



2002/2003 ANNUAL REPORT

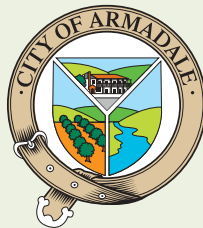




The City of Armadale logo is a simple and clear depiction of a forward-looking and progressive municipality.

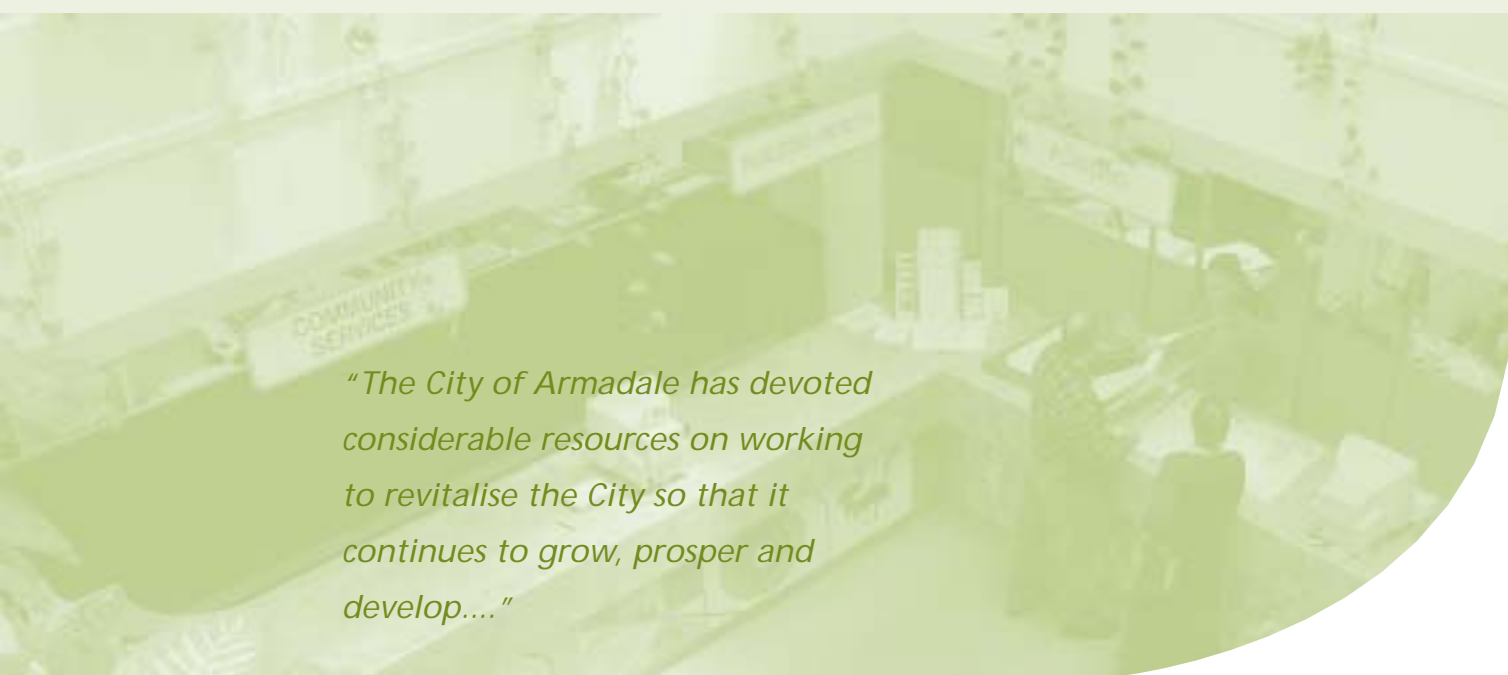
All three colours are fresh and bright reflecting a rejuvenated City. Green is representative of the natural environment and red represents the community and built environment. Blue symbolises an economic focus and the water resources of the district.

The three arcs leaping forward also depict rolling hills and symbolise a combination of elements and ideals woven together to make one unit.



The City's Civic Crest remains for use on formal and civic activities, representing the traditions, heritage and sound governance provided by the Council.

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*“The City of Armadale has devoted considerable resources on working to revitalise the City so that it continues to grow, prosper and develop....”*



## Mayor's Foreword



Over the last year we've invested considerable time and resources in developing a range of programmes to support the community and enhance the quality of life enjoyed by residents. Highlights from our community development programme include a highly successful Career Expo organised

in partnership with the Youth Advisory Committee and Armadale's High Schools, the launch of the 'Ready for Life' project involving the over-55s in developing their own community projects, and securing three more years of funding for the Aboriginal Family Support Service.

Council, with the assistance of grants from Lotterywest and the Department of Sport and Recreation, funded a major upgrade to the Armadale Recreation Centre. At the same time an innovative management partnership with the Armadale Police and Citizens Youth Club (PCYC) has been developed.

In 2002/2003 we were again pleased to deliver an outstanding events programme, which included the annual Armadale Highland Gathering in November, our ever-popular Minnowarra Festival in March and the Australia Day celebrations.

Council has maintained its commitment to the economic development of our City and we have worked with others to enhance employment opportunities, while putting into place the infrastructure that will make Armadale a more attractive location in which to do business. In particular the Armadale Redevelopment Authority (ARA) has worked with us to facilitate a number of critical redevelopment and rejuvenation projects. Plans for the redevelopment of Armadale's City centre, the Forrestdale Business Park and the Champion Lakes Regional Recreation Park are nearing completion, and development will follow shortly. Over the last year we have continued to enhance our green credentials and this year we were awarded Milestone Four of the Cities for Climate Protection programme. In addition, we are working with the ARA to find innovative solutions to water management on our western plains that will facilitate the creation of the Brookdale residential area.

During the last 12 months our planting programme brought the total number of trees planted within the City during the previous seven years to over 100,000. We also spent over \$2 million on maintaining our parks, reserves, verges and streetscapes.

Significant funding was allocated to improving and maintaining the City's roads and footpaths. In 2002/2003 this included work on a \$4 million programme to dual and extend Champion Drive to link with the Tonkin Highway extension currently under construction. Council also spent over \$400,000 on resurfacing more than 20 streets throughout the City, while a further \$300,000 was spent on the construction of new footpaths.

A challenge facing local governments is how to reduce the amount of waste going to landfill. During the reporting year we maintained our commitment to recycling and introduced a number of initiatives aimed at increasing recycling activity, such as free disposal of recyclables at our waste site and a scheme to educate residents on the need to ensure that their recycling guidelines are followed.

I would like to thank all of those who have assisted us to serve our community - in particular local elected members of State and Federal parliaments, (of all political persuasions), who have worked co-operatively with Council. Armadale MLA and Minister, Alannah MacTiernan, has been instrumental in bringing about the ARA and work on the Tonkin Highway. I thank my fellow Councillors and our dedicated staff for their noteworthy service during the course of the 2002/2003 year.

Finally, I would also like to thank the many hundreds of volunteers who work within our City, contributing valuable support to all the community groups, clubs and associations that provide services to the community and enrich the cultural, social and economic life of Armadale.

**Cr Linton Reynolds JP**  
Mayor



## Chief Executive Officer's Report



I am pleased to once again report to you on a highly successful and productive year for the City of Armadale.

One outcome of our award-winning year in 2001/2002 was a lift in community expectations. As both the City and the Armadale Redevelopment Authority move into the redevelopment phase,

there is a growing sense of anticipation. The community expects a greater range and quality of service than provided in the past and the challenge for 2002/2003 has been just how to meet those expectations within the resources available.

During the reporting year we have maintained our emphasis on developing best practice and have continued to measure our services in comparison to others. During 2002/2003 an independent market research survey indicated that 73 per cent of those surveyed were satisfied with the services provided by the Council. While this is an improvement, we can do better in future years.

The City continues to seek alternative funding solutions and grant funds were obtained for a range of projects in 2002/2003. The award-winning Neighbourhood Improvement Project, which has attracted support from the Armadale Redevelopment Authority and the Department of Housing and Works continues to deliver benefits for residents.

The City of Armadale has devoted considerable resources on working to revitalise the City so that it continues to grow, prosper and develop as a Strategic Regional Centre. Together with the State Government and the Armadale Redevelopment Authority we are bringing to life our shared vision for the district. A number of key projects have moved closer to reality, including the Armadale City Centre, the Forrestdale Business Park and Champion Lakes. In 2003, the opening of the Harvey Norman store in the City Centre is a sign of projects to come, including a multi-screen cinema, and the State Government's proposed relocation of the Armadale Railway Station to the bottom of Jull Street.

Armadale is a Regional Centre at the hub of a number of vital communities. All parts of the City need to move forward if it is to reach its true potential and in October 2002, in partnership with the Department of Planning and Infrastructure, the City organised a workshop to help develop ideas and proposals for revitalising Kelmscott's Town Centre. From that workshop the Kelmscott Enquiry by Design Strategic Plan was developed as the basis for community consultation to ensure that Kelmscott moves forward in an appropriate manner.

During 2002/2003 your Council has continued to review local ordinances and as a result the Dog Control, Fire Control and Parking Facilities local laws were gazetted. The City has also completed a total review of its Policy and Procedures Manual. Work has now begun on several other local laws including Signs, Hoardings & Bill Posting and Removal of Refuse, Rubbish & Disused Materials. In addition, the Ranger Service has been active in delivering community education programmes; helping to raise awareness of issues covering dog control, fire hazards, littering and safety around schools.

A unique partnership has been formed with the Police & Citizens Youth Club (PCYC) for the oversight of the newly extended "Armadale Arena" Recreation Centre. This partnership not only provides a better management arrangement but also encourages healthy and positive interaction between young citizens and our local Police Service.

The City's Five Year Forward Plan relies on careful financial management. In 2003, Armadale finally achieved debt-free status with the roll-off of significant loans dating back to the 80s and early 90s. This places Armadale in a better position to manage the challenges of increasing cost for basic services, as well as the expectation of a better future.

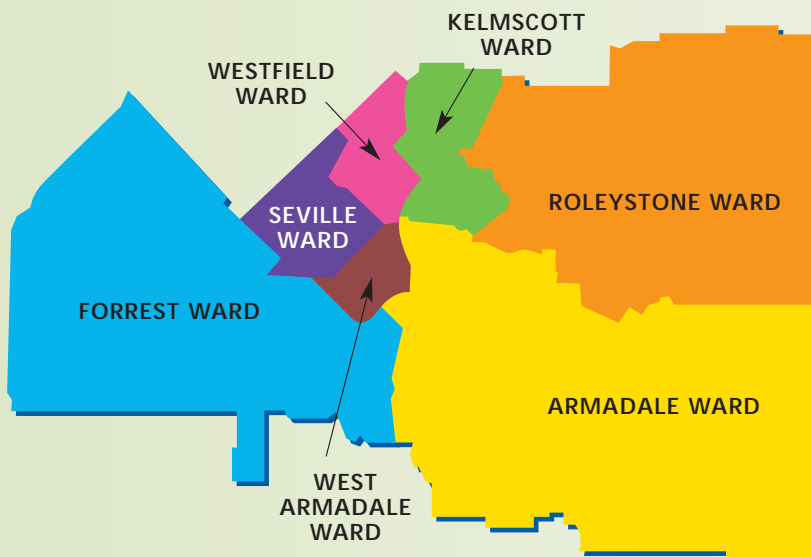
Finally, I would like to express my sincere thanks to the Council for its support and to all the staff of the City of Armadale for their continued commitment to delivering high quality service.

**Ray Tame**  
Chief Executive Officer

The City of Armadale has 14 Councillors elected to fill two positions in each of seven Wards.

The biennial Ordinary local government elections were held in May 2003 to fill one vacancy in each Ward for a four-year term. Councillors Hart, Munn and Zelones were elected unopposed and Councillors Cominelli, Reynolds, Tizard and Wallace were elected following elections in each of their Wards.

The Mayor and Deputy Mayor are elected by Council for a two-year term and Councillors Reynolds and Munn were returned as Mayor and Deputy respectively.



**Cr Frank Green**  
Armadale Ward



**Cr Bob Tizard**  
Armadale Ward



**Cr Alison Cominelli JP**  
Forrest Ward



**Cr Trudi Hodges**  
Forrest Ward



**Cr Vivienne Clowes-Hollins**  
Kelmscott Ward



**Cr Henry Zelones JP**  
Kelmscott Ward



**Cr Pat Hart**  
Roleystone Ward



**Cr Deb Hopper JP**  
Roleystone Ward



**Cr Jim Everts**  
Seville Ward



**Cr Graham Wallace**  
Seville Ward



**Cr John Knezevich**  
West Armadale Ward



**Cr Jeff Munn JP CMC**  
Deputy Mayor  
West Armadale Ward



**Cr Linton Reynolds JP**  
Mayor  
Westfield Ward



**Cr Jim Stewart**  
Westfield Ward

## COMMUNITY SERVICES

The Community Development team has grown to meet the increased needs of the diverse and growing community of Armadale. Expansion of services has been assisted by the successful acquisition of grant funds.

Major Achievements have included:

- Completion of the Community Safety Plan acknowledging the importance of a partnership approach between Local Government and the community in creating safer communities.
- Seniors Safety Forums held around the City proved popular and offered a variety of topics from fire and emergency safety to personal safety and wills.
- The inaugural Armadale Career Expo in May 2003 was a resounding success and was a joint project with Council's Youth Advisory Committee and Armadale's High Schools.
- Public performances by young people from our Primary Schools at the Armadale Shopping Centre and Jull Street Mall.
- The Aboriginal Mural on Albany Highway will be replaced as a result of consultation with, and interpretation of, our Aboriginal Elders stories of the Armadale area.
- Establishment of the Armadale Volunteer Resource Service using Council and Department for Community Development grant funding, linking volunteers and agencies at a local level, ensuring our community is able to support and help itself.
- Seniors "Ready for Life Project", an outcome from the Seniors' Action Plan, was brought to life. Seniors from our community received leadership training to help them develop their own community projects.
- Funding commitment secured for the next three years to operate the innovative Aboriginal Family Support Service.
- The award winning Neighbourhood Improvement Project continued its objective of improving and enhancing local neighbourhoods in partnership with local residents. Additional resources committed by the Armadale Redevelopment Authority will complement funds from Department for Housing and Works and Council to ensure the project continues in 2003/2004.



## Future Directions

- Review of the City's Disabilities Service Plan and Youth Policy
- Redevelopment of the A K Senior Citizens' Centre
- Finalisation of skateparks for Forrestdale and Westfield
- Working with the Armadale Redevelopment Authority and ATSIAC on developing a concept plan for the proposed Aboriginal Interpretive and Enterprise Centre at Champion Lakes.

## Libraries

The City's three libraries successfully met the challenge of continuing to provide high levels of service during a year in which significantly increased numbers of member visits and borrowings were experienced.

Highlights for the year included:

- Children's Book Council of Australia grant enabled the Library Service to engage the services of a number of authors and illustrators. Seven hundred students from local schools visited the libraries during Children's Book Week.
- Introduction of an online database of periodicals and newspapers that is available to both the City's library patrons and Council staff.
- Regular story times continued to attract younger customers, as did twelve themed school holiday activities that attracted 315 children.





### History & Heritage

Council's commitment to the City's rich history and heritage continued this year with the appointment of a full time Historian / Museum Curator, the completion of internal storage expansion at History House Museum and the launch of the Birtwistle Local Studies Library in the Old Schoolhouse, Minnowarra Precinct.

Visitor numbers continued to rise with significant increases in school and seniors' groups visiting the Minnowarra Historic Precinct in 2002/2003. During this period 17 volunteers gave 85-hours of service to the Museum and Local Studies Library.

Significant activities for the year included:

- Upgrading of the "Journey to a New Land" display.
- Creation of the Friends of History House volunteer group and establishment of an Oral History volunteer group to collect and transcribe valuable histories.

*"Building a future on the foundations of the past"*



### Ranger Services

Ranger Services continues to meet the major challenge of providing quality service to the community, which again significantly increased its number of requests for assistance (an increase of 17.5% this year following on from an increase of 20% last year).

Rangers continue to conduct school educational visits to discuss and explain issues such as fire hazard awareness, litter awareness, safety around schools, environmental responsibilities and responsible animal management. The school visits target the 11-12 year old age group and provide the students with a better understanding of the role of a local government ranger in the community.

### Animal Control

During the report period, Rangers dealt with in excess of 3,450 lost, nuisance and/or straying animal incidents, (an increase of some 70% over last year), thereby diverting a large proportion of Ranger resources to animal related issues.







### Fire Services

Volunteer Fire Brigades experienced a higher than normal amount of calls to bush/scrub fires during the 2002/2003 fire season. Due to the excellent response from members and the upgrade of resources now available to them, the volunteers have been able to deal with those incidents in a timely and effective manner, thereby reducing the potential for a major fire situation. The continued hazard reduction programme conducted throughout the City has also assisted in the prevention/avoidance of major fire situations.

### Recreation

Council's Recreation Service aims to enhance the health and well being of the City's residents by providing and facilitating a range of recreation opportunities for the local community. Some of the major achievements for the year included:

- Through a combination of Council funding and grants from Lotteries Commission (\$300,000) and the Department of Sport and Recreation (\$100,000), a major upgrade of the Armadale Recreation Centre was completed during the year. The works have considerably improved the appeal and functionality of the Centre, giving it a bright modern appearance.

After nearly two years in the planning and negotiation phase, the Armadale Police and Citizens Youth Club (PCYC) commenced management of the Centre and have introduced a range of fresh new activities.



- The City resumed direct management of its aquatic centres following two years under private management. A smooth transition of management occurred and attendances at the Armadale Aquatic Centre were up by more than 30,000 on the previous year.
- Following extensive consultation with the local community, the City's Recreation Strategic Plan was developed and adopted by Council. The plan will be used to guide the provision of recreation services and facilities in the City for the next three to five years, and contains a number of strategies aimed at creating a more active and healthy community.
- Grants totalling \$95,000 were obtained from the Department of Sport and Recreation for various projects to provide new and improved facilities for the community.
- A strategy for the future provision of aquatic facilities and services was developed, which will see Council undertake a 'Needs Assessment and Feasibility Study' for the provision of an indoor aquatic centre.



## HEALTH AND SAFETY

### Environmental Health Plan

In May 2003, Council adopted its Environmental Health Plan 2003/2008, which supplements both its Strategic and Principal Activity Plans. The Plan outlines the activities that will be undertaken to maintain public health standards and meet community needs and expectations.

### Immunisation

State and Commonwealth subsidies for schools based Hepatitis B and Meningococcal programmes, together with the continuing success of the partnership formed late in 2000 between the City of Armadale and Armadale Health Service in provision of free immunisation, produced excellent results this year.

There were over 6,600 immunisations during 2002/2003, the highest level since the 1980s, with over 4,700 young people being protected from either Hepatitis B or Meningococcal Disease.

### Food

The community's health is protected through regular inspections of food providers, ensuring that all regulatory requirements are met and food presented properly. This included a food sampling programme, in compliance with the National Food Standards Code requirements.

*"A safe place for a community of families who live, work and play within the district"*



## CIVIL CONSTRUCTION

### Roads, Paths & Drainage

- Commencement of widening of Champion Drive to a dual carriageway to eventually link the Tonkin Highway extension with the Kelmscott Industrial area - \$4 million.
- \$8 million project spanning ten years brought to completion when the Lake Road dual carriageway was connected at the Ranford Road intersection roundabout.
- A new \$320,000 project for the construction of a dual carriageway at the Warton Road and Nicholson Road intersection started.
- Reconstruction of Hesketh Avenue and Clifton Street at a combined cost of \$593,000.
- Road safety initiatives undertaken along Armadale Road at the intersections of Seventh Road, Tait Street, Gribble Avenue and Seville Drive using \$214,200 of 'Blackspot' funding.
- Resurfacing of 21 streets at a total cost of \$431,600.
- Council carried out work for the Water Corporation to improve the main drainage for the Second Road Main Drain - \$453,000.
- Significant drainage works completed at Cooliabbera Drive at \$20,600 and Goolamrup Reserve at \$20,500.
- Construction of new paths in Gerald Street, Albany Highway, Merillee Terrace, Doorigo Road and Ravenscroft Way as well as reconstruction of paths along Carradine Road, Fourth Road, Braemore Street, Buckingham Road and Dewar Street - \$300,000.

## PARKS AND GARDENS

The City maintains 1,919 hectares of Public Open Space in 228 reserves. During the year, \$2.14 million was spent on parks and reserves maintenance including verges, streetscapes and street trees and a further \$504,383 on parks and reserves development projects.

### Streetscapes

New Streetscaping was installed at Champion Drive, Lake Road, Orlando/Clifton Street, Railway Avenue/Westfield Road, Railway Avenue/Cammillo Road, Railway Avenue/Champion Drive, Stott Close and Jarrah Road/Wygonda Road.

### Play Equipment

The City now has 63 playground facilities. Several parks had play equipment replaced and upgraded including Fancote Park, Paterson Park and Kelmscott Library; whilst new play equipment was installed at Tredale Field, Angelo Street Reserve and Tollington Park.

### Greening Armadale

Council's ongoing tree planting programme continues to ensure a 'green' City - softening the built environment and providing habitat for native fauna. Tree plantings this year brought the total over the last seven years to in excess of 100,000.





## Nature Reserves

The City now has a number of Nature Reserve Management Plans, which identify strategies to be implemented over the coming years to manage our natural environments. Work on priority recommendations has occurred at several sites including Kendal Court, Bob Blackburne, Gibbs Road and Lloyd Hughes Reserves.

Other specific Management Plans, overseen by either a Management or Advisory Committee, are in place and assisting in the proper care and management of Bungendore Park and Settlers' Common.

## Sporting Facilities

- Upgrading and resurfacing of the Cross Park tennis courts in Roleystone was completed.
- Upgrading and improvements to several cricket facilities with major works on the Gwynne Park cricket nets.

## WASTE MANAGEMENT

Waste Services continued to work to minimize delivery of waste to landfill and increase recycling activity. Current successful programmes include:

- Verge side greenwaste and junk collections
- Verge side motor vehicle collections
- Kerbside recycling mobile garbage bins
- Sale of salvageable material from the landfill facility.
- Free mulched greenwaste available for residents.

Initiatives for the year 2002/2003 have included:

- Free entry to the landfill site for recyclables (waste oil, whitegoods, scrap metal, batteries).

- Shared rubbish services for Strata Titled units. Single-title, multi-unit complexes have been able to share mobile garbage bin services, thereby reducing costs to occupiers.
- Purchase of additional tip passes. Discounted additional tip passes are now available to residents of the City of Armadale.
- Three strikes programme for recycling services. High levels of contamination increase the cost of providing an economical recycling service to the community. A program has been put in place whereby residents are contacted each time they contaminate their recycling bin, and encouraged to follow "recycling guidelines". If contamination continues, warning letters are issued, and the recycling bin may be removed from the premises.

## ENVIRONMENT

Implementation of the 57 actions in the City's State of the Environment Report remains on target for completion by the end of the required five-year period.

Major actions completed this year were development of a weed management programme for all of the City's bushland reserves and development of a strategy to help Friends Groups recruit volunteers.

An Environmental Review, completed for draft Town Planning Scheme No. 4, was commended for its approach by the Environmental Protection Authority.

The City continued to work with the Regional Energy Group to implement the Community Greenhouse Action Plan and was awarded Milestone 4 of the Cities for Climate Protection for its efforts to reduce emissions from its own operations.

The Armadale Gosnells Landcare Group is supported by the City of Armadale and has continued its good work educating the community and rehabilitating ten foreshore sites in the City.



Picture courtesy of ARA

## PLANNING

### Armadale Redevelopment Authority

During the year the City has worked in close cooperation with the Armadale Redevelopment Authority (ARA) and the State Government to facilitate major development projects, which include development of the Armadale City Centre, Forrestdale Business Park, South Armadale Industrial area and Champion Lakes Regional Recreation Park. Planning for all these areas has progressed significantly, supported by the on-going development by the ARA of a Concept Plan that indicates the future development potential of the areas for which it is responsible.

*“A tradition of innovation – readily embracing new people and new ideas”*

### Armadale City Centre

The momentum of developing the Armadale Strategic Centre CBD was accelerated by:

- Approval of a Cinema complex in the City Centre as well as the completion of a tendering process to support its development;
- Completion of a Harvey Norman store development;
- Approval for new shops and restaurant in the Pioneer Village;
- Approval of the relocated Armadale Bus/Rail Transfer Station.

### Forrestdale Business Park

Planning for the Business Park progressed with the completion of the Park's structure plan and its adoption by Council. Refinements of the plan included improved access to the business park from Armadale and Ranford Roads as well as drainage modifications.





Picture courtesy of ARA

## Champion Lakes Regional Recreation Park

A concept plan for the Champion Lakes development has been prepared. The plan includes a mixture of water based recreation facilities, residential development, local commercial opportunities, passive recreation and conservation facilities as well as an Aboriginal interpretive facility.

Planning for the Tonkin Highway by Main Roads Western Australia has identified the opportunity to provide fill for the road by excavating the international rowing course and associated water bodies on adjacent land at no cost to the Park's development. Environmental and associated approvals for the excavation, water supply and long term environmental management have been sought and obtained to enable these beneficial arrangements to be realised.

## Kelmscott Enquiry by Design

In October 2002, as a result of a partnership between the City and the Department of Planning and Infrastructure, an enquiry by design workshop was held as the first step in the revitalisation of the Kelmscott town centre. A wide range of community and business stakeholders, technical experts and community representatives attended and made input. The plans produced at the workshop combined to form the basis of a "strategic plan" through which future development can be directed to ensure that Kelmscott develops to its full potential.

## Town Planning Scheme No. 4

The City's town planning schemes provide for the control of development and for the strategic direction for future development. The City's schemes No. 2 and 3 were reviewed during the year and a Local Planning Strategy, a new draft Town Planning Scheme No. 4 and associated planning policies presented to Council. These were adopted for presentation to the Minister for Planning and Infrastructure and future advertising for public comment.





### BUILDING ACTIVITY

Along with strong residential construction throughout the City, the completion of the Harvey Norman store in Armadale ensures that Armadale remains an attractive place for people to live and do business. The City retains a quality stock of high standard aged care premises whilst, at the other end of the age spectrum several additional quality Child Care Centres have been established.

Work has commenced on the C.Y.O'Connor ERADE Village development in Forrestdale. The village comprises Hi-Tech Business Incubator Units, Research and Development facilities and Bio-Medical Laboratories and will be a key employment focus in the region.

Next year is expected to herald a strong increase in housing construction as the quality subdivisions, currently in the planning phase, are brought on line.



### EVENTS

The City's widely acclaimed Cultural Events Program continued to go from strength to strength with some of the main success stories including:

- The Armadale Highland Gathering and Cycling Classic attracted its biggest ever crowd with a unique blend of Scottish culture and high quality cycling.
- More than 35,000 people celebrated our national day at the City's Australia Day Celebrations in Minnowarra Park, enjoying the great family entertainment and spectacular fireworks display.
- The City's very popular program of free concerts continued with a series of high quality performances being held in Minnowarra Park and the Jull Street Mall.
- The Minnowarra Festival and Art Award, the State's largest arts festival, provided a smorgasbord of family activities and entertainment for more than 24,000 visitors.
- In its third year, the Outside the Frame Art Award for year 11 and 12 students was an outstanding success attracting over 300 entries from students from throughout the region.

## PRINCIPAL ACTIVITY PLAN

The Principal Activity Plan, prepared in consultation with the community, represents an overview of the more significant activities planned by Council over the next four years. The Plan details for each Principal Activity :

- A general description.
- The direct revenue and expenditure estimates.
- The amount of general purpose funding required to fund the activity.
- Performance measures.

The principal activities in the Plan account for the major portion of Council's total expenditure and for 2002/2003, those activities were :

- Construction of roads, drains and footpaths and road resurfacing.
- Waste minimisation, collection and disposal.
- Development and maintenance of parks, reserves, playgrounds and sporting reserves.
- Construction and refurbishment of Council buildings.
- Armadale, Kelmscott and Westfield libraries, History House and Cultural/Community Events.
- Financial management, elected members' administration, human resource management, information technology and general administration.

## Performance assessment

All of our principal activities require a performance measure of community satisfaction and this year, Council employed an independent market research group to assess the community's perceptions of Council's performance in delivering services and facilities.

The research found that 73% of the respondents were satisfied with the services and facilities provided by the City. This pleasing result compares with a 59% satisfaction rating achieved in each of the previous surveys conducted in 1998 and 2000.

A high standard of achievement has been maintained in all activities with attainment of most performance targets. Benchmarking was undertaken in comparison to eight other local governments in the areas of finance, governance and administration with very satisfactory outcomes being achieved.

Operating expenditure and income for activities were either within budget or subject only to minor variations. This, together with an independent audit indicating 'no qualification', points to sound financial management of the City's affairs.

The key principal activities are expected to remain the same for the next financial year.

## NATIONAL COMPETITION POLICY

Application of National Competition Policy in local government requires statements to be included in the Annual Report of the following :

### Competitive Neutrality

The Policy dictates that competitive neutrality should apply to all business activities which generate a user pays income of over \$200,000, unless it can be shown that it is not in the public interest. No significant new business activities for the purposes of competitive neutrality were initiated or considered during the year and no non-compliance allegations were made.

### Legislation Review

Continuation of the review of local laws saw Dog Control, Fire Control and Parking Facilities local laws gazetted during the year. Work has commenced on reviewing the Signs, Hoardings & Bill Posting and Removal of Refuse, Rubbish and Disused Materials local laws with completion anticipated during the next financial year.

### Structural Reform

The City of Armadale did not privatise any activities in 2002/2003 and as a consequence there were no obligations for structural reform.

*"Armadale finally achieved debt-free status ..."*

## DISABILITY SERVICES PLAN

- The Disability Services Plan Committee has been involved in a number of access and inclusion issues and has worked closely with staff to develop a staff training programme on disability awareness. The Committee was involved in raising a number of traffic related access issues during the year and worked with Council and State Government agencies to rectify the problems.
- The City continues to provide information in alternative formats. Requests are handled on a personalised basis and every effort is made to respond to the information needs of people with disabilities.
- Access improvements undertaken during the year include:
  - Frye Park disabled access ramp and handrails fitted to existing steps – total cost \$8201.
  - Disabled access ramp and handrails to historic School House - \$2750.
  - Tourist Centre and Calm Office disabled access ramp and two sets of hand rails to existing stairs at a total cost of \$6856.
  - Armadale Recreation Centre disabled access ramp was installed and paving adjusted to allow for easier wheelchair access - \$2350.
- Preparations were made for a review of the City's Disability Services Plan which is scheduled for completion in the 2002/2003 financial year

## LOTTERIES COMMISSION GRANTS

We are grateful to the Lotteries Commission for providing the following grant funding during 2002/2003 :

Purpose	Amount \$
Australia Day Celebrations	12,500
Concerts in the Park	5,000
Seniors' Centre Development	190,000
Total	207,500



*"...73% of the respondents were satisfied with the services and facilities provided by the City"*



# BARRETT & PARTNERS – DFK

*Certified Practising Accountants*

## INDEPENDENT AUDIT REPORT

**TO: RATEPAYERS OF THE CITY OF ARMADALE**

**PARTNERS**

*Ronald E Barrett FCA  
Anthony D Macri FCOM  
Dionisia A Macri CIM*

### Scope

We have audited the financial report of the City of Armadale, comprising the Operating Statement, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and the notes to and forming part of the financial report for the year ended 30 June 2003. The Council is responsible for the preparation and presentation of the financial report and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the ratepayers of the City of Armadale.

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

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

### Audit Opinion

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

- (a) present fairly the financial position of the City of Armadale as at 30 June 2003 and the results of its operations for the year then ended in accordance with applicable Accounting Standards; and
- (b) are prepared in accordance with the requirements of the Local Government Act 1995 and Regulations under that act and other mandatory professional reporting requirements.

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

  
A MACRI  
PARTNER

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

PERTH  
DATED THIS 29<sup>TH</sup> DAY OF OCTOBER 2003.

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## City of Armadale Financial Report

For the year ended 30 June 2003



### Financial Report For the year ended 30 June 2003

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

#### Statement by Chief Executive Officer

The attached financial report of the City of Armadale, being the Annual Financial Report and supporting notes and other information, for the financial year ended 30 June 2003 is, in my opinion, properly drawn up to present fairly the financial position of the City of Armadale at 30 June 2003, and the results of the operations for the financial year then ended, in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and regulations under that Act.

Signed on the 27<sup>th</sup> day of October 2003.



R S Tame  
Chief Executive Officer

## Operating Statement

For the year ended 30 June 2003

AAS27.23

	Note	2003 \$	2003 Budget \$	2002 \$
<i>FM Reg 15(3)</i>				
<i>AASB 1018.4.1</i>		<b>Revenues from ordinary activities</b>		
<i>FM Reg 14</i>		19,086,892	19,037,500	18,005,724
<i>FM Reg 3</i>		119,705	25,870	31,400
<i>FM Reg Sch 1, Part 1</i>		346,598	376,488	534,769
<i>FM Reg 36(2)</i>		77,553	75,313	66,728
		536,560	488,197	341,064
		4,033,899	4,010,698	3,507,662
		1,265,132	717,777	743,141
		4,320,323	3,444,619	2,395,600
		269,170	245,572	252,012
		307,908	101,950	329,683
	2	30,363,740	28,523,984	26,207,783
<i>AASB 1018.4.1</i>		<b>Expenses from ordinary activities excluding borrowing costs expense</b>		
		136,171	157,000	123,066
		3,837,555	1,478,299	1,298,985
		980,971	1,216,733	1,105,545
		520,448	613,291	483,639
		878,502	1,359,250	613,891
		4,870,598	5,557,873	4,949,839
		9,125,173	9,574,345	9,042,081
		6,160,289	7,298,136	6,495,912
		569,378	718,155	604,404
		344,818	220,364	204,551
	2	27,423,903	28,193,446	24,921,913
<i>AASB 1018.4.1</i>		<b>Borrowing costs expense</b>		
		0	1,000	93,016
		109	123	719
		7,581	7,581	0
		29,194	29,194	21,890
		5,219	8,507	6,954
		0	0	10,641
		42,103	46,405	133,220
<i>AASB 1018.4.1</i>		<b>Net result</b>		
		2,897,734	284,133	1,152,650

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



## Statement of Financial Position

As at 30 June 2003

AAS 27.27 AAS 36 FM Reg 15(3)	Note	2003 \$	2002 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash assets	3	7,372,647	5,293,709
Receivables	4	2,886,926	1,993,252
Inventories	5	97,441	59,482
<b>Total current assets</b>		<b>10,357,014</b>	<b>7,346,443</b>
<b>Non-current assets</b>			
Receivables	4	656,308	658,010
Property, plant and equipment Infrastructure	6	25,897,355	25,682,418
	7	167,325,500	167,327,954
<b>Total non-current assets</b>		<b>193,879,163</b>	<b>193,668,382</b>
AAS 36.7.3	<b>Total assets</b>	<b>204,236,177</b>	<b>201,014,825</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	8	2,572,088	1,863,954
Interest-bearing liabilities	9	96,445	656,602
Provisions	10	1,701,677	1,178,138
<b>Total current liabilities</b>		<b>4,370,210</b>	<b>3,698,694</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	9	437,846	534,026
Provisions	10	274,050	525,768
<b>Total non-current liabilities</b>		<b>711,896</b>	<b>1,059,794</b>
AAS 36.7.4	<b>Total liabilities</b>	<b>5,082,106</b>	<b>4,758,488</b>
AAS 36.7.5	<b>Net assets</b>	<b>199,154,071</b>	<b>196,256,337</b>
<b>Equity</b>			
Retained surplus		185,775,036	183,495,280
Reserves - Cash backed	11	3,103,225	2,485,247
Reserves - Asset revaluation	12	10,275,810	10,275,810
<b>Total equity</b>		<b>199,154,071</b>	<b>196,256,337</b>

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

## Statement of Changes in Equity

For the year ended 30 June 2003

AAS 27.29

FM Reg 15(3)

	Note	2003 \$	2002 \$
<b>Retained surplus</b>			
Balance as at 1 July		183,495,280	182,395,802
Net result		2,897,734	1,152,650
Transfer from / (to) reserves		(617,978)	(53,172)
<b>Balance as at 30 June</b>		<u>185,775,036</u>	<u>183,495,280</u>
<b>Reserves - Cash backed</b>			
Balance as at 1 July		2,485,247	2,432,075
Transfer (to) / from retained surplus		617,978	53,172
<b>Balance as at 30 June</b>	11	<u>3,103,225</u>	<u>2,485,247</u>
<b>Reserves - Asset revaluation</b>			
Balance as at 1 July		10,275,810	10,275,810
<b>Balance as at 30 June</b>	12	<u>10,275,810</u>	<u>10,275,810</u>
<b>Total equity</b>		<u><u>199,154,071</u></u>	<u><u>196,256,337</u></u>

AASB 1041

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

## Statement of Cash Flows

For the year ended 30 June 2003

AAS 27.31 AAS 28 FM Reg 15(3)	Note	2003 \$	2003 Budget \$	2002 \$
<b>Cash flows from operating activities</b>				
<b>Receipts</b>				
AAS 28.6		15,686,781	15,742,350	14,867,423
FM Reg Sch 1, Part 1		2,304,717	2,168,758	0
		528,473	535,675	916,998
		5,063,807	4,974,317	5,089,322
		601,710	561,800	521,537
UIG Abstract 31		701,301	966,885	898,849
		817,654	0	0
		939,235	1,169,207	909,683
		<b>26,643,678</b>	<b>26,118,992</b>	<b>23,203,812</b>
<b>Payments</b>				
		(10,850,035)	(9,768,766)	(9,454,518)
		(6,174,903)	(8,337,440)	(8,066,619)
		(1,099,545)	(802,405)	(944,524)
		(708,699)	(483,617)	(381,499)
		(42,103)	(84,669)	(162,727)
UIG Abstract 31		(1,489,605)	0	0
		(85,488)	(2,698,553)	(183,127)
		<b>(20,450,378)</b>	<b>(22,175,450)</b>	<b>(19,193,014)</b>
	13	<b>6,193,300</b>	<b>3,943,542</b>	<b>4,010,798</b>
<b>Cash flows from investing activities</b>				
AAS 28.5.1		(2,006,647)	(3,407,537)	(2,469,124)
		(6,128,649)	(6,621,695)	(5,371,764)
		4,043,885	3,805,329	4,825,848
		612,296	790,890	870,729
		<b>(3,479,115)</b>	<b>(5,433,013)</b>	<b>(2,144,311)</b>
<b>Cash flows from financing activities</b>				
AAS 28.5.1		0	0	(16,000)
		(652,125)	(652,390)	(1,135,579)
		(4,211)	(4,212)	(7,950)
		21,083	21,083	17,556
		0	0	9,143
		0	0	270,000
		<b>(635,253)</b>	<b>(635,519)</b>	<b>(862,830)</b>
		<b>2,078,932</b>	<b>(2,124,990)</b>	<b>1,003,657</b>
		5,293,715	5,293,709	4,290,058
AAS 28.4.3	13	<b>7,372,647</b>	<b>3,168,719</b>	<b>5,293,715</b>

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



## Notes to and forming part of the Financial Report

For the year ended 30 June 2003

AAS 6.8.1

### 1. Significant accounting policies

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

#### a. Basis of accounting

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

#### b. The local government reporting entity

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

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

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

UIG Abstract 31

#### c. Goods and services tax

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

#### d. Non-current assets

FM Reg 81

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

FM Reg 16

The value of all infrastructure assets (other than bridges and land under roads) has been recorded in the Statement of Financial Position. Bridges and land under roads are excluded from infrastructure in accordance with legislative requirements.

AAS 2

#### e. Land held for resale

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

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

AAS 4

#### f. Depreciation of non-current assets

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

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

## 1. Significant accounting policies *(continued)*

Major depreciation periods are:

• Buildings	50 years
• Electronic equipment	5 years
• Furniture and equipment	15 years
• Plant and machinery	3 to 20 years
• Sealed roads and streets	
Clearing and earthworks	Not depreciated
Construction / road base	50 years
Original surface / major resurface	50 years
• Gravel roads	
Clearing and earthworks	Not depreciated
Construction / road base	50 years
Gravel sheet	12 years
• Drainage	50 years
• Footpaths	20 years
• Reserves	20 years

AAS 17

### g. Leases

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

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

### h. Investments

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

AAS 19

### i. Joint venture

Any interest the municipality has in any joint ventures has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the statement of financial position and operating statement. Information about any joint ventures is set out in Note 16.

### j. Employee benefits

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

AASB 1028.5.1

#### Wages, salaries and annual leave

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

AASB 1028.5.2

#### Long service leave

The provision for employees' benefits for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees' service to balance date.

## Notes to and forming part of the Financial Report

For the year ended 30 June 2003

- AAS 6.8.1      **1. Significant accounting policies** *(continued)*
- j. Employee benefits** *(continued)*
- Sick leave
- Employee entitlements for sick leave are based on the probability of employees taking sick leave in the future.
- AAG 14      **k. 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.
- AAS 27.92      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(e). 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.
- l. Superannuation**
- The City of Armadale contributes to the Local Government Superannuation Scheme. This fund is a defined contribution scheme.
- AAS 33.5.4      **m. Interest rate risk**
- The City's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. Information on interest rate risk as it applies to interest rate risk is disclosed in Note 34.
- AAS 33.5.5      **n. Credit risk**
- The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements. The City does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the City.
- AAS 33.5.6      **o. Net fair values**
- The net fair value of assets and liabilities approximates their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as Council intends to hold these assets to maturity.
- The aggregate net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to, and forming part of, the accounts.
- FM Reg 15(3)      **p. Rounding off figures**
- All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar.
- q. Comparative figures**
- Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.



		2003			2002
		\$			\$
<b>2. Revenues and expenses</b>					
<b>a. Result from ordinary activities</b>					
The result from ordinary activities includes:					
i. Charging as an expense					
AASB 1018.5.4	<u>Significant expense</u>	Nil			Nil
AASB 1018.5.6	<u>Amortisation</u>	Nil			Nil
AAS 37.5.3	<u>Auditor's remuneration</u>				
	- Audit	15,240			6,356
	- Other services	1,260			930
AASB 1018.5.6	<u>Bad and doubtful debts</u>				
	- Rates written off	45,690			21,635
	- Sundry debtors written off	12,079			6,240
	- Provision for doubtful debts	20,000			0
AASB 1018.5.6	<u>Depreciation</u>				
	- Buildings	429,982			418,142
	- Furniture and equipment	35,016			36,221
	- Plant and machinery	931,618			913,498
	- Roads	2,128,619			2,022,824
	- Drainage	510,789			506,095
	- Footpaths	234,807			214,017
	- Reserves	3,256,888			3,246,271
		<u>7,527,719</u>			<u>7,357,068</u>
<u>Rental charges</u>					
	- Operating leases	4,563			4,330
ii. Crediting as revenue					
		2003	2003		
		\$	Budget		
		\$	\$		
FM Reg 49	<u>Interest earnings</u>				
FM Reg 36(2)	Investments - Reserve funds	121,996	97,500	100,458	
	Investments - Other funds	291,104	232,500	209,892	
	Other interest revenue - Loans	5,052	0	0	
	Other interest revenue	183,558	231,800	217,201	
27		<u>601,710</u>	<u>561,800</u>	<u>527,551</u>	

## Notes to and forming part of the Financial Report

For the year ended 30 June 2003

		2003	2002
		\$	\$
<b>2. Revenues and expenses (continued)</b>			
<b>b. Revenues and expenses from ordinary activities classified according to nature and type</b>			
<i>FM Reg 14</i>			
<i>FM Reg 3</i>			
<i>Fm Reg Sch Part 2</i>			
<i>AAS 27.76</i>			
	<b>Revenues from ordinary activities</b>		
	Rates	23 15,461,743	14,671,581
	Grants and subsidies - Operating	29 3,056,476	2,862,068
	Grants and subsidies - Non operating	29 4,043,885	1,949,258
	Contributions, reimbursements, donations	528,473	509,267
	Profit on asset disposals	19 252,727	474,828
	Fees and charges	28 5,063,807	4,356,108
	Interest earnings	2 601,710	527,551
	Other revenue	1,354,919	857,122
		<u>30,363,740</u>	<u>26,207,783</u>
	<b>Expenses from ordinary activities</b>		
	Employee costs	11,131,676	9,483,058
	Materials and contracts	6,487,057	6,265,704
	Utilities (gas, electricity, water etc)	1,099,545	987,983
	Insurance	708,699	390,100
	Loss on asset disposals	19 35,520	0
	Depreciation on non-current assets	2 7,527,719	7,357,068
	Other	433,687	438,000
		<u>27,423,903</u>	<u>24,921,913</u>
	Interest / borrowing costs	2 42,103	133,220
		<u>27,466,006</u>	<u>25,055,133</u>
<b>c. Borrowing costs expense</b>			
	Borrowing costs expense comprises:		
<i>AAS 17.11.2</i>	Finance lease charges	109	719
	Debentures	21 41,993	132,501
		<u>42,102</u>	<u>133,220</u>

## 2. Revenues and expenses *(continued)*

AAS 27.86

FM Reg Sch 1 Part 1

AAS 37.5.1

### d. Statement of objectives

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

#### Our commitment

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

#### Our vision

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

Council operations encompass the following service activities / programmes:

#### General purpose funding

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

#### Governance

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

#### Law, order and public safety

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

#### Health

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

#### Education and welfare

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

#### Community amenities

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

#### Recreation and culture

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

#### Transport

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



## Notes to and forming part of the Financial Report

For the year ended 30 June 2003

## 2. Revenues and expenses (continued)

Economic services

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

Other property and services

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

	2003	2002
	\$	\$
<b>e. Conditions over contributions</b>		
Grants recognised as revenues in a previous reporting period that were not expended at the close of the previous reporting period (i.e. opening balance)		
<u>Education and welfare</u>		
Promotion and advertising	0	3,636
Bus subsidy	0	3,636
Keystart Neighbourhood Improvement	0	39,291
Aboriginal Support	137,054	0
Seniors Project	21,215	0
<u>Community amenities</u>		
Bungendore Park Protective Fencing	0	2,000
Bungendore Park Protection	0	6,400
Conservation	0	2,100
Clean Up Australia Day	0	1,500
Upper Canning Southern Wungong Project	0	21,873
Upper Canning Southern Wungong Officer	0	22,578
Bungendore Park Revegetation	2,909	0
<u>Recreation and culture</u>		
Centenary of Federation Theme Parks	0	40,000
Kelmscott BMX Club	1,000	0
Armadale Sporting Club	6,500	0
Roleystone Tennis Club	11,500	0
Club Development	1,400	0
Armadale Recreation Centre	9,384	0
<u>Transport</u>		
Local Government Road Fund	0	194,649
State Blackspot	0	83,686
Roads to Recovery	0	35,110
Street Lighting	0	637
Youth Road Safety	0	1,227
Youth Road Safety	0	4,545
Grants Commission Road Fund	277,300	0
Local Government Road Fund	620,900	0
Roads to Recovery	383,000	0
	1,472,162	462,868

	2003	2002
	\$	\$
<b>2. Revenues and expenses (continued)</b>		
<b>e. Conditions over contributions (continued)</b>		
Add: New grants that were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified		
<u>Law, order and public safety</u>		
Emergency Services	100,450	0
<u>Education and welfare</u>		
Aboriginal Support	0	137,054
Seniors Project	0	21,215
Armadale Senior Citizen Centre	190,000	0
Keystart Neighbourhood Improvement	35,419	0
Community Arts Network	7,075	0
Volunteer Resource Centre	30,000	0
Aboriginal Support	50,200	0
Safer WA	9,704	0
Aboriginal Leaders	4,129	0
Vacation Training	5,695	0
<u>Community amenities</u>		
Bungendore Park Revegetation	0	2,909
Cities for Climate Protection	30,000	0
Biodiversity Project	5,739	0
Envirofund	2,000	0
Fletcher Park	2,000	0
<u>Recreation and culture</u>		
Kelmscott BMX Club	0	1,000
Armadale Sporting Club	0	6,500
Roleystone Tennis Club	0	11,500
Club Development	0	1,400
Armadale Recreation Centre	0	9,384
<u>Transport</u>		
Grants Commission Road Fund	0	277,300
Local Government Road Fund	0	620,900
Roads to Recovery	0	383,000
Grants Commission Road Fund	389,862	0
Roadwise Safety Instructor	1,021	0
Minor Acquisitions	1,974	0
Main Roads Road Fund	1,062,799	0
Local Government Road Fund	120,729	0
Planning and Infrastructure	112,502	0
State Blackspot	28,000	0
Federal Blackspot	258,909	0
	2,448,207	1,472,162

## Notes to and forming part of the Financial Report

For the year ended 30 June 2003

	2003	2002
	\$	\$
<b>2. Revenues and expenses</b> <i>(continued)</i>		
<b>e. Conditions over contributions</b> <i>(continued)</i>		
Less: Grants that have been recognised as revenues in a previous reporting period, and which were expended in the current reporting period in the manner specified by the contributor.		
<u>Education and welfare</u>		
Promotion and advertising	0	3,636
Bus subsidy	0	3,636
Keystart Neighbourhood Improvement	0	39,291
Aboriginal Support	137,054	0
Seniors Project	21,215	0
<u>Community amenities</u>		
Bungendore Park Protective Fencing	0	2,000
Bungendore Park Protection	0	6,400
Conservation	0	2,100
Clean Up Australia Day	0	1,500
Upper Canning Southern Wungong Project	0	21,873
Upper Canning Southern Wungong Officer	0	22,578
Bungendore Park Revegetation	2,909	0
<u>Recreation and culture</u>		
Centenary of Federation Theme Parks	0	40,000
Kelmscott BMX Club	1,000	0
Armadale Sporting Club	6,500	0
Roleystone Tennis Club	11,500	0
Club Development	1,400	0
Armadale Recreation Centre	9,384	0
<u>Transport</u>		
Local Government Road Fund	0	194,649
State Blackspot	0	83,686
Roads to Recovery	0	35,110
Street Lighting	0	637
Youth Road Safety	0	1,227
Youth Road Safety	0	4,545
Grants Commission Road Fund	277,300	0
Local Government Road Fund	620,900	0
Roads to Recovery	383,000	0
	1,472,162	462,868
Closing balances of unspent grants	2,448,207	1,472,162

	2003	2002	
	\$	\$	
<b>3. Cash assets</b>			
Unrestricted	1,278,249	927,215	
Restricted	6,094,398	4,366,494	
	<u>7,372,647</u>	<u>5,293,709</u>	
AAS 27.90	The following restrictions have been imposed by regulations, internal policies or other externally imposed requirements:		
Waste management reserve	1,498,534	1,091,307	
Plant and machinery reserve	1,315,170	1,126,692	
Land acquisition reserve	201,687	201,687	
Long service leave reserve	44,218	48,986	
Armadale-Kelmscott seniors' reserve	16,575	16,575	
Workers' compensation reserve	0	0	
Revolving energy reserve	0	0	
Building plant and equipment reserve	27,040	0	
Restricted Cash - Sundry Deposits and Bonds	542,967	409,085	
Unspent grants	2,448,207	1,472,162	
	<u>6,094,398</u>	<u>4,366,494</u>	
<b>4. Receivables</b>			
<u>Current</u>			
Rates outstanding	677,804	919,328	
Sundry debtors	1,347,524	575,765	
Provision for doubtful debts	(102,378)	(82,378)	
UIG Abstract 31	GST receivable	26,560	55,910
	Accruals and prepayments	919,228	503,544
	Loans - Clubs / institutions	18,188	21,083
		<u>2,886,926</u>	<u>1,993,252</u>
<u>Non-current</u>			
	Rates outstanding - Pensioners	601,029	584,543
	Loans - Clubs / institutions	55,279	73,467
		<u>656,308</u>	<u>658,010</u>
<b>5. Inventories</b>			
AAS 2.10.1	<u>Current</u>		
	Fuel and materials	97,441	59,482
		<u>97,441</u>	<u>59,482</u>



## Notes to and forming part of the Financial Report

For the year ended 30 June 2003

	2003	2002
	\$	\$
<b>6. Property, plant and equipment</b>		
AAS 4		
Land and buildings - Cost	24,103,208	23,505,192
Less accumulated depreciation	<u>(2,385,472)</u>	<u>(1,955,490)</u>
	21,717,736	21,549,702
Furniture and equipment - Cost	2,076,220	2,063,787
Less accumulated depreciation	<u>(1,872,861)</u>	<u>(1,839,193)</u>
	203,359	224,594
Plant and machinery - Cost	9,103,582	8,590,757
Less accumulated depreciation	<u>(5,127,322)</u>	<u>(4,682,635)</u>
	3,976,260	3,908,122
Total property, plant and equipment	<u><u>25,897,355</u></u>	<u><u>25,682,418</u></u>

AASB 1041.7.6

**Movements in carrying amounts**

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

**Land and buildings**

Balance at beginning of the year	21,549,702
Additions	598,016
Disposals	0
Revaluation increments / (decrements)	0
Depreciation expense	<u>(429,982)</u>
Carrying amount at end of year	<u><u>21,717,736</u></u>

**Furniture and equipment**

Balance at beginning of the year	224,594
Additions	13,781
Disposals	0
Revaluation increments / (decrements)	0
Depreciation expense	<u>(35,016)</u>
Carrying amount at end of year	<u><u>203,359</u></u>

**Plant and machinery**

Balance at beginning of the year	3,908,122
Additions	1,394,849
Disposals	(395,093)
Revaluation increments / (decrements)	0
Depreciation expense	<u>(931,618)</u>
Carrying amount at end of year	<u><u>3,976,260</u></u>

Total property, plant and equipment	<u><u>25,897,355</u></u>
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	2003	2002
	\$	\$
<b>7. Infrastructure</b>		
AAS 4		
Roads - Cost	106,493,973	101,151,774
Less accumulated depreciation	(11,237,604)	(9,108,985)
	95,256,369	92,042,789
Drainage - Cost	25,539,617	25,304,934
Less accumulated depreciation	(2,973,664)	(2,462,875)
	22,565,953	22,842,059
Footpaths - Cost	4,710,800	4,377,503
Less accumulated depreciation	(1,097,594)	(862,787)
	3,613,206	3,514,716
Parks and Reserves - Cost	65,143,904	64,925,434
Less accumulated depreciation	(19,253,932)	(15,997,044)
	45,889,972	48,928,390
Total infrastructure	167,325,500	167,327,954

AASB 1041.7.6

**Movements in carrying amounts**

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

**Roads**

Balance at beginning of the year	92,042,789
Additions	5,342,199
Disposals	0
Revaluation increments / (decrements)	0
Depreciation expense	(2,128,619)
Carrying amount at end of year	95,256,369

**Drainage**

Balance at beginning of the year	22,842,059
Additions	234,683
Disposals	0
Revaluation increments / (decrements)	0
Depreciation expense	(510,789)
Carrying amount at end of year	22,565,953

## Notes to and forming part of the Financial Report

For the year ended 30 June 2003

	2003	2002
	\$	\$
<b>7. Infrastructure (continued)</b>		
<u>Footpaths</u>		
Balance at beginning of the year	3,514,716	
Additions	333,297	
Disposals	0	
Revaluation increments / (decrements)	0	
Depreciation expense	(234,807)	
Carrying amount at end of year	<u>3,613,206</u>	
<u>Parks and Reserves</u>		
Balance at beginning of the year	48,928,390	
Additions	218,470	
Disposals	0	
Revaluation increments / (decrements)	0	
Depreciation expense	(3,256,888)	
Carrying amount at end of year	<u>45,889,972</u>	
Total infrastructure	<u>167,325,500</u>	
<b>8. Payables</b>		
<u>Current</u>		
Sundry and rates creditors	1,402,545	1,054,346
Accrued expenses	563,442	272,884
Unearned income	31,070	105,397
Sundry deposits and bonds	542,967	409,085
Accrued salaries and wages	32,064	22,244
	<u>2,572,088</u>	<u>1,863,956</u>
<b>9. Interest bearing liabilities</b>		
<u>Current</u>		
Secured by floating charge		
Debentures	96,445	652,390
Lease liability	0	4,211
	<u>96,445</u>	<u>656,601</u>
<u>Non-current</u>		
Secured by floating charge		
Debentures	437,846	534,026
	<u>437,846</u>	<u>534,026</u>

Additional detail on borrowings is provided in Note 21.

		2003			2002
		\$			\$
<b>10. Provisions</b>					
<u>Current</u>					
AASB 1028	Provision for annual leave	1,030,644			851,061
	Provision for sick leave	166,675			166,661
	Provision for long service leave	504,358			160,416
		1,701,677			1,178,138
<u>Non-current</u>					
AASB 1028	Provision for long service leave	274,050			525,768
		2003	2003		
		\$	Budget		
		\$	\$		
		\$	\$		

### 11. Reserves - Cash backed

FM Reg 38(1) (b)-(e)  
FM Reg 36(2)

#### Waste management reserve

Opening balance	1,091,307	1,091,307	941,119
Amount set aside / Transfer to reserve	487,170	400,000	191,222
Amount used / Transfer from reserve	(79,943)	(85,000)	(41,034)
Closing balance	1,498,534	1,406,307	1,091,307

#### Plant and machinery reserve

Opening balance	1,126,692	1,126,692	1,223,708
Amount set aside / Transfer to reserve	1,024,806	980,000	1,210,579
Amount used / Transfer from reserve	(836,327)	(1,679,772)	(1,307,595)
Closing balance	1,315,171	426,920	1,126,692

#### Land acquisition reserve

Opening balance	201,687	201,687	201,687
Amount set aside / Transfer to reserve	0	0	0
Amount used / Transfer from reserve	0	0	0
Closing balance	201,687	201,687	201,687

#### Long service leave reserve

Opening balance	48,986	48,986	48,986
Amount set aside / Transfer to reserve	10,413	0	0
Amount used / Transfer from reserve	(15,181)	0	0
Closing balance	44,218	48,986	48,986

#### Armadale - Kelmscott seniors' reserve

Opening balance	16,575	16,575	16,575
Amount set aside / Transfer to reserve	0	0	0
Amount used / Transfer from reserve	0	0	0
Closing balance	16,575	16,575	16,575



## Notes to and forming part of the Financial Report

For the year ended 30 June 2003

	2003 \$	2003 Budget \$	2002 \$
<b>11. Reserves - Cash backed (continued)</b>			
<u>Workers' compensation reserve</u>			
Opening balance	0	0	0
Amount set aside / Transfer to reserve	0	0	0
Amount used / Transfer from reserve	0	0	0
Closing balance	0	0	0
<u>Revolving energy reserve</u>			
Opening balance	0	0	0
Amount set aside / Transfer to reserve	0	0	0
Amount used / Transfer from reserve	0	0	0
Closing balance	0	0	0
<u>Building plant and equipment reserve</u>			
Opening balance	0	0	0
Amount set aside / Transfer to reserve	27,040	27,040	0
Amount used / Transfer from reserve	0	0	0
Closing balance	27,040	27,040	0
Total reserves	3,103,225	2,127,515	2,485,247

FM Reg 38(1)(f)

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

FM Reg 38(1)(a)

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

Waste management reserve

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

Plant and machinery reserve

To be used to assist in the purchase and replacement of plant and machinery.

Land acquisition reserve

To be used to assist in future acquisitions of land.

Long service leave reserve

To be used to cover Council's portable long service liability.

Armadale - Kelmscott seniors' reserve

To be used to assist in future improvements and refurbishment of the Armadale - Kelmscott Seniors' Centre.

### 11. Reserves - Cash backed *(continued)*

Workers' compensation reserve

To be used to assist in covering Council's workers' compensation liability.

Revolving energy reserve

To be used to assist in establishing energy efficient management techniques.

Building plant and equipment reserve

To be used to assist in the maintenance and replacement of plant and equipment associated with Council buildings.

FM Reg 38(1)(g)

Various movements within each of the reserves is expected in the future as further transfers to, and from, occur.

	2003	2002
	\$	\$

### 12. Reserves - Asset revaluation

AASB 1041

Reserves - Asset revaluation	<u>10,275,810</u>	<u>10,275,810</u>
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### 13. Notes to the statement of cash flows

AASB 28.12.1

**a. Reconciliation of cash**

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

Cash assets	<u>7,372,647</u>	<u>5,293,709</u>
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AASB 28.6.2

**b. Reconciliation of net cash provided by operating activities to net result**

Net result	2,897,734	1,152,650
Depreciation	7,527,719	7,357,068
(Profit) / loss on sale of asset	(217,203)	(474,828)
(Increase) / decrease in receivables	(913,055)	979,352
(Increase) / decrease in inventories	(37,959)	5,658
Increase / (decrease) in payables	708,132	(158,230)
Increase / (decrease) in employee provisions	271,821	(25,024)
Grants and contributions for asset development	<u>(4,043,885)</u>	<u>(4,825,848)</u>
Net cash from operating activities	<u>6,193,304</u>	<u>4,010,798</u>

## Notes to and forming part of the Financial Report

For the year ended 30 June 2003

	2003	2002
	\$	\$
<b>13. Notes to the statement of cash flows</b> <i>(continued)</i>		
c. <u>Credit standby arrangements</u>		
Bank overdraft limit	100,000	100,000
Credit card limit	6,000	6,000
	<u>106,000</u>	<u>106,000</u>
d. <u>Loan facilities</u>		
Loan facilities - Current	96,445	652,390
Loan facilities - Non-current	437,846	534,026
	<u>534,291</u>	<u>1,186,416</u>
<b>14. Contingent liabilities</b>		
AASB 1044		
Contingent liabilities	<u>Nil</u>	<u>Nil</u>
<b>15. Capital and leasing commitments</b>		
AAS 17.11.1		
<u>Finance lease commitments</u>	<u>Nil</u>	<u>Nil</u>
AAS 17.11.2		
<u>Operating lease commitments</u>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable		
- not later than one year	0	4,221
	<u>0</u>	<u>4,221</u>
AAS 27.94		
<u>Capital expenditure commitments</u>	<u>Nil</u>	<u>Nil</u>
<b>16. Joint venture</b>		
The City does not have any joint ventures with other organisations.		

## 17. Trust funds

FM Reg 37

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

Item	Balance 1 July \$	Net Movements \$	Balance 30 June \$
Builders registration board levy	0	0	0
Building construction industry training fund	0	0	0
Rates in suspense	15,088	(28)	15,060
SEMACC lease liability	10,525	0	10,525
Town planning bonds	17,541	7,500	25,041
Town planning section 20A reserves	8,106	(8,106)	0
Town planning section 28A deposits	26,321	0	26,321
	77,581		76,947
	<b>2003</b>		<b>2002</b>
	\$		\$

## 18. Total assets classified by function and activity

AAS 27.86(a)(ii)

General purpose funding	3,100,049	1,510,915
Governance	280,928	265,953
Law, order and public safety	1,132,074	1,273,954
Health	238,524	216,458
Education and welfare	2,711,048	2,773,756
Housing	0	0
Community amenities	3,415,457	3,436,642
Recreation and culture	64,541,618	65,519,712
Transport	128,529,400	125,707,435
Economic services	63,400	72,646
Other property and services	223,679	237,354
Unallocated	0	0
	204,236,177	201,014,825



## Notes to and forming part of the Financial Report

For the year ended 30 June 2003

### 19. Disposal of assets - 2002 / 2003 financial year

FM Reg 36(1)(e)

FM Reg 36(2)

The following assets were disposed of during the year:

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Furniture and equipment</b>						
<u>Governance</u>						
7167 - Binding machine	0	0	0	0	0	0
7172 - Binding machine	0	0	0	0	0	0
	0	0	0	0	0	0
<b>Total - Furniture and equipment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Plant and machinery</b>						
<u>Governance</u>						
0087 - Ford Fairmont sedan	24,334	21,359	23,636	24,000	(698)	2,641
0088 - Ford Fairlane sedan	30,498	28,146	29,477	32,000	(1,021)	3,854
	54,832	49,505	53,113	56,000	(1,719)	6,495
<u>Law, order and public safety</u>						
0235 - Ford Courier single cab	12,030	12,037	13,636	14,500	1,606	2,463
0669 - Isuzu fire truck	0	0	0	55,000	0	55,000
0971 - Loadstar box trailer	0	0	0	0	0	0
	12,030	12,037	13,636	69,500	1,606	57,463
<u>Health</u>						
0054 - Ford Falcon sedan	10,517	10,783	11,568	11,000	1,051	217
0055 - Ford Falcon sedan	8,926	10,707	9,977	11,000	1,051	293
0057 - Ford Falcon sedan	8,926	10,707	10,295	11,000	1,369	293
	28,369	32,197	31,840	33,000	3,471	803
<u>Community amenities</u>						
0086 - Ford Fairmont sedan	24,334	21,876	23,636	24,000	(698)	2,124
0241 - Ford Courier single cab	10,896	12,301	10,750	18,000	(146)	5,699
0247 - Holden Rodeo utility	16,299	17,085	12,727	14,000	(3,572)	(3,085)
0255 - Isuzu tip truck	6,940	8,191	31,818	15,000	24,878	6,809
0310 - Caterpillar compactor	0	0	0	100,000	0	100,000
1157 - Stihl brushcutter	0	0	0	200	0	200
	58,469	59,453	78,931	171,200	20,462	111,747
<u>Recreation and culture</u>						
0051 - Toyota Camry sedan	11,172	10,195	15,227	15,227	4,055	5,032
0060 - Ford Falcon wagon	15,652	16,007	13,273	12,000	(2,379)	(4,007)
0061 - Ford Falcon sedan	12,040	12,313	13,273	15,000	1,233	2,687
0063 - Ford Falcon sedan	13,356	12,313	13,636	13,636	280	1,323
0103 - Ford Falcon utility	0	7,223	0	16,545	0	9,322
0136 - Water tank	0	64	0	400	0	336
0149 - Mitsubishi Express van	0	13,496	0	17,000	0	3,504
0151 - Mitsubishi Express van	0	13,496	0	17,000	0	3,504

### 19. Disposal of assets - 2002 / 2003 financial year *(continued)*

FM Reg 36(1)(e)

FM Reg 36(2)

The following assets were disposed of during the year:

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
0152 - Mitsubishi Triton utility	12,402	13,663	10,000	10,000	(2,402)	(3,663)
0153 - Mitsubishi Triton utility	12,402	13,663	10,000	10,000	(2,402)	(3,663)
0234 - Ford Courier single cab	0	11,311	0	13,000	0	1,689
0236 - Ford Falcon utility	11,582	10,678	15,636	15,636	4,054	4,958
0238 - Ford Falcon utility	12,905	11,977	16,545	16,545	3,640	4,568
0246 - Holden Commodore utility	14,432	15,138	19,159	13,000	4,727	(2,138)
0299 - Ford Trader flat top	0	0	0	0	0	0
0766 - Super swift mower	0	0	0	0	0	0
0809 - Mowmaster mower	0	0	909	1,298	909	1,298
0812 - Honda mower	0	0	250	358	250	358
0813 - Honda walk mower	0	0	0	0	0	0
0815 - Iseki mower	4,443	4,908	6,360	4,000	1,917	(908)
0817 - Deutscher mower	681	0	636	908	(45)	908
0822 - Superior mowing deck	3,750	0	0	0	(3,750)	0
0863 - Honda edger	0	0	250	357	250	357
0903 - Stihl chainsaw	0	0	273	390	273	390
0917 - Stihl chainsaw	0	0	91	129	91	129
0918 - Stihl chainsaw	0	0	0	0	0	0
0961 - Alroh mini trailer	0	0	0	0	0	0
0977 - Stihl chainsaw	0	0	636	908	636	908
1071 - Tanaka pump	165	0	91	129	(74)	129
1074 - Honda water pump	448	0	0	0	(448)	0
1099 - Stihl leaf blower	0	0	0	0	0	0
1108 - Stihl leaf blower	107	0	91	129	(16)	129
1110 - Stihl leaf blower	107	0	91	129	(16)	129
1111 - Stihl leaf blower	0	0	100	143	100	143
1170 - Stihl brushcutter	0	0	0	0	0	0
1171 - Stihl brushcutter	0	0	0	0	0	0
1176 - Stihl brushcutter	0	0	159	227	159	227
1177 - Stihl hedgecutter	0	0	268	383	268	383
1180 - Stihl brushcutter	484	0	200	286	(284)	286
1181 - Stihl brushcutter	484	0	200	286	(284)	286
1182 - Stihl brushcutter	484	0	200	286	(284)	286
1183 - Stihl brushcutter	484	0	200	286	(284)	286
1185 - Stihl brushcutter	545	0	200	286	(345)	286
1186 - Stihl brushcutter	545	0	200	286	(345)	286
1187 - Stihl brushcutter	545	0	200	286	(345)	286
1188 - Stihl brushcutter	501	0	182	260	(319)	260
1230 - Stihl brushcutter	0	0	0	0	0	0
1307 - Afron cherry picker	0	0	4,545	5,000	4,545	5,000
1311 - Greensaver weed saver	0	0	0	0	0	0
1376 - Pool suction cleaner	0	0	0	0	0	0
	<b>129,716</b>	<b>166,445</b>	<b>143,081</b>	<b>201,739</b>	<b>13,365</b>	<b>35,294</b>

## Notes to and forming part of the Financial Report

For the year ended 30 June 2003

## 19. Disposal of assets - 2002 / 2003 financial year (continued)

FM Reg 36(1)(e)

FM Reg 36(2)

The following assets were disposed of during the year:

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Transport</b>						
0064 - Ford Falcon sedan	0	13,453	0	15,000	0	1,547
0072 - Ford Falcon sedan	17,080	17,087	14,023	15,000	(3,057)	(2,087)
0077 - Holden Commodore sedan	15,251	17,111	16,658	16,000	1,407	(1,111)
0082 - Ford Futura sedan	0	17,798	0	13,000	0	(4,798)
0085 - Ford Fairmont sedan	24,029	20,301	22,727	23,500	(1,302)	3,199
0093 - Ford Falcon utility	0	11,182	0	15,636	0	4,454
0150 - Mitsubishi Express van	0	10,498	0	15,700	0	5,202
0239 - Ford Falcon utility	12,905	11,977	15,636	13,000	2,731	1,023
0242 - Ford Falcon utility	13,732	12,796	16,545	13,000	2,813	204
0275 - Isuzu tip truck	0	0	14,545	16,000	14,545	16,000
0289 - Volvo tip truck	0	0	0	45,000	0	45,000
0296 - Isuzu tip truck	0	0	46,095	0	46,095	0
0297 - Isuzu tip truck	0	0	46,114	0	46,114	0
0298 - Isuzu tip truck	0	0	45,750	0	45,750	0
0413 - Cat backhoe	0	0	33,500	33,165	33,500	33,165
0414 - Cat backhoe	0	0	0	0	0	0
0522 - Makita rotary hammer	957	0	0	0	(957)	0
0571 - Cement mixer	984	0	455	235	(529)	235
0702 - Water tank	0	238	0	500	0	262
0905 - Stihl chainsaw	0	0	182	94	182	94
0906 - Stihl chainsaw	0	0	264	136	264	136
0908 - Stihl chainsaw	0	0	275	142	275	142
0909 - Stihl chainsaