were held regularly throughout the year to provide information on a range of topics. The City coordinated two Seniors Activity and Information Days at the Armadale Arena to promote active lifestyles to older people.

Following a successful grant application with Community Arts Network WA, the 'Telling Tales / Stories in Clay' program comprised workshops over eight weeks aimed at community members with a disability. Participants worked with a professional storyteller and ceramic artist to interpret Armadale's local culture and to learn pottery making skills. Over 100 pottery artworks were inspired by the 32 stories told. This initiative led to the development of the new art program 'Let's Get Crafty' based at the Armadale Library which commenced in May 2014.



Ignite Basketball Program

Indigenous Support

The Champion Centre has strengthened partnerships with existing and new services residing and operating from the centre, achieving co-location and enhanced service provision to the Aboriginal community. This service model has resulted in improved access to services for individuals and families within the Armadale area and increased Aboriginal engagement in mainstream services.

The Indigenous Parenting Service (funded by the Department of Family and Housing, Community Services and Indigenous Affairs) has supported Aboriginal and Torres Strait Islander families through culturally appropriate activities and programs for parents and children. Our partnerships with Save the Children, Armadale Community Family Centre, Coolabaroo and the Early Years Network resulted in the provision of multiple supported playgroups, information seminars, service provider engagement and a focus on early childhood at events such as National Aboriginal and Islanders Children's Day (NAICD), Indigenous Literacy Day, and Families Week.

The National Aboriginal and Islander Day Observance Committee (NAIDOC) day celebration was the biggest in the City's history, attended by more than 50 service providers and including entertainment by acts such as The Mirinda's, Jarred Wall and local Aboriginal and Islander dance groups performing to over a thousand people who attended.

Youth Engagement

The City continues to coordinate a range of youth activities and events to appeal to the diverse interests of young people in the community, including the Ramped Summer School holiday program which included hip hop dance classes and BMX skate and scooter workshops.

The Creative Art Project beautified the Youth Activity Area by engaging young people aged 15 to 17 with an interest in art to explore their creative abilities. The final mural installed at the Youth Activity Area was a testament to their commitment and talent.

The KICK IT @ THE YAA project used scooter, BMX and skate boarding as an engagement tool to educate young people at the Youth Activity Area (YAA) on the impacts of smoking and the benefits of a healthy lifestyle. The City co-ordinated the interactive National Youth Week Expo in three local high schools with hundreds of students participating.

As a means of increasing support for young people, Hope Community Services was contracted to provide youth engagement services at the YAA and at other identified areas.

Ignite Basketball

In its second year, Ignite Basketball has expanded on the successes of its pilot program with increased attendance, more varied and interactive educational workshops, established career development partners, enhanced basketball development and higher grade leadership qualifications.

In total, Ignite has qualified 44 coaches and referees to date in conjunction with Basketball WA. A significant number of young people attending the program are identified as at risk or involved in crime or anti-social behaviour. With 420 young people registered and around 50 attending each session, Ignite will continue to positively influence the expected life course for many participants.

Volunteer Referral Service

Armadale Volunteer Services is in its eleventh year of operation and continues to be supported by funding from the Department of Local Government and Communities. More than 3500 potential volunteers have contacted the service since its inception.

Training sessions facilitated for volunteers and volunteer managers throughout the year were very well attended and frequently booked out. Key celebratory events included a High Tea to celebrate Armadale Volunteer Services 10th Anniversary and a recognition event to celebrate National Volunteer Week in May.



Armadale Arena

Club Development

The City has taken a targeted approach to assist clubs and sporting associations in adjusting to current environmental changes, including dramatic growth within the City and a decline in administrative and volunteer support. With the aim of increasing shared knowledge and problem solving across the Armadale sporting community the Club Leaders Sundowner was introduced and has proved to be a success with the request for them to become a regular event on the Club Development calendar.

Training sessions included business planning, sponsorship and marketing, and facilitated planning sessions for Sporting Associations; resulting in improved processes within clubs and additional ongoing support provided by the City including three months external strategic planning support and assistance for Forrestdale Sporting Association and Armadale Sporting Club.

Kidsport applications remained high, assisting over 900 children to participate in club sport at a cost of approximately \$122,000. Applicants included 123 Aboriginal, 57 culturally and linguistically diverse and 24 children with disabilities.

The application for ongoing financial support from Department of Sport and Recreation for the Club Development position was successful, for a further two year period.

Armadale Aquatic Centre

The Armadale Aquatic Centre \$2 Day in December attracted 892 attendees, providing a great opportunity for the community to enjoy the facility at a discounted rate.

The Active in Armadale voucher promotion was a successful campaign with a return of 247 vouchers.

Armadale continues to have the highest number of registrations in Western Australia for the Virtual Rottneest Channel swim with a full contingent of 12 teams. The swim raises money for the Royal Flying Doctors and provided residents with an affordable alternative to the swim.

The centre received a number of new bookings, a highlight being the Uni camp in January - a not for profit organisation that provides camps and picnics for emotionally, socially, and/or financially underprivileged children.

The Aquatic Centre staff received training in the operation of the new accessibility hoist installed in March, which will provide more freedom for people with mobility issues to access the pools.

Outdoor Recreation Programs

The City of Armadale once again partnered with Satterley to provide 18 outdoor fitness sessions in the new development areas attracting over 250 participants. The sessions are a way of promoting and showcasing what the Arena has to offer and provide opportunities for new residents to interact.

Yoga in the Park was a great success with a local chiropractor giving free spinal assessments to participants. HBF once again partnered with the City to deliver group training sessions for 24 weeks in Minnowarra Park, averaging 48 participants per class and also returning for a special Run for a Reason 8 week training session.

Armadale Arena

The Arena continues to attract new and regular venue hirers, with four additional regular hirers commencing during the year, with a 50% increase in casual badminton court hire. Regular events are also increasing and despite closure of the courts for floor maintenance in January,



the Arena recorded an 11% increase in attendances. A new Friday daytime netball competition with six teams participating has been a significant step in re-establishing the sport.

Social media promotion and a new Group Fitness timetable and Group Fitness classes have helped with the increase.

Radkids (Group Fitness class for children) had a good following as did Factor F (suspension training).

Community Facilities

Bakers House is a popular venue with over 1100 bookings in its first year of operation including weddings, children's birthday parties, community parenting groups and community events.

The new Piara Waters facility was the City's newest addition and attracted a wide range of user groups interested in having it as their base. A Registration of Interest process was used to allocate usage to the Senior and Junior Piara Waters Football Club with the City taking a number of booking requests from other user groups.

The City's Community Facilities continue to be well used and there has been a general increase in bookings throughout 2013/14.

Major events sponsorship

The City sponsored five major events during the year including a new event, the City of Armadale Half Marathon. Record attendances were recorded for the City of Armadale Duathlon and Triathlon held at Champion Lakes as part of the highly regarded Telstra Triathlon Series. This was the first year the Duathlon and Triathlon included road closures to expand the event, attracting over 1000 participants. The City of Armadale Grand Fondo had another successful year and the Armadale Film Festival was also sponsored by the City.

Major Event Sponsorship is proving to be an excellent opportunity for City promotion and marketing with increased awareness and numbers of visitors to the region.

Libraries

Library usage continues to be strong with average monthly figures of 30,000 visits and 31,500 items borrowed from the three libraries collectively. Average monthly eBook lending, additional to the hard copy borrowing increased from 400 to 580 titles per month in the current year. Public computer and WiFi access demands continue to grow with population increases.

Community engagement and digital literacy programs are now a major focus of the library service. In support of the libraries core business, book clubs with a difference, NovelNibbles and BookBites were introduced to actively engage people in sharing and broadening their reading experiences. A new service, Technology Buddies, has been widely embraced by seniors. This intergenerational program sought local high school students to assist seniors in using their own digital devices.

The focus of all library programs for children is to improve cognitive and language skills.

Children's school holiday programs continue to be fully booked as do Better Beginnings and RhymeTime programs. Professional authors and storytellers attract large numbers to the library, promoting the importance of reading from a young age. A Kids Own Publishing Book Cubby constructed as a community project will be a major asset to the Library and the Community Development Departments, as well as other community groups, serving as a pop up library and reading space to engage young children in reading and book making.



Minnawarra Art Awards

Birtwistle Local Studies Library

The oral history collection has been greatly enhanced with the interviewing by professional oral historians of a number of former Councillors under the 'Decision Makers of Armadale' Lotterywest grant. This project is ongoing and further grant applications will be made to ensure the collection is as comprehensive as possible.

In February the closure of the Armadale to Fremantle Railway line 50 years ago, was remembered with the installation of commemorative plaques at three of the previous sidings as well as displays and a community talk on the history of the railway line. Local events presented as part of the Western Australian Heritage Festival proved popular and were over-subscribed with bookings, confirming the continued interest in local history.

The library's volunteers continue to be of immense value to the service, with close to 2000 volunteer hours in the year supporting the operations of the Local Studies Library.

History House Museum

History House Museum was successful with a Lotterywest Grant application that will see the first stage of upgrades to the Bert Tyler Vintage Machinery Museum. The culmination of a previous Department of Culture and the Arts Connected Community Funding Program resulted in a dedicated group of music lovers working with the professional Musician in Residence to compose pieces of music. The final result was a concert in the museum using the restored musical instruments from the museum's collection.

The Museum's Education Officer ensures that programs offered by the Museum meet National Curriculum guidelines and standard. This has resulted in increasing numbers of schools and students visiting and interacting with the museum. Just over 2000 volunteer hours supported the running of the museum and its programs.

Animal Control

The successful implementation of the Cat Act 2011 and Cat Regulations 2012 within the City is largely due to responsible community education and awareness activities which promotes responsible cat ownership. They include advice on what to do with unwanted cats, the development of registration processes, and the successful State Government Cat Act Sterilisation Program Grant, which has provided subsidies for the mandatory de-sexing of cats.

After many years of consultation and development, amendments to the Dog Act 1976 were passed by Parliament on 24 October 2013. The provisions, together with new regulations to the Dog Act 1976, took effect on 1 November 2013 and introduced a range of measures for greater protection to the community and improved controls on dogs according to current community expectations.

The popular Dogs Day Out was held in October 2013 at Rushton Park and attracted over 400 dogs and their owners. The event is an opportunity for Rangers to be proactive in addressing particular problems for companion animal groups and to explain new initiatives and policies. In addition, Ranger Services supported a local community event at Heron Park Piara Waters during the year, with a similar format to the Dogs Day Out.

Fire Prevention

A National Disaster Relief Grant enabled the City to purchase two variable message boards which continue to be utilised for the promotion of community preparedness and fire safety information.

Ranger Services continually assess individual properties for compliance with the Bush Fire Legislation, and Bush Fire Protection Guidelines, as appropriate.

Bushland and verge fire safety audits were completed and the Firebreak Inspection Program resulted in a total of 3,584 rated properties, 15 reserves and 395 verge inspections being carried out.



Highland Gathering 2014

Law and Safety

Regular parking safety audits were conducted around schools throughout the City, including traffic safety patrols to ensure a safer environment for children and to decrease traffic congestions during peak drop off and pick up times. Ranger Services continue to respond to community reports of off-road vehicles being driven or used, and conduct patrols in those areas.

Tourism Development

The City of Armadale hosted the 2013 Annual Visitor Centre Association of WA State Conference over three days, which was attended by 80 delegates. The Armadale Visitor Centre was a finalist in the 2013 WA Perth Airport Tourism Awards.

The Ticketmaster and Ticketek agencies continue to attract growing numbers of local and regional visitors to the Centre and are popular with the local community.

There has been an increase in the number of overseas visitors (42%) to the region, particularly from the United Kingdom, Germany, New Zealand, Malaysia and Singapore and local accommodation operators reported averages of 98% occupancy levels for the majority of the financial year. For the first time in 2014 an A4 Regional Visitor Guide was produced with monthly eNewsletters going to all Visitor Centre members.

A guided two hour walking tour 'Next Stop Armadale – Step Out and Discover!' has been developed, which engages participants on a walking journey through the CBD's history and our City's heritage, culture and rich past and present. The tour, delivered by locally trained volunteers, will provide a natural, interactive experience encouraging local residents and visitors to our region to experience the diverse 'characters' from the City's past and bring the history of Armadale to life.

Major Arts and Events

The Outside the Frame Art Awards were held in August with the introduction of new infrastructure, similar to the Minnowarra Art Awards, being very well received. The judges publically commended the City, comparing the awards to the prestigious Metamorphous Award.

The inaugural Perth Kilt Run was introduced in 2013, with over 200 runners and walkers it coincided with the annual Highland Gathering which featured Highland Dancing, pipe bands and heavy events.

Carols by Candlelight was preceded by a colourful Toy Parade along Jull Street Mall followed by a stage performance by the 'Toys' in Memorial Park. There were 2500 flicker candles distributed with numbers for the evening reaching over 4000. The stage set within the amphitheatre structure provided a spectacular backdrop for the Christmas lights.

Australia Day was celebrated by over 45,000 people and the placement of the stage was changed to provide greater ease of viewing for patrons. The stage entertainment was opened by Kangaroo Creek Gang, followed by a great Australian Rock Tribute. The INXS Tribute was the evenings feature act and proved to be a very popular choice. The fireworks were a spectacular close to the day's celebrations.

Attendance for the Outdoor Cinemas in Rushton Park proved to be very popular over the summer season with attendances reaching a healthy 600. The Minnowarra Art Awards continued to be Open Class, open to any medium, with the exhibition running for a period of two weeks. The Minnowarra Festival continues to showcase the City's diverse culture, people and place with an attendance of over 6000.



Development Services

Achievements

The Development Services Directorate continued to respond to the pressures resulting from the City continuing to experience rapid growth, with the creation of 1646 lots and the issue of permits for 1660 dwellings.

Revised Local Planning Strategy

The five-yearly regulatory review of the Local Planning Strategy (LPS) received conditional endorsement for public review by the West Australian Planning Commission (WAPC). This followed several resubmissions and departmental officer feedback requiring changes to the draft.

The new additional changes to the Planning Strategy Map required by the WAPC endorsement were made and the LPS resubmitted for approval to commence the public review advertising. Council also queried the deletion of all references to the proposed Pries Park Road urban investigation area and requested WAPC reconsider this item.

Local Government Reform proposals involving potential boundary adjustment over part of the Shire of Serpentine Jarrahdale were scoped with a view to operating parallel Schemes for an initial period, before preparing a new Scheme for the enlarged municipality foreshadowed in the Reform proposals.

Kelmscott Urbanisation - Canning River Precinct

The Metropolitan Region Scheme Urban zone and a confirming Town Planning Scheme (TPS) No.4 Urban Development zone have been put in place. Landowners commissioned a planning consultant to prepare studies and progress the initial Structure Plan for the southern precinct of the Urban Development zone. The eastern Canning River shore will provide opportunities for the development of an extensive foreshore parkland and residential developments which will benefit the viability of the Kelmscott District Town Centre and provide more diverse housing choices for Kelmscott residents.

