

Annual Report



2014/15

City of Armadale
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Front Cover Image:
Indigenous Community Art and Healing
Sand Creation at NAIDOC Day



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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.

As a rapidly growing Strategic Regional Metropolitan Centre, with outstanding recreation facilities, lush bushland, scenic rivers and hills, enviable residential lifestyles and an expanding commercial/industrial precinct, 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.

Our Mission

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

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.

Our Values

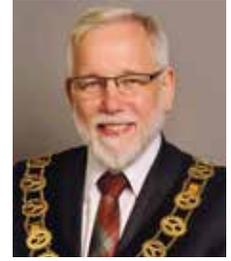
-  Honesty
-  Professionalism
-  Respect
-  Accountability

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.



Council Statistics 2014/15

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	82,267
Number of Electors	44,122
Number of Dwellings	29,616
Total Rates Levied	\$52,568,000
Total Revenue	\$102,445,000
Number of Employees	345.1
Areas of Parks and reserves (hectares)	1847
Libraries	3
Primary Schools	22
Secondary Schools	9
Localities and suburbs	19



Mayor's Foreword

During 2014/15 the City of Armadale's prime objective continued to be the provision of quality services, programs and amenities for our ever growing community.

The community of Armadale is made up of a large cross section of cultures, with an estimated population of 82,267 and continuing to grow at a high rate. Armadale is now the eleventh largest local government in Western Australia in terms of total resident population.

2014/15 has been a busy year on many fronts, especially with the Local Government Reform process which came to a grinding halt in February, after more than five years of preparation and planning for the amalgamations. An announcement was made in February that the State Government will abandon the local government structural reform process, and revoke the Governor's Orders.

While always seeking continuous improvement, the City did not seek this change but had, in response to the reform proposal, put forward a submission likely to provide positive outcomes for the district. We were disappointed about the amount of money, time and energy that was wasted on the reform process. After working closely with the Shire of Murray and Shire of Serpentine Jarrahdale to meet the Governor's objectives, Armadale was prepared for the changeover which was to occur on 1 July 2015.

Throughout the year the City continued to deliver a highly successful calendar of community events that included the Annual Carols by Candlelight celebrations; Australia Day celebrations with one of the largest fireworks displays in WA and the Minnawarra Art Awards and Festival. As part of the City's commitment to transform the Jull Street Mall into a lively space for the community, we added the Twilight and Hawkers Markets and Music in the Mall series of events. Throughout February and March saw the Friday lunchtime music series in the Mall which showcased an exciting diversity of local Armadale artists, bringing music and vibrancy into the heart of our City.

The Council received recognition for our Drug Aware Ignite Basketball Program and Save the Children's One Step Closer Program, both nominated as finalists for the 2014 Constable Care Child Safety Awards. The One Step Closer and Drug Aware Ignite programs are targeted at young people at-risk in the community by providing active sport and life skills activities. The City was also successful in securing additional funding to ensure the Drug Aware Ignite Basketball program continued for the remainder of 2014.

This year we were successful in attracting over \$22,000 of funding from the Australian Government's Community Energy Efficiency Program, to improve energy efficiency at the Champion Centre. The initiative will reduce electricity

consumption, improve amenity for staff and visitors to the centre whilst reducing operating costs and harmful greenhouse gas emissions.

The Armadale community can be proud that the future landfill management operations of their City are environmentally sustainable and cost effective. The City took action to reduce carbon emissions, by flaring the gas produced at the landfill site, bringing down emissions to below the threshold.

Growth at the Forrestdale Business Park (FBP) continued with Scottech Oilfield Services, choosing to build new premises and operate from this strategic location. Scottech now joins other oil and gas industry suppliers, including Oilfield and Resource Rentals and International Corrosion Services, who have seen the benefits and value of relocating to FBP. When fully developed, FBP will accommodate up to 700 industrial lots, with employment for 15,000 workers, and provide economic stimulus throughout the wider community.

The City's landmark building at 151 Jull Street was completed on schedule. 'Orchard House' reflects the economic progress of the region and its thriving community. The \$19 million complex is now fully leased and reflects the vision we have for the heart of our City.

The City's first social media campaign *#TheDale* competition had resounding success. The *#TheDale* campaign was designed to motivate people about the positive things they can do, see and experience in Armadale. There were 361 photos uploaded, more than \$7000 worth of prizes awarded, more than 25,000 new people reached every week. The *#TheDale* campaign was seen 218,000 times on social media.

The 2014/15 year has been a busy one and we have accomplished much. Armadale residents can be proud of the progress delivered and I am very pleased to be elected as part of a leadership team that continues to demonstrate dedication and professionalism when servicing our local community. As we enter a new year, and face new challenges, we are confident that we will continue to live up to our values and provide our community with a great place to live, work and enjoy life.

Henry Zelones OAM, JP
Mayor



CEO's Report

While it already seems a distant memory, the first half of the 2014/15 Financial Year was dominated by the now defunct Local Government Reform process. Despite the diversion of endless hours of staff, management and elected members time the City still managed to achieve service delivery goals for 2014/15.

The Mayor has already made reference the Orchard House project and other achievements this year. From a day-to day operational perspective, the City continued to move forward with advances in technology and the development of more efficient programs. We have again offered a number of employee's leadership and development programs, encouraging staff to undertake further studies to enhance their skill base.

The City appointed consultants to conduct a feasibility study and develop a business case for quality short-stay accommodation within the City, which was identified as a key action item in the City's Economic Development Strategy. Armadale has a lot to offer visitors, with over 30,000 customers to the City's Visitors Centre and 220,000 people attending events and tourist attractions across the City during 2013. The primary purpose of the study was to investigate the financial viability, and suitable locations for alternative accommodation options throughout the City. This information will be used as a tool to attract investors to develop much needed accommodation and add to the City's attraction to visitors and further investors.

As part of the City's \$1.1 million revitalisation project of Jull Street Mall, free WiFi coverage was made available with the intention of boosting visitor numbers and also helping local businesses throughout the Mall and drive shoppers into particular City Centre areas. The free WiFi coverage is to be extended to Memorial Park and other locations throughout the City Centre, later in the year.

The City was recognised at a National level for its commitment to creating a healthy local community, in the Heart Foundation's Local Government Awards 2014 – the sole WA local government that received recognition in the 2014 round. The City formally launched its Public Health and Wellbeing Plan, based on local health evidence and priorities, derived from community consultation. It is a three year strategic plan providing a framework to protect, promote and enhance community health and wellbeing.

Upgrading, replacing and repairing our community infrastructure continued to be a major focus and during the past year we spent \$16.9 million on our capital works program. This money was used to improve roads, drainage and pathways, as well as carry out parks and recreation reserve works.

Major road projects completed included the final stage of

the Ranford Road dual carriageway project from Tonkin Highway to Armadale Road, completing the dual link from Armadale Road through to Canning Vale. The completion of the dual carriageway is not only of significant strategic economic importance to the region, but also meets the needs of the fast growing suburbs of Piara Waters and Harrisdale completing the Ranford Road / South Street arterial connection between Fremantle and Armadale.

In March and June, the City hosted both the State Cabinet and Opposition Shadow Cabinet and presented Armadale Road as its next major road infrastructure priority, linking the growth areas of Armadale to employment areas on the coastal strip. Your Council continued to advocate the need for a new court house and police station in Armadale, creating a new Justice Precinct and Civic Precinct in the City Centre.

Redevelopment works at John Dunn Reserve were completed, as part of the City of Armadale Sporting and Community Hub Master Planning Implementation. Upgrades included consolidating and levelling the playing surfaces, installation of new irrigation systems, planting 2.5 hectares of new turf, two new viable groundwater bores and new sports lighting systems.

The Drug Aware Ignite Basketball program continues to go from strength to strength with over 470 young people registered over the last three years, and the launch of another domestic league team. The program has already made a big impact on the lives of many young people, with three participants now employed as youth leaders on Saturday nights. In the last few years twenty-seven Ignite participants have gained employment with their community coach or referee qualifications. The success of the Drug Aware Ignite program would not be possible without the support of Department of Sport and Recreation, WA Police Strategic Crime Prevention Division, Healthway, the Department of Child Protection and Family Support, Public Transport Authority and the Local Drug Action Group.

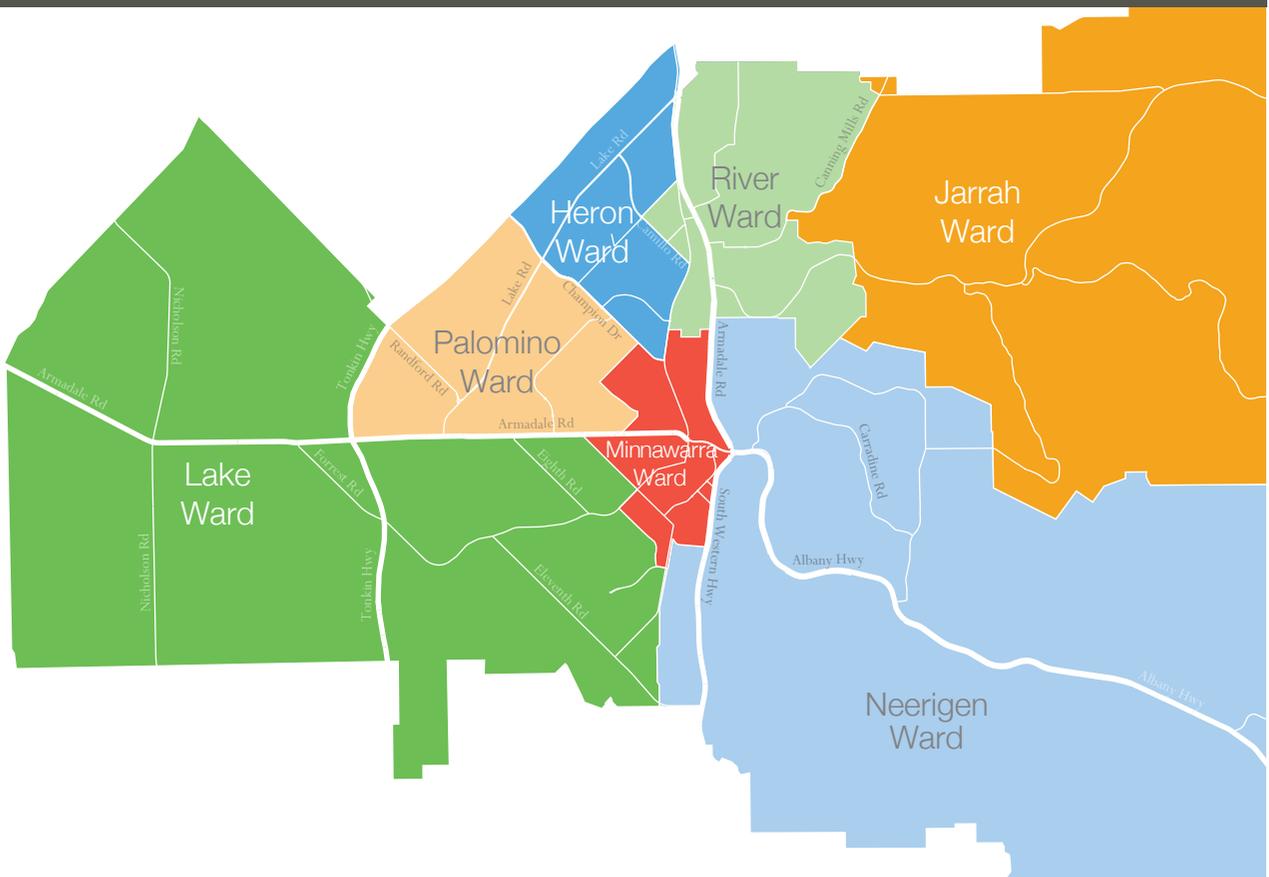
Finally, I would like to acknowledge the hard work, dedication and professionalism that have been shown by the current Council and all of the City's staff. As we strive to meet our community's expectations and face new challenges in 2015/16, we are committed to living up to the values and the vision set out in the City's Community Plan.

R S 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

Deputy Mayor
Cr Ruth Butterfield



Mayor Cr Henry Zelones
OAM JP



Organisational Structure

The Armadale City 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, health services, food handling and disease control.

Technical Services

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



Organisational Structure



City of Armadale Key Staff





CEO's Office

Recruitment and Retention

Throughout the year the City recruited more than 50 employees to fill newly created positions or vacancies created through retirements, resignations and seasonal movement. Local students continue to take up the opportunity to gain work place experience to enhance their skills and career opportunities with the City.

Training and Development

Training and development was a key focus with a greater emphasis on building organisational capability; with an increase in the delivery of accredited training.

Occupational Health and Safety

The City has continued to implement new safety initiatives in accordance with its Occupational Safety and Health Management Plan.

Workforce Plan

During 2014/15 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 11 Full Time Employees (FTE) for 2014/15 from Municipal Funds and a further three FTE from extended programs.

Economic Development

The City continued with the implementation of the Economic Development Strategy 2013-2017. Distribution of the City's Business Investment Prospectus continued with distribution to over 1000 business leaders and CEO's from key industry sectors.

Activation of Forrestdale Business Park remained a high priority resulting in 27 development applications approved during 2014/15, worth a total investment value of \$124 million.

The Business Enterprise Program was launched, providing targeted workshops for small businesses in the Armadale region. Over 150 participants took advantage of the eight different training sessions.

A Short Stay Accommodation feasibility study was finalised. The City is now liaising with key government departments and private industry operators to activate potential development opportunities.

The City continued its advocacy push for the relocation of Government departments to the Armadale City Centre. The Department of Family and Children Services has centralised its southern metropolitan operations into the City's newly built Orchard House on Jull Street.

City staff continued to work with NBN Co to facilitate the build and rollout of the NBN in our region.

Marketing and Communications Plan

The City's staff continued to deliver the Actions and Tasks of the Marketing and Communications Plan.

Media

Each year the City's staff undertake proactive media liaison and management, to ensure a good reputation is maintained in the media.

During the year, the City distributed media releases to local, state and national media including newspapers, online publications and radio and television broadcasters. The City also responded to media enquiries from news outlets, providing responses related to most areas of the City's operations.

Communications

The Marketing and Communications department ensures that relevant, interesting and important information is distributed to residents. The City uses a variety of different mediums, including print and digital publications and various advertising channels, to provide the local community with up to date news.

The *City Views* newsletter is a high quality publication, which goes to nearly 30,000 letterboxes, advising residents to upcoming plans, projects and events. Combining the *City Views* newsletter and the Active in Armadale booklet this year allowed us to maximise circulation and readership and increase the cost effectiveness of both publications. These initiatives strengthen community involvement by raising awareness, leading to the vibrant city outlined in the Strategic Community Plan.



Marketing

The Marketing and Communications team developed several major radio campaigns throughout the year, such as the Perth Kilt Run, Highland Gathering and #TheDale social media campaign.

City of Armadale featured in a number of segments on Destination WA and WA Weekender (Channel 7 and Channel 9) – profiling and highlighting the City as a fast growing, vibrant City and a top tourism destination.

Staff coordinated the production of short videos, available to view from the City's website, to showcase the great events the City of Armadale has to offer.

Style Guide

During the year, the City moved internal and external communications into the updated Corporate Style Guide. This was rolled out across hard copy publications, and also the City's digital presence including the City's website, eNewsletters and social profiles.

Social Media

Following the launch of an official Facebook page for the City of Armadale on 1 July, the page was developed into an engaging and interactive platform of information for the community.

To capitalise on our digital profile and the community we appointed consultants to develop and manage a social media campaign, *Get to Know #TheDale*. The campaign personified Armadale as *The Dale* and encouraged the public to get out and explore the City's hidden gems and share photographs of their favourite experiences with #TheDale on social media.

This campaign encourages our community to become spokespeople for our City and share all of the things they love about Armadale, promoting it as a thriving and valuable district where people choose to live, work and visit.

Digital

This year the Marketing and Communications team worked with IT and a working group of staff from across the organisation to deliver a new City website. The new site was developed in a way to ensure it had the capacity for ongoing adjustments and improvements, as technology and expectations change and improve.

The Public Relations and IT teams are encouraging staff to consider digital first when developing publications and documents.





Corporate Services

Customer Service

The Customer Service team received 28,137 in-person customer enquiries and 194,340 incoming telephone calls at the City's main administration centre in 2014/15.

For the same period, more than 15,976 customer requests were logged, with 2002 captured by the Customer Service team, 4569 by Waste Services and 6560 by Ranger Services.

Customer Service Charter and Feedback Protocol

A comprehensive review was undertaken of the City's Customer Service Charter and Feedback handling protocol to bring it into line with modern customer service standards. Both documents outline the City's commitment to providing customers with excellent customer service by clearly identifying the standards we should follow and the mechanisms available to customers to provide constructive feedback.

Back Scanning Project

This year was the fifth of an eight year back scanning and digitalisation project with continued conversion to electronic format of property files with a date range from 1995 to 2007 (6903), road files (179) and completion of the road files (179), large commercial building application plans (766). Emphasis this year was also given to saving digital images into the City's electronic management system, resulting in more than 29,500 building applications now available to the organisation electronically.

In-House Print Production

The City continues to produce the majority of its publications in-house. Historically, the printing of documents such as the City's Annual Report and Corporate Business Plan, for example, were printed externally at a higher comparative cost.

In the spirit of the Public Relations Strategy, the design of these publications has been aligned with the City's style guide. This along with updated technology has enabled the City to provide better quality documents and flyers more efficiently, with less wastage, and at a lower cost.

Corporate Asset Management System

The City has reached the final stage of a three year project, capturing and recognising assets at their Fair

Value in accordance with the Australian Accounting Standards. Infrastructure Assets comprise the most significant portion of the City's Asset portfolio. The revaluation of Infrastructure Assets conducted includes in particular: roads, drains, paths, parks and waste service infrastructure.

Smarter Way to Pay

A Smarter Way to Pay is a direct debit payment system that provides residents with flexible payment options when paying council rates. The City of Armadale is one of the only local governments in WA that provides residents with an option to pay their rates in weekly, fortnightly and monthly payments, reducing the stress of lump sum payments. Any ratepayer can sign up to A Smarter Way to Pay.

This payment plan also provides residents with the opportunity to tailor payments to a time that suits them. Residents can sign up for fortnightly direct debits in time with their pay cycle and never worry about missing the due date. A Smarter Way to Pay is by far the most cost effective option for those looking to find a more budget friendly payment system. There are also no fees or charges associated with this payment plan when residents sign up for two years minimum.

Corporate Website Content Management System

The City completed the introduction of its new website to reflect the City's new style guide. The website is a modern content management system allowing the City to update public content quickly and effectively. The result is better functionality and availability of information for the public regarding the City's services and events available.

WiFi Access

The City has completed an extensive program to implement free public WiFi in its key facilities and public spaces. This project is part of the City's digital enablement initiative and gives residents and visitors the ability to connect with online opportunities, or to find out more information about Armadale and its surrounds to support Tourism.

Free WiFi can now be accessed by our residents and visitors at the following locations; all City Libraries, Bakers House, Champion Centre, Jull Street Mall, Memorial Park and the Youth Activity Area, History House Museum, Armadale Arena and the Visitor Centre.





Community Services

Community Safety

More than 30 *Street Meet N Greet* programs were held across the City of Armadale in the past 12 months. This initiative is a partnership between the City, WA Police and Neighbourhood Watch. *Street Meet N Greets* are designed to encourage local residents to connect with their neighbours and local Police to help reduce crime.

Two Community Safety events were held at Harrisdale and Minnowarra Park in 2014/15 to raise awareness of water safety, fire safety, road safety and how to prevent falls and accidents. The City's Coffee with a Cop was an initiative coordinated with WA Police to strengthen relationships between residents and local Police, with over 40 morning tea sessions held in most suburbs in Armadale.

Children and Families

The City has focused on Protective Behaviours as a preventative strategy to keep our children safe from sexual/physical/emotional abuse and bullying. This is through teaching children personal safety skills and encouraging parents and teachers to regularly reiterate these messages to children in their care. In the past 12 months, the City has partnered with Safe4Kids and Parkerville Children and Youth Care to deliver Protective Behaviours workshops to nine local schools and seven child care centres.

Events in the Children and Families area included the Teddy Bears Picnic in the Jull Street Mall and a National Children's Week Toddler Activity morning held in October 2014, in partnership with the Armadale Early Years Network. For children about to commence high school, the City coordinated a program called High School Head Start designed to assist children and their parents/guardians to feel positive and prepared to move into high school.

Positive Ageing, Access and Inclusion

The City's regular Positive Ageing Sessions held at the Armadale Library have been extremely popular with the local community. The sessions provided information on

topical issues faced by older people and attracted an average of 55 people to each session.

Youth Engagement

The City continues to coordinate a range of activities and events to engage with our youth, including BMX, Skate, and Scooter Workshops and competitions at both Armadale Youth Activity Area (YAA) and Roleystone Cross Park.

The Creative Art Project, comprised of a group of young local artists, completed a third mural arts project, at the Camillo Road Underpass. About 12 young people aged 15 to 18 participated in a series of design and painting workshops to complete this project.

The City continued to maintain strong partnerships with schools, and offered a range of activities to students throughout the year. 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.

Drug Aware Ignite Basketball

The Drug Aware Ignite Basketball program has registered 523 young people and engages with 40 youth every Saturday night. Working from a model based on achieving long term outcomes, natural leaders among the young people have been identified and transitioned from participants to formal members of staff. These individuals have become peer mentors and provide coaching, youth work and role modelling to the young people that need it most.

The program has focused on basketball related leadership development for its participants. This has resulted in 54 young people being qualified with accredited coaching or refereeing awards provided by Basketball WA. Forty educational workshops take place each season, including cultural history and practices, rail safety, science and robotics, drugs and alcohol, sex education, career building and nutrition. Over 230 hours of physical activity are provided for young people each year through the Saturday night basketball sessions, team training and the external league teams.



Drug Aware Ignite Basketball Program



Armadale Aquatic Centre

Volunteer Referral Service

Armadale Volunteer Services continued to encourage and assist community members to engage in volunteering and to support community groups to involve volunteers for their mutual benefit.

To encourage volunteering, the City facilitated five *Step into Volunteering* sessions for potential volunteers, two training sessions for existing volunteers, and five professional development workshops for Volunteer Coordinators.

During this period Armadale Volunteer Services received 483 enquiries from potential volunteers that resulted in 423 referrals to various community groups. The Service also aims to increase the awareness of volunteering in the community and partnered with the City's Parks and Reserves team to create a volunteer tribute garden in the CBD and also holds displays at prominent locations across the City.

Club Development

The City has continued a targeted approach to assist clubs and associations with problem solving and support the growth in the City. The opening of Piara Waters Sporting Pavilion was successful, attracting three new sport clubs; Piara Waters Junior Football Club, Piara Waters Senior Football Club and Piara Waters Cricket Club. Clubs are now settled and have been well received by the community. Some highlights with direct club development this year included assistance to the Armadale Gymnastics Club, forming a new committee and Champion Lakes Rowing Club with a new committee to establish new policy and practices with the objective of boosting participation numbers.

Kidsport applications for financial support continue to grow with 965 vouchers received at a cost of \$168,804. Applicants included 79 Aboriginal, 28 culturally and linguistically diverse (CALD) and 56 for people with disabilities. The applications for Aboriginal and CALD categories have both decreased, however people with disabilities category has doubled.

Armadale Aquatic Centre

City run events at the centre this year included the \$2 Day and registered teams entered in the Virtual Rottnest Channel Swim. This year weather was unfavourable for the \$2 Day, reducing the event attendance to around 500. The virtual swim attracted teams from Belmont Masters Swim Club plus teams from Armadale clubs and local lap swimmers.

Due to the school terms and Easter break, the Armadale Aquatic Centre season was two weeks shorter than 2013/14. Attendance still remained consistent, with just under 155,000 people through the doors. Both Vacswim and in-term swimming numbers were at capacity for the season with participation numbers again increasing this year, and the City of Armadale swimming lesson program enrolments doubled previous years.

Armadale Arena

Armadale Arena has undergone significant refurbishment works with replacement roofing, floors and new reception area. These works and associated closures had an impact on the attendance and participation rates for the year. The Arena is now in a great position to attract additional users as well as welcoming back previous groups.

Community Facilities

Community facility and reserve usage increased by 32 per cent in the 2014/15 financial year. While the opening of Piara Waters Sporting Pavilion contributed to this, it is important to note that usage of most existing facilities increased. Facility and reserve hire averages 1425 bookings per month.

A trend in external events, including cultural gatherings has been a noted development this year and these types of events are requiring more support to ensure a successful day. New procedures are being implemented to support events of this nature.



City of Armadale Library

Major Events Sponsorship

The City sponsored seven major events during the year including new sponsorship agreements for Roleystone Markets, Kelmscott Agricultural Show and National Dragon Boat Championships. The Roleystone Markets are a fast growing event with 42 per cent of visitors from outside the City of Armadale. The event creates a unique market with local produce and is increasing in popularity.

The City of Armadale Grand Fondo had another successful year, even though the weather was inclement.

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 remains strong, reflecting the value that residents place on the service.

Customer visits and items borrowed during the year were 362,000 and 360,000 respectively. Website and catalogue visits were close to 197,000.

The many library events and programs attracted 14,500 participants. Public computer access in all libraries remains in constant demand and are a highly valued resource.

Events held during the year were many and varied and ranged from book launches for local writers, writing workshops, author talks and a poetry slam.

The library is home to many community groups who use its space for literary related programs. Digital literacy continues to be a focus of the service with ongoing structured IT training courses and the less structured Technology Buddies intergenerational program.

Birtwistle Local Studies Library

The number and range of research questions put to the Local Studies Library is constantly growing. Equally,

donations of both written works and photographs to the collection is increasing, making the collection an even more valuable resource.

The almost 2000 volunteer hours supporting operations of the Local Studies Library ensured that donated items were appropriately processed and stored, and that oral history interviews were completed and transcribed.

History House Museum

History House Museum was successful in its bid for funding from the Federal ANZAC Centenary Local Grants Program to support three temporary exhibitions. The first *On the Home Front: Life in the City of Armadale during World War One* was launched to coincide with ANZAC Day.

The upgrade to the Bert Tyler Vintage Machinery Museum, funded in part by a Lotterywest Grant, was completed. The extremely successful 2014 Musician in Residence program funded by a Department of Culture and the Arts Connected Community Funding Program culminated in music workshops and concerts held in the Armadale Library.

The Museum Curator showcased the City's museum by presenting a paper on the Musician in Residence program at the Museums Australia State Conference. The third in a series of booklets issued by the Museum traced the history of Jull Street and was published to coincide with the opening of the City's landmark building, Orchard House, in Jull Street.

Animal Control

The popular Dogs Day Out was the best so far despite a cold rainy start to the day. About 500 dogs and their owners attended and were impressed with the agility demonstrations, show bags prepared by the City Ranger's and the advice and support to pet owners.

The City's Ranger's have been instrumental in the development and preparation of public information displays at community events and are proactively



Dog's Day Out

involved in the management of urban animal issues, which has a significant impact on the whole community and the welfare of animals in the City.

Emergency Management

The City of Armadale Bushfire Management Arrangements were reviewed and exercised by the Local Emergency Management Committee (LEMC) with the assistance of local and district emergency service organisations. The arrangements identify and document fire management strategies used to ensure the prevention of, preparedness for, response to and recovery from the impact of bushfires on life, property and the environment within the City of Armadale.

The State Bush Fire Prone Mapping has been evaluated and commented upon by the City's Ranger and Emergency Services Department to provide the state government with a comprehensive and accurate picture of the areas that are most at risk from bushfires, known as Bushfire Prone which will enable more widespread building and fire protection measures to be implemented in line with the State Planning Policy 3.7 – Planning for Bushfire Risk Management.

The City's LEMC conducted a desktop emergency management exercise to assess the capability on the City and local agencies to react to an Emergency Evacuation Order during a level 2 bushfire and provide suitable welfare arrangements for the evacuees. This exercise greatly assisted in the development of participant's ability to network amongst agencies and assist local residents in a more timely manner following an emergency or disaster situation.

Law and Safety

Ranger Services continue to conduct regular parking and safety audits at local schools throughout the district, to ensure the safety of children is maintained. One of the ways of achieving this is by a strict application of the Local Law Relating to Parking; thereby reducing the risk of injury caused by the indiscriminate parking of vehicles, to ensure a safer environment for children on their way to and from school and to decrease traffic congestion

surrounding schools during peak drop off and pick up times.

Tourism Development

The Tourism Department facilitated 'pop-up' outposts throughout the region, including expos, markets, festivals and sporting events during the year. The outposts encourage the community to experience and enjoy the many tourism attractions, restaurants, things to do and places to go within the City of Armadale.

The City launched the Next Stop Armadale walking tours and Pole Walking which were both successful and ongoing programs. The Armadale Visitor Centre became the first in Western Australia to gain 'China Ready' tourism accreditation, resulting in increases in the City's overseas visitor numbers.

Targeted destination marketing, both within our community and the greater Perth region with a television advertising campaign, Cineads, radio, newspaper and tourism publications resulted in increased visitation and economic value to our City.

Major Arts and Events

The City implemented a successful events program which attracted more than 40,000 local residents and visitors to the City of Armadale for community celebrations.

In 2015 the City's Events Strategy was implemented, which ensured the continued relevance, growth and success of the City's events calendar.

The City trialed the Twilight Markets in the Jull Street Mall and a Hawkers Market in Memorial Park. Both events were very successful in encouraging community members to activate public spaces in the evening and support local business.



Pole Walking Tour



Development Services

Achievements

The Development Services Directorate continued to respond to the pressures from the City's rapid growth in the 2014/15 financial year, with the creation of 1805 lots and the issue of permits for 1839 dwellings.

Revised Local Planning Strategy

The Revised Local Planning Strategy (LPS) submitted by the City was certified and endorsed for public review and submissions by the West Australian Planning Commission (WAPC). Community consultation was undertaken and the Revised Strategy was adopted by Council with modifications.

The Revised 2015 Local Planning Strategy was resubmitted to the WAPC for its endorsement together with revocation of the original 2005 Local Planning Strategy superseded by the 2015 document.

An Audit Report Review on the operation of Town Planning Scheme No.4 (TPS No.4) was also adopted by Council and submitted to the WAPC in compliance with the Planning Development (Local Planning Schemes) Regulations (2015) and recommending that TPS No.4 should be amended by a Planning and Development Act Part 5 Division 5 Consolidation of the Scheme.

State Government Planning Reforms

The City provided substantial input to developing several State Government Planning Reform proposals including the Perth and Peel Sub-Regional Planning Frameworks; Strategic Environmental Assessment of the Swan Coastal Plain; the WAPC's new Bushfire Protection Risk Policy, mapping and provisions for planning and building application assessments; R-Codes and the new Planning and Development Regulations applying to Scheme Amendments and Structure Plans.

Kelmscott Urbanisation - Canning River Precinct

Following the finalisation of the Metropolitan Region Scheme Urban zone and TPS No.4 Urban Development zone, the City worked with a group of landowners to prepare a Structure Plan and supporting studies for the southern precinct of the Urban Development zone. The Structure Plans for the Canning River Precincts will provide opportunities for the development of 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 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 2014/15.

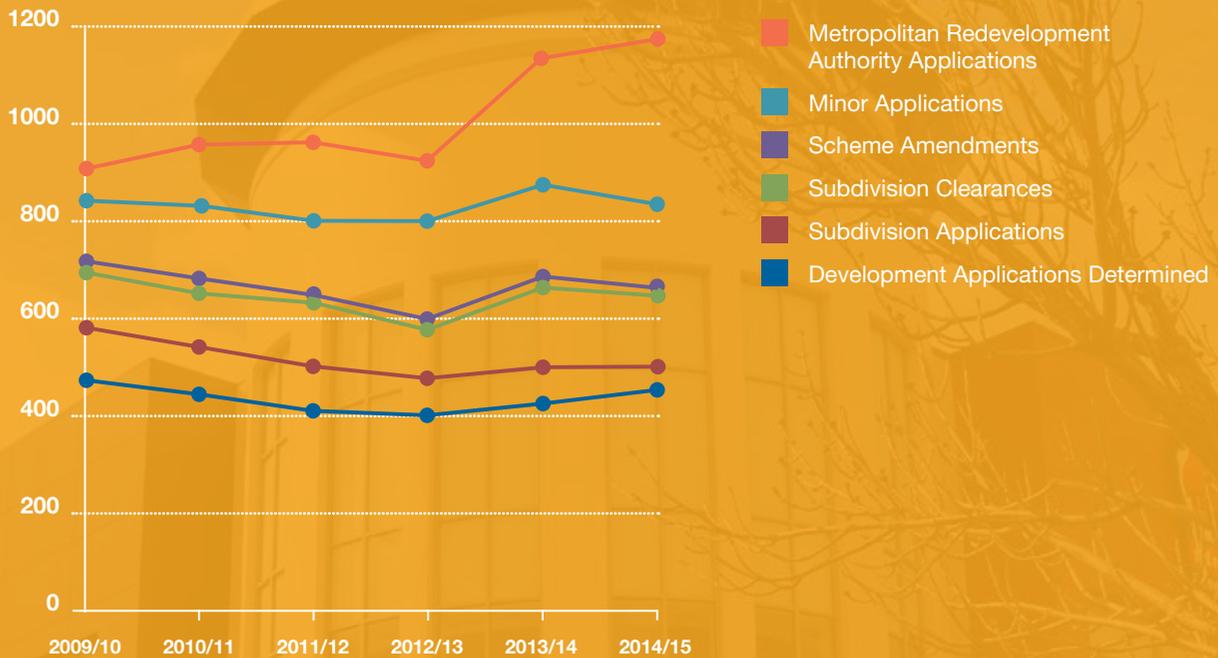
The City's urban growth areas continue to expand with developers trending towards smaller lot sizes to suit current market conditions, diverse housing sizes and creating more affordable housing options.

The City processed a high number of subdivision clearances with more than 1805 new lots created in 2014/15.

There has been a significant increase in the number of development referrals from the Metropolitan Redevelopment Authority (MRA), due to the increase in commercial activity in Forrestdale Business Park (East) and subdivisions in Forrestdale Business Park (West) and the Wungong urban area.

Planning Applications Processed 2009 - 2015

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





Supporting MRA Planning Operations for the MRA Precincts

The City provided formal and informal comments on amendments, plans and developments in redevelopment areas and worked closely with the Metropolitan Redevelopment Authority (MRA). The City provided ongoing assistance to the MRA to prepare Structure Plans and progress subdivision and development of MRA project areas including Wungong, Forrestdale Business Park and Champion Lakes. Subdivisional works have been completed for Stage 1 and development has commenced in Forrestdale Business Park (West).

North Forrestdale Urban Development and Structure Planning for Harrisdale and Piara Waters

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

Works are continuing on the Newhaven, Mason Green, Piara Central, Riva, Holland Park and Heron Park Estates, with development rates still higher than expected. The staged approach to development of the area may see additional areas and new infrastructure items being proposed for inclusion within the current framework through amendments to TPS No.4.

The dual carriageway upgrade of Nicholson Road is continuing and finalisation of the project remains a high priority. The design of traffic signals at Nicholson Road and Yellowwood Avenue is progressing.

Works are well underway for the oval at the Harrisdale Sporting and Community complex and Stage 1 of the Hakea Water Main relocation was also completed this year.

Public Open Space (POS) Strategy

Implementation of the POS Strategy commenced with the prioritisation of land sales in certain precincts and the development of expenditure proposals for those precincts once land sales had been completed.

The approved works within Precincts B, C, D, G, I and O have largely been carried out and that expenditure shall be the subject of reconciliations and reporting within the 2015/16 financial year. Works are ongoing within Precinct A and 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.

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

The City's land use change and proposed disposal of a vacant unutilised land asset on the corner of Pries Park Road/Connell Avenue aims to provide a northward expansion of the Clifton Hills residential locality and to fund priority upgrades of recreational facilities.

In the City's submission on the Perth and Peel Sub-Regional Planning Frameworks, the City requested the Pries Park Road/Connell Avenue Precinct be identified for future Urban Development in the final South Metropolitan Peel Sub-Regional Structure Plan.

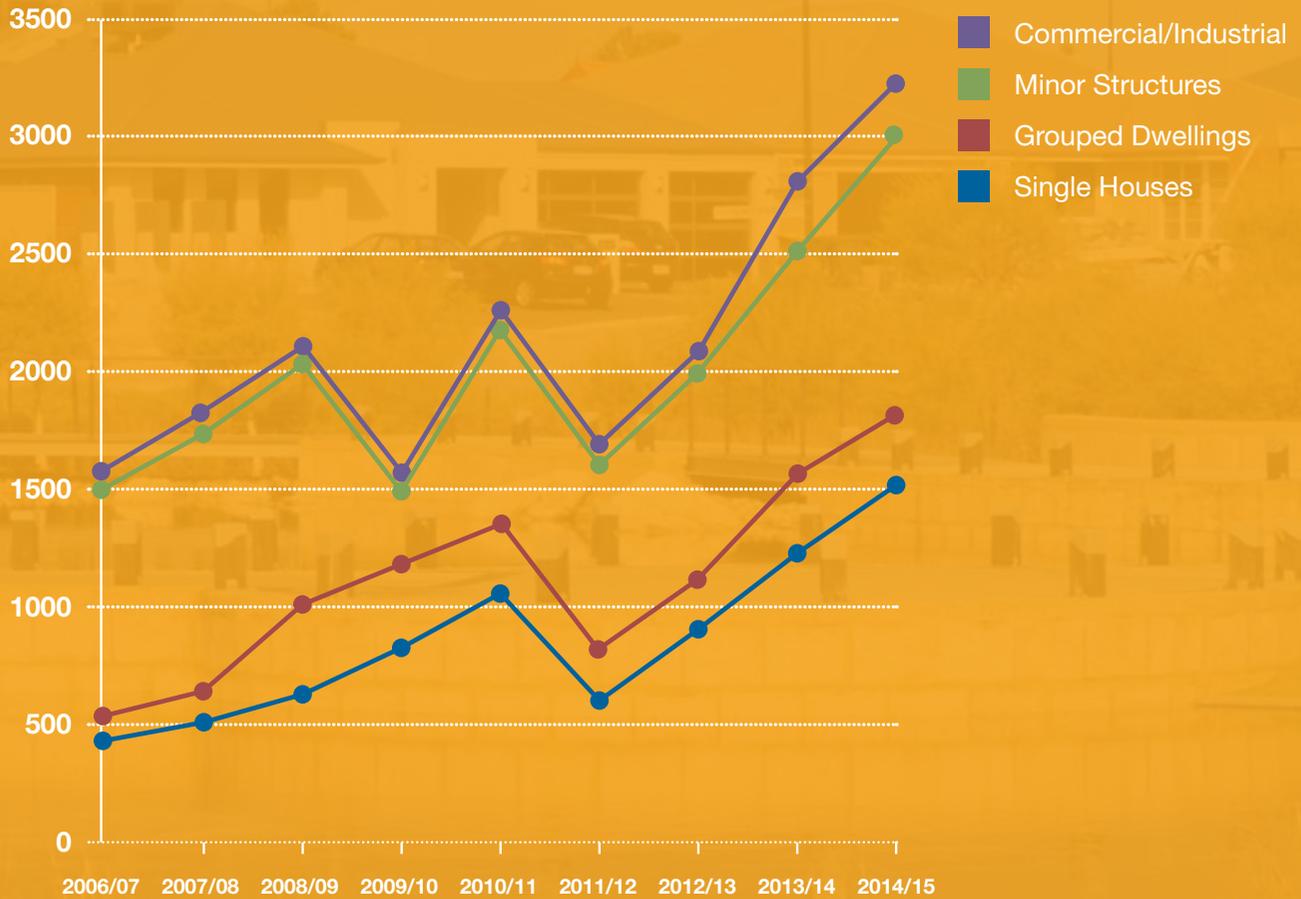
South Forrestdale Industrial/Employment Area Strategy

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 local employment and business growth opportunities to support the City's strong population growth and developing local economy. An amendment application to rezone the land from Rural to Industrial under the Metropolitan Region Scheme (MRS) formally came into effect in September 2014.

The landowner's application to rezone the land to Industrial Development in the City's Town Planning Scheme No.4 was adopted by the City on 23 February 2015 after review of public submissions. The amendment has been forwarded to the Department of Planning for WAPC/Ministerial approval.

Building Approvals Issued 2014/15

Building approvals issued by the City continued at a high level, totaling 3348 issued approvals. The value of work approved in 2014/15 was a record \$612 million. The substantial growth in single dwelling applications and the high number of commercial and industrial applications was notable. The historic high levels of approved applications are illustrated in the graph below.







Building Compliance

The compliance branch has been involved with 892 unauthorised building actions.

It is anticipated that with the growth of the City's population, increasing housing density, large volume of approvals and changing legislative requirements relating to bushfire risk, the importance of the role of both Building and Health Compliance Officers will significantly increase 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. Additional changes created by the Building Act 2011 maintained the requirement of formalising approvals of unauthorised structures. This has resulted in the submission of 161 applications this financial year.

Safe Food and Water

The number of food businesses in the City increased from 307 to 355 during the past 12 months as a result of continued development. It is likely that the number of food businesses will continue to grow constantly for the foreseeable future.

Health Services conducted 626 risk assessment inspections in 2014/15 compared to 457 in 2013/14.

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) and 17 public facilities (including schools, food businesses), which are not connected to scheme water.

Requests for Intervention

There was a marked increase in the number of service requests received in 2014/15 compared to 2013/14, with 626 service requests compared to 570 previously. Neighbourhood noise was again the source of most complaints, primarily a result of loud radios, stereos, domestic birds and construction noise, with 235 complaints recorded compared to 203 in 2013/14. Other significant complaints included pest control, refuse, food, and accommodation.

Preventive Health

The City's Public Health and Wellbeing Plan 2014 – 2017 has completed its first year of implementation.

Key preventive health outcomes include:

- The City linked with 15 health promotion bodies/campaigns to deliver 18 initiatives that raised community awareness of health risks and opportunities to adopt healthy lifestyles. These initiatives directly reached over 500 residents.
- Smoke free banners, purchased under the Tobacco Control Grants, were used at 29 events, to promote City events as smoke free.
- Smoke free signage/artwork developed by local young people was installed at the City's three skate parks.
- Six active transport initiatives were delivered targeting primary school aged children and their families, these included walk/ride to school days, free bike servicing at City events and come and try mountain biking.
- The Healthy Menu Options Program was developed and is being piloted within four food businesses. The program identifies healthy options on participating food business menus and promotes these to the community.
- The City received two awards under the Public Health Advocacy Institute WA (PHAIWA) Children's Environment and Health Report Card, for projects delivered under the categories of Stimulating Learning Environments and Aboriginal Child Health.



Technical Services

CCTV

The City expanded its CCTV network in the Armadale CBD by adding new cameras in Jull Street and Fourth Road. The funding for this expansion was provided by the Attorney-General's Department for Safer Streets Program.

Parks and Reserves

Parks Capital Renewal

A total of \$4.5 million was spent on capital works across the City's vast array of parks, bushland reserves, streetscapes and community facilities.

Significant projects included Urban Forest Planting Year 1, new lighting at Alfred Skeet Oval, Gwynne Park, Morgan Park and Rushton Park; landscaping at Bryan Gell Reserve, Nicholson and Warton Roads; John Dunn Reserve major reconstruction and new lighting; William Skeet Oval skatepark upgrade; Bushland Rehabilitation and signage sites including Gibbs Park, Kendall Court Reserve, Eva and Bill Moore Reserve, Camillo Reserve, Mimosa Reserve, Arbor Park and Settlers Common.

Parks Maintenance

A total of approximately \$8 million was spent maintaining the City's Parks and Reserves. This included \$107,000 on Public Access Ways, \$1,526,000 on irrigated passive reserves, \$1,724,000 on active reserves, \$1,340,000 on street trees and \$713,000 on streetscapes.

The City supported a range of maintenance works to environmental groups such as the Armadale-Gosnells Landcare Group and the Bushcare Environmental Advisory Committee, included weed management, walk trail maintenance and revegetation of sensitive areas. Other maintenance included fire mitigation works and hazard reduction burns, mowing, installation and upgrades to firebreaks.

Significant upgrading works are underway at the Hopkinson Road landfill site that will result in a new transfer station drop-off area being constructed. This will provide for improved facilities for the general public

to use for the drop off of their general waste from their properties. A new secure compound is also being constructed adjacent to the new transfer station drop-off area that will have offices and facilities for landfill staff as well as a workshop for plant/equipment maintenance, refuelling facilities and a Household Hazardous Waste storage area. Delivery of a new all-terrain hook-lift truck has increased the waste handling capabilities of the Hopkinson Road landfill facility. Waste collections took delivery of a new waste collection vehicle as part of a scheduled replacement program. As expected from a rapidly growing and developing area the number of collections points in the City has grown to over 30,000 during this period.

Property Services

Depot Upgrades

The need to provide a compliant fire service was identified in the proposed redevelopment of the Depot Administration building, which will have a combined floor area in excess of 500m². Exceeding this area required the City to provide a compliant fire hydrant and hose reel service to the site. Insufficient pressure and flow of supply was identified and a pressurised system was required, with onsite water storage to ensure adequate pressure and flow at all times.

Alfred Skeet Upgrades

The upgrade included the provision of female change rooms to bring the facility up to a standard more suited to the district and cater for existing and future female players. The new facility now provides change rooms for home and visiting teams, toilets, showers, additional storage and a unisex toilet that is externally accessible for public use.

Funding for the change rooms included a Department of Sport and Recreation Community Sport and Recreation Facilities Fund (CSRFF) grant of \$166,000, and Council contribution through the North Forrestdale Developer Contribution Scheme No 3, of \$333,000.





Various Buildings

Significant renewal works were undertaken at a number of facilities identified in the City's asset inspection program as being high priority and included the Armadale Bowling Club outer fencing replacement, kitchen upgrades and audio renewal to the civic centre, Aquatic Centre roof upgrades and concourse repairs, and John Dunn sporting facility high bay window replacements. Extensive refurbishment to the Armadale Arena court roof to eliminate continued water ingress issues and upgrades to the reception area were also undertaken.

Maintenance

The Property Services building maintenance, cleaning and caretaker teams managed a busy schedule of programmed maintenance which included the oversight of electrical, painting, security and plumbing contractors. The teams maintained a continued high level of service to public buildings and toilet facilities throughout the City. The Property Team was also responsible for the mobilisation and demobilisation of all community events hosted throughout the year.

Environmental Management

Cockatubes Project

In 2012, the City received grant funding to install 22 cockatubes in bushland reserves in the Darling Scarp. Cockatubes are purpose built artificial nesting hollows for species of threatened and endangered Black Cockatoos.

During 2015, the second stage included installation of eight cockatubes in threatened ecological community bushland reserves along the Swan Coastal Plain and two in trees in the City of Armadale main administration carpark.

The loss of natural hollows through fire, competition by feral bees and other bird species and the clearing of bushland has necessitated the supplementation of available hollows.

Forest Red Tailed Black Cockatoos and Baudins Cockatoos nest, forage and roost in the City of Armadale. Both species are listed as Vulnerable under the Environmental Protection and Biodiversity Conservation Act (1999) and Threatened under the State Government Wildlife Conservation Act (1950).

Switch Your Thinking!

The Switch Your Thinking! Program, an initiative to reduce corporate and community greenhouse gas emissions, is overseen by the South East Regional Energy Group. Armadale is one of three local governments to form a part of the Group. The program, through a range of initiatives, assists community members, schools and local businesses to take action to reduce their environmental footprint. During 2014/15, the Switched on Homes project received \$880,000 funding from the Australian Government and \$226,204 other investment, moved into the trial implementation phase. This phase tested different approaches to help 240 household participants control and reduce their electricity bills.

Carbon Abatement Project

The City has a significant carbon abatement project operating at the Armadale Landfill and Recycling Facility. This involves a flare burning off methane, a very destructive greenhouse gas. Under the Federal Government Emissions Reduction Fund, the City submitted a bid for registration under the first auction. This was successful, and the City was the only local government to be successful in that round. Consequently, the City has contracted to sell 68,000 tonnes of carbon to the Federal government over the next seven years.



Civil Works

Denny Avenue and Streich Avenue

Civil works were carried out to upgrade the intersection of Denny Avenue and Streich Avenue, and turning lanes at the intersection of Denny Avenue and Railway Avenue, in order to accommodate the installation of future traffic signals.

Railway Avenue - Kelmscott

Railway Avenue was upgraded between Merrifield Avenue and Westfield Avenue to control traffic through a busy section of the road and also to help turning movement into and out of the train/bus station complex. Among other aspects, the works included provision of a protected right turn lane for buses accessing the facility to address problems which had concerned PTA for a number of years.

Bicycle and Footpaths

The City has been proactively attracting grant funding to construct and extend red asphalt cycle 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 Wright Road and Warton Road, and on Armadale Road between Streich Avenue and Fountains Court. These shared paths were funded via State Government grants combined with City funds.

In total over \$1.4 million was spent on paths to extend the footpath and bicycle path programs in accordance with the City's planned future programs. In addition to the above red asphalt paths other extensive works were carried out in Henderson Drive, Westfield Road and Seville Drive with a total of approximately 20 paths being built.

Car Parks

The car parking arrangements at the Alfred Skeet Oval in Forrestdale were significantly upgraded. A new car park was constructed to help ease congestion at the City's main administration car park and also to provide parking for the City's new office building, Orchard House.

Jull Street Mall

Jull Street Mall was upgraded by the provision of new street lighting, new street furniture and new paving throughout. The revitalisation project aims to transform the space for local businesses and the wider community into a lively community centre.

New Drainage Works

Drainage works were carried out to upgrade the Balannup drain adjacent to Balannup Road, in Observation Circle, Bedforddale and to improve the road side open drainage system in the Forrestdale Business Park East.

Road Renewal

Almost \$3.8 million was allocated for road renewal projects, which typically consisted of re-surfacing road pavements with new asphalt, replacing damaged kerbs and maintenance of streetlights and signage, footpaths and bike paths, car parks, drainage pipes and pits, bridges and culverts and bus shelters, amongst others.



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 sets out the vision, aspirations and objectives of the community in the district.

The Corporate Business Plan complements 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 also incorporates 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 Centre.

Projects continuing in 2015/16

Kelmscott Library

The relocation of the Kelmscott Library to the Stargate Shopping Centre will mean greater visitor access as well as improved facilities for library patrons. The library design is built around flexible spaces and includes a reading lounge area; community meeting room with inbuilt AV equipment; a smart returns chute; as well as self-service issues for those wishing to use this feature to save waiting time. The library will have the capacity to become a much more welcoming community space than the current library facility.

Harrisdale (East) Playing Fields

The Harrisdale (East) Playing Fields project commenced in 2014/15 with bulk earthworks. Stage 1 of this project, providing a 4.7ha active reserve located between the new Primary School and High School in Harrisdale is due for completion in time for the start of the school year 2016.

Stage 2 of the project – the sports and community pavilion and playground is due for completion towards the end of 2016.

Of the \$7.2 million cost of the project, up to \$5.9 million will be provided from the Developer Contribution Scheme, a government grant of \$800,000 with the balance coming from the City.



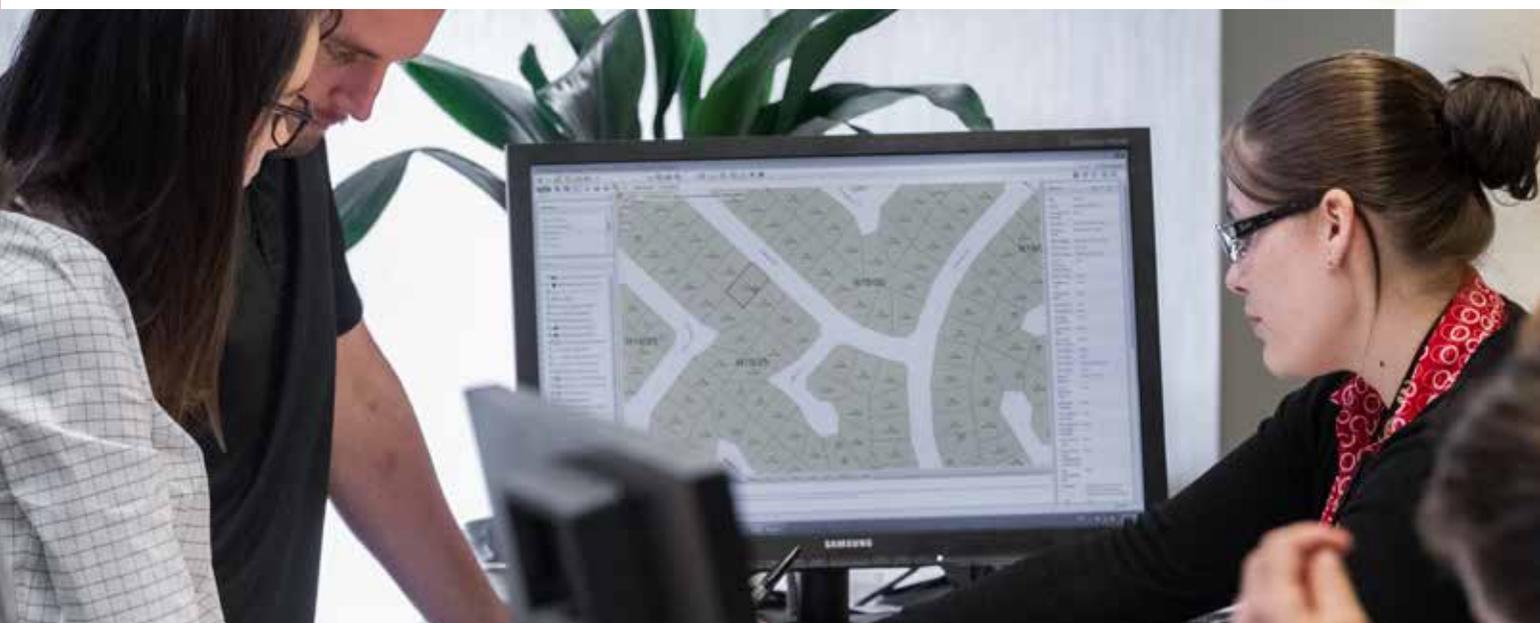
Official Opening of Orchard House



ARMADALE
DISTRICT HALL

Buzz
→

Armadale District Hall



Armadale District Hall

The upgrade to the Armadale District Hall is an important civic and community project. The District Hall is the most significant Heritage building in the City and as such must continue to reflect the strong history of the area as well as serving the needs of the community well into the future. As would be expected, there is a great deal of community interest in how the hall is to be upgraded. Council is listening closely to the feedback regarding the hall and is considering a range of options for a final design. Once a design is determined the upgrade will be scheduled.

Armadale Golf Course Redevelopment

The upgrade to the Golf Course has been on hold while the City has considered the best long term arrangements for the management and operations of the course. Initial responses for an operator for the course were not as successful as anticipated and so it was considered prudent to ensure a long term management arrangement was in place before proceeding with upgrades. It is anticipated that Council will be deciding on these arrangements in the coming months.

Projects commencing in 2015/16

Piara Waters (South) Community and Sport Facility

The \$5.5 million Piara Waters (South) Community and Sporting Facility is the second of a number of shared-use facilities between the City of Armadale and the Department of Education and Training. Stage 1 of this project, an active reserve adjacent to the future primary school site in Piara Waters (South) will provide a 3.3ha playing field and car parking. Stage 2 will include change rooms as well as community facilities and a playground.



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 70,153 incoming records registered. This represents a 7.5 per cent increase from the previous year. A comprehensive electronic records management training program was delivered throughout the organisation with 77 individual sessions held with 104 staff attending. This training included eight Corporate Induction Sessions for 56 new staff. The course included an outline of employees roles and responsibilities to ensure compliance with the with City's Record Keeping Plan and Policies and state Record Keeping legislation.

Freedom of Information

In accordance with the Freedom of Information Act 1992 a total of 18 Freedom of Information applications were processed during the year.

The City also undertook a comprehensive review of all internal procedures to ensure they align to the current objectives and principles of the Freedom of Information Act 1992.

Employee Salaries

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

Salary Band		Number of Employees
\$ From	\$ To	
\$100,000	\$109,999	8
\$110,000	\$119,999	4
\$120,000	\$129,999	15
\$130,000	\$139,999	6
\$140,000	\$149,999	-
\$150,000	\$159,999	4
\$160,000	\$169,999	1
\$170,000	\$179,999	-
\$180,000	\$189,999	1
\$190,000	\$199,999	3
\$240,000	\$249,999	1





Disability Access and Inclusion Plan

The City has also been implementing the Disability Access and Inclusion Plan 2011 - 2016 (DAIP) to ensure that people with disabilities have the opportunity to access services, events and facilities. Achievements include the continuance of disability awareness training for City officers, the upgrading of parks, toilets and footpaths to accessibility standards, and redevelopment of the City's website with accessibility functionality.

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 2014/15 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 2014/15 financial year there were no entries made in the Register of Complaints.







Auditor's Report



Certified Practising Accountants

PARTNERS

Anthony Macri FCPA
Domenic Macri CPA
Connie De Felice CA

INDEPENDENT AUDITOR'S REPORT

TO: RATEPAYERS OF CITY OF ARMADALE

Report on the Financial Report

We have audited the financial report of the City of Armadale, which comprises the Statement of Financial Position as at 30 June 2015 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 management'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 2015 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) In relation to the asset consumption ratio and asset renewal funding ratio (presented at Note 22 of the annual financial report) we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not
 - (i) reasonably calculated, and
 - (ii) based on verifiable information
- (d) All necessary information and explanations were obtained by us
- (e) All audit procedures were satisfactorily completed in conducting our audit

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the City of Armadale for the year ended 30 June 2015 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 5TH DAY OF OCTOBER 2015.







Financial Report

**City of Armadale
Financial Report
For the year ended 30 June 2015**

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

Statement by the Chief Executive Officer

The attached financial report of the City of Armadale being the annual financial report and other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the financial position of the City as at 30th June 2015 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue
Signed on the 15th day of September 2015

A handwritten signature in blue ink, appearing to read 'R S Tame'.

**R S Tame
Chief Executive Officer**



City of Armadale
Statement of Comprehensive Income - By Nature or Type
For the year ended 30 June 2015

	Note	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenues from Ordinary Activities				
Rates	24	52,567,715	51,068,700	47,152,811
Operating Grants, Subsidies and Contributions	29	17,814,470	12,908,530	16,185,043
Fees and Charges	28	17,802,604	16,542,985	16,063,436
Interest Earnings	2(a)(ii)	3,943,342	3,882,000	3,742,929
Other Revenue	2(a)(iii)	645,029	438,400	1,574,093
		<u>92,773,160</u>	<u>84,840,615</u>	<u>84,718,312</u>
Expenses from Ordinary Activities				
Employee Costs		(33,185,249)	(28,078,970)	(31,444,771)
Materials and Contracts		(26,610,911)	(21,702,100)	(25,340,386)
Utilities		(3,135,038)	(3,282,200)	(2,895,919)
Depreciation	2(a)(i)	(17,446,183)	(11,105,700)	(11,472,262)
Interest Expenses	2(a)(i)	(1,262,445)	(1,508,440)	(1,004,469)
Insurance		(1,168,742)	(1,284,200)	(1,135,368)
Other Expenses		(1,890,518)	(18,531,751)	(1,131,997)
		<u>(84,699,086)</u>	<u>(85,493,361)</u>	<u>(74,425,172)</u>
		<u>8,074,075</u>	<u>(652,746)</u>	<u>10,293,140</u>
Grants / Contributions for Asset Development				
Grants and Subsidies - Non-Operating	29	9,150,998	20,369,134	14,014,904
		<u>9,150,998</u>	<u>20,369,134</u>	<u>14,014,904</u>
Impairment - Buildings	6	(1,016,201)	-	-
Profit / (Loss)				
Profit on Asset Disposals	21	2,384,567	155,400	279,124
Loss on Asset Disposals	21	(399,218)	(192,100)	(36,380)
		<u>1,985,349</u>	<u>(36,700)</u>	<u>242,744</u>
Increase / (Decrease) in Investments	9	257,208	-	-
Net Result		<u>18,451,428</u>	<u>19,679,688</u>	<u>24,550,787</u>
Other Comprehensive Income				
Changes on revaluation of non-current assets	15	602,137,497	-	133,782,441
		<u>602,137,497</u>	<u>-</u>	<u>133,782,441</u>
Total Comprehensive Income		<u>620,588,925</u>	<u>19,679,688</u>	<u>158,333,228</u>

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 2015

	Note	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenues from Ordinary Activities				
General Purpose Funding		60,329,488	57,448,000	52,516,406
Governance		710,626	1,114,700	1,573,963
Law, Order and Public Safety		948,481	756,100	860,147
Health		229,627	136,000	164,091
Education and Welfare		379,611	336,530	513,702
Community Amenities		23,452,059	19,957,200	24,102,463
Recreation and Culture		2,040,536	1,947,235	1,496,873
Transport		2,904,397	1,694,350	1,751,599
Economic Services		1,508,832	1,240,500	1,473,503
Other Property and Services		273,864	210,000	265,565
		92,777,520	84,840,615	84,718,312
Expenses excluding Finance Costs				
General Purpose Funding		(1,117,307)	(859,200)	(1,278,645)
Governance		(3,162,982)	(14,818,555)	(1,477,650)
Law, Order and Public Safety		(2,654,038)	(1,901,720)	(2,441,704)
Health		(1,559,029)	(1,263,050)	(1,195,830)
Education and Welfare		(3,591,985)	(4,055,200)	(3,580,516)
Community Amenities		(20,109,459)	(19,548,350)	(18,262,574)
Recreation and Culture		(20,783,499)	(21,767,539)	(23,365,165)
Transport		(28,346,196)	(17,319,017)	(18,636,388)
Economic Services		(2,937,411)	(2,527,490)	(2,801,007)
Other Property and Services		820,906	75,200	(381,224)
		(83,441,000)	(83,984,921)	(73,420,703)
Finance Costs				
Governance		(409,701)	(251,890)	(122,930)
Community Amenities		(267,321)	(275,200)	(276,865)
Recreation and Culture		(575,850)	(974,150)	(426,715)
Transport		(9,574)	(7,200)	(177,959)
		(1,262,445)	(1,508,440)	(1,004,469)
Non Operating Grants, Subsidies and Contributions				
Law Order and Public Safety		79,442	-	-
Community Amenities		548,900	2,100,000	124,146
Recreation and Culture		2,415,962	7,216,000	3,072,449
Transport		6,106,693	11,053,134	10,818,309
		9,150,998	20,369,134	14,014,904
Impairment				
Transport		(1,016,201)	-	-
Profit on Asset Disposal				
Governance		6,380	3,000	5,451
Law Order and Public Safety		-	9,600	9,579
Health		-	-	3,082
Education and Welfare		1,852	-	6,327
Community Amenities		2,355,901	28,100	39,864
Recreation and Culture		13,216	48,400	81,801
Transport		3,316	60,100	133,021
Economic Services		3,903	6,200	-
	21	2,384,567	155,400	279,124
Loss on Asset Disposal				
Governance		(26,686)	(4,300)	(565)
Law Order and Public Safety		(6,476)	(700)	-
Education and Welfare		(1,305)	-	-
Community Amenities		(156,115)	(59,600)	(6,762)
Recreation and Culture		(60,806)	(19,500)	(25,641)
Transport		(143,325)	(108,000)	(3,412)
Economic Services		(4,505)	-	-
	21	(399,218)	(192,100)	(36,380)
Increase / (Decrease) in Investments				
Governance	9	257,208	-	-
Net Result				
		18,451,428	19,679,688	24,550,788
Other Comprehensive Income				
Changes on revaluation of non-current assets	15	602,137,497	-	133,782,441
		602,137,497	-	133,782,441
Total Comprehensive Income				
		620,588,925	19,679,688	158,333,229

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



City of Armadale
Statement of Financial Position
For the year ended 30 June 2015

	Note	2015 Actual \$	2014 Actual \$
Current Assets			
Cash and Cash Equivalents	3	89,725,812	72,384,646
Trade and Other Receivables	4	3,427,830	7,781,010
Inventories	5	86,611	120,755
Total Current Assets		93,240,253	80,286,411
Non-Current Assets			
Trade and Other Receivables	4	877,742	869,866
Property, Plant and Equipment	6	220,256,195	198,605,192
Infrastructure	7	815,345,954	224,977,708
Landfill Cell	8	5,493,569	-
Investments	9	257,208	-
Rehabilitation Asset	10	3,288,503	-
Total Non-Current Assets		1,045,519,171	424,452,766
Total Assets		1,138,759,424	504,739,177
Current Liabilities			
Trade and Other Payables	11	5,899,065	7,074,345
Borrowings	12	1,636,495	5,806,547
Provisions	13	6,809,954	6,519,980
Total Current Liabilities		14,345,514	19,400,872
Non-Current Liabilities			
Trade and Other Payables	11	147,625	169,196
Borrowings	12	30,484,307	15,158,003
Provisions	13	3,776,948	594,999
Total Non-Current Liabilities		34,408,880	15,922,198
Total Liabilities		48,754,394	35,323,070
Net Assets		1,090,005,030	469,416,108
Equity			
Retained Surplus		269,394,404	263,417,324
Reserves - Cash Backed	14	74,072,826	61,598,480
Revaluation Surplus	15	746,537,800	144,400,304
Total Equity		1,090,005,030	469,416,108

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 2015

	Note	2015 Actual \$	2014 Actual \$
Retained Surplus			
Balance as at 1 July		263,417,324	246,986,286
Net Result		18,451,428	24,550,787
Transfer from / (to) Reserves		<u>(12,474,349)</u>	<u>(8,119,748)</u>
Balance as at 30 June		269,394,405	263,417,324
Reserves - Cash / Investment Backed			
Balance as at 1 July		61,598,481	53,478,731
Transfer (to) / from Retained Surplus		<u>12,474,349</u>	<u>8,119,748</u>
Balance as at 30 June	14	74,072,826	61,598,480
Revaluation Surplus			
Balance as at 1 July		144,400,304	10,617,864
Changes on Revaluation of Non-Current Assets		<u>602,137,496</u>	<u>133,782,441</u>
Balance as at 30 June	15	746,537,800	144,400,304
Total Equity		<u>1,090,005,030</u>	<u>469,416,108</u>

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 2015

	Note	2015 Actual \$	2015 Budget \$	2014 Actual \$
Cash Flows from Operating Activities				
Receipts				
Rates		52,396,843	51,068,700	47,373,205
Operating Grants, Subsidies and Contributions		19,005,235	12,908,530	16,185,043
Fees and Charges		22,195,844	16,542,985	13,703,287
Interest Earnings		3,943,342	3,882,000	3,742,929
Goods and Services Tax		4,551,628	3,918,701	2,000,000
Other		645,029	438,400	3,712,674
Total Receipts		102,737,921	88,759,316	86,717,138
Payments				
Employee Costs		(32,947,594)	(28,078,970)	(30,419,841)
Materials and Contracts		(33,447,311)	(21,702,100)	(23,880,539)
Utilities		(3,135,038)	(3,282,200)	(2,895,919)
Insurance		(1,262,445)	(1,508,440)	(1,135,368)
Interest		(1,168,742)	(1,284,200)	(1,004,469)
Goods and Services Tax		-	(4,500,000)	(3,350,978)
Other		(1,890,518)	(18,531,751)	(2,313,162)
Total Payments		(73,851,648)	(78,887,661)	(65,000,276)
Net Cash Provided by Operating Activities	16(b)	28,886,273	9,871,655	21,716,862
Cash Flows from Investing Activities				
Payments for Property, Plant and Equipment		(18,503,499)	(20,273,814)	(17,741,950)
Payments for Infrastructure		(16,973,225)	(31,260,723)	(15,915,431)
Grants and Subsidies - Non-Operating		9,150,998	20,369,134	14,014,904
Proceeds from Sale of Assets		3,624,363	2,495,200	755,348
Net Cash Provided by Investing Activities		(22,701,363)	(28,670,203)	(18,887,129)
Cash Flows from Financing Activities				
Repayment of Debentures		(5,806,548)	(6,047,570)	(4,497,440)
Proceeds from New Debentures		16,962,800	19,718,800	6,500,000
Net Cash Provided by Financing Activities		11,156,252	13,671,230	2,002,560
Net Increase / (Decrease) in Cash Held		17,341,162	(5,127,318)	4,832,291
Cash and Cash Equivalents at Beginning of Year		72,384,646	64,950,177	67,552,355
Cash and Cash Equivalents at End of Year	16(a)	89,725,812	59,822,859	72,384,646

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



**City of Armadale
Rate Setting Statement
For the year ended 30 June 2015**

	Note	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenues				
General Purpose Funding		9,023,889	5,111,700	6,276,890
Governance		974,213	1,119,000	1,584,863
Law, Order and Public Safety		1,027,923	762,400	873,854
Health		229,627	136,000	160,677
Education and Welfare		381,463	340,130	523,272
Community Amenities		26,356,859	22,085,300	24,300,010
Recreation and Culture		4,469,714	9,223,035	4,693,060
Transport		9,014,406	12,795,484	12,754,149
Economic Services		1,512,735	1,245,800	1,340,482
Other Property and Services		273,864	210,000	265,565
Total Revenues		53,264,694	53,028,849	52,772,823
Expenses				
General Purpose Funding		(1,112,947)	(859,200)	(1,278,645)
Governance		(3,599,369)	(14,818,555)	(1,601,710)
Law, Order and Public Safety		(2,660,514)	(1,901,720)	(2,441,139)
Health		(1,559,029)	(1,263,050)	(1,195,830)
Education and Welfare		(3,593,290)	(4,055,200)	(3,580,516)
Community Amenities		(20,532,896)	(19,548,350)	(18,552,964)
Recreation and Culture		(21,420,155)	(21,767,539)	(23,836,400)
Transport		(29,515,296)	(17,319,017)	(18,767,913)
Economic Services		(2,941,915)	(2,527,490)	(2,797,595)
Other Property and Services		820,906	75,200	(381,224)
Total Expenses		(86,114,505)	(83,984,921)	(74,433,935)
Adjustments for Cash Budget Requirements				
Non-Cash Items				
(Profit) / Loss on Asset Disposals	21	(1,985,349)	36,700	(242,744)
Impairment of Assets	6	1,016,201	-	-
Depreciation on Assets	2	17,446,183	11,105,700	11,472,262
Movement in Deferred Pensioner Rates/ESL (Non-Current)		(7,876)	-	(30,663)
Movement in Employee Benefit Provisions (Non-Current)		183,420	-	402,312
Non-Current Asset Adjustment		(73,805)	-	-
Non-Current Creditors Movement		(21,571)	-	-
Movement in Interest in Local Government House Trust		(135,676)	-	-
Movement in Interest in Rivers Regional Council		(121,532)	-	-
Total Non-Cash Items		16,299,996	11,142,400	11,601,167
Capital Expense and Revenue				
Purchase Buildings	6	(7,110,070)	(15,013,100)	(14,817,934)
Purchase Furniture and Equipment	6	(77,000)	(219,500)	(351,405)
Purchase Plant and Machinery	6	(3,447,738)	(3,982,514)	(1,940,127)
Purchase Property, Plant and Equipment - Work in Progress	6	(7,794,886)	-	-
Construction of Infrastructure - Roads	7	(1,946,811)	(16,653,513)	(10,715,282)
Construction of Infrastructure - Drainage	7	(110,070)	(1,446,160)	(570,793)
Construction of Infrastructure - Pathways	7	(860,203)	(978,300)	(1,563,097)
Construction of Infrastructure - Parks / Reserves	7	(2,459,411)	(12,182,750)	(3,066,259)
Construction of Infrastructure - Other Infrastructure	7	-	(1,587,000)	(632,484)
Construction of Infrastructure - Work in Progress	7	(11,596,728)	-	-
Proceeds from Disposal of Assets	21	3,624,364	2,495,200	755,348
Repayment of Debentures	23	(5,806,547)	(6,047,570)	(4,497,440)
Proceeds from New Debentures	23	16,962,800	19,718,800	6,500,000
Transfer to Reserves	14	(16,570,847)	(9,646,390)	(18,378,520)
Transfer from Reserves	14	4,096,500	4,894,049	10,258,772
Total Capital Expense and Revenue		(33,096,647)	(40,648,748)	(39,019,221)
Specified Area Rates / Rates in Advance				
Specified Area Rates		(710,723)	(703,100)	-
Rate Equivalent Payments & Adjustments		(25,406)	-	-
Prepaid Rates		(530,347)	(2,168,602)	-
		(1,266,476)	(2,871,702)	-
Add Estimated Surplus / (Deficit) July 1 B/Fwd		11,613,584	11,915,420	13,539,939
Less Estimated Surplus / (Deficit) June 30 C/Fwd	37	(12,001,886)	-	(11,613,584)
Amount Required to be Raised from General Rates	24	(51,301,239)	(51,418,702)	(47,152,813)

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 2015

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 comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has 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 affect the application of policies and reported amounts of assets and liabilities, income and expenses.

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

The local government reporting entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 19 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.

(e) Inventories

General

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2015

1 Significant Accounting Policies (continued)

(e) Inventories (continued)

Land held for sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in 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 to Revalue Non-Current Assets

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

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.

Land under control

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.

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.

Land under roads

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard 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 2015

1 Significant Accounting Policies (continued)

(f) Fixed Assets (continued)

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated using a depreciation method which best represents the City's consumption over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Buildings / Components	15 to 100 years
Furniture and Equipment	5 to 15 years
Plant and Machinery	5 to 20 years
Sealed Roads and Streets	
Formation	Not Depreciated
Pavement	80 to 100 years
Seal	15 to 50 years
Gravel Roads	
Formation	Not Depreciated
Pavement	10 years
Gravel Sheetting	1 to 3 years
Drainage	20 to 120 years
Pathways	20 to 50 years
Parks and Reserves	3 to 150 years
Bridges and Boardwalks	20 to 90 years
Waste Infrastructure	35 years
Landfill Cells	15 years

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

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

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

Capitalisation threshold

Expenditure on items of equipment under \$5,000 is not capitalised.

(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 the 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 or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

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

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2015

1 Significant Accounting Policies (continued)

(g) Fair Value of Assets and Liabilities (continued)

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

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 are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such 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.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the City becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the City commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

(h) Financial Instruments

Classification and subsequent measurement

(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.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2015

1 Significant Accounting Policies (continued)

(h) Financial Instruments (continued)

Classification and subsequent measurement

(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 comprehensive income (except for impairment losses). When the financial asset 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 financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

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

Impairment

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

In the case of available-for-sale financial 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 and benefits associated with the asset.

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.

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2015

(k) 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.

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.

(l) Borrowing Costs

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

(m) General 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.

(n) Provision for Site Rehabilitation

A provision for the future costs associated with closing and restoring the landfill is recognised as a liability within the financial accounts. The nature of work planned by Council includes cell capping, landform reconstruction, dismantling of site operating facilities and implementation of a revegetation plan to suit the final land use. The cost is based on estimated current costs, has been determined on a discounted basis.

The obligation for the City to recognise the provision for site rehabilitation arises at the time the landfill cell was measured at Fair Value by an Independent Valuer (APV). The provision will be amortised on an annual basis over the anticipated 15 year life of the current site.

From June 2015, the present value for the rehabilitation of the site has been calculated to be \$3,288,503 and has been deemed sufficient for post closure management purposes.

(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.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2015

1 Significant Accounting Policies (continued)

(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.

(q) Interests in Joint Arrangements

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

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

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

(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 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.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2015

1 Significant Accounting Policies (continued)

(x) 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 (incorporating AASB 2014-7 and AASB 2014-8)	Dec 2014	1 Jan 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification 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 effect.
(ii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108,	Sep 2012	1 Jan 2018	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 15 Revenue from Contracts with Customers	Dec 2014	1 Jan 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the City has with those third parties it has dealings with. It may or may not be significant.
(iv) AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial [Operative date: Part C Financial Instruments - 1 January 2015]	Dec 2013	Refer title column	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. As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the City.
(v) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	Aug 2014	1 Jan 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. Given the City currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2015

1 Significant Accounting Policies (continued)

(x) New Accounting Standards and Interpretations (continued)

Title and Topic	Issued	Applicable	Impact
(vii) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and [AASB 116 & 138]	Aug 2014	1 Jan 2016	<p>This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.</p> <p>Given the City currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.</p>
(viii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	Dec 2014	1 Jan 2017	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: [AASB 7, 101, 134 & 1049]	Jan 2015	1 Jul 2015	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures.</p>
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	Jan 2015	1 Jan 2016	<p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.</p> <p>It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.</p>
(x) Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	Mar 2015	1 Jul 2016	<p>The objective of this Standard is to extend the scope of AASB 124 Related Party Disclosures to include not-for-profit sector entities.</p> <p>The Standard is expected to have a significant disclosure impact on the financial report of the City as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.</p>

Notes:

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2015

(y) 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 2011-7
AASB 2012-3
AASB 2013-3
AASB 2013-8
AASB 2013-9 Parts A & B

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.

(z) Future Capping expenditure

The liability for estimated future capping expenditure is provided for through a rehabilitation provision on a phase-by-phase basis and is discounted to its present value, with the unwinding of the discount being charged to the statement of comprehensive income within the amortisation charge. The discounted present value of the future capping expenditure is also capitalised as part of the rehabilitation asset and is amortised on a straight-line basis. Changes in estimates are recognised prospectively with corresponding adjustments to the provision and associated costs.

2 Revenues and Expenses	Note	2015 Actual \$	2015 Budget \$	2014 Actual \$
a) Result from Ordinary Activities				
The result from ordinary activities includes -				
i) Charging as an Expense				
Auditor's Remuneration				
- Annual Financial Statements		25,100	22,000	30,695
- Acquittals & Internal Review		3,800	23,000	4,000
Total Audit Remuneration		<u>28,900</u>	<u>45,000</u>	<u>34,695</u>
Bad and Doubtful Debts				
Write Off - Rates		76,347	75,000	38,636
Write Off - General		-	5,000	-
Write Off - Infringements		68,279	90,900	71,247
		<u>144,626</u>	<u>170,900</u>	<u>109,883</u>
Depreciation				
Buildings		1,215,137	812,200	974,049
Furniture and Equipment		128,942	39,300	62,936
Plant and Machinery		1,902,700	1,627,900	2,005,087
Roads		8,952,912	3,468,300	3,183,348
Drainage		2,938,936	712,500	745,994
Pathways		1,162,789	447,700	556,087
Parks and Reserves		1,144,767	3,997,800	3,944,761
		<u>17,446,183</u>	<u>11,105,700</u>	<u>11,472,262</u>
Interest Expense				
Debentures	23	1,262,445	1,508,440	1,004,469
		<u>1,262,445</u>	<u>1,508,440</u>	<u>1,004,469</u>
ii) Charging as a Revenue				
Interest Earnings				
Investments - Reserve Funds		2,215,172	1,800,000	1,912,550
Investments - Municipal Fund		1,346,697	1,747,000	1,497,286
Other Interest Revenue	27	381,473	335,000	333,093
		<u>3,943,342</u>	<u>3,882,000</u>	<u>3,742,929</u>
iii) Other Revenue				
Reimbursements and recoveries		645,029	-	1,574,093
Other	30	257,208	-	-
		<u>645,029</u>	<u>-</u>	<u>1,574,093</u>



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2015

2 Revenues and Expenses (continued)

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 -

Governance

Objective:

To provide a decision making process for the efficient allocation of scarce resources.

Activities:

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.

General Purpose Funding

Objective:

To collect revenue to allow for the provision of services.

Activities:

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

Law, Order and Public Safety

Objective:

To provide services to help ensure a safer and environmentally conscious community.

Activities:

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

Health

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

Education and Welfare

Objective:

To provide services to disadvantaged persons, the elderly, children and youth.

Activities:

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

Community Amenities

Objective:

To provide services required by the community.

Activities:

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

Objective:

To establish and effectively manage infrastructure and resource which will help the social well being of the

Activities:

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.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2015

2 Revenues and Expenses

b) Statement of Objective (continued)

Transport

Objective:

To provide safe, effective and efficient transport services to the community.

Activities:

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

Objective:

To help promote the City and its economic wellbeing.

Activities:

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

Other Property and Services

Objective:

To monitor and control City's overheads operating accounts.

Activities:

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

c) Conditions over Contributions

Grant / Contribution	Function / Activity	Opening Balance (1) 01/07/13	Received (2) 2013/14 \$	Expended (3) 2013/14 \$	Closing Balance 30/06/14
Kids Sport	Education and Welfare	172,769	10,000	(137,599)	45,170
Youth	Education and Welfare	49,962	75,000	(60,380)	64,582
Indigenous	Education and Welfare	85,229	202,501	(202,501)	85,229
Preservation Grant	Education and Welfare	18,600	12,779	(31,379)	-
Healthy Communities	Education and Welfare	146,017	387	(146,404)	-
Federal Black Spot	Transport	321,300	933,883	(1,215,183)	40,000
Local Government	Transport	62,100	755,345	(817,445)	-
State Black Spots	Transport	433,100	476,934	(870,134)	39,900
Transport Network	Transport	540,000	-	(540,000)	-
Roadwise	Transport	15,500	1,000	(1,000)	15,500
Roads to Recovery	Transport	413,830	585,997	(999,827)	-
Total		2,258,407	3,053,826	(5,021,852)	290,381

Grant / Contribution	Function / Activity	Balance (1) 01/07/14 \$	Received (2) 2014/15 \$	Expended (3) 2014/15 \$	Balance 30/06/15 \$
Kids Sport	Education and Welfare	45,170	130,500	(175,670)	-
Youth	Education and Welfare	64,582	-	(49,962)	14,620
Indigenous	Education and Welfare	85,229	202,501	(287,730)	-
Federal Black Spot	Transport	40,000	933,883	(973,883)	-
State Black Spots	Transport	39,900	476,934	(516,834)	-
Roadwise	Transport	15,500	1,000	(16,500)	-
Pathways	Transport	-	71,408	(22,008)	49,400
Total		290,381	1,816,226	(2,042,587)	64,020

(1) - Grants / contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.



City of Armadale
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	Note	2015 Actual \$	2014 Actual \$
3 Cash and Cash Equivalents			
Unrestricted		15,588,966	10,495,786
Restricted		74,136,846	61,888,860
		89,725,812	72,384,646
The following restrictions have been imposed by regulations or other externally imposed requirements -			
Reserves			
Asset Renewal - Buildings		353,376	326,876
Asset Renewal - Parks		333,376	326,876
Building Plant and Equipment		145,132	142,332
Champion Lakes SAR Asset Renewal		118,300	92,200
Computer Systems Technologies		344,832	338,032
Crossover Contributions		56,000	54,900
Emergency Waste		207,432	203,332
Employee Provisions		8,103,952	7,115,008
Freehold Sales Capital Works		136,736	134,036
Future Community Facilities		726,600	712,400
Future Project Funding		13,253,336	8,082,633
Future Recreation Facilities		219,300	199,700
History of the District		34,040	33,340
Land Acquisition		431,036	422,536
Mobile Bin Program		1,833,608	1,797,608
North Forrestdale DCP 3		34,604,502	29,278,802
North Forrestdale SAR Asset Renewal		2,551,920	2,053,620
Plant and Machinery		2,424,388	2,751,188
Portable Long Service Leave		249,492	229,892
Revolving Energy		57,000	-
Strategic Asset Investments		100,944	98,944
Waste Management		6,828,712	6,264,212
Workers Compensation		365,748	358,548
Works Contributions		593,064	581,464
		74,072,826	61,598,479
Restricted Funds			
Unspent Grants	2(c)	64,020	290,381
Unspent Loans	23(c)	-	-
		64,020	290,381
Total Reserves and Restricted Cash and Cash Equivalents			
		74,136,846	61,888,860
4 Trade and Other Receivables			
Current			
Accrued Revenue		484,950	242,261
Rates Debtors		1,156,825	1,219,882
ESL Debtors		51,402	60,055
Unclaimed Pensioner Rates Rebate		542	649
Unclaimed ESL Rates Rebate		-	-
Sundry Debtors		1,856,489	6,380,541
Provision for Doubtful Debts		(122,378)	(122,378)
		3,427,830	7,781,010
Non-Current			
Rates Debtors		548,401	542,660
ESL Debtors		40,015	37,880
Long Service Leave Receivable from Other Councils		289,326	289,326
		877,742	869,866
5 Inventories			
Current			
Fuel and Materials		86,611	120,755
		86,611	120,755



City of Armadale
Notes to, and forming part of, the Financial Report
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6 Property, Plant and Equipment	2015 Actual \$	2014 Actual \$
Land - Management Valuation	111,766,000	104,446,000
	111,766,000	104,446,000
Buildings - Management Valuation	107,682,543	87,476,085
Less Accumulated Depreciation	(15,975,374)	(15,643,597)
	91,707,169	71,832,488
Furniture and Equipment - Management Valuation	839,391	469,741
Less Accumulated Depreciation	(191,876)	(62,935)
	647,515	406,807
Plant and Machinery - Management Valuation	11,780,355	9,449,558
Less Accumulated Depreciation	(3,439,731)	(1,879,540)
	8,340,624	7,570,018
Work in Progress		
Buildings	5,959,447	13,472,646
Furniture and Equipment	-	292,650
Plant and Machinery	1,835,439	584,583
	7,794,886	14,349,879
Total Property, Plant and Equipment	220,256,194	198,605,192

Movements in Carrying Amounts

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

Particulars	Land \$	Buildings \$	Furniture and Equipment \$	Plant and Machinery \$	Work in Progress \$	Total \$
Beginning Balance	104,446,000	71,832,488	406,807	7,570,018	14,349,879	198,605,192
Additions	-	7,110,070	77,000	3,447,738	7,794,886	18,429,694
Disposals	(280,000)	-	-	(1,359,015)	-	(1,639,015)
Adjustments	-	1,368,084	-	-	-	1,368,084
Revaluation Movements - Fair Value	7,600,000	-	-	-	-	7,600,000
Transfers from WIP	-	13,472,646	292,650	584,583	(14,349,879)	-
Impairment	-	(1,016,202)	-	-	-	(1,016,202)
Depreciation Expense	-	(1,059,917)	(128,942)	(1,902,700)	-	(3,091,559)
Carrying Amount	111,766,000	91,707,170	647,515	8,340,624	7,794,886	220,256,193

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



City of Armadale
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For the year ended 30 June 2015

	2015 Actual \$	2014 Actual \$
7 Infrastructure		
Roads - Cost	-	205,027,347
Roads - Management Valuation 2015	615,191,530	-
Less Accumulated Depreciation	<u>(168,213,422)</u>	<u>(41,310,098)</u>
	446,978,108	163,717,249
Drainage - Cost	-	35,916,738
Drainage - Management Valuation 2015	347,100,336	-
Less Accumulated Depreciation	<u>(72,074,431)</u>	<u>(9,634,880)</u>
	275,025,906	26,281,858
Pathways - Cost	-	11,788,453
Pathways - Management Valuation 2015	54,130,949	-
Less Accumulated Depreciation	<u>(13,408,808)</u>	<u>(5,202,019)</u>
	40,722,141	6,586,434
Parks and Reserves - Cost	-	86,318,633
Parks and Reserves - Management Valuation 2015	54,940,021	-
Less Accumulated Depreciation	<u>(17,540,619)</u>	<u>(58,006,207)</u>
	37,399,402	28,312,426
Waste Infrastructure - Independent Valuation 2015	2,857,919	-
Less Accumulated Depreciation	<u>(279,080)</u>	<u>-</u>
	2,578,839	-
Other Infrastructure - Management Valuation 2015	2,140,697	-
Less Accumulated Depreciation	<u>(1,175,609)</u>	<u>-</u>
	965,088	-
Work in Progress		
Roads	5,510,825	79,740
Drainage	1,910,656	-
Pathways	596,316	-
Parks and Reserves	3,658,671	-
	11,676,468	79,740
Total Infrastructure	815,345,955	224,977,708

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	Waste Infrastructure	Other Infrastructure	Work in Progress	Total
Particulars	\$	\$	\$	\$	\$	\$	\$	\$
Beginning Balance	163,717,249	26,281,858	6,586,434	28,312,426	-	-	79,740	224,977,708
Additions	1,946,811	110,070	860,203	2,459,411	-	-	11,596,728	16,973,223
Revaluation Movements - Fair Value	290,266,960	251,572,915	34,438,292	7,772,332	2,578,839	965,088	-	587,594,426
Transfers from WIP								-
Impairments	-	-	-	-	-	-	-	-
Depreciation Expense	(8,952,912)	(2,938,936)	(1,162,789)	(1,144,767)	-	-	-	(14,199,405)
Carrying Amount	446,978,108	275,025,906	40,722,141	37,399,402	2,578,839	965,088	11,676,468	815,345,955



City of Armadale
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	2015 Actual \$	2014 Actual \$
8 Landfill Cell		
Non-Current		
Landfill Cell - Independent Valuation 2015	8,101,360	-
Less Accumulated Depreciation	<u>(2,607,791)</u>	<u>-</u>
	5,493,569	-
9 Investments		
Non-Current		
Interest in Local Government House Trust *	135,676	-
Interest in Rivers Regional Council **	<u>121,532</u>	<u>-</u>
	257,208	-

* During the financial year 2014/15 the City took into the accounts the equity investment in the Local Government House Trust arising from contributions towards the cost of purchasing Local Government House. The total contribution by Councils towards the cost of the WALGA building was \$582,000 of which the City of Armadale contributed \$7,510. There are 620 units in the Local Government House Trust, 8 of which are held by the City of Armadale.

** During the financial year 2014/15 the City took into the accounts the equity in the Rivers Regional Council. As at 30 June 2014 the City's share of equity based on regional population was 19.87%. At the time of reporting the 2014/15 financial statements of the Rivers Regional Council were not available. The City has elected to account for the stake using the equity method of accounting.

	2015 Actual \$	2014 Actual \$
10 Rehabilitation Asset		
Non-Current		
Landfill Site Rehabilitation	<u>3,288,503</u>	<u>-</u>
	3,288,503	-
11 Trade and Other Payables		
Current		
Sundry Creditors	4,778,414	6,306,935
Payroll Deductions		-
Accrued Expenses	600,773	451,118
Revenue Liability	228,940	109,039
ESL Liability	92,613	63,162
Payroll Entitlements	<u>198,326</u>	<u>144,091</u>
	5,899,065	7,074,345
Non-Current		
Sundry Creditors	<u>147,625</u>	<u>169,196</u>
	147,625	169,196
12 Borrowings		
Current		
Secured by Floating Charge Debentures	<u>1,636,495</u>	<u>5,806,557</u>
	1,636,495	5,806,557
Non-Current		
Secured by Floating Charge Debentures	<u>30,484,307</u>	<u>15,158,003</u>
	30,484,307	15,158,003

Additional details on Borrowings are provided in Note 23.

	2015 Actual \$	2014 Actual \$		
13 Provisions				
Current				
Provision for Annual Leave	3,656,302	3,478,551		
Provision for Long Service Leave	<u>3,153,652</u>	<u>3,041,429</u>		
	6,809,954	6,519,980		
Non-Current				
Provision for Long Service Leave	488,445	594,999		
Provision for Rehabilitation of Landfill Site	<u>3,288,503</u>	<u>-</u>		
	3,776,948	594,999		
Total Provisions	<u>10,586,902</u>	<u>7,114,979</u>		
Provision Movement				
	Annual Leave	Long Service Leave	Landfill Rehabilitation	Total
	\$	\$	\$	\$
Opening 1/7/2014	3,478,551	3,636,428	-	7,114,979
Additional Provisions	393,640	296,287	5,127,112	5,817,039
Decrease due to payments & movements	(215,889)	(290,012)	-	(505,901)
Remeasurement effects (discounting)	-	(606)	(1,838,606)	(1,839,212)
	<u>3,656,302</u>	<u>3,642,097</u>	<u>3,288,506</u>	<u>10,586,902</u>



City of Armadale
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14 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.

	2015 Actual \$	2015 Budget \$	2014 Actual \$
Asset Renewal - Buildings			
<i>To be used to assist in funding capital works on buildings, thereby extending the useful economic life of such assets.</i>			
Opening Balance	326,876	327,576	315,576
Transfer to Reserve - Municipal Funds	20,000	20,000	-
Transfer to Reserve - Interest Earnings	6,500	9,400	11,300
Transfer from Reserve	-	-	-
	353,376	356,976	326,876
Asset Renewal - Parks			
<i>To be used to assist in funding capital works on parks, thereby extending the useful economic life of such assets.</i>			
Opening Balance	326,876	327,576	315,576
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	6,500	9,400	11,300
Transfer from Reserve	-	-	-
	333,376	336,976	326,876
Building Plant and Equipment			
<i>To be used to assist in the maintenance and replacement of Plant and Equipment associated with City's buildings.</i>			
Opening Balance	142,332	142,932	137,432
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	2,800	4,100	4,900
Transfer from Reserve	-	-	-
	145,132	147,032	142,332
Champion Lakes SAR Asset Renewal			
<i>To be used to assist in the renewal of assets associated with Champion Lakes Estates covered by Specified Area Rating.</i>			
Opening Balance	92,200	92,117	56,200
Transfer to Reserve - Municipal Funds	24,300	17,500	34,000
Transfer to Reserve - Interest Earnings	1,800	3,000	2,000
Transfer from Reserve	-	-	-
	118,300	112,617	92,200
Civic Precinct			
<i>To be used to assist in research, planning and redevelopment of the City's Civic Precinct.</i>			
Opening Balance	-	-	920,600
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	-	-	32,900
Transfer from Reserve	-	-	(953,500)
	-	-	-
Computer Systems Technologies			
<i>To be used to assist in funding the long-term renewal of City's core computer systems.</i>			
Opening Balance	338,032	339,432	326,332
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	6,800	9,740	11,700
Transfer from Reserve	-	-	-
	344,832	349,172	338,032
Crossover Contributions			
<i>To be used to assist in funding the construction of Crossovers as a condition of approved building</i>			
Opening Balance	54,900	55,200	53,000
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	1,100	1,580	1,900
Transfer from Reserve	-	-	-
	56,000	56,780	54,900



City of Armadale
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14 Reserves - Cash Backed (continued)	2015 Actual \$	2015 Budget \$	2014 Actual \$
Emergency Waste			
<i>To be used to assist with the costs associated with storm damage clean-up, collections and</i>			
Opening Balance	203,332	204,032	196,332
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	4,100	5,850	7,000
Transfer from Reserve	-	-	-
	207,432	209,882	203,332
Employee Provisions			
<i>To be used to cash-back the employees' sick, annual and long-service leave entitlements liability.</i>			
Opening Balance	7,115,008	6,642,158	6,089,708
Transfer to Reserve - Municipal Funds	846,644	300,000	820,900
Transfer to Reserve - Interest Earnings	142,300	181,940	204,400
Transfer from Reserve	-	-	-
	8,103,952	7,124,098	7,115,008
Freehold Sales Capital Works			
<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	134,036	134,036	129,436
Transfer to Reserve - Municipal Funds	-	211,500	-
Transfer to Reserve - Interest Earnings	2,700	10,450	4,600
Transfer from Reserve	-	-	-
	136,736	355,986	134,036
Future Community Facilities			
<i>To be used to assist in the research, planning and construction of future Community Facilities.</i>			
Opening Balance	712,400	715,100	687,800
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	14,200	20,510	24,600
Transfer from Reserve	-	-	-
	726,600	735,610	712,400
Future Project Funding			
<i>To be used to fund future capital works projects considered in excess of the City's normal funding</i>			
Opening Balance	8,082,633	7,112,463	10,049,063
Transfer to Reserve - Municipal Funds	6,799,403	3,000	4,109,570
Transfer to Reserve - Interest Earnings	161,700	188,580	372,800
Transfer from Reserve	(1,790,400)	(1,829,435)	(6,448,800)
	13,253,336	5,474,608	8,082,633
Future Recreation Facilities			
<i>To be used to assist in the research, planning and construction of future recreation facilities.</i>			
Opening Balance	199,700	199,600	192,800
Transfer to Reserve - Municipal Funds	15,600	67,500	-
Transfer to Reserve - Interest Earnings	4,000	5,920	6,900
Transfer from Reserve	-	-	-
	219,300	273,020	199,700
History of the District			
<i>To be used to assist in the research, planning and construction of future recreation facilities.</i>			
Opening Balance	33,340	31,650	30,550
Transfer to Reserve - Municipal Funds	-	-	1,690
Transfer to Reserve - Interest Earnings	700	910	1,100
Transfer from Reserve	-	-	-
	34,040	32,560	33,340
Land Acquisition			
<i>To be used to assist in future acquisitions of land for investment or works requirement.</i>			
Opening Balance	422,536	422,236	407,936
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	8,500	12,380	14,600
Transfer from Reserve	-	-	-
	431,036	434,616	422,536
Mobile Bin Program			
<i>To be used to assist in the purchase and replacement of the City's Mobile Garbage Bins.</i>			
Opening Balance	1,797,608	1,804,408	1,735,508
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	36,000	51,760	62,100
Transfer from Reserve	-	-	-
	1,833,608	1,856,168	1,797,608



City of Armadale
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14 Reserves - Cash Backed (continued)	2015 Actual \$	2015 Budget \$	2014 Actual \$
North Forrestdale DCP 3			
<i>To be used to fund common infrastructure works as identified in the Development Contribution</i>			
Opening Balance	29,278,802	29,482,375	19,824,242
Transfer to Reserve - Municipal Funds	4,593,700	4,311,190	8,745,560
Transfer to Reserve - Interest Earnings	732,000	845,770	709,000
Transfer from Reserve	-	-	-
	34,604,502	34,639,335	29,278,802
North Forrestdale SAR Asset Renewal			
<i>To be used to assist in the renewal of assets associated with North Forrestdale Estates covered by Specified Area Rating.</i>			
Opening Balance	2,053,620	2,064,261	1,513,520
Transfer to Reserve - Municipal Funds	457,200	360,800	486,000
Transfer to Reserve - Interest Earnings	41,100	74,270	54,100
Transfer from Reserve	-	-	-
	2,551,920	2,499,331	2,053,620
Plant and Machinery			
<i>To be used to assist in the purchase and replacement of the City's Plant and Machinery</i>			
Opening Balance	2,751,188	2,635,788	1,997,988
Transfer to Reserve - Municipal Funds	1,924,300	1,398,400	1,850,000
Transfer to Reserve - Interest Earnings	55,000	125,670	71,500
Transfer from Reserve	(2,306,100)	(1,901,314)	(1,168,300)
	2,424,388	2,258,544	2,751,188
Portable Long Service Leave			
<i>To be used to assist in financing the City's Portable Long Service Leave liability.</i>			
Opening Balance	229,892	248,892	221,992
Transfer to Reserve - Municipal Funds	15,000	15,000	-
Transfer to Reserve - Interest Earnings	4,600	7,140	7,900
Transfer from Reserve	-	-	-
	249,492	271,032	229,892
Revolving Energy			
<i>To be used to assist in establishing energy efficient management techniques and practices.</i>			
Opening Balance	-	-	87,572
Transfer to Reserve - Municipal Funds	57,000	-	-
Transfer to Reserve - Interest Earnings	-	-	3,100
Transfer from Reserve	-	-	(90,672)
	57,000	-	-
Strategic Asset Investments			
<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	98,944	80,544	1,524,944
Transfer to Reserve - Municipal Funds	-	493,500	-
Transfer to Reserve - Interest Earnings	2,000	2,310	54,500
Transfer from Reserve	-	-	(1,480,500)
	100,944	576,354	98,944
Waste Management			
<i>To be used to assist in the management and future provisioning of the City's Waste Management Sites.</i>			
Opening Balance	6,264,212	6,443,982	5,644,112
Transfer to Reserve - Municipal Funds	439,200	701,000	418,300
Transfer to Reserve - Interest Earnings	125,300	142,330	201,800
Transfer from Reserve	-	(1,163,300)	-
	6,828,712	6,124,012	6,264,212
Workers Compensation			
<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	358,548	356,348	459,148
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	7,200	16,940	16,400
Transfer from Reserve	-	-	(117,000)
	365,748	373,288	358,548



City of Armadale
Notes to, and forming part of, the Financial Report
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14 Reserves - Cash Backed (continued)	2015 Actual \$	2015 Budget \$	2014 Actual \$
Works Contributions			
<i>To be used to fund works utilising contributions received from developers, generally pursuant to conditions of development approval.</i>			
Opening Balance	581,464	583,264	561,364
Transfer to Reserve - Municipal Funds	-	-	-
Transfer to Reserve - Interest Earnings	11,600	17,050	20,100
Transfer from Reserve	-	-	-
	593,064	600,314	581,464
Total Reserves			
Opening Balance	61,598,480	60,445,970	53,478,731
Transfer to Reserves - Municipal Funds	15,192,347	7,899,390	16,466,020
Transfer to Reserves - Interest Earnings	1,378,500	1,747,000	1,912,500
Transfer from Reserves	(4,096,500)	(4,894,049)	(10,258,772)
	74,072,827	65,198,311	61,598,480
15 Revaluation Surplus			
	2015 Actual \$	2014 Actual \$	
Land			
Opening Balance as at 1 July 2014	97,065,722	-	
Revaluation Increment	7,600,000	97,065,722	
	104,665,722	97,065,722	
Buildings			
Opening Balance as at 1 July 2014	45,731,715	8,451,748	
Revaluation Increment / (Decrement)	1,449,500	37,279,967	
	47,181,215	45,731,715	
Plant and Machinery			
Opening Balance as at 1 July 2014	1,602,866	2,166,117	
Revaluation Increment / (Decrement)	-	(563,251)	
	1,602,866	1,602,866	
Roads			
Opening Balance as at 1 July 2014	-	-	
Revaluation Increment	290,266,960	-	
	290,266,960	-	
Drainage			
Opening Balance as at 1 July 2014	-	-	
Revaluation Increment	251,572,914	-	
	251,572,914	-	
Pathways			
Opening Balance as at 1 July 2014	-	-	
Revaluation Increment	34,438,292	-	
	34,438,292	-	
Parks and Gardens			
Opening Balance as at 1 July 2014	-	-	
Revaluation Increment	7,772,333	-	
	7,772,333	-	
Waste Infrastructure			
Opening Balance as at 1 July 2014	-	-	
Revaluation Increment	2,578,842	-	
	2,578,842	-	
Landfill Cell			
Opening Balance as at 1 July 2014	-	-	
Revaluation Increment	5,493,569	-	
	5,493,569	-	
Other Infrastructure			
Opening Balance as at 1 July 2014	-	-	
Revaluation Increment	965,088	-	
	965,088	-	
SUMMARY OF REVALUATION SURPLUS:			
Opening Balance as at 1 July 2014	144,400,304	10,617,865	
Revaluation Increment / Decrement	602,137,497	133,782,439	
Total Revaluation Surplus	746,537,800	144,400,304	



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16 Notes to the Statement of Cash Flows	2015	2014
	Actual	Actual
	\$	\$
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 Cash and Cash Equivalents	89,725,812	72,384,646
b) Reconciliation of Net Cash Provided by Operating Activities to Net Result		
Net Result	18,451,428	24,550,788
Depreciation	17,446,183	11,472,262
(Profit) / Loss on Sale of Asset	(1,985,349)	(242,744)
Impairment of Building Asset	1,016,201	-
(Increase) / Decrease in Investments	(257,208)	-
(Increase) / Decrease in Receivables	4,345,304	(2,485,524)
(Increase) / Decrease in Inventories	34,144	6,271
Increase / (Decrease) in Payables	(1,196,851)	1,405,782
Increase / (Decrease) in Employee Provisions	183,420	1,024,930
Grants and Contributions for Asset Development	(9,150,998)	(14,014,904)
Net Cash from Operating Activities	28,886,274	21,716,862
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	106,000	106,000
Loan Facilities		
Loan Facilities - Current	1,636,495	5,806,547
Loan Facilities - Non-Current	30,484,307	15,158,003
Total Facilities in Use at Balance Date	32,120,803	20,964,550
Unused Loan Facilities at Balance Date	-	-
17 Contingent Liabilities		
The City had no contingent liabilities for the year ended 30 June 2015.		
18 Capital and Leasing Commitments		
(a) Operating Lease Commitments	2015	2014
	Actual	Actual
	\$	\$
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	18,032	-
- later than one year but not later than five years	24,869	-
- later than five years	17,998	-
	60,899	-
(b) Capital Expenditure Commitments	2015	2014
	Actual	Actual
	\$	\$
Contracted for:		
- capital expenditure projects	2,472,933	256,784
- plant and machinery purchases	188,972	-
	2,661,905	256,784
Payable:		
- not later than one year	2,661,905	256,784

The capital expenditure projects outstanding at the end of the current reporting period is represented by the following expenditure groups;

Group	Amount
Drainage	97,298
Land / Buildings	345,174
Parks	786,953
Pathways	89,576
Plant / Machinery	188,972
Roads	1,153,932



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19 Trust Funds	Balance 1 July 2014 \$	Amounts Received \$	Amounts Paid \$	Balance 30 June 2015 \$
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	2,072,535	577,588	-	2,650,123
Cash in Lieu - POS - Agreements	92,691	3,147	-	95,838
Cash in Lieu - POS - Heron	141,012	4,788	-	145,800
Cash in Lieu - POS - Jarrah	160,240	5,440	-	165,680
Cash in Lieu - POS - Lake	901,150	25,900	(231,451)	695,599
Cash in Lieu - POS - Palomino	476,000	-	(476,000)	-
Cash in Lieu - POS - Minnowarra	8,925	303	-	9,228
Cash in Lieu - POS - Neerigen	446,741	5,996	(107,383)	345,354
Cash in Lieu - POS - River	17,956	610	-	18,566
Cash in Lieu of Footpaths	298,062	48,032	-	346,094
Cash in Lieu of Parking	194,729	6,610	-	201,339
Contractors Deposits	6,052,221	1,209,435	(348,794)	6,912,862
Hall and Key Deposits	121,448	53,010	(49,742)	124,716
Sexty Reserve Agreement	-	72,881	-	72,881
Cash in Lieu - POS - Flematti Res 49251	-	231,448	-	231,448
Kerb Deposits	1,561,829	123,638	(17,576)	1,667,891
POS - Precinct A - Westfield	821,548	11,017	(495,201)	337,364
POS - Precinct B - Seville Grove	32,866	1,280	-	34,146
POS - Precinct C - West Armadale	-	209,816	-	209,816
POS - Precinct E - Mount Richon	235,958	8,010	-	243,968
POS - Precinct F - Clifton Hills	339,066	374,179	-	713,245
POS - Precinct G - Creyk	468,517	6,294	(2,725)	472,086
POS - Precinct H - Mount Nasura	606,381	20,584	-	626,965
POS - Precinct O - Palomino	63,546	2,158	-	65,704
POS - Regional Recreation Infrastructure	2,497,168	588,983	-	3,086,151
Rates in Suspense	43,267	8,801	(562)	51,506
SEMACC Lease Liability	10,525	-	-	10,525
Town Planning Bonds	594,988	-	-	594,988
Environmental Bond Urban SP South-Piara	192,651	37,340	-	229,991
DCP No3 Item 11A Keane Road Construction	34,853	-	-	34,853
	18,486,874	3,637,288	(1,729,434)	20,394,728

20 Total Assets Classified by Function and Activity	2015 Actual \$	2014 Actual \$
General Purpose Funding	91,564,777	21,368,959
Governance	97,444,669	105,800,729
Law, Order and Public Safety	530,642	472,574
Health	3,135	5,385
Community Amenities	778,952	13,292,096
Recreation and Culture	150,040,125	144,033,837
Transport	798,389,198	205,813,597
Economic Services	7,926	9,613
Other Property and Services	-	13,942,387
	1,138,759,424	504,739,177



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	Net Book Value		Sale Price		Profit / (Loss)	
	Actual	Budget	Actual	Budget	Actual	Budget
			\$	\$	\$	\$
21 Disposal of Assets						
Land and Buildings						
Governance	-	-	1,830,542	-	1,830,542	-
POS Land Sales	280,000	705,000	794,545	705,000	514,545	-
Total Land and Buildings	280,000	705,000	2,625,087	705,000	2,345,087	-
Plant and Machinery						
Community Amenities	370,729	259,100	225,427	227,600	(145,302)	(31,500)
Economic Services	53,884	22,600	53,283	28,800	(602)	6,200
Education and Welfare	32,815	-	33,362	-	547	-
Governance	32,271	142,200	37,712	140,900	5,441	(1,300)
Law Order and Public Safety	21,021	57,000	14,545	65,900	(6,476)	8,900
Other Property and Services	146,053	-	119,814	-	(26,239)	-
Recreation and Culture	300,656	213,900	252,619	242,800	(48,037)	28,900
Transport	401,585	328,100	262,515	280,200	(139,071)	(47,900)
Total Plant and Machinery	1,359,014	1,022,900	999,276	986,200	(359,738)	(36,700)
Total Disposal of Assets	1,639,014	1,727,900	3,624,363	1,691,200	1,985,349	(36,700)
					Profit on Asset Disposals	44,000
					Loss on Asset Disposals	(80,700)
						1,985,349
						(36,700)

22 Financial Ratios

	2015	2014	2013
Current Ratio	2.54	1.43	1.72
Asset Sustainability Ratio	0.82	1.04	1.26
Debt Service Cover Ratio	4.11	4.18	10.19
Operating Surplus Ratio	0.13	0.15	0.12
Own Source Revenue Coverage Ratio	0.91	0.92	0.88

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	=	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

22 Financial Ratios continued

The following information relates to those ratios which only require an attestation they have been checked and supported by verifiable information.

	2015	2014	2013
Asset Consumption	0.76	0.71	0.70
Asset Renewal Funding	0.57	0.95	0.90

The above ratios are calculated as follows -

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



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23 Information on Borrowings

a) Repayment - Debentures (actual)	Loan Type	Principal 1 July 2014	New Loans	Principal Repayments Actual	Principal 30 June 2015 Actual	Interest Repayments Actual
Particulars		\$	\$	\$	\$	\$
Governance						
285 Temporary Administration 2005	Debenture	61,747	-	61,747	-	2,363
292 Loan Borrowings 2008	Debenture	389,082	-	31,916	357,166	27,786
295 Old Library Conversion 2009	Debenture	466,770	-	66,957	399,814	26,403
296 Loan Borrowings 2009	Debenture	414,990	-	30,200	384,790	27,587
298 Loan Borrowings 2010	Debenture	366,748	-	52,609	314,139	20,745
306 Loan Borrowings 2011	Debenture	509,740	-	61,173	448,567	27,992
316 Orchard House 2014	Debenture	3,500,000	-	107,684	3,392,316	165,874
318 Orchard House 2015	Debenture	-	10,700,000	-	10,700,000	158,712
Recreation and Culture						
284 Rushton Park 2006	Debenture	80,554	-	39,044	41,510	4,393
286 Kelmscott Library 2005	Debenture	12,732	-	12,732	-	487
291 Aquatic Works 2008	Debenture	415,590	-	17,924	397,666	29,849
294 Armadale Library Relocation 2009	Debenture	733,496	-	105,218	628,279	41,490
299 Aquatic Centre Upgrade 2010	Debenture	789,570	-	51,950	737,620	47,986
300 Frye Park Redevelopment 2010	Debenture	306,735	-	44,000	262,735	17,350
302 Aquatic Cntr Upgrade 2012	Debenture	1,305,485	-	45,822	1,259,663	77,828
304 Frye Park Redevelopment 2011	Debenture	974,092	-	34,190	939,902	58,072
305 Piara Waters (North) 2011	Debenture	999,529	-	59,330	940,200	57,906
307 Equestrian Facilities 2012	Debenture	223,635	-	71,909	151,726	7,311
311 Aquatic Centre Upgrade 2012	Debenture	1,496,015	-	55,552	1,440,464	66,331
314 Oval Lighting Renewal	Debenture	-	900,000	-	900,000	512
Transport						
290 ARA Projects 2008	Debenture	105,084	-	23,517	81,568	7,245
297 Abbey Road Land 2010	Debenture	4,552,800	-	4,552,800	-	253,035
303 Civil Works	Debenture	260,156	-	31,221	228,935	14,286
317 Abbey Road Project 2014	Debenture	3,000,000	-	249,056	2,750,944	118,114
320 Abbey Road Project Refinance 2015	Debenture	-	4,552,800	-	4,552,800	2,329
321 Armadale Arena Roofing 2015	Debenture	-	810,000	-	810,000	461
		20,964,552	16,962,800	5,806,547	32,120,803	1,262,445

**All Loans are with the Western Australian Treasury Corporation

b) Repayment - Debentures (budget)	Loan Type	Principal 1 July 2014	New Loans	Principal Repayments Budget	Principal 30 June 2015 Budget	Interest Repayments Budget
Particulars		\$	\$	\$	\$	\$
Governance						
285 Temporary Administration 2005	Debenture	61,747	-	61,747	-	2,670
292 Loan Borrowings 2008	Debenture	389,082	-	31,900	357,170	27,800
295 Old Library Conversion 2009	Debenture	466,770	-	67,000	399,770	26,500
296 Loan Borrowings 2009	Debenture	414,990	-	30,200	384,790	27,600
298 Loan Borrowings 2010	Debenture	366,748	-	52,600	314,150	20,800
306 Loan Borrowings 2011	Debenture	509,740	-	61,200	448,540	28,100
316 Orchard House 2014	Debenture	3,500,000	-	107,680	3,392,320	166,000
318 Orchard House 2015	Debenture	-	10,700,000	241,150	10,458,850	398,250
Recreation and Culture						
284 Rushton Park 2006	Debenture	80,554	-	39,000	41,555	4,400
286 Kelmscott Library 2005	Debenture	12,732	-	12,732	-	600
291 Aquatic Works 2008	Debenture	415,590	-	17,900	397,690	29,900
294 Armadale Library Relocation 2009	Debenture	733,496	-	105,200	628,296	41,700
299 Aquatic Centre Upgrade 2010	Debenture	789,570	-	51,900	737,670	48,100
300 Frye Park Redevelopment 2010	Debenture	306,735	-	44,000	262,734	17,400
302 Aquatic Cntr Upgrade 2012	Debenture	1,305,485	-	45,800	1,259,685	77,900
304 Frye Park Redevelopment 2011	Debenture	974,092	-	34,200	939,893	58,100
305 Piara Waters (North) 2011	Debenture	999,529	-	59,300	940,229	58,000
307 Equestrian Facilities 2012	Debenture	223,635	-	71,900	151,736	7,400
311 Aquatic Centre Upgrade 2012	Debenture	1,496,015	-	55,600	1,440,415	66,400
314 Oval Lighting Renewal	Debenture	-	900,000	-	900,000	-
Transport						
290 ARA Projects 2008	Debenture	105,084	-	23,500	81,584	7,200
297 Abbey Road Land 2010	Debenture	4,552,800	-	4,552,800	-	260,900
303 Civil Works	Debenture	260,156	-	31,200	228,956	14,300
317 Abbey Road Project 2014	Debenture	3,000,000	-	249,060	2,750,940	118,420
320 Abbey Road Project Refinance 2015	Debenture	-	4,552,800	-	4,552,800	-
321 Armadale Arena Roofing 2015	Debenture	-	810,000	-	810,000	-
		20,964,552	16,962,800	6,047,570	31,879,773	1,508,440



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23 Information on Borrowings (continued)

c) New Debentures - 2014/15

Particulars

	Amount Borrowed	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used	Balance Unspent
	Actual					Actual	
	\$			\$		\$	\$
318 Orchard House	10,700,000	Debenture	20	158,712	3.53%	10,700,000	-
308 Armadale Hall Upgrade	-	Debenture	10	-	-	-	-
312 Harrisdale (East) Playing Fields	-	Debenture	5	-	-	-	-
313 Kelmscott Library Stage 1	-	Debenture	10	-	-	-	-
314 Oval Lighting Renewal	900,000	Debenture	10	512	3.47%	900,000	-
315 Armadale Golf Course	-	Debenture	10	-	-	-	-
320 Abbey Road Project Refinance	4,552,800	Debenture	5	2,329	3.12%	4,552,800	-
321 Armadale Arena Roofing	810,000	Debenture	10	461	3.47%	810,000	-
	16,962,800			162,014		16,962,800	-

	Amount Borrowed	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used	Balance Unspent
	Budget					Budget	
	\$			\$		\$	\$
318 Orchard House	10,700,000	Debenture	20	158,712	3.53%	10,700,000	-
308 Armadale Hall Upgrade	722,000	Debenture	10	-	-	722,000	-
312 Harrisdale (East) Playing Fields	500,000	Debenture	5	-	-	500,000	-
313 Kelmscott Library Stage 1	800,000	Debenture	10	-	-	800,000	-
314 Oval Lighting Renewal	900,000	Debenture	10	512	3.47%	900,000	-
315 Armadale Golf Course	544,000	Debenture	10	-	-	544,000	-
320 Abbey Road Project Refinance	4,552,800	Debenture	5	2,329	3.12%	4,552,800	-
321 Armadale Arena Roofing	1,000,000	Debenture	10	461	3.47%	1,000,000	-
	19,718,800			162,014		19,718,800	-

** All new loans are planned or have been taken out with the Western Australian Treasury Corporation

d) Unspent Debentures

The City had no unspent debentures at 30 June 2015.

e) Overdraft Facilities

The City did not utilise an overdraft during the 2014 - 2015 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 2014 and 30 June 2015 was nil.



City of Armadale
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24 Rating Information

a) Rating Information (Budget)	Rate in \$	Property Numbers	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$
Rate Type						
Gross Rental Value Lands						
Group 1 - Vacant	14.924	1,140	24,296,730	3,626,040	-	3,626,040
Group 2 - Residential Improved	7.6270	22,311	426,187,753	32,505,340	869,990	33,375,330
Group 3 - Business Improved	8.3160	587	72,580,542	6,035,800	-	6,035,800
Unimproved Value Lands	0.3945	136	209,962,000	828,300	-	828,300
Sub-Total		24,174	733,027,025	42,995,480	869,990.00	43,865,470
Minimum Payments						
Gross Rental Value Lands						
Group 1 - Vacant	1,030	1,797	9,705,108	1,850,910	-	1,850,910
Group 2 - Residential Improved	1,030	4,179	50,843,132	4,304,370	-	4,304,370
Group 3 - Business Improved	1,200	274	2,958,094	328,800	-	328,800
Unimproved Value Lands	1,235	13	3,153,514	16,050	-	16,050
Sub-Total		6,263	66,659,848	6,500,130	-	6,500,130
General Rates Raised		30,437	799,686,873	49,495,610	869,990	50,365,600
Rate Equivalent Payments and Adjustments						-
Specified Area Rates						703,100
Total						51,068,700
b) Rating Information (Actual)						
Rate Type						
Gross Rental Value Lands						
Group 1 - Vacant	14.924	1,124	24,032,251	3,586,573	-	3,586,573
Group 2 - Residential Improved	7.6270	22,501	429,880,346	32,810,863	1,193,535	34,004,398
Group 3 - Business Improved	8.3160	605	73,196,848	6,088,167	-	6,088,167
Unimproved Value Lands	0.3945	136	209,962,000	828,300	23,321	851,621
Sub-Total		24,366	737,071,445	43,313,903	1,216,856	44,530,759
Minimum Payments						
Gross Rental Value Lands						
Group 1 - Vacant	1,030	2,089	11,350,030	2,151,670	-	2,151,670
Group 2 - Residential Improved	1,030	4,153	50,706,464	4,277,590	-	4,277,590
Group 3 - Business Improved	1,200	272	2,931,923	326,400	-	326,400
Unimproved Value Lands	1,235	12	3,115,000	14,820	-	14,820
Sub-Total		6,526	68,103,417	6,770,480	-	6,770,480
General Rates Raised		30,892	805,174,862	50,084,383	1,216,856	51,301,239
Rate Equivalent Payments and Adjustments						25,406
Specified Area Rates						710,723
Rates In Advance						530,347
Total						52,567,715



City of Armadale
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24 Rating Information (continued)	Rate in \$	Property Numbers #	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$
a) Specified Area Rates (Budget)						
Rate Type						
Specified Area Rate - GRV						
A - Armadale CBD	0.372	90	30,453,249	113,300	-	113,300
B - Kelmscott CBD	0.933	90	8,092,116	75,500	-	75,500
C - Kelmscott Industry	0.171	336	11,078,364	18,900	-	18,900
D - S Armadale Industry	0.365	129	5,913,245	21,600	-	21,600
E - Shopping Precincts	0.713	6	3,002,911	21,400	-	21,400
F - North Forrestdale	0.815	2,351	53,453,870	435,500	-	435,500
G - Champion Lakes	0.563	229	3,002,690	16,900	-	16,900
Total		3,231	114,996,445	703,100	-	703,100
b) Specified Area Rates (Actual)						
Rate Type						
Specified Area Rate - GRV						
A - Armadale CBD	0.372	91	30,487,673	113,400	-	113,400
B - Kelmscott CBD	0.933	90	8,092,116	75,500	-	75,500
C - Kelmscott Industry	0.171	336	11,008,030	18,800	-	18,800
D - S A'dale Industry	0.365	130	5,987,109	21,900	-	21,900
E - Shopping Precincts	0.713	6	3,002,911	21,400	-	21,400
F - North Forrestdale	0.815	2,352	54,209,896	441,800	(2,536)	439,264
G - Champion Lakes	0.563	230	3,849,441	21,700	(1,241)	20,459
Total		3,235	116,637,176	714,500	(3,777)	710,723

In the 2014 - 2015 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.

25 Service Charges

No service charges were imposed for the 2014 - 2015 financial year. As such, no transfer to, or from, Reserve Accounts has occurred.

26 Discounts, Incentives, Concessions and Write-Offs

Discounts

No discounts were offered in the 2014 - 2015 financial year.

Incentives

Four rate payment incentives were offered in the 2014 - 2015 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

During the 2014 - 2015 year the City of Armadale issued rates concessions to 124 rate payers. The total of rates concessions applied was \$23,700.

Write-Offs

The following write-offs were made during the 2014 - 2015 financial year -

Rates	\$
General	76,347
Infringements	-
	<u>68,279</u>
	<u>144,626</u>



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27 Interest Charges and Instalments

Particulars	Interest Rate %	Admin Charge \$	Actual Revenue \$	Budgeted Revenue \$
Interest on late paid rates	11	-	161,460	145,000
Interest on instalment plans	5.5	-	207,288	181,000
Interest on Emergency Services Levy (ESL)	11	-	12,724	9,000
Charges on instalment plans (per payment)	-	7.00	186,008	142,500
Charges on special arrangements	-	44.00	3,830	4,000
			571,310	481,500

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.

28 Fees and Charges

	2015 Actual \$	2014 Actual \$
General Purpose Funding	522,801	526,546
Governance	13,250	2,542
Law, Order and Public Safety	683,377	675,398
Health	229,592	154,467
Education and Welfare	5,927	5,937
Community Amenities	12,258,758	10,543,538
Recreation and Culture	1,495,809	1,413,158
Transport	846,680	1,168,696
Economic Services	1,472,546	1,307,590
Other Property and Services	273,864	265,565
	17,802,604	16,063,436

29 Grant, Subsidies and Contributions Revenue

By Nature or Type

Operating Grants, Subsidies and Contributions	17,814,470	16,185,043
Non-Operating Grants, Subsidies and Contributions	9,150,998	14,014,904
	26,965,468	30,199,945

By Program

General Purpose Funding	3,289,470	1,090,520
Governance	54,146	6,378
Law, Order and Public Safety	344,546	188,877
Health	35	3,129
Education and Welfare	373,684	511,008
Community Amenities	11,742,201	13,716,608
Recreation and Culture	2,960,689	3,198,102
Transport	8,164,410	11,452,432
Economic Services	36,285	32,892
	26,965,467	30,199,945

30 Events after the Reporting Period

There have been no significant events of a material nature to report since the end of the financial year.

31 Employee Numbers

	2015	2014
Number of Full-Time Equivalent Employees at Balance Date	345.1	330.1



City of Armadale
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32 Councillors' Fees and Allowances

The following fees, expenses and allowances were paid to Council Members and / or the Mayor:	2015 Actual \$	2015 Budget \$	2014 Actual \$
Members Allowance	448,050	401,700	452,110
Mayoral Allowance	87,550	133,900	95,000
Deputy Mayoral Allowance	21,890	21,890	23,750
Travelling Allowance	10,618	10,500	8,096
Communication Reimbursement	12,324	15,540	12,782
Child Minding Reimbursement	-	5,000	-
Information Technology Allowance	49,000	49,000	56,210
Vehicle Operation - Mayor	14,991	12,000	12,289
	644,423	649,530	660,236

33 Major Land Transactions

No major land transactions occurred during the 2014 -2015 Financial Year.

34 Major Trading

No major trading undertakings occurred during the 2014 -2015 Financial Year.

35 Fair Value Measurement

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

- Land
- Buildings
- Plant and Machinery
- Furniture and Fittings
- Roads
- Drainage
- Pathways
- Parks and Reserves
- Waste Infrastructure
- Landfill Cell

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-15			Total
		Level 1	Level 2	Level 3	
Non-Financial Assets					
Land	6	-	111,766,000	-	111,766,000
Buildings	6	-	-	91,707,169	91,707,169
Furniture and Fittings	6	-	647,515	-	647,515
Plant & Machinery	6	-	8,340,624	-	8,340,624
Roads	7	-	-	446,978,108	446,978,108
Drainage	7	-	-	275,025,906	275,025,906
Pathways	7	-	-	40,722,141	40,722,141
Parks and Reserves	7	-	-	37,399,402	37,399,402
Other Infrastructure	7	-	-	965,088	965,088
Waste Infrastructure	7	-	-	2,578,839	2,578,839
Landfill Cell	8	-	-	5,493,569	5,493,569
Total non-financial assets recognised at fair value on a		-	120,754,139	900,870,222	1,021,624,365

	Note	30-Jun-14			Total
		Level 1	Level 2	Level 3	
Non-Financial Assets					
Land	6	-	104,446,000	-	104,446,000
Buildings	6	-	-	71,832,488	71,832,488
Plant & Equipment	6	-	7,570,018	-	7,570,018
Furniture and Fittings	6	-	406,807	-	406,807
Total non-financial assets recognised at fair value on a recurring basis		-	112,422,825	71,832,488	184,255,313



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35 Fair Value Measurement (continued)

(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.

Non-Financial Assets

Asset	Level of Valuation Input	Fair Value at 30 June 2015	Valuation Technique(s)	Inputs Used	
Land	2	111,766,000	Market approach	Price per square metre	
Buildings	3	91,707,169	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.	
Furniture and Fittings	2	647,515	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.	
Plant and Machinery	2	8,340,624	Cost and Market approach	Make, size, year of manufacture and condition, Residual value on typical operating condition.	
Roads	3	446,978,108	Cost Approach	Seal	Price per square metre. Estimated residual value. Useful life. Fair value based on combination of age and condition.
				Sub-Grade / Pavement	Price per square metre. No residual value. Useful life. Fair value based on age.
				Kerbing	Price per metre. No residual value, Useful life. Fair Value based on age.
Drainage	3	275,025,906	Cost Approach	Price per metre / unit . No residual value. Useful life. Fair Value based on age.	
Pathways	3	40,722,141	Cost Approach	Price per square meter. No residual value. Useful life. Fair Value based on age.	
Parks and Reserves	3	37,399,402	Cost Approach	Price per metre, square metre, unit. No residual value. Fair Value based on a combination of condition and age. Calculations based on age, useful life and remaining useful life.	
Other Infrastructure	3	965,088	Cost Approach	Price per unit . No residual value. Useful life. Fair Value based on age.	
Waste Infrastructure	3	2,578,839	Cost Approach	Price per metre, square metre, unit. No residual value. Fair Value based on a combination of condition and age. Calculations based on age, useful life and remaining useful life.	
Landfill Cell	3	5,493,569	Cost Approach	Price per hectare.	

TOTAL

1,021,624,365



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35 Fair Value Measurement (continued)

Recurring 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.

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.

Roads

All roads, kerbs and car park valuations were performed by an external Professional Civil Engineer with the Assistance of the Cities Senior Asset Engineer (Qualified Civil Engineer). Level 3 valuation inputs were used to value the road surface, sub surface, pavement and kerbing. A cost approach were used which were based on actual construction unit rates currently utilised by the City Operations Team. Unit rates are based on price per square metre. Unit rates are inclusive of material, labour, machinery, traffic management and supervision cost.

Drainage

Drainage valuations were performed by an external Professional Civil Engineer (Australian Infrastructure Management) with the Assistance of the Cities Senior Asset Engineer (Qualified Civil Engineer). Level 3 valuation inputs were used to value the pits, pipes and open drains. A cost approach were followed which were based on Industry Standard rates as prescribed by the Rawlinsons Construction Handbook. Unit rates are based on either price per linear metre or per component.

Pathways

Pathway valuations were performed by an external Professional Civil Engineer (Australian Infrastructure Management) with the Assistance of the Cities Senior Asset Engineer (Qualified Civil Engineer). Level 3 valuation inputs were used to value paths. A cost approach were followed which were based on actual construction unit rates currently utilised by the Cities Operations Team. Unit rates are based on price per square metre. Unit rates are inclusive of material, labour, machinery, traffic management and supervision cost.

Parks and Reserves, Other Infrastructure

Parks valuations were performed by an external Professional Civil Engineer (Australian Infrastructure Management). Level 3 valuation inputs were used to value parks. A cost approach were followed which were based on Industry Standard rates as prescribed by the Rawlinsons Construction Handbook as well as actual cost. Unit rates are based on either price per linear metre, square metre or component.

Waste Infrastructure

Waste infrastructure valuations were performed by an independent valuer (APV Valuers and Asset Management). Level 3 valuation inputs were used. The valuer determined an asset consumption rating scale for each asset type based on the inter-relationship between the 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.



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35 Fair Value Measurement (continued)

Recurring fair value measurements

Landfill Cell

The Landfill Cell comprises both the cells and capping and is classified as a land improvement which is recorded separate to the land. The underlying land is valued independently of the land improvements. The valuation has been determined using the cost approach. This included disaggregating the overall land improvements into a range of different components based on each component providing a different purpose and as a result exhibiting a different useful life. Day to day operating costs (such as minor maintenance and monitoring) has been excluded from the valuation. To provide consistency, any associated day to day revenues have also been excluded from the valuation.

Observable inputs to the valuation included the dimensions and design of the asset, the average unit rate for similar construction based on recent projects undertaken by the entity and the amount of remaining life of the site. This has been based on council's statutory requirement to continue monitoring the site post complete consumption of the landfill. All calculations assume a zero residual value and a constant pattern of consumption. The approach applied for each component was;

- Cost to prepare site - based on current costs and depreciate to nil over remaining life of site. These costs were negligible and therefore have not been included as a separate component.
- Cost to prepare each cell - based on current cost and depreciated to nil as cell is filled.

Where the council has an obligation for future rehabilitation or remediation such costs estimates are discounted to current costs, reported as a liability and also recognised as part of the value of the landfill.

(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 2015	Valuation technique(s)	Unobservable inputs	Range of inputs (probability – weighted average)	Relationship of unobservable inputs to fair value
Buildings - \$91,707,169	Cost approach (depreciated replacement cost)	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	+/- 10%	A change of 10% would result in an increase/decrease of \$9,170,717
Roads - \$446,978,108	Cost approach (depreciated replacement cost)	Master unit rates; Consumed economic benefit/obsolescence of asset	+/- 10%	A change of 10% would result in an increase/decrease of \$44,697,811
Drainage - \$275,025,906	Cost approach (depreciated replacement cost)	Master unit rates; Consumed economic benefit/obsolescence of asset	+/- 10%	A change of 10% would result in an increase/decrease of \$27,502,591
Pathways - \$40,722,141	Cost approach (depreciated replacement cost)	Master unit rates; Consumed economic benefit/obsolescence of asset	+/- 10%	A change of 10% would result in an increase/decrease of \$4,072,214
Parks and Reserves - \$37,399,402	Cost approach (depreciated replacement cost)	Master unit rates; Consumed economic benefit /obsolescence of asset	+/- 10%	A change of 10% would result in an increase/decrease of \$3,739,940
Other Infrastructure - \$965,088	Cost approach (depreciated replacement cost)	Master unit rates; Consumed economic benefit / obsolescence of asset	+/- 10%	A change of 10% would result in an increase/decrease of \$96,509
Waste Infrastructure - \$2,578,839	Cost approach (depreciated replacement cost)	Estimated remaining life of the asset; 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 \$257,884
Landfill Cell - \$5,493,569	Cost approach (depreciated replacement cost)	Estimated remaining life of the asset; 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 \$579,357



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35 Fair Value Measurement (continued)

(e) 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	23	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.

36 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	
	2015	2014	2015	2014
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	89,725,812	72,384,646	89,725,812	72,384,646
Receivables	4,305,572	8,650,876	4,305,572	8,650,876
	94,031,384	81,035,522	94,031,384	81,035,522
Financial Liabilities				
Payables	6,046,690	7,243,540	6,046,690	7,243,540
Borrowings	32,120,803	20,964,560	20,077,803	17,319,499
	38,167,492	28,208,100	26,124,493	24,563,039

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value, which approximates net market value
- 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 3.43% (2013 / 2014 - 3.6%).

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 2015	30 June 2014
	\$	\$
Impact of a 1% movement in interest rates on Cash and Investments		
Equity	897,258	723,846
Income statement	897,258	723,846



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36 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 2015	30 June 2014
	\$	\$
Value of Rates and Annual Charges		
Current	1,208,227	24,100
Overdue - Older than 12 months	588,416	1,900
	<u>1,796,643</u>	<u>26,000</u>
Percentage of Rates and Annual Charges		
Current	67%	93%
Overdue - Older than 12 months	33%	7%
Value of Other Receivables		
Current	2,219,603	6,258,163
Overdue - Older than 30 days	330,484	289,326
	<u>2,550,087</u>	<u>6,547,489</u>
Percentage of Other Receivables		
Current	87%	96%
Overdue - Older than 30 days	13%	4%
	<u>100%</u>	<u>100%</u>

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 \$
2015					
Payables	5,899,065	147,625	-	6,046,690	6,046,690
Borrowings	3,363,914	17,799,190	18,783,052	39,946,157	32,120,803
	<u>9,262,980</u>	<u>17,946,815</u>	<u>18,783,052</u>	<u>45,992,847</u>	<u>38,167,492</u>
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>

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 2015					
Borrowings					
Fixed Rate					
Debentures	4.25	3,363,914	17,799,190	18,783,052	39,946,157
Year ended 30 June 2014					
Borrowings					
Fixed Rate					
Debentures	5.32	1,882,675	11,266,814	7,815,061	20,964,550

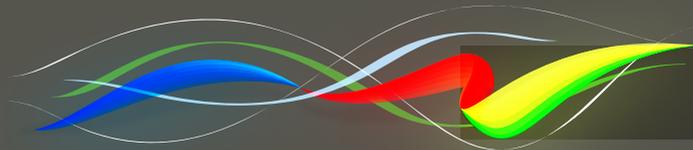


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37 Information on Surplus/(Deficit) Brought Forward

	2015	2015	2014
	(30 June 2015 Carried Forward) \$	(1 July 2015 Brought Forward) \$	(30 June 2014 Carried Forward) \$
Surplus/(Deficit)	12,001,886	11,613,584	11,613,584
Comprises:			
Cash - Unrestricted	15,588,966	10,495,780	10,495,780
Cash Restricted	74,136,846	61,888,860	61,888,860
Receivables and Accruals	3,427,830	7,781,010	7,781,010
Inventories	86,611	120,758	120,758
	93,240,253	80,286,408	80,286,408
Creditors & Accruals	(5,899,065)	(7,074,345)	(7,074,345)
Interest Bearing liabilities	(1,636,495)	(5,806,547)	(5,806,547)
Provisions	(6,809,954)	(6,602,908)	(6,602,908)
	(14,345,514)	(19,483,800)	(19,483,800)
Net Current Position (prior to adjustments)	78,894,738	60,802,608	60,802,608
Less:			
Reserves	(74,072,826)	(61,888,860)	(61,888,860)
Restricted Grants (that will not be used in the next year)	-	290,381	290,381
Restricted - Rates in Advance and Specified Area Rates	(1,266,476)	-	-
Add:			
Current Borrowings	1,636,495	5,806,547	5,806,547
Employee Reserve Cash Backed	6,809,954	6,602,908	6,602,908
	12,001,886	11,613,584	11,613,584

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