Planning Compliance

The City's staff dealt with a significant number of compliance matters and have successfully implemented processes to achieve compliance with the City's TPS No.4 in a timely manner. This has also involved a number of major offences resulting in the instigation of legal action and subsequent successful prosecutions in the Magistrate's Court.

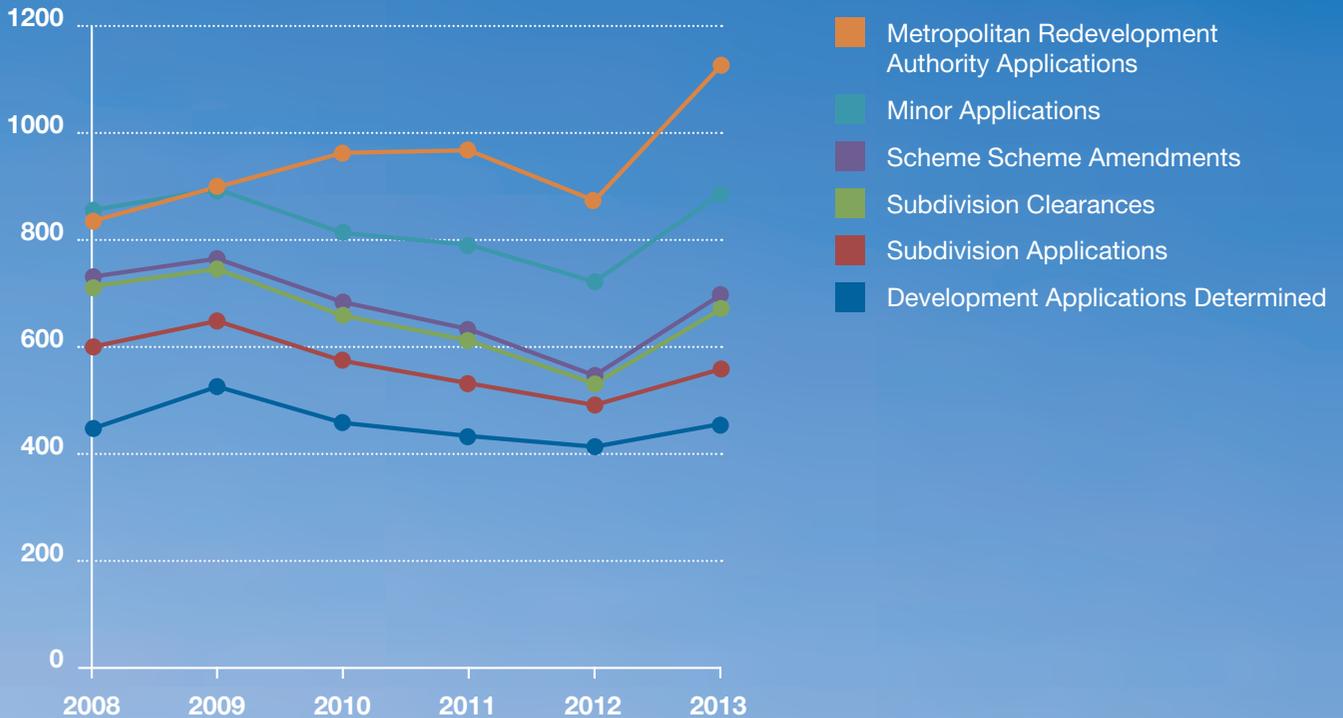
Statutory Planning

Development approvals being issued by the City have increased significantly in 2013/14 with the majority of applications being determined within statutory timeframes. There has been an increase in Structure Planning and Detailed Area Plan proposals.

This is reflective of the continued expansion of the City's urban growth areas and developers trending towards smaller lot products to suit current market conditions, diversify housing products and creating more affordable housing options. In line with anticipated population growth figures, the City processed a high number of subdivision clearances resulting in the creation of over 1600 new lots in 2013/14. The City also experienced a significant increase in the number of development referrals from the Metropolitan Redevelopment Authority (MRA), primarily as a result of continuing increase in commercial activity within the Forrestdale Business Park (East) and subdivisions within Forrestdale Business Park (West) and the Wungong urban area. Stage 2 of the comprehensive review of the City's existing Planning Policies was also completed.

The distribution of the statutory applications dealt with by the Planning Department in recent years is illustrated in the graph below.

Planning Applications Processed 2008 - 2013



North Forrestdale, Harrisdale and Piara Waters

The City's Development Contribution Plan (DCP) No.3 provides a centrally coordinated approach for developers to equitably contribute towards the provision of common infrastructure works required to facilitate the urban development of Harrisdale and Piara Waters. The Infrastructure Cost Schedule associated with DCP No.3 includes over \$90 million of Common Infrastructure Works such as arterial drainage, acquisition of rehabilitated conservation category wetlands, road upgrades, implementation of a comprehensive dual use path network and funding towards the provision of community and sporting facilities.

Over 5500 development cost contributions have now been received with a further 2677 expected within the current non-subdivided balance of Development Contribution Area No.3.

Works are continuing on the Newhaven, Riva, Aspiri, Piara Central, Holland Park and Heron Park Phase 2 Estates, with developed rates continuing to be higher than expected. The staged approach to development of the area may see additional areas and new common infrastructure works items being included within the current framework through amendments to the TPS No.4.

The dual carriageway upgrade of Nicholson Road is continuing and finalisation of the project remains a high priority.

The Skeet Road Arterial Drain was delivered this year. This project had a high priority as it provides a necessary drainage outlet for the area. The interim upgrade of Balannup Road and extension of Reilly Road was delivered and provides improved connectivity for the area. Other high priority projects that are currently progressing include community and sporting facilities in Harrisdale and Piara Waters that are receiving a significant financial contribution from DCP No.3. The Piara Waters Sporting and Community complex was completed this year and will play a significant role in providing residents with recreational opportunities. In addition, the City is now working towards the implementation of Post Development Groundwater and Surface Water Monitoring, as funded through DCP No.3.



Supporting MRA Planning Operations Including 'Normalisation' of the MRA Precincts

The City provided formal and informal comments on amendments, plans and developments in redevelopment areas and worked closely with the Metropolitan/Armadale Redevelopment Authority (MRA)/(ARA). The City provided ongoing assistance to the MRA to prepare Structure Plans and progress subdivision and development of a number of former ARA project areas including Wungong, Forrestdale Business Park and Champion Lakes. Subdivisional works have commenced in Forrestdale Business Park (West).

Public Open Space (POS) Strategy

Implementing recommendations of the POS Strategy included prioritising land sales within the first five stages of the Strategy and development of expenditure proposals once land sales have been finalised in each precinct. The percentage of land sales over the last financial year is anticipated to increase by approximately 10% in coming months.

Expenditure proposals for Precinct A were adopted in 2013/14 and the City continues to implement previously approved works in Precincts B, C, D, G, I and O of the POS Strategy. The City continues to progress acquisitions, subdivision applications and other land administration processes to facilitate the sale and subsequent development of expenditure proposals for Precincts E, F, H, N and M of the POS Strategy.

Planning Study - Lot 33, Connell Avenue (formerly Pries Park)

The City proposed disposal of a vacant unutilised land asset on the corner of Pries Park Road/Connell Avenue, with proceeds directed to funding priority upgrades of recreational facilities. Amendments to rezone Lot 33 to Metropolitan Region Scheme (MRS) Urban zone and TPS No.4 Urban Development zone have been lodged with the West Australian Planning Commission (WAPC) and aim to provide a northward expansion of the Clifton Hills locality. These proposals followed Active Sporting Study findings that the lot was not required for recreation purposes. Land initially proposed to accommodate the residential extension of Clifton Hills, located immediately south of Pries Park Road, was redirected to a Parks and Recreation use for Bushforever, making the land north of Pries Park Road the next most available unutilised suitable land.

Repeated modifications were made to the Local Planning Strategy (LPS) designation of Lot 33 to WAPC officer specifications, however, the department's instructions have changed over recent years with the most recent WAPC approval of advertising the draft LPS being conditional on deletion of all references to the change of use from the LPS.

Environmental Assessment - Keane Road construction

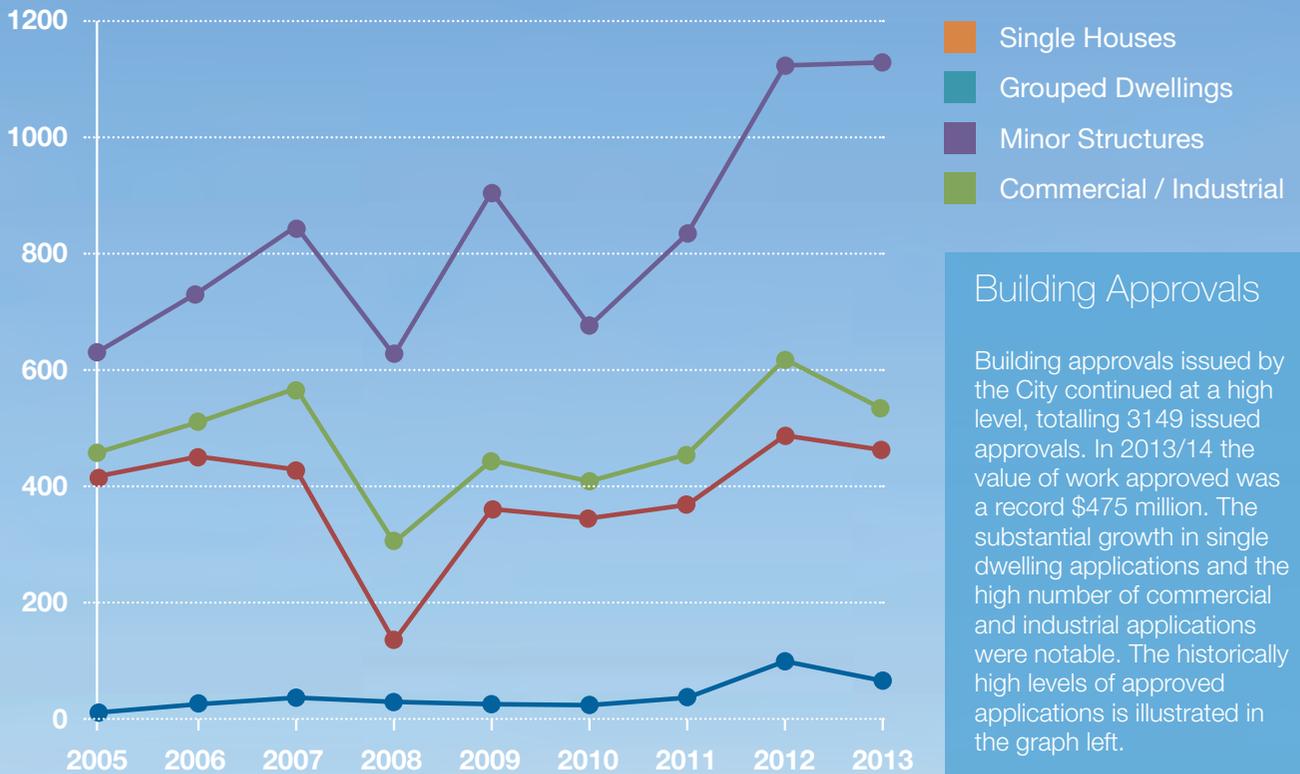
Following release of the District Structure Plan for Forrestdale and adjacent localities, the City prepared comprehensive environmental impact documents for the assessment of construction of the Keane Road unsealed section featured in the government's preferred urban design. The environmental assessment of the road reserve alignment between Skeet Road and Anstey Road was undertaken in accordance with the State Government environmental agency's instructions and those of the equivalent Commonwealth agency. The City provided responses to all key environmental issues raised by the agencies and provided a package of mitigation, management and offset measures aimed at minimising any potential environmental impacts of road construction, which the City would implement subject to completion of the State and Commonwealth environmental impact assessments. Additional studies were conducted at the request of State government agencies and several meetings and site visits were conducted for EPA members and officers to supplement and confirm the road designs and management measures proposed.

Following the EPA granting permission to advertise the Public Environmental Review documents, the City provided project documentation for public comment, hosted a public information meeting and provided responses on public submissions received. The EPA released its report and recommendations to the Minister for Environment on 30 June 2014 concluding that the final section of Keane Road was not considered to be environmentally acceptable, unless the City was to construct an elevated bridge over the 1500 metre expanse of partially vegetated land between Skeet and Anstey Road at an estimated cost which is considered beyond the City's resources.

South Forrestdale Industrial/Employment Area Strategy

The City promoted a new industrial park on the corner of Rowley Road and Tonkin Highway through the WAPC's Perth Metropolitan and Peel Region Economic and Employment Lands and Directions 2031 Strategies to provide growth in local employment and business opportunities apace with the City's strong population growth and developing local economy. An advertised MRS Industry zone amendment for the first stage of this new strategic economic and employment area, supported by the City and the Western Australian Planning Commission (WAPC), has recommended that a modified amendment should proceed.

Building approvals issued 2013/14







Building Compliance

The compliance branch has been involved with 902 unauthorised building actions, an increase from 560 in the previous year.

It is anticipated that with the growth of the City's population, increasing housing density, large volume of approvals and changing legislative requirements, the importance of the role of both Building and Health Compliance Officers will be significantly increased over time. The majority of successful resolutions were achieved through mediation without the need for prosecutions.

Unauthorised Building works

Legislative changes to the Local Government (Miscellaneous Provisions) Act during 2008 allowed owners to make submissions to the Building Department to certify unauthorised structures. This has resulted in the submission of 151 applications this financial year. Additional changes created by the Building Act 2011 maintained the requirement of formalising approvals of unauthorised structures.

Safe Food and Water

There has been a considerable decrease in the number of new food businesses, with 25 new food premises registered in 2013/14 compared to 35 in 2012/13. This however, has not influenced the activity by Health Services in overseeing the design and construction of food businesses and once operational, to ensure any food safety risks are minimised. The City's Health Services staff conducted 457 risk assessment inspections in 2013/14 compared to 374 in 2012/13.

The City also participated in the metropolitan Local Health Authorities Analytical Scheme and Health Services continued to monitor water quality at 11 public aquatic facilities (swimming pools, spas, water slides etc.) and 17 public facilities (including schools, food businesses etc.), which are not connected to scheme water.

Requests for Intervention

There have been 570 service requests from residents to resolve neighbourhood health compliance issues. This represents an increase of 33.8%. Neighbourhood noise was again the source of most complaints, primarily as a result of loud radios, stereos, domestic birds and construction noise, with 203 complaints recorded compared to 150 in 2012/13. Other significant complaint types include: pest control, refuse, food, and accommodation.

Preventive Health

The City completed its first Public Health and Wellbeing Plan. This plan provides a framework to support health and wellbeing in our community over the next three years. The Public Health and Wellbeing Plan 2014 – 2017 will be formally launched in September 2014.

The City was recognised for its commitment to creating a healthy local community, earning a Highly Commended status at a National level in the Heart Foundation's Local Government Awards.

The City was the sole WA local government that received recognition in the 2014 round and was recognized for its projects that showcase our commitment to creating healthy communities.

The City now provides comment to the Department of Racing, Gaming and Liquor on liquor license applications based on the social impact of alcohol misuse, as per the City's Alcohol Harm Minimisation Policy.

The City received funding under the Tobacco Control Grants scheme to develop temporary smoke free tear drop banners to encourage smoke free events and activities and are available for use by local community organisations and groups. The City sits on the Armadale Health Service Work Free Working group to support implementation of the Smoke Free WA Health System Policy.

Technical Services

Civil Works

Ranford Road Duplication and Extension – Stages 1 and 2

The final stage of the Ranford Road extension and duplication between Lake Road and Tonkin Highway was completed. These works, which have resulted in Ranford Road becoming a dual carriageway all the way, have been funded by the Metropolitan Regional Authorities Development Contribution Scheme for the Forrestdale Business Park and provide an integral link and upgraded road geometry for not only the Business Park but also the developing suburbs in the City's west.

Key environmental factors associated with the close proximity to the adjacent Wungong River were incorporated into the road works, utilising up to date urban water management practices for road run-off, along with undergrounding all power, installation of street lighting and upgrading telecommunications along this length.

Reilly Road Extension

Reilly Road was extended from the existing cul-de-sac to the existing Balannup Road, creating a strategic and essential alternative link between Piara Waters and Ranford Road. In doing so, traffic congestion will be reduced along Wright Road and at the Ranford Road intersection, adjacent to the Bunnings store. These works were funded by the City's Developer Contribution Scheme.

The City incorporated urban water management practices to treat and control road run-off, via the installation of bio-retention swale drains.

Balannup Road Upgrade

To complete the new traffic route as mentioned above for Reilly Road, it was essential from a safety point of view that the existing Balannup Road be upgraded to a standard and geometry that could accommodate the anticipated increase in traffic. Whilst this section of Balannup Road will ultimately be upgraded to a dual carriageway to accommodate current re-zoning of adjacent land to residential, essential upgrading works such as widening, clearing, installation of safety rails and pavement marking were carried out in 2013/14 to ensure that the carriageway was suitable.



Bicycle and Footpaths

The City has been pro-actively attracting grant funding to construct and extend red asphalt bicycle paths along strategic routes, such as major arterial roads, and adjacent to railway lines. The City constructed this type of path along Ranford Road, between Balannup Road, Wright Road and Armadale Road, and between Gribble Avenue and Eighth Road. Both new sections have proven extremely advantageous to cyclists and pedestrians alike. These shared paths were funded via State Government grants combined with City funds.

In line with the City's new footpath program, almost \$500,000 was spent on the installation of new footpaths with Cammillo Road, Eighth Road and Peet Road having the highest budget allocation.

Traffic Calming Installations

Two roundabouts were constructed at intersections which were heavily trafficked and had unfortunately attracted a high number of accidents. The first was constructed at the intersection of Gillam Drive and Bruns Street, located within the Kelmscott Industrial area, which typically carries a high proportion of heavy vehicles. The second roundabout was constructed at the intersection of Gilwell Avenue and Clifton Street, a critical intersection located in Clifton Hills adjacent to the large sporting complex, Frye Park. Both treatments were funded via a combination of Blackspot and Municipal funding from the State Government.

Traffic calming works in the form of red asphalt medians and strategically located trees within the medians were also completed at Bedforddale Hill Road, Challis Road and Lowanna Way, again utilising both Black Spot and Municipal funds.

Road Renewal

Almost \$3 million was allocated for road renewal projects, which typically consisted of re-surfacing road pavements with new asphalt, replacing damaged kerbs and in some cases damaged footpaths. The large projects were: Seventh Road, where full reconstruction was carried out between Armadale Road and Brookdale Drive; Westfield Road, between Camillo Road and Railway Avenue, and the full length of Taronga Drive in Clifton Hills.

New Drainage Works

Significant drainage works were carried out to upgrade undersized piped drainage infrastructure at Shaw Place and Aviemore Drive. The completion of both projects will ensure that there will be little to no flooding at these locations during heavy rainfall.

Nicholson Road – Stage 3 and 4

Designs and investigations have commenced to provide north Forrestdale with a safe and reliable major carriageway which will connect with Armadale Road in the south and Warton Road in the north-west.

The final carriageway will have two lanes in each direction, cycle lanes, pathway and cycleway, stormwater drainage, and street lighting, as well as numerous roundabouts and additional pedestrian crossing points. Anticipated completion for the more than 4km long carriageway is planned for June to August 2015.

Seventh Road

Following a safety and asset investigation, grant funding was applied for and received, for a full reconstruction between Armadale Road and Brookdale Drive, creating a safer and renewed asset for the next 20 years.

Railway Avenue – Kelmscott

This project consists of three different parts and is funded by a combination of federal, state and local government sources:

- The road-section between Westfield Road and Merrifield (widening and safety improvement) is funded by the Federal Transport Department.
- Street lighting improvement between Denny Avenue and Westfield Road is jointly funded by a WA State Black Spot Grant and the City of Armadale.
- A new district cyclepath between Denny Avenue and Westfield Road is also jointly funded by Perth Transport Authority and the City of Armadale.

Project completion for all tasks is anticipated for January 2015.

Denny Avenue and Streich Avenue

Installation of new traffic control signals together with road widening, access improvement, minor path works and lane separation was undertaken totalling \$770,000, funded by a Federal Black Spot Grant.



National Tree Planting Day 2014

Environmental Management

Corporate Greenhouse Action Plan

The City approved the Corporate Greenhouse Action Plan for the 2014/15 to 2019/20 period. This incorporates actions to ensure that the City contributes towards achieving the National greenhouse gas reduction target of a 5% reduction by 2020, relative to year 2000 levels. The operation of the landfill site flare is a key action to ensure that these targets are achieved. The City has also delivered LED lighting retrofits at four of its facilities (Administration Centre, Champion Centre, Aquatic Centre and Seville Grove Library). A 30kW solar system has also been installed in the Administration Centre.

The City had a target of reducing emissions by 2012/13 relative to 2006/07 levels by 6%. Unfortunately, this target has been narrowly missed with a reduction of 5.9% being achieved. However, the City is on track for meeting the targets of 2019/20.

Landfill Flaring Infrastructure

A business case for the introduction of flaring infrastructure at the Hopkinson Road Landfill site was developed. This will reduce the carbon footprint of the City by about 30%. The project has been registered under the Carbon Farming Initiative. It is hoped that the City will be able to recoup some or all of its investment in the flaring infrastructure through the Federal government's Emissions Reduction Fund. The Environmental Services team will spearhead all work under the scheme once there is certainty over the form of carbon legislation.

Armadale Gosnells Landcare Group (AGLG)

The City has reiterated its support for the AGLG, increasing their contributions to the volunteer organisation to approximately \$95,000 per annum over the next five years, following Council endorsement of the new AGLG business plan. This provides security for the AGLG to continue in its excellent environmental and community based work.

Switch Your Thinking!

The Switch Your Thinking! program has been successful in securing grants totalling \$934,000 to fund the 'Switched on Homes' project (SoHo). This will be achieved through real time energy monitoring and an alert system for each household that participates in the program. The funds will be allocated across three local government areas, including Armadale, with the implementation phase commencing in January 2015.



Parks and Reserves

Parks Maintenance

A total of \$7 million was spent on maintaining the City's Parks and Reserves. This included \$1.43 million on active sporting reserves, \$1.34 million on irrigated passive reserves and \$1.29 million on street trees.

Parks Capital Renewal

A total of \$1.48 million was spent on capital works across the City's parklands. Significant projects included public open space upgrades at Corondale Reserve, Matthew Stott Reserve, Clements Grove, George Foster Reserve, Barry Poad Reserve, Seminole Gardens Reserve and San Jacinta.

Works ranged from new play equipment, lighting, pathways, goal posts, park seating and other general park improvements.

Parks Facilities Strategy

The City of Armadale Parks Facilities Strategy assisted with the strategic Master Planning upgrades across three sites including Armadale Golf Course Architectural Master Plan, Cross Park Skate Park construction and John Dunn playing fields upgrade.

Property Services

Depot Administration Building

To enable the accommodation of additional staff in the growing Technical Services Division the Depot Administration building has undergone an upgrade to accommodate Property Services and Waste Management staff.

Significant changes included downsizing the store and extending offices into the newly created area, installation of air conditioning, new carpet and painting and furniture upgrades.

Administration Building

Significant upgrades to enhance the amenity have continued. These changes included an upgrade of the Councillor's Lounge and installation of new fire equipment and access doors, required to meet compliance requirements.

Significant renewal works were undertaken at a number of facilities that were identified in the City's asset inspection program as being high priority and included the Alfred Skeet Pavilion, Armadale Bowling Club, Harold King Centre, Armadale Arena and Seville Grove Library.

Waste Services

Waste Services

Construction projects undertaken within the Armadale Landfill site included the installation of the landfill gas capture infrastructure with the gas now being flared and monitored, upgrade to the internal electrical supply and new entry road and trailer drop off area. Submissions will be made to the Federal Government for recoup from the Emissions Reduction Fund. A claim for landfill levy to be waived for the brick rubble used in the base course is currently under consideration by the Department of Environment Regulation.



Plan for the future of the district

During 2012/13 the City prepared and adopted the Strategic Community Plan 2013 – 2028 and the Corporate Business Plan.

The Strategic Community Plan 2013 – 2028 was prepared through consultation with the local community and will set out the vision, aspirations and objectives of the community in the district.

The Corporate Business Plan will complement the Strategic Community Plan by governing internal business planning by setting priorities and allocating resources to the district's identified objectives and aspirations. The Corporate Business Plan will also incorporate matters relating to resources including asset management, workforce planning and long-term financial planning.

Both documents are available on the City's website or at the Administration building.

Projects continuing in 2014/15

Landmark City building

The City's \$18 million landmark building, under construction in the Armadale City Centre, is on schedule for completion by the end of 2014. The four storey office building will house a state government agency on two floors with the remaining space utilised by City of Armadale staff, with potential office space for commercial lease.

The new office building is designed with a 4.0 star Greenstar and 4.5 star NABERS rating, a net-lettable area in the order of 1370 square metres per floor, end-of-trip facilities including showers, change rooms and bicycle storage facilities in the basement car park, as well as views across Memorial and Minnowarra Parks.

Armadale Golf Course redevelopment

The City of Armadale Golf Course redevelopment is nearing completion. With the assistance of complementary funding from the State Government the upgrades include improvements to fairways and greens, renewal of the reticulation system and fencing, and modest upgrades to the clubhouse facilities.

Jull Street Mall Revitalisation project

Works continue on the project to revitalise the Jull Street Mall, costing \$1.1 million. Free WiFi has been installed, with coverage up to Memorial Park. Works continue on lighting upgrades, street furniture, public art, landscaping and an events program.



The City's new Landmark Building



The City's new Landmark Building



Projects commencing in 2014/15

Harrisdale (East) Playing Fields

The \$7.4 million Harrisdale (East) Playing Fields project has commenced and will provide for the development of three playing fields. Up to \$6.9 million will be provided from the Developer Contribution Scheme and government grants, while the City will contribute \$500,000 through a Council loan.

Kelmscott Library

Proposed works on the project, at a cost of \$800,000, will result in increased usable floor space, allowing for service growth in response to forecast increases in library membership and visits, as well as better meeting the requirements of modern library service provision.

Armadale Arena

The City has allocated \$1 million for the roof repairs and replacement of the Armadale Arena Recreation Centre. Works are expected to commence early 2015.

Armadale District Hall

The upgrade to the Armadale District Hall, an important iconic and heritage building in the Armadale City Centre was identified in the City's Strategic Planning in 2009.

The Armadale District Hall is listed on the State Heritage Register and as a consequence any redevelopment or changes to the facility are also approved by the Heritage Council WA. Planning for future upgrades and functionality for the facility is progressing with the City, in consultation with stakeholders and the community, preparing concept plans to explore various options for redevelopment. A total of \$720,000 has been allocated which includes the required planning and design stage of the project.



Statutory Reports

Each year the City is required, by legislation, to provide various statutory reports on compliance with legislative roles and responsibilities.

Record keeping

The City continued efforts towards best practice in the area of electronic record keeping with 58,803 incoming records registered. This represents a 13% increase over the previous year.

A comprehensive electronic record management training program continues to operate with 98 sessions held with 144 staff attending.

This year was also the fourth of an eight year back scanning and digitalisation project with emphasis given to the conversion to electronic format of the Building Aperture cards (25,481) and Building Applications for 2009 (721), Scheme amendment/Metropolitan Regional Scheme and WAY files (211), and Engineering drawings relating to drainage assets from 1952 to 1991 (3871).

Scanning of hardcopy road files (1381), sundry batches of Health reports (488), Building approval enquiries, house plan requests (997) and swimming pool inspection reports (522) commenced.

Freedom of Information

In accordance with the Freedom of Information Act 1992 a total of sixteen Freedom of Information applications were processed during the year.

The City's Information Statement was also reviewed in October 2013. This Statement supports the objectives of the Freedom of Information Act in that it describes the structure and functions of the City:

- The ways in which the functions of the City affect residents
- The arrangements that exist to enable residents to participate in the formulation of the City's policy and the performance of the City's functions
- The types of documents that are usually held by the City
- The arrangements for giving residents access to documents including details of library facilities.

A copy of the Information Statement is available from the City's Administration Centre and website.



Disability Access and Inclusion Plan

The City of Armadale's Disability Access and Inclusion Plan 2011 – 2016 (DAIP) seeks to improve access and inclusion for people with disability to facilities, services and community life. Local Governments are required to have a DAIP by the Disability Services Act (1993) which was amended in 2004 to include this requirement. It is also a requirement that DAIPs are reviewed every five years.

A review of the City's Disability Access and Inclusion Plan 2007 - 2011 was undertaken in 2010/11 in consultation with key disability advocates and in line with requirements of the Disability Services Commission of WA. Following a public comment period, the City's revised DAIP was endorsed by Council and by the Disability Services Commission. Major achievements include:

- Completion of the Disability Services Commission Disability Employment Program.
- Purchase of an aquatic hoist and introduction of a swim program for children with disability at the Armadale Aquatic Centre.
- Two pilot gym programs for people with disability were provided at the Armadale Arena.
- Landscape Design Guidelines for Public Open Spaces and Streetscapes in New Residential Development were developed and approved by Council. The Design Guidelines were recognised at a launch by the Department of Sports and Recreation. The Guidelines include information on how to ensure public open spaces are inclusive and accessible.
- The City's bi-annual footpath and kerb inspection and repair program included a focus on features that support people of all abilities. This enabled rectification of design faults such as a lack of tactile paving indicators, ramps and grab rails.
- An information brochure on the value of accessible businesses was developed for distribution to local businesses in partnership with Armadale's local business organisation.
- An audit of City buildings led to an upgrade of accessible features, including toilets and ramps to several community facilities.
- A notation has been added to corporate documents regarding availability in alternative formats if requested.

Public Disclosures

The Public Interest Disclosure Act aims to ensure openness and accountability in government. Disclosures are treated in confidence and persons making a disclosure are protected from detrimental action.

In acknowledgement of its responsibilities, the City has appointed a Public Disclosure Officer and published procedures to assist persons to make a disclosure.

During the 2013/14 financial year the City did not receive any disclosures. Further details about public interest disclosures are available from the City's Administration Centre and website.

Local Government Act 1995 – Conduct of Certain Officials

Section 5.53 of the Local Government Act states, "The annual report is to contain details of entries made under Section 5.121 during the financial year in the register of complaints." For the 2013/14 financial year there were no entries made in the Register of Complaints.



Auditor's Report

MACRI

MEMBERS

Chartered Professional Accountants

MEMBERS

Anthony Mann CPA

Lorraine Mann CPA

Clayton De Folker CA

INDEPENDENT AUDITOR'S REPORT

TO: RATEPAYERS OF CITY OF ARMADALE

We have audited the financial report of the City of Armadale, which comprises the Statement of Financial Position as at 30 June 2014 and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows and Rate Setting Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information and the Statement by Chief Executive Officer.

Management's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional accounting bodies.





INDEPENDENT AUDITOR'S REPORT (Cont'd)

Auditor's Opinion

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

- (a) gives a true and fair view of the financial position of the City of Armadale as at 30 June 2014 and of its financial performance for the year ended on that date, and
- (b) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards

Report on Other Legal and Regulatory Requirements

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

- (a) There are no matters that in our opinion indicate significant adverse trends in the financial position or financial management practices of the Council
- (b) There are no matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit
- (c) The asset consumption ratio and the asset renewal funding ratio included in the annual financial report (Note 20 of the annual financial report) are supported by verifiable information and reasonable assumptions
- (d) All necessary information and explanations were obtained by us
- (e) All audit procedures were satisfactorily completed in conducting our audit

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of City of Armadale for the year ended 30 June 2014 included on the City of Armadale's website. Management is responsible for the integrity of the City of Armadale's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



 MACRI PARTNERS
 CERTIFIED PRACTISING ACCOUNTANTS
 SUITE 2, 137 BURSWOOD ROAD
 BURSWOOD WA 6100



 A MACRI
 PARTNER

PERTH
 DATED THIS 21st DAY OF OCTOBER 2014.





Financial Report

City of Armadale

Financial Report

For the year ended 30th June 2014

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 30th June 2014, are in my opinion properly drawn up to present fairly the financial position of the City of Armadale at 30th June 2014, and the results of the operations for the financial year then ended, in accordance with the *Australian Accounting Standards* and comply with the provisions of the *Local Government Act 1995* and the regulations under that Act.

Signed on the 28th day of October 2014

R S Tame



City of Armadale
Statement of Comprehensive Income - By Nature or Type
For the year ended 30 June 2014

	Note	2014 Actual \$	2014 Budget \$	2013 Actual \$
Revenues from Ordinary Activities				
Rates	22	47,152,811	46,017,060	42,874,578
Operating Grants, Subsidies and Contributions	28	16,185,043	18,172,200	17,916,808
Fees and Charges	27	16,063,436	14,362,400	14,324,856
Interest Earnings	2	3,742,929	3,808,000	4,321,308
Other Revenue		1,574,093	964,200	705,451
		84,718,312	83,323,860	80,143,001
Expenses from Ordinary Activities				
Employee Costs		(31,444,771)	(34,107,800)	(28,007,119)
Materials and Contracts		(25,340,386)	(21,767,300)	(26,867,631)
Utilities		(2,895,919)	(1,479,000)	(2,657,428)
Depreciation	2	(11,472,262)	(11,172,800)	(10,760,520)
Interest Expenses	2	(1,004,469)	(1,085,500)	(1,116,948)
Insurance		(1,135,368)	(1,211,400)	(1,053,408)
Other Expense		(1,131,997)	(13,719,600)	(2,482,640)
		(74,425,172)	(84,543,400)	(72,945,694)
		10,293,140	(1,219,540)	7,197,307
Grants / Contributions for Asset Development				
Grants and Subsidies - Non-Operating	28	14,014,904	21,008,900	12,555,746
		14,014,904	21,008,900	12,555,746
Profit / (Loss)				
Profit on Asset Disposal		279,125	653,820	1,088,883
Loss on Asset Disposal		(36,380)	(62,300)	(27,500)
		242,745	591,520	1,061,383
Net Result				
		24,550,789	20,380,880	20,814,436
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	133,782,441	-	2,166,117
		133,782,441	-	2,166,117
Total Comprehensive Income				
		158,333,229	20,380,880	22,980,553

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



City of Armadale
Statement of Comprehensive Income - By Program
For the year ended 30 June 2014

	Note	2014 Actual \$	2014 Budget \$	2013 Actual \$
Revenues from Ordinary Activities				
General Purpose Funding		52,516,406	51,214,160	50,075,253
Governance		1,579,413	975,200	820,372
Law, Order and Public Safety		864,275	670,000	679,244
Health		157,595	136,000	138,624
Education and Welfare		516,946	441,000	527,882
Community Amenities		24,136,000	19,853,100	23,021,472
Recreation and Culture		1,538,810	1,696,800	1,609,562
Transport		1,802,819	6,929,700	1,948,128
Economic Services		1,340,482	1,159,400	1,080,666
Other Property and Services		265,565	248,500	241,800
		84,718,312	83,323,860	80,143,001
Expenses excluding Finance Costs				
General Purpose Funding		(1,278,645)	(1,164,400)	(926,595)
Governance		(1,478,215)	(7,820,200)	(3,101,022)
Law, Order and Public Safety		(2,441,139)	(2,248,800)	(2,146,899)
Health		(1,195,830)	(1,343,200)	(1,210,529)
Education and Welfare		(3,580,516)	(4,327,400)	(3,051,967)
Community Amenities		(18,269,336)	(23,432,700)	(19,708,857)
Recreation and Culture		(23,384,045)	(17,602,800)	(21,645,780)
Transport		(18,614,159)	(22,909,200)	(16,903,174)
Economic Services		(2,797,595)	(2,738,300)	(2,444,658)
Other Property and Services		(381,224)	129,100	(689,266)
		(73,420,704)	(83,457,900)	(71,828,747)
Finance Costs				
Governance		(122,930)	(153,100)	(165,325)
Community Amenities		(276,865)	(281,600)	(278,476)
Recreation and Culture		(426,714)	(438,800)	(464,216)
Transport		(177,959)	(212,000)	(208,930)
		(1,004,468)	(1,085,500)	(1,116,947)
Non Operating Grants, Subsidies and Contributions				
Law Order & Public Safety		-	-	121,900
Education & Welfare		-	1,900,000	-
Community Amenities		124,146	-	1,598,199
Recreation and Culture		3,072,449	12,018,300	2,413,408
Transport		10,818,309	7,090,600	8,422,238
Economic Services		-	-	-
Other Property Services		-	-	-
		14,014,904	21,008,900	12,555,746
Profit on Asset Disposal				
Governance		5,451	41,550	466
Law Order & Public Safety		9,579	12,900	5,781
Health		3,082	10,400	5,128
Education & Welfare		6,327	27,700	2,189
Community Amenities		39,864	109,550	1,030,658
Recreation and Culture		81,801	89,100	35,294
Transport		133,021	353,470	9,366
Economic Services		-	9,150	-
		279,125	653,820	1,088,883
Loss on Asset Disposal				
Governance		(565)	-	(10,775)
Law Order & Public Safety		-	-	(7,701)
Community Amenities		(6,762)	-	(2,965)
Recreation and Culture		(25,640)	-	-
Transport		(3,412)	(62,300)	(5,888)
Economic Services		-	-	(171)
		(36,380)	(62,300)	(27,500)
Net Result		24,550,787	20,380,880	20,814,436
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	133,782,441	-	2,166,117
		133,782,441	-	2,166,117
Total Comprehensive Income		158,333,229	20,380,880	22,980,553

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



**City of Armadale
Statement of Financial Position
As at 30 June 2014**

	Note	2014 Actual \$	2013 Actual \$
Current Assets			
Cash and Cash Equivalents	3	72,384,646	67,552,355
Trade and Other Receivables	4	7,781,010	5,420,861
Inventories	5	120,755	127,026
Total Current Assets		80,286,411	73,100,242
Non-Current Assets			
Other Receivables	4	869,866	744,491
Property, Plant and Equipment	6	198,605,192	51,256,698
Infrastructure	7	224,977,708	216,871,246
Total Non-Current Assets		424,452,767	268,872,435
Total Assets		504,739,177	341,972,676
Current Liabilities			
Trade and Other Payables	8	7,074,345	5,620,769
Current Portion of Long Term Borrowings	9	5,806,547	4,497,440
Provisions	10	6,519,980	5,685,617
Total Current Liabilities		19,400,872	15,803,826
Non-Current Liabilities			
Trade and Other Payables	8	169,196	216,989
Long Term Borrowings	9	15,158,003	14,464,550
Provisions	10	594,999	404,432
Total Non-Current Liabilities		15,922,197	15,085,971
Total Liabilities		35,323,069	30,889,797
Net Assets		469,416,108	311,082,880
Equity			
Retained Surplus		263,417,324	246,986,285
Reserves - Cash Backed	11	61,598,480	53,478,731
Reserves - Asset Revaluation Surplus	12	144,400,304	10,617,863
Total Equity		469,416,108	311,082,880

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 2014**

	Note	2014 Actual \$	2013 Actual \$
Retained Surplus			
Balance as at 1 July		246,986,286	237,795,326
Correction to prior period		-	(595,940)
Net Results		24,550,787	21,410,376
Transfer from / (to) Reserves		(8,119,748)	(11,623,477)
Balance as at 30 June		263,417,324	246,986,286
Reserves - Cash / Investment Backed			
Balance as at 1 July		53,478,731	41,855,254
Transfer (to) / from Retained Surplus		8,119,747	11,623,477
Balance as at 30 June	11	61,598,478	53,478,731
Reserves - Asset Revaluation			
Balance as at 1 July		10,617,864	8,451,747
Correction to prior period		-	595,940
Changes on Revaluation of Non-Current Assets		133,782,441	1,570,177
Balance as at 30 June	12	144,400,305	10,617,864
Total Equity		469,416,108	311,082,880

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



**City of Armadale
Statement of Cash Flows
For the year ended 30 June 2014**

	Note	2014 Actual \$	2014 Budget \$	2013 Actual \$
Cash Flows from Operating Activities				
Receipts				
Rates		47,373,205	46,017,060	40,017,780
Operating Grants, Subsidies and Contributions		16,185,043	18,172,200	17,916,808
Fees and Charges		13,703,287	14,362,400	13,176,010
Interest Earnings		3,742,929	3,808,000	4,321,308
Goods and Services Tax		2,000,000	5,160,655	4,021,959
Other		3,712,674	964,200	686,385
Total Receipts		86,717,138	88,484,515	80,140,250
Payments				
Employee Costs		(30,419,841)	(33,807,800)	(27,518,563)
Materials and Contracts		(23,880,539)	(22,630,300)	(25,454,086)
Utilities		(2,895,919)	(1,479,000)	(2,657,428)
Insurance		(1,135,368)	(1,085,500)	(1,053,408)
Interest		(1,004,469)	(1,211,400)	(1,116,948)
Goods and Services Tax		(3,350,978)	(4,500,000)	(4,658,112)
Other		(2,313,162)	(13,719,600)	1,606,253
Total Payments		(65,000,276)	(78,433,600)	(60,852,293)
Net Cash Provided by Operating Activities	13	21,716,862	10,050,915	19,287,958
Cash Flows from Investing Activities				
Payments for Property, Plant and Equipment		(17,741,950)	(15,904,700)	(6,265,384)
Payments for Infrastructure		(15,915,431)	(37,025,800)	(20,229,584)
Grants and Subsidies - Non-Operating		14,014,904	21,008,900	12,555,746
Proceeds from Sale of Assets		755,348	4,335,800	1,702,655
Net Cash Provided by Investing Activities		(18,887,131)	(27,585,800)	(12,236,567)
Cash Flows from Financing Activities				
Repayment of Debentures		(4,497,440)	(4,497,400)	(800,668)
Proceeds from New Debentures		6,500,000	6,629,000	-
Net Cash Provided by Financing Activities		2,002,560	2,131,600	(800,668)
Net Increase / (Decrease) in Cash Held		4,832,291	(15,403,285)	6,250,723
Cash at Beginning of Year		67,552,355	67,552,355	61,301,632
Cash and Cash Equivalents at End of Year	13	72,384,646	52,149,070	67,552,355

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



**City of Armadale
Rate Setting Statement
For the year ended 30 June 2014**

	Note	2014 Actual \$	2014 Budget \$	2013 Actual \$
Revenues				
General Purpose Funding		5,363,596	5,865,400	7,200,675
Governance		1,584,863	1,016,750	820,838
Law, Order and Public Safety		873,854	682,900	806,925
Health		160,677	146,400	143,752
Education and Welfare		523,272	468,700	530,071
Community Amenities		24,300,010	21,877,050	25,650,329
Recreation and Culture		4,693,060	13,850,450	4,058,263
Transport		12,754,149	14,313,120	10,379,732
Economic Services		1,340,482	1,168,550	1,080,666
Other Property and Services		265,565	248,500	241,800
Total Revenues		51,859,529	59,637,820	50,913,051
Expenses				
General Purpose Funding		(1,278,645)	(1,164,400)	(921,534)
Governance		(1,601,710)	(7,973,300)	(3,277,122)
Law, Order and Public Safety		(2,441,139)	(2,248,800)	(2,154,600)
Health		(1,195,830)	(1,343,200)	(1,210,529)
Education and Welfare		(3,580,516)	(4,327,400)	(3,051,967)
Community Amenities		(18,552,964)	(23,728,700)	(19,990,299)
Recreation and Culture		(23,836,400)	(23,394,250)	(22,109,996)
Transport		(18,767,913)	(17,816,450)	(17,117,992)
Economic Services		(2,797,595)	(2,738,300)	(2,444,829)
Other Property and Services		(381,224)	129,100	(84,637)
Total Expenses		(74,433,935)	(84,605,700)	(72,363,505)
Adjustments for Cash Budget Requirements				
Non-Cash Items				
(Profit) / Loss on Asset Disposals	19	(242,744)	(591,520)	(1,061,383)
Depreciation on Assets	2	11,472,262	11,172,800	10,760,520
Movements in Deferred Pensioner Rates (Non-current)		(30,663)	-	(19,066)
Movements in Employee Benefit Provision (Non-current)		190,567	-	14,005
Total Non-Cash Items		11,389,422	10,581,280	9,694,076
Capital Expense and Revenue				
Purchase Buildings	6	(14,817,934)	(12,147,000)	(3,804,355)
Purchase Furniture and Equipment	6	(351,405)	(3,653,700)	(34,413)
Purchase Plant and Machinery	6	(2,572,611)	(104,000)	(2,426,616)
Purchase Infrastructure - Roads	7	(10,715,282)	(16,776,200)	(14,996,352)
Purchase Infrastructure - Drainage	7	(570,793)	(1,360,200)	(762,739)
Purchase Infrastructure - Pathways	7	(1,563,097)	(1,688,300)	(730,618)
Purchase Infrastructure - Parks / Reserves	7	(3,066,259)	(17,201,100)	(3,739,875)
Proceeds from Disposal of Assets	19	755,348	4,335,800	1,702,655
Repayment of Debentures	21	(4,497,440)	(3,847,400)	(800,668)
Proceeds from New Debentures	21	6,500,000	6,629,000	-
Transfer to Reserves	11	(18,378,520)	(8,065,500)	(14,032,877)
Transfer from Reserves	11	10,258,772	11,778,700	2,409,400
Total Capital Expense and Revenue		(39,019,221)	(42,099,900)	(37,216,458)
Add Estimated Surplus / (Deficit) July 1 B/Fwd		13,539,939	14,000,740	19,638,197
Less Estimated Surplus / (Deficit) June 30 C/Fwd		(11,613,584)	-	(14,000,740)
Add Prepaid Rates collected to 30 June 2014		211,746	(2,863,000)	460,801
Total Rates	22	(48,066,105)	(45,348,761)	(42,874,578)
Less Specified Area Rates		677,089	668,300	641,248
Less Rate Equivalent Payments & Adjustments		24,459	-	21,362
Less Prepaid Rates		211,746	-	460,801
Amount Required to be Raised from General Rates	22	(47,152,811)	(44,680,461)	(41,751,167)

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 2014

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 Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying Regulations. The report has also been prepared on the accrual basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

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

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

The Local Government Reporting Entity

All Funds through which the City controls resources to carry on its functions have been included in the financial statements forming part of this financial report. In the process of reporting on the Local Government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 17 to these financial statements.

b Goods and Services Tax

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

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

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

c Cash and Cash Equivalents

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

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

d Trade and Other Receivables

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

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

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

1 Significant Accounting Policies (continued)

e Inventories

General

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

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 borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is complete are expensed.

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

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

f Fixed Assets

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

Mandatory Requirement

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

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

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

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

In 2013, City commenced the process of adopting Fair Value in accordance with the Regulations.

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

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

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

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

1 Significant Accounting Policies (continued)

Initial Recognition and Measurement between Mandatory Revaluation Dates

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

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

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

Revaluation

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

Transitional Arrangements

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

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

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

Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to Fair Value, AASB 13 – Fair Value Measurement only become applicable for the year ended 30 June 2014 (in relation to City), given the legislative need to commence using Fair Value methodology in the previous reporting period (year ended 30 June 2013) the City chose to early adopt AASB 13 (as allowed for in the standard).

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

Land Under Roads

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

Effective as at 1 July 2008, City elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

Depreciation

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

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated as follows:

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

Major depreciation periods used for each class of depreciable asset are:

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

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

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

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

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

Expenditure on items of equipment under \$2,000 is not capitalised. Management considers each purchase on its merits and may record the equipment on an asset inventory listing, where applicable.

g Fair Value of Assets and Liabilities

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

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

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

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

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

i Financial Instruments

Initial Recognition and Measurement

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

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the initially recognised

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other *is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.*

Available-for-sale within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

1 Significant Accounting Policies (continued)

Impairment

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

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

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

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the City no longer has any significant continual involvement in the risks

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

Impairment of Assets

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

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

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

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

Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

1 Employee Benefits

Short-Term Employee Benefits

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

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

1 Significant Accounting Policies (continued)
Employee Benefits (continued)

Other Long-Term Employee Benefits

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

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

m Borrowing Costs

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

n Provisions

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

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

o Leases

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

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

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

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

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

p Investments in Associates

An associate is an entity over which the City has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

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

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

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

1 Significant Accounting Policies (continued)

q Joint Venture

Interests in Joint Arrangements

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

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. Currently the City has no Joint Venture arrangements with other organisations.

r Rates, Grants, Donations and Other Contributions

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

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

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

s Superannuation

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

t Current and Non-Current Classification

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

u Rounding Off Figures

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

v Comparative Figures

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

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

w Budget Comparative Figures

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

x Subsequent Events

The pending decision by the State Government on Local Government Reform within the Perth Metropolitan area will impact on the City of Armadale's future financial reports. Until details of the decision are known and a subsequent full and proper financial analysis is undertaken, the extent of this impact cannot at this time be reliably estimated.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

1 Significant Accounting Policies (continued)

y New Accounting Standards and Interpretations

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

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

Title and Topic	Issued	Applicable	Impact
(i) AASB 9 - Financial Instruments	December 2013	1 January 2017	Nil - The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the City, it is not anticipated the standard will have any material affect.
(ii) AASB 2010 -7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2013	1 January 2017	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the City (refer (i) above).
(iii) AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities] [AASB 1, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	December 2012	1 January 2014	Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128. It is not expected to have a significant impact on City.
(iv) AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	Jun 2012	1 January 2014	This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. This Standard is not expected to significantly impact the City's financial statements.
(v) AASB 2013 - 3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	Jun 2013	1 January 2014	This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets.
(vi) AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]	October 2012	1 January 2014	This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities. It is not expected to have a significant impact on City.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

<p>(vii) AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</p> <p>[Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]</p>	<p>December 2013</p>	<p>Refer Title Colomn</p>	<p>Part A of this standard makes various editorial corrections to Australian Accounting Standards.</p> <p>Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031.</p> <p>Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.</p> <p>As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on City.</p>
--	----------------------	-------------------------------	---

Notes:

⁽¹⁾ Applicable to reporting periods commencing on or after the given date.

z Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

AASB 10	AASB 128	AASB 2012 - 2
AASB 11	AASB 2011 - 7	AASB 2012 - 3
AASB 12	AASB 2011 - 9	AASB 2012 - 5
AASB 119	AASB 2011 - 10	AASB 2012 - 10
AASB 127		

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

2 Revenues and Expenses	Note	2014 Actual \$	2014 Budget \$	2013 Actual \$
a Result from Ordinary Activities				
The result from ordinary activities includes -				
i Charging as an Expense				
Auditor's Remuneration				
- Annual Financial Statements		30,695	22,000	24,209
- Acquittals & Internal Review		4,000	28,500	12,900
Total Audit Remuneration		<u>34,695</u>	<u>50,500</u>	<u>37,109</u>
Bad and Doubtful Debts				
Write Off - Rates		38,636	60,000	76,423
Write Off - General		-	5,000	-
Write Off - Infringements		71,247	40,000	57,106
		<u>109,883</u>	<u>105,000</u>	<u>133,529</u>
Depreciation				
Land and Buildings		974,049	817,100	1,204,707
Furniture and Equipment		62,935	39,500	86,372
Plant and Machinery		2,005,087	1,637,700	1,585,726
Roads		3,183,348	3,489,600	2,877,300
Drainage		745,993	716,800	722,719
Pathways		556,087	450,600	455,282
Reserves		3,944,761	4,021,500	3,828,414
		<u>11,472,262</u>	<u>11,172,800</u>	<u>10,760,520</u>
Interest Expense				
Debentures	21	1,004,469	1,085,500	1,116,948
		<u>1,004,469</u>	<u>1,085,500</u>	<u>1,116,948</u>
ii Charging as a Revenue				
Interest Earnings				
Investments - Reserve Funds		1,912,550	1,873,000	1,971,869
Investments - Municipal Fund		1,497,286	1,600,000	1,995,461
Other Interest Revenue	26	333,093	335,000	353,979
		<u>3,742,929</u>	<u>3,808,000</u>	<u>4,321,308</u>



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

2 Revenues and Expenses

b Statement of Objective

In order to discharge its responsibility 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 Mission and Values Statements, and for each of its broad activities / programs.

Our Mission

To provide the leadership, facilities and infrastructure that will serve the needs of our local and wider communities.

Our Values

- Honesty - Professionalism - Respect - Accountability

City operations, as disclosed in this Report, encompass the following service oriented activities / programs -

General Purpose Funding

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

Governance

This program includes the administration and operation of facilities and services to the elected members of City. 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 program includes the administration and operation of volunteer fire services and the State Emergency Services, together with animal control and community safety.

Health

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

Education and Welfare

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

Community Amenities

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

Other Property and Services

This program 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 2014

	2014 Actual \$	2013 Actual \$
2 Revenues and Expenses		
c Conditions over Contributions		
Grants recognised as revenues in a previous reporting period that were not expended at the close of that period (in the manner required as per the terms of the contribution)		
Education and Welfare		
Kidsport	45,170	-
Youth	49,962	-
Indigenous	85,229	-
Preservation Grant	-	18,600
Transport		
Federal Black Spot	40,000	281,300
Local Government Road Funding	-	62,100
State Black Spot	39,900	393,200
Transport Network	-	540,000
Roads To Recovery	-	413,830
Roadwise	15,500	-
	275,761	1,709,030
Add: new grants recognised as revenues during the reporting period that had not yet been fully expended at period end (in the manner required as per the terms of the conditions)		
Governance		
Financial Assistance Grants in advance	-	1,757,117
Education and Welfare		
Kidsport	-	172,769
Youth	14,620	49,962
Indigenous	-	85,229
Recreation & Culture		
Healthy Communities	-	146,017
Transport		
Federal Black Spot	-	40,000
Local Government Road Funding	-	-
State Black Spot	-	39,900
Transport Network	-	-
Roads To Recovery	-	-
Roadwise	-	15,500
	14,620	2,306,494
Less: Grants recognised as revenues in a previous reporting period that were expended in the current reporting period (in the manner required as per the terms of the contribution)		
Governance		
Financial Assistance Grants in advance	-	1,757,117
	-	1,757,117
Closing Balance of Unspent Grants	290,381	2,258,407



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	Note	2014 Actual \$	2013 Actual \$
3 Cash and Cash Equivalents			
Unrestricted		10,495,786	11,815,217
Restricted		61,888,860	55,737,138
		72,384,646	67,552,355
The following restrictions have been imposed by regulations or other externally imposed requirements -			
Reserves			
Asset Renewal - Buildings		326,876	315,576
Asset Renewal - Parks		326,876	315,576
Building Plant and Equipment		142,332	137,432
Champion Lakes SAR Asset Renewal		92,200	56,200
Civic Precinct		-	920,600
Computer Systems Technologies		338,032	326,332
Crossover Contributions		54,900	53,000
Emergency Waste		203,332	196,332
Employee Provisions		7,115,008	6,089,708
Freehold Sales Capital Works		134,036	129,436
Future Community Facilities		712,400	687,800
Future Project Funding		8,082,633	10,049,063
Future Recreation Facilities		199,700	192,800
History of the District		33,340	30,550
Land Acquisition		422,536	407,936
Mobile Bin Program		1,797,608	1,735,508
North Forrestdale DCP 3		29,278,802	19,824,242
North Forrestdale SAR Asset Renewal		2,053,620	1,513,520
Plant and Machinery		2,751,188	1,997,988
Portable Long Service Leave		229,892	221,992
Revolving Energy		-	87,572
Strategic Asset Investments		98,944	1,524,944
Waste Management		6,264,212	5,644,112
Workers Compensation		358,548	459,148
Works Contributions		581,464	561,364
		61,598,479	53,478,731
Restricted Funds			
Unspent Grants	2	290,381	2,258,407
		290,381	2,258,407
Total Reserves and Restricted Cash and Cash Equivalents		61,888,860	55,737,138



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	2014 Actual \$	2013 Actual \$
4 Trade and Other Receivables		
Current		
Accrued Revenue and Prepayments	242,261	1,150,632
Rates Debtors	1,219,882	1,314,014
ESL Debtors	60,055	65,862
Unclaimed Pensioner Rates Rebate	649	-
Sundry Debtors	6,380,541	3,012,731
Provision for Doubtful Debts	(122,378)	(122,378)
	<u>7,781,010</u>	<u>5,420,861</u>
Non-Current		
Rates Debtors	542,660	573,323
ESL Debtors	37,880	38,018
Sundry Debtors	289,326	133,151
	<u>869,866</u>	<u>744,491</u>
5 Inventories		
Current		
Fuel and Materials	120,755	127,026
	<u>120,755</u>	<u>127,026</u>
6 Property, Plant and Equipment		
Land - Cost	-	7,380,278
Land - Independent Valuation 2014	104,446,000	-
Buildings - Management Valuation	-	40,600,456
Buildings - Independent Valuation 2014	87,476,085	-
Less Accumulated Depreciation	(15,643,597)	(5,659,063)
	<u>176,278,488</u>	<u>42,321,671</u>
Furniture and Equipment - Management Valuation	469,741	401,465
Less Accumulated Depreciation	(62,935)	-
	<u>406,807</u>	<u>401,465</u>
Plant and Machinery - Management Valuation	9,449,558	8,533,562
Less Accumulated Depreciation	(1,879,540)	-
	<u>7,570,018</u>	<u>8,533,562</u>
Buildings - WIP	13,472,646	-
Furniture and Equipment - WIP	292,650	-
Plant and Machinery - WIP	584,583	-
	<u>14,349,879</u>	<u>-</u>
Total Property, Plant and Equipment	<u>198,605,192</u>	<u>51,256,698</u>



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment during the reporting period is as below -

Level Particulars	Land	Buildings	Furniture and Equipment	Plant and Machinery	Total
	Level 2 \$	Level 3 \$	Level 2 \$	Level 2 \$	\$
Beginning Balance	7,380,278	34,941,393	401,466	8,533,562	51,256,699
Additions	-	585,177	68,276	2,117,397	2,770,850
WIP	-	13,472,646	292,649	584,584	14,349,879
Disposals	-	-	-	(512,603)	(512,603)
Revaluation Movements - Fair Value	97,065,722	37,279,968	-	(563,251)	133,782,439
Depreciation Expense	-	(974,049)	(62,935)	(2,005,087)	(3,042,071)
Carrying Amount	104,446,000	85,305,134	699,456	8,154,601	198,605,192

Land and Buildings

The City of Armadale's land and buildings were revalued as at 1 July 2013 by independent Valuer's APV Valuers and Asset Management.

In relation to land, valuations were made on the basis of observable open market values of similar assets, adjusted for condition and comparability at their highest and best use (Level 2 inputs) in the fair value hierarchy.

With regard to specialised buildings, these were valued having regard for their current replacement cost utilising both observable and unobservable inputs being construction costs based on recent contract prices current condition level 2 inputs, residual values and remaining useful life assessments Level 3 inputs.

Given the significance of the level 3 inputs into the overall fair value measurement, these specialised building assets are deemed to have been valued using Level 3 inputs.

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

The revaluation resulted in an overall increase of \$133,782,439 in the net value of the City's Land and Buildings. All of this increase was credited to the revaluation surplus in the City's equity (refer Note 12 for further details) and was recognised as changes of revaluation of non-current assets in the Statement of Comprehensive Income.

Plant & Equipment

The City of Armadale's Plant & Equipment were revalued at 30 June 2013 by independent Valuer's Uniqco.

All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the Fair Value hierarchy).

The revaluation resulted in an overall increase of \$2,166,117 in the net value of the City's Plant & equipment. All of this increase was credited to the Asset Revaluation Reserve in the 2012/13 financial year (Refer Note 12 for further details) and was recognised as changes on revaluation of non-current assets in the Statement of Comprehensive Income.

Furniture & Equipment

The City of Armadale's Plant & Equipment were revalued at 30 June 2013 by independent Valuer's Ross's Salvage.

All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the Fair Value hierarchy).

The revaluation resulted in a decrease of \$595,940 in the net value of the City's Furniture & Equipment. This decrease was charged to the Income Statement as an expense in the 2012/13 financial year.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	2014 Actual \$	2013 Actual \$
7 Infrastructure		
Roads - Management Valuation	205,027,347	194,110,808
WIP - Roads	79,740	-
Less Accumulated Depreciation	<u>(41,310,098)</u>	<u>(38,126,749)</u>
	163,796,990	155,984,059
Drainage - Cost	35,916,738	35,345,945
Less Accumulated Depreciation	<u>(9,634,880)</u>	<u>(8,888,887)</u>
	26,281,858	26,457,058
Pathways - Cost	11,788,453	10,206,267
Less Accumulated Depreciation	<u>(5,202,019)</u>	<u>(4,645,932)</u>
	6,586,434	5,560,335
Parks and Reserves - Cost	86,318,633	82,931,239
Less Accumulated Depreciation	<u>(58,006,207)</u>	<u>(54,061,445)</u>
	28,312,426	28,869,794
Total Infrastructure	224,977,708	216,871,246

Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure during the reporting period is as below -

	Roads	Drainage	Pathways	Parks and Reserves	Total
Particulars	\$	\$	\$	\$	\$
Beginning Balance	155,984,059	26,457,058	5,579,424	28,869,794	216,890,335
Additions	10,916,539	570,793	1,563,097	3,387,393	16,437,823
WIP	79,740	-	-	-	79,740
Depreciation Expense	<u>(3,183,348)</u>	<u>(745,993)</u>	<u>(556,087)</u>	<u>(3,944,761)</u>	(8,430,190)
Carrying Amount	163,796,990	26,281,858	6,586,434	28,312,426	224,977,708



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	2014 Actual \$	2013 Actual \$
8 Trade and Other Payables		
Current		
Sundry Creditors	6,306,935	4,725,891
Accrued Expenses	451,118	568,736
Revenue Liability	109,039	190,930
ESL Liability	63,162	59,154
Payroll Entitlements	144,091	76,058
	7,074,345	5,620,769
Non-Current		
Sundry Creditors	169,196	216,989
	169,196	216,989
9 Borrowings		
Current		
Secured by Floating Charge Debentures	5,806,547	5,298,118
	5,806,547	5,298,118
Non-Current		
Secured by Floating Charge Debentures	15,158,003	14,464,550
	15,158,003	14,464,550
Additional details on Borrowings are provided in Note 21.		
10 Provisions		
Current		
Provision for Annual Leave	3,478,551	3,289,939
Provision for Long Service Leave	3,041,429	2,395,678
	6,519,980	5,685,617
Non-Current		
Provision for Long Service Leave	594,999	404,432
	594,999	404,432
Total Leave Provision	7,114,979	6,090,049

	Annual Leave	Long Service Leave	Total
	\$	\$	\$
Opening 1/7/2013	3,289,939	2,800,110	6,090,049
Additional Provisions	1,960,831	1,108,669	3,069,500
Decrease due to payments	(1,680,000)	(175,946)	(1,855,946)
Remeasurement effects (discounting)	(92,219)	(96,405)	(188,624)
	3,478,551	3,636,428	7,114,979



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	2014 Actual \$	2014 Budget \$	2013 Actual \$
11 Reserves - Cash Backed			
All of the following Cash Backed Reserves 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 City resolutions in relation to each Reserve, the purpose for which the funds are set aside, and their respective balances, are shown below.			
<u>Asset Renewal - Buildings</u>			
<i>To be used to assist in funding capital works on buildings, thereby extending the useful economic life of such assets.</i>			
Opening Balance	315,576	315,576	209,376
Transfer to Reserve - Municipal Funds	-	-	100,000
Transfer to Reserve - Interest Earnings	11,300	11,100	6,200
Transfer from Reserve	-	-	-
	326,876	326,676	315,576
<u>Asset Renewal - Parks</u>			
<i>To be used to assist in funding capital works on parks, thereby extending the useful economic life of such assets.</i>			
Opening Balance	315,576	315,576	209,376
Transfer to Reserve - Municipal Funds	-	-	100,000
Transfer to Reserve - Interest Earnings	11,300	11,100	6,200
Transfer from Reserve	-	-	-
	326,876	326,676	315,576
<u>Building Plant and Equipment</u>			
<i>To be used to assist in the maintenance and replacement of Plant and Equipment associated with City's buildings.</i>			
Opening Balance	137,432	137,432	133,432
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	4,900	4,900	4,000
Transfer from Reserve	-	-	-
	142,332	142,332	137,432
<u>Champion Lakes SAR Asset Renewal</u>			
<i>To be used to assist in the renewal of assets associated with Champion Lakes Estates covered by Specified Area Rating.</i>			
Opening Balance	56,200	56,200	28,400
Transfer to Reserve - Municipal Funds	34,000	27,000	27,000
Transfer to Reserve - Interest Earnings	2,000	2,000	800
Transfer from Reserve	-	-	-
	92,200	85,200	56,200



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	2014 Actual \$	2014 Budget \$	2013 Actual \$
11 Reserves - Cash Backed (continued)			
<u>Civic Precinct</u>			
<i>To be used to assist in research, planning and redevelopment of the City's Civic Precinct.</i>			
Opening Balance	920,600	920,600	1,111,800
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	32,900	32,300	33,300
Transfer from Reserve	(953,500)	(952,900)	(224,500)
	0	0	920,600
<u>Computer Systems Technologies</u>			
<i>To be used to assist in funding the long-term renewal of City's core computer systems.</i>			
Opening Balance	326,332	326,332	384,832
Transfer to Reserve - Municipal Funds	-	-	100,000
Transfer to Reserve - Interest Earnings	11,700	11,500	11,500
Transfer from Reserve	-	-	(170,000)
	338,032	337,832	326,332
<u>Crossover Contributions</u>			
<i>To be used to assist in funding the construction of Crossovers as a condition of approved building licences.</i>			
Opening Balance	53,000	53,000	51,500
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	1,900	1,900	1,500
Transfer from Reserve	-	-	-
	54,900	54,900	53,000
<u>Emergency Waste</u>			
<i>To be used to assist with the costs associated with storm damage clean-up, collections and disposal.</i>			
Opening Balance	196,332	196,332	190,632
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	7,000	6,900	5,700
Transfer from Reserve	-	-	-
	203,332	203,232	196,332
<u>Employee Provisions</u>			
<i>To be used to cash-back the employees' sick, annual and long-service leave entitlements liability.</i>			
Opening Balance	6,089,708	6,089,708	5,456,108
Transfer to Reserve - Municipal Funds	820,900	300,000	470,000
Transfer to Reserve - Interest Earnings	204,400	213,200	163,600
Transfer from Reserve	-	-	-
	7,115,008	6,602,908	6,089,708



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	2014 Actual \$	2014 Budget \$	2013 Actual \$
11 Reserves - Cash Backed (continued)			
<u>Freehold Sales Capital Works</u>			
<i>To be used to assist in funding capital works and to be funded from the proceeds (30% of net sale proceeds) of selling Freehold land parcels.</i>			
Opening Balance	129,436	129,436	125,736
Transfer to Reserve - Municipal Funds	-	361,500	-
Transfer to Reserve - Interest Earnings	4,600	4,600	3,700
Transfer from Reserve	-	-	-
	134,036	495,536	129,436
<u>Future Community Facilities</u>			
<i>To be used to assist in the research, planning and construction of future Community Facilities.</i>			
Opening Balance	687,800	687,800	667,800
Transfer to Reserve - Municipal Funds	-	500	-
Transfer to Reserve - Interest Earnings	24,600	24,100	20,000
Transfer from Reserve	-	-	-
	0	712,400	687,800
<u>Future Project Funding</u>			
<i>To be used to fund future capital works projects considered in excess of the City's normal funding capacity.</i>			
Opening Balance	10,049,063	10,049,063	7,174,063
Transfer to Reserve - Municipal Funds	4,109,570	4,130,570.00	2,929,000
Transfer to Reserve - Interest Earnings	372,800	351,800	216,000
Transfer from Reserve	(6,448,800)	(6,481,300)	(270,000)
	8,082,633	8,050,133	10,049,063
<u>Future Recreation Facilities</u>			
<i>To be used to assist in the research, planning and construction of future recreation facilities.</i>			
Opening Balance	192,800	192,800	187,200
Transfer to Reserve - Municipal Funds	-	60,000	-
Transfer to Reserve - Interest Earnings	6,900	6,800	5,600
Transfer from Reserve	-	-	-
	199,700	259,600	192,800
<u>History of the District</u>			
<i>To be used to assist in the research, planning and construction of future recreation facilities.</i>			
Opening Balance	30,550	30,550	26,850
Transfer to Reserve - Municipal Funds	1,690	1,690.00	2,900
Transfer to Reserve - Interest Earnings	1,100	1,100	800
Transfer from Reserve	-	-	-
	33,340	33,340	30,550
<u>Land Acquisition</u>			
<i>To be used to assist in future acquisitions of land for investment or works requirement.</i>			
Opening Balance	407,936	407,936	396,136
Transfer to Reserve - Municipal Funds	-	300	-
Transfer to Reserve - Interest Earnings	14,600	14,300	11,800
Transfer from Reserve	-	-	-
	422,536	422,536	407,936



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	2014 Actual \$	2014 Budget \$	2013 Actual \$
11 Reserves - Cash Backed (continued)			
<u>Mobile Bin Program</u>			
<i>To be used to assist in the purchase and replacement of the City's Mobile Garbage Bins.</i>			
Opening Balance	1,735,508	1,735,508	1,685,008
Transfer to Reserve - Municipal Funds	-	1,300	0
Transfer to Reserve - Interest Earnings	62,100	60,800	50,500
Transfer from Reserve	-	-	-
	1,797,608	1,797,608	1,735,508
<u>North Forrestdale DCP 3</u>			
<i>To be used to fund common infrastructure works as identified in the Development Contribution Plan #3.</i>			
Opening Balance	19,824,242	19,824,242	13,260,865
Transfer to Reserve - Municipal Funds	8,745,560	1,213,400	6,165,577
Transfer to Reserve - Interest Earnings	709,000	693,900	397,800
Transfer from Reserve	-	-	-
	29,278,802	21,731,542	19,824,242
<u>North Forrestdale SAR Asset Renewal</u>			
<i>To be used to assist in the renewal of assets associated with North Forrestdale Estates covered by Specified Area Rating.</i>			
Opening Balance	1,513,520	1,513,520	1,016,120
Transfer to Reserve - Municipal Funds	486,000	519,600	467,000
Transfer to Reserve - Interest Earnings	54,100	53,000	30,400
Transfer from Reserve	-	-	-
	2,053,620	2,086,120	1,513,520
<u>Plant and Machinery</u>			
<i>To be used to assist in the purchase and replacement of the City's Plant and Machinery requirements.</i>			
Opening Balance	1,997,988	3,742,888	2,094,388
Transfer to Reserve - Municipal Funds	1,850,000	1,661,100	1,585,700
Transfer to Reserve - Interest Earnings	71,500	131,100	62,800
Transfer from Reserve	(1,168,300)	(1,601,300)	(1,744,900)
	2,751,188	3,933,788	1,997,988
<u>Portable Long Service Leave</u>			
<i>To be used to assist in financing the City's Portable Long Service Leave liability.</i>			
Opening Balance	221,992	221,992	215,592
Transfer to Reserve - Municipal Funds	-	15,000	-
Transfer to Reserve - Interest Earnings	7,900	7,800	6,400
Transfer from Reserve	-	-	-
	229,892	244,792	221,992



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	2014 Actual \$	2014 Budget \$	2013 Actual \$
11 Reserves - Cash Backed (continued)			
<u>Revolving Energy</u>			
<i>To be used to assist in establishing energy efficient management techniques and practices.</i>			
Opening Balance	87,572	87,572	85,072
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	3,100	3,100	2,500
Transfer from Reserve	(90,672)	-	-
	0	90,672	87,572
<u>Strategic Asset Investments</u>			
<i>To be used to fund the acquisition of strategic asset investments from the proceeds (70% of net sale proceeds) of selling Freehold land.</i>			
Opening Balance	1,524,944	1,524,944	1,480,544
Transfer to Reserve - Municipal Funds	-	843,500	-
Transfer to Reserve - Interest Earnings	54,500	53,400	44,400
Transfer from Reserve	(1,480,500)	(1,480,500)	-
	98,944	941,344	1,524,944
<u>Waste Management</u>			
<i>To be used to assist in the management and future provisioning of the City's Waste Management Sites.</i>			
Opening Balance	5,644,112	3,899,212	4,673,512
Transfer to Reserve - Municipal Funds	418,300	1,191,400	830,400
Transfer to Reserve - Interest Earnings	201,800	136,500	140,200
Transfer from Reserve	-	(1,145,700)	-
	6,264,212	4,081,412	5,644,112
<u>Workers Compensation</u>			
<i>To be used to assist in covering any workers' compensation liability claims in excess of the City's normal funding capacity.</i>			
Opening Balance	459,148	459,148	445,848
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	16,400	16,100	13,300
Transfer from Reserve	(117,000)	(117,000)	-
	358,548	358,248	459,148
<u>Works Contributions</u>			
<i>To be used to fund works utilising contributions received from developers, generally pursuant to conditions of development approval.</i>			
Opening Balance	561,364	561,364	545,064
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	20,100	19,700	16,300
Transfer from Reserve	-	-	-
	581,464	581,064	561,364
Total Reserves			
Opening Balance	53,478,731	53,478,731	41,855,254
Transfer to Reserve - Municipal Funds	16,466,020	10,326,860	12,777,577
Transfer to Reserve - Interest Earnings	1,912,500	1,873,000	1,255,300
Transfer from Reserve	(10,258,772)	(11,778,700)	(2,409,400)
	61,598,479	53,899,891	53,478,731



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	2014 Actual \$	2013 Actual \$
12 Reserves - Asset Revaluation		
Land & Buildings		
Opening Balance as at 1 July 2013	8,451,748	8,451,748
Revaluation Increment	134,345,690	-
	<u>142,797,438</u>	<u>8,451,748</u>
Plant & Equipment		
Opening Balance as at 1 July 2013	2,166,117	-
Revaluation Increment / Decrement	(563,251)	2,166,117
	<u>1,602,866</u>	<u>2,166,117</u>
Total Asset Revaluation Reserve	<u>144,400,304</u>	<u>10,617,865</u>
13 Notes to the Statement of Cash Flows		
a Reconciliation of Cash		
For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows -		
Cash and Cash Equivalents	72,384,646	67,552,355
b Reconciliation of Net Cash Provided by Operating Activities to Net Result		
Net Result	24,550,788	20,814,436
Depreciation	11,472,262	10,760,520
(Profit) / Loss on Sale of Asset	(242,744)	(465,442)
(Increase) / Decrease in Receivables	(2,485,524)	(1,167,911)
(Increase) / Decrease in Inventories	6,271	4,731
Increase / (Decrease) in Payables	1,405,782	1,408,813
Increase / (Decrease) in Employee Provisions	1,024,930	488,556
Grants and Contributions for Asset Development	(14,014,904)	(12,555,746)
Net Cash from Operating Activities	<u>21,716,862</u>	<u>19,287,957</u>
c Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank Overdraft Limit	100,000	100,000
Bank Overdraft at Balance Date	-	-
Credit Card Limit	6,000	6,000
Credit Card at Balance Date	-	-
Total Amount of Credit Unused	<u>106,000</u>	<u>106,000</u>
Loan Facilities		
Loan Facilities - Current	5,806,547	4,497,440
Loan Facilities - Non-Current	15,158,003	14,464,550
Total Facilities in Use at Balance Date	<u>20,964,550</u>	<u>18,961,990</u>
Unused Loan Facilities at Balance Date	<u>-</u>	<u>-</u>
14 Contingent Liabilities		
The City had no contingent liabilities for the periods reported.		



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

15 Capital and Leasing Commitments

The City had no Capital Leasing Commitments for the periods reported.

16 Joint Venture

The City had no Joint Venture arrangements with other organisations for the periods reported.

17 Trust Funds	Balance 1 July 2013	Account Movement	Balance 30 June 2014
	\$	\$	\$

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

Cash in Lieu - POS - A14 Plan	2,290,896	(218,361)	2,072,535
Cash in Lieu - POS - Agreements	90,259	2,432	92,691
Cash in Lieu - POS - Heron	137,311	3,701	141,012
Cash in Lieu - POS - Jarrah	92,284	67,956	160,240
Cash in Lieu - POS - Lake	877,499	23,651	901,150
Cash in Lieu - POS - Palomino	-	476,000	476,000
Cash in Lieu - POS - Minnowarra	8,692	233	8,925
Cash in Lieu - POS - Neerigen	448,488	(1,747)	446,741
Cash in Lieu - POS - River	17,484	472	17,956
Cash in Lieu of Footpaths	253,961	44,102	298,062
Cash in Lieu of Parking	182,619	12,110	194,729
Contractors Deposits	6,189,904	(137,683)	6,052,221
Hall and Key Deposits	93,488	27,960	121,448
Kerb Deposits	1,335,687	226,142	1,561,829
POS - Precinct A - Westfield	826,336	(4,788)	821,548
POS - Precinct B - Seville Grove	615,259	(582,393)	32,866
POS - Precinct E - Mount Richon	229,765	6,193	235,958
POS - Precinct F - Clifton Hills	330,167	8,899	339,066
POS - Precinct G - Creyk	493,492	(24,975)	468,517
POS - Precinct H - Mount Nasura	590,464	15,917	606,381
POS - Precinct I - Roleystone	596,167	(596,167)	-
POS - Precinct M - Southern Bedforddale	-	-	-
POS - Precinct O - Palomino	61,878	1,668	63,546
POS - Regional Recreation Infrastructure	2,431,627	65,541	2,497,168
Rates in Suspense	73,653	(30,386)	43,267
SEMACC Lease Liability	10,525	-	10,525
Town Planning Bonds	594,988	-	594,988
Environmental Bond Urban SP South-Piara	65,564	127,087	192,651
DCP No3 Item 11A Keane Road Construction	34,853	-	34,853
	18,973,309	(486,435)	18,486,874

18 Total Assets Classified by Function and Activity	2014 Actual \$	2013 Actual \$
General Purpose Funding	21,368,959	26,294,263
Governance	105,800,729	18,851,977
Law, Order and Public Safety	472,574	419,582
Health	5,385	6,026
Community Amenities	13,292,096	28,336,007
Recreation and Culture	144,033,837	67,030,130
Transport	205,813,597	188,750,145
Economic Services	9,613	8,096
Other Property and Services	13,942,387	12,276,450
	504,739,177	341,972,676



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	Net Book Value		Sale Price		Profit / (Loss)	
	Actual	Budget	Actual	Budget	Actual	Budget
			\$	\$	\$	\$
19 Disposal of Assets						
Land and Buildings						
<i>Governance</i>						
POS Land Sales	-	1,763,700	-	1,763,700	-	-
Freehold Land Sales	-	1,205,000	-	1,205,000	-	-
Total Land and Buildings	-	2,968,700	-	2,968,700	-	-
Plant and Machinery						
<i>Governance</i>	61,143	59,250	66,029	100,800	4,886	41,550
Law, Order and Safety	22,759	25,100	32,337	38,000	9,579	12,900
Health	23,255	28,600	26,337	39,000	3,082	10,400
Education and Welfare	40,601	35,300	49,983	63,000	9,382	27,700
Community Amenities	74,115	141,430	89,746	251,000	15,630	109,570
Recreation and Culture	145,561	166,900	216,987	256,000	71,426	89,100
Transport	145,169	135,830	273,929	427,000	128,760	291,150
Economic Services	-	6,850	-	16,000	-	9,150
Total Plant and Machinery	512,604	599,260	755,348	1,190,800	242,745	591,520
Total Disposal of Assets	512,604	3,567,960	755,348	4,159,500	242,745	591,520

20 Financial Ratios	2014	2013	2012
Current Ratio	1.43	1.72	4.42
Asset Sustainability Ratio	1.04	1.26	1.81
Debt Service Cover Ratio	4.18	10.19	10.51
Operating Surplus Ratio	0.15	0.12	0.11
Own Source Revenue Coverage Ratio	0.92	0.88	0.91

The above ratios are calculated as follows -

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	Principal 1 July \$	New Loans \$	Principal Repayments \$	Principal 30 June \$	Interest Repayments \$
21 Information on Borrowings					
b Repayment - Debentures (Actual)					
Particulars					
Governance					
285 Temporary Administration 2005	120,097	-	58,350	61,747	5,777
292 Loan Borrowings 2008	418,792	-	29,710	389,082	14,214
295 Old Library Conversion 2009	529,951	-	63,181	466,770	30,185
296 Loan Borrowings 2009	443,245	-	28,255	414,990	14,074
298 Loan Borrowings 2010	416,390	-	49,642	366,748	23,717
306 Loan Borrowings 2011	567,580	-	57,841	509,740	31,330
316 Landmark Building	-	3,500,000	-	3,500,000	5,028
Recreation and Culture					
284 Rushton Park 2006	117,279	-	36,724	80,554	6,714
286 Kelmscott Library 2005	24,762	-	12,031	12,732	1,191
291 Aquatic Works 2008	432,280	-	16,690	415,590	15,104
294 Armadale Library Relocation	832,780	-	99,284	733,496	47,434
299 Aquatic Centre Upgrade 2010	838,447	-	48,877	789,570	51,064
300 Frye Park Redevelopment 2010	348,253	-	41,519	306,735	19,836
302 Aquatic Cntr Upgrade 2012	1,348,668	-	43,183	1,305,485	80,471
304 Frye Park Redevelopment 2011	1,006,314	-	32,221	974,092	60,044
305 Piara Waters (North) 2011	1,055,513	-	55,984	999,529	61,258
307 Equestrian Facilities 2012	293,031	-	69,395	223,635	9,828
311 Aquatic Centre Upgrade 2012	1,549,159	-	53,144	1,496,015	68,742
Transport					
290 ARA Projects 2008	126,974	-	21,890	105,084	3,859
293 Abbey Road Link Project 2008	650,000	-	650,000	-	20,169
297 Abbey Road Land 2010	4,552,800	-	-	4,552,800	260,875
301 Abbey Road Project 2011	3,000,000	-	3,000,000	-	153,930
303 Civil Works	289,676	-	29,520	260,156	15,990
317 Abbey Road	-	3,000,000	-	3,000,000	3,634
	18,961,991	6,500,000	4,497,440	20,964,550	1,004,469

d Unspent Debentures

The City had no unspent debentures at 30 June 2014.

e Overdraft Facilities

The City did not utilise an overdraft during the 2013 - 2014 financial year, although a \$100,000 facility has been established with the City's bankers 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. The City did not need to utilise these facilities and the balance of any bank overdraft facilities at 1 July 2013 and 30 June 2014 was \$nil.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	Rate in \$ / Minimum Charge	Property Numbers #	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$
22 Rating Information						
a Rating Information (Budget)						
Rate Type						
General Rate						
Gross Rental Value - Vacant	14.682	1,076	24,557,314	3,605,500	-	3,605,500
Gross Rental Value	8.8760	21,949	390,570,366	34,667,000	665,600	35,332,600
Unimproved Value	0.3945	144	198,842,500	784,430	-	784,430
Sub-Total		23,169	613,970,180	39,056,930	665,600	39,722,530
Minimum Rate						
Gross Rental Value - Vacant	976	1,689	8,013,000	1,648,460	-	1,648,460
Gross Rental Value	976	4,060	40,121,973	3,962,560	-	3,962,560
Unimproved Value	1,170	13	3,001,910	15,210	-	15,210
Sub-Total		5,762	51,136,883	5,626,230	-	5,626,230
Total		28,931	665,107,063	44,683,160	665,600	45,348,760
Rate Equivalent Payments and Adjustments Specified Area Rates						668,300
Total						46,017,060
b Rating Information (Actual)						
Rate Type						
General Rate						
Gross Rental Value - Vac	14.682	1,040	23,125,072	3,395,223	-	3,395,223
Gross Rental Value - Imp	8.8760	22,394	399,155,009	35,428,995	828,472	36,257,467
Unimproved Value	0.3945	143	197,777,500	780,232	-	780,232
Sub-Total		23,577	620,057,581	39,604,450	828,472	40,432,922
Minimum Rate						
Gross Rental Value - Vac	976	1,871	9,165,619	1,826,096	-	1,826,096
Gross Rental Value - Imp	976	4,058	40,118,323	3,960,608	-	3,960,608
Unimproved Value	1,170	17	3,985,910	19,890	-	19,890
Sub-Total		5,946	53,269,852	5,806,594	-	5,806,594
Total		29,523	673,327,433	45,411,044	828,472	46,239,516
Rate Equivalent Payments and Adjustments Specified Area Rates						24,459
Subtotal Rates Required to be raised from rates						677,089
Rates in advance						211,746
Total						47,152,811



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	Rate in \$	Property Numbers #	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$
23 Specified Area Rates						
a Specified Area Rates (Budget)						
Rate Type						
Specified Area Rate - GRV						
A - Armadale CBD	0.400	90	27,601,663	110,500	-	110,500
B - Kelmscott CBD	1.076	94	6,846,808	73,700	-	73,700
C - Kelmscott Industry	0.197	333	9,357,682	18,400	-	18,400
D - S Armadale Industry	0.437	129	4,828,254	21,100	-	21,100
E - Shopping Precincts	0.841	9	2,485,740	20,900	-	20,900
F - North Forrestdale	0.956	2,330	42,632,460	407,700	-	407,700
G - Champion Lakes	0.773	170	2,070,368	16,000	-	16,000
Total		3,155	95,822,975	668,300	-	668,300
b Specified Area Rates (Actual)						
Rate Type						
Specified Area Rate - GRV						
A - Armadale CBD	0.400	90	27,601,663	110,407	-	110,407
B - Kelmscott CBD	1.076	94	6,862,208	73,837	3,409	77,246
C - Kelmscott Industry	0.197	333	9,357,682	18,435	32	18,467
D - S A'dale Industry	0.437	130	5,040,816	22,028	-	22,028
E - Shopping Precincts	0.841	6	2,485,740	20,905	(123)	20,782
F - North Forrestdale	0.956	2,334	42,452,160	405,843	3,764	409,607
G - Champion Lakes	0.773	171	2,093,888	16,186	2,366	18,552
Total		3,158	95,894,157	667,641	9,448	677,089

In the 2013 - 2014 financial year, the City imposed 7 separate Specified Area Rates, the purpose of which was to enhance the amenity of selected areas by way of increased and improved service levels.

Five of the seven (Areas A - E) are referred to as the Townscape Amenity Services and entail increased and improved levels of street bin emptying, litter pick-ups, road and path sweeping, water blasting of pathways, garden maintenance, weed control and general maintenance.

Two of the seven (Areas F-G) is for the increased maintenance and enhancement of the public open space (POS) and streetscapes of selected new estates in the North Forrestdale and Champion Lakes area of the City over and above other areas of the City.

24 Service Charges

No service charges were imposed for the 2013 - 2014 financial year. As such, no transfer to, or from, Reserve Accounts has occurred.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

25 Discounts, Incentives, Concessions and Write-Offs

Discounts

No discounts were offered in the 2013 - 2014 financial year.

Incentives

Four rate payment incentives were offered in the 2013 - 2014 financial year. The first incentive was three prizes each of \$2,000 provided by the City of Armadale. The second incentive was one prize of \$1,500 provided by Westpac. The third incentive was two prizes of \$500 provided by Bendigo Bank. The fourth incentive was four prizes of \$1,000 to those ratepayers currently using, or opting to use, City's 'Smarter Way To Pay' yearly direct debit payment method. Conditions relating to timing of the payment of rates and entry conditions applied to these incentives.

Concessions

No concessions were offered in the 2013 - 2014 financial year.

Write-Offs

The following write-offs were made during the 2013 - 2014 financial year -

Rates	38,636
General	-
Infringements	71,247
	<u>109,883</u>

26 Interest Charges and Instalments

Particulars	Interest Rate %	Admin Charge \$	Actual Revenue \$	Budgeted Revenue \$
Interest on late paid rates	11	-	139,148	165,000
Interest on instalment plans	5.5	-	183,244	161,000
Interest on Emergency Services Levy (ESL)	11	-	10,701	9,000
Charges on instalment plans (per payment)	-	7.00	152,068	142,500
Charges on special arrangements	-	44.00	1,897	4,000
			<u>487,058</u>	<u>481,500</u>

Administration charges and interest applied to the two and four equal instalment options offered by the City with the charges and interest applied for all but the first instalment.

27 Fees and Charges

General Purpose Funding	526,546	475,840
Governance	2,542	7,979
Law, Order and Public Safety	675,398	506,811
Health	154,467	136,865
Education and Welfare	5,937	5,788
Community Amenities	10,543,538	9,887,177
Recreation and Culture	1,413,158	1,233,467
Transport	1,168,696	771,965
Economic Services	1,307,590	1,057,164
Other Property and Services	265,565	241,800
	<u>16,063,436</u>	<u>14,324,856</u>



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	2014	2013
	Actual	Actual
	\$	\$
28 Grant, Subsidies and Contributions Revenue		
By Nature or Type		
Operating Grants, Subsidies and Contributions	16,185,043	17,916,808
Non-Operating Grants, Subsidies and Contributions	14,014,904	12,555,746
	30,199,946	30,472,552
By Program		
General Purpose Funding	1,090,520	2,399,677
Governance	6,378	110,791
Law, Order and Public Safety	188,877	294,334
Health	3,129	1,760
Education and Welfare	511,008	522,094
Community Amenities	13,716,608	14,732,494
Recreation and Culture	3,198,102	2,789,503
Transport	11,452,432	9,598,400
Economic Services	32,892	23,501
	30,199,946	30,472,552
29 Employee Numbers		
Number of Full-Time Equivalent Employees at Balance Date	330.1	311.9

30 Councillors' Fees and Allowances

The following fees, expenses and allowances were paid to City Members and / or the Mayor -

	2014	2014	2013
	Actual	Budget	Actual
	\$	\$	\$
Members Allowance	452,110	435,000	105,000
Mayoral Allowance	95,000	85,000	60,000
Deputy Mayoral Allowance	23,750	21,200	15,000
Telecommunications Allowance	-	-	29,540
Travelling Allowance	8,096	10,500	9,229
Communication Reimbursement	12,782	15,000	12,451
Child Minding Reimbursement	-	5,000	4,855
Information Technology Allowance	56,210	49,000	14,000
Vehicle Operation - Mayor	12,289	12,000	11,101
	660,237	632,700	261,175



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

	2014 Actual \$	2014 Budget \$	2013 Actual \$
31 Major Land Transactions			
<p>No major land transactions occurred during the 2013 -2014 Financial year. However the City has embarked on a Landmark City Building development - budgeted to commence in the financial year 2013-2014</p> <p>- Budgeted Revenue - Transfer from Reserve Accounts - \$6,500,000</p> <p>- Budgeted Expenditure - Capital Expense - Building works stage 1 - \$6,500,000</p>			
b) Current Year Transactions			
Opening	-	2,553,966	-
<u>Non-Operating Revenue</u>			
New Debentures	-	5,290,000	-
From Reserve	-	-	-
<u>Operating Expense</u>			
Interest Expenses	(438,609)	(460,200)	(460,200)
<u>Capital Expense</u>			
Land & Development Costs	-	(7,383,831)	-
Roadworks	-	-	-
<u>Non-Operating Expense</u>			
To Reserve	-	-	-
	(438,609)	(2,554,031)	(460,200)

	To 2014 \$	2015 \$	2016 \$	2017 \$	2018 \$
c) Expected Cash Flows					
Opening	-	2,553,966	-	-	-
<u>Non-Operating Revenue</u>	8,202,800				
New Debentures	-	5,290,000	5,290,000	-	-
Disposal of Assets	-	-	6,897,500	9,242,100	6,897,500
From Reserve	2,665,117	-	-	-	5,238,272
<u>Operating Expense</u>					
Interest Expenses	(803,388)	(460,135)	(698,135)	(736,870)	(476,000)
<u>Capital Expense</u>					
Land & Road Development Costs	(4,845,446)	(7,383,831)	(5,300,000)	(1,253,523)	-
<u>Non-Operating Expense</u>					
Principal Repayments	-	-	(3,650,000)	(4,552,800)	(10,580,000)
To Reserve	(2,665,117)	-	(2,539,365)	(2,698,907)	-
Closing	2,553,966	-	-	-	1,079,772

The net cash flows of the entire land transaction is expected to result in an inflow of \$1,079,772



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

32 Fair Value Measurement

The City measures the following assets at fair value on a recurring basis after initial recognition:

- Land and Buildings
- Plant and Equipment
- Furniture and Fittings

The following table provides the fair value of the City's assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

Recurring Fair Value Measurements

	Note	30-Jun-14			Total
		Level 1	Level 2	Level 3	
Financial Assets		-	-	-	-
Non-Financial Assets					
Land	6	-	104,446,000	-	104,446,000
Buildings	6	-	-	85,305,134	85,305,134
Plant & Equipment	6	-	8,154,601	-	8,154,601
Furniture and Fittings	6	-	699,457	-	699,457
Total non-financial assets recognised at fair value on a recurring basis		0	113,300,058	85,305,134	198,605,192

	Note	30-Jun-13			Total
		Level 1	Level 2	Level 3	
Financial Assets		-	-	-	-
Non-Financial Assets					
Land	6	-	-	-	-
Buildings	6	-	-	-	-
Plant & Equipment	6	-	8,533,562	-	-
Furniture and Fittings	6	-	401,465	-	-
Total non-financial assets recognised at fair value on a recurring basis		-	8,935,027	-	-

The City's land and buildings were valued on the cost basis for the year ended 30 June 2013 and revalued at 30 June 2014. Therefore, no fair values have been reported for the year ended 30 June 2013.

(a) Transfers Policy

The policy of the City is to recognise transfers into and transfer out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between Level 1 and Level 2 for recurring fair value measurements during the year. There were also no transfers in and out of Level 3 measurements.

(b) Highest and Best Use

There were no assets valued where it was assumed that the highest and best use was other than their current use.

(c) Valuation techniques and Inputs used to derive fair values

The following table summarises valuation inputs and techniques used to determine the Fair value for each asset class.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

(c) Valuation techniques and Inputs used to derive fair values (cont.)

Asset	Level of Valuation Input	Fair Value at 30 June 2014	Valuation Technique(s)	Inputs Used
Financial Assets	-	-	-	-
Non-Financial Assets				
Land	2	104,446,000	Market approach	price per square metre
Buildings	3	85,305,134	Cost Approach	estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Plant	2	8,154,602	Cost and Market approach	Make, size, year of manufacture and condition, Residual value on typical operating condition
Equipment	2	-	Cost and Market approach	Make, size, year of manufacture and condition
Furniture and Fittings	2	699,457	Cost and Market approach	Make, size, year of manufacture and condition. physical location, difficulty of removal, adaptability or specialization, marketability, physical condition, overall appearance and total psychological appeal.
TOTAL		<u><u>198,605,193</u></u>		

Recurring fair value measurements

The following methods are used to determine the fair value measurements.

Land

Where there is directly comparable market evidence, Level 2 valuation inputs were used to value land held in freehold title (investment and non-investment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Level 2 valuation inputs were used to value land held in freehold title (investment and noninvestment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

Buildings

Level 3 valuation inputs

Specialised buildings were valued using the cost approach using professionally qualified registered valuers. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs

Plant, Equipment, Furniture and Fittings

These classes of assets were revalued in 2013 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A. Whilst the additions since that time are shown at cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down values approximate fair values. Thus, the values are considered in accordance with Local Government Financial Management (Regulation) 17A (2) which requires these assets to be shown at fair value. They will be revalued during the year ended 30 June 2016 in accordance with the mandatory asset measurement framework detailed at Note 1(c).

Most plant and equipment assets are generally valued using the market and cost approach using comparable sales and relevant industry market price reference guides, and have been classified as being valued at Level 2 of the fair value hierarchy. The most significant inputs into this valuation approach are the make, size, year of manufacture and condition.

(d) Fair Value Sensitivity and Unobservable Inputs

The following table provides a summary of the unobservable inputs and an assessment of the sensitivity of these to the fair value measurement.

Description and fair value as at 30 June 2014	Valuation technique(s)	Unobservable inputs	Range of inputs (probability – weighted average)	Relationship of unobservable inputs to fair value
Specialised buildings - \$85,305,134	Cost approach (depreciated replacement cost)	Relationship between asset consumption rating scale and the level of consumed service potential	+/- 10%	A change of 10% would result in an increase/decrease of \$8,530,513



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

(e) Valuation processes

The City engages external, independent and qualified valuers to determine the fair value of the Council's land, buildings, plant, equipment and furniture and fittings on a regular basis. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. If any variation is considered material a revaluation is undertaken either by comprehensive revaluation or by applying an interim revaluation using appropriate indices.

As at 30 June 2014, a comprehensive revaluation was undertaken for asset classes subject to revaluation by APV Valuers and Asset Management.

The main Level inputs used are derived and evaluated as follows:

- **Cost for land restricted in use (non-saleable)** – estimate cost to replace the existing land if Council had to acquire it on the open market in competition with other market participants. Due to the restricted nature and unique characteristics of this land there was insufficient market evidence of directly comparable sales. Reference was made to sales of land with a limited level of comparability at distant locations and adjusted by the valuer using professional judgement to take account of the differing characteristics. These were evaluated for reasonableness against the price per area for other restricted in use land held by the Council that had been valued as level 2.
- **Relationship between asset consumption rating scale and the level of consumed service potential** – Under the cost approach the estimated cost to replace the asset is calculated and then adjusted to take account of an accumulated depreciation. In order to achieve this the valuer determines an asset consumption rating scale for each asset type based on the inter-relationship between a range of factors. These factors and their relationship to the fair value require profession judgment and include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value, useful life and pattern of consumption of the future economic benefit. The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Council's own engineers, asset management and finance staff. The results of the valuation were further evaluated by confirmation against Council's own understanding of the assets and the level of remaining service potential.

(f) Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

Description	Note	Fair Value Hierarchy Level	Valuation Technique(s)	Inputs Used
Liabilities				
Borrowings	21	2	Income approach using discounted cash flow methodology	Current treasury borrowing rates for similar instruments

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

33 Financial Risk Management

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

The City does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk. Financial risk management is carried out under approved policies. The City held the following financial instruments at balance date -

	Carrying Value		Fair Value	
	2014	2013	2014	2013
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	72,384,646	67,552,355	72,384,646	67,552,355
Receivables	8,650,876	6,165,352	8,650,876	6,165,352
	81,035,522	73,717,707	81,035,522	73,717,707
Financial Liabilities				
Payables	7,243,540	5,837,758	7,243,540	5,837,758
Borrowings	20,964,550	19,762,668	17,319,498	13,978,278
	28,208,090	25,600,426	24,563,039	19,816,036

Fair value is determined as follows -

- a. Cash and cash equivalents, receivables, payables - estimated to the carrying value, which approximates net market value
- b. Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles

a Cash and cash equivalents, financial assets at fair value through profit and loss, available-for-sale financial assets, and held-to-maturity investments

The City's objective is to maximise the return on cash and investments, whilst maintaining an adequate level of liquidity and preserving capital. The City does, at times, seek the assistance of independent advisers. The City has an investment policy and the policy is subject to review. An Investment Report is provided monthly and sets out the make-up and performance of the portfolio.

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

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns. The City's weighted average interest rate on cash and cash deposits was 3.6% (2012 / 2013 - 4.63%).

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

The City manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

	30 June 2014	30 June 2013
	\$	\$
Impact of a 1% movement in interest rates on Cash and Investments		
Equity	723,846	675,524
Income statement	723,846	675,524



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

33 Financial Risk Management (continued)

b Receivables

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

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

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

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

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

	30 June 2014	30 June 2013
	\$	\$
Value of Rates and Annual Charges		
Current	24,100	1,379,877
Overdue - Older than 12 months	1,900	700,349
	26,000	2,080,226
Percentage of Rates and Annual Charges		
Current	93%	66%
Overdue - Older than 12 months	7%	34%
Value of Other Receivables		
Current	6,258,163	4,163,363
Overdue - Older than 30 days	289,326	38,018
	6,547,489	4,201,380
Percentage of Other Receivables		
Current	96%	99%
Overdue - Older than 30 days	4%	1%



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

33 Financial Risk Management (continued)
c Payables and borrowings

Payables and borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required. The contractual undiscounted cash flows of the City's payables and borrowings are set out in the Liquidity Sensitivity table below -

	Due Within 1 Year \$	Due Between 1 and 5 Years \$	Due After 5 Years \$	Total Contractual Cash Flows \$	Carrying Values \$
2014					
Payables	7,243,540	-	-	7,243,540	7,243,540
Borrowings	4,253,749	10,968,841	8,628,836	23,851,426	20,964,550
	<u>11,497,289</u>	<u>10,968,841</u>	<u>8,628,836</u>	<u>31,094,966</u>	<u>28,208,090</u>
2013					
Payables	5,837,758	-	-	5,837,758	5,837,758
Borrowings	1,923,235	11,917,813	7,571,646	21,412,694	18,961,990
	<u>7,760,993</u>	<u>11,917,813</u>	<u>7,571,646</u>	<u>27,250,452</u>	<u>24,799,748</u>

Borrowings are also subject to interest rate risk - the risk that interest rates could adversely affect funding costs. The City manages this risk by borrowing long-term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk -

	Weighted Average Rate %	Less Than 1 Year \$	Between 1 and 5 Years \$	More Than 5 Years \$	Total \$
Year ended 30 June 2014					
Borrowings					
Fixed Rate					
Debentures	5.32	1,882,675	11,266,814	7,815,061	20,964,550
Year ended 30 June 2013					
Borrowings					
Fixed Rate					
Debentures	5.67	1,497,439	11,916,539	5,548,000	18,961,978



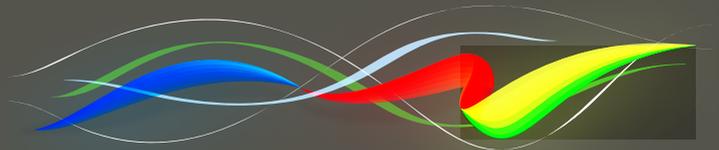
City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2014

34 Information on Surplus/(Deficit) Brought Forward

	<u>2014</u> (30 June 2014 Carried Forward) \$	<u>2014</u> (30 June 2014 Brought Forward) \$	<u>2013</u> (30 June 2014 Carried Forward) \$
Surplus/(Deficit)			
1 July 2013 Brought Forward	11,613,584	13,539,939	14,000,740
<u>Comprises:</u>			
Cash - Unrestricted	10,495,780	14,073,624	14,073,624
Cash Restricted	61,888,860	53,478,731	53,478,731
Receivables and Accruals	7,781,010	5,420,861	5,420,861
Inventories	120,758	127,026	127,026
	80,286,408	73,100,242	73,100,242
Creditors & Accruals	(7,074,345)	(5,620,771)	(5,620,771)
Interest Bearing liabilities	(5,806,547)	(800,668)	(800,668)
Provisions	(6,602,908)	6,089,708	6,089,708
	(19,483,800)	(331,731)	(331,731)
Net Current Position (prior to adjustments)	60,802,608	72,768,511	72,768,511
Interest Bearing liabilities	5,806,547	800,668	800,668
Provisions	6,602,908	(6,089,708)	(6,089,708)
Unspent Grants	290,381	-	-
Rates in Advance	-	(460,801)	-
<u>Less:</u>			
Reserves	(61,888,860)	(53,478,731)	(53,478,731)
	11,613,584	13,539,939	14,000,740



www.armadale.wa.gov.au



This document is available in alternative formats on request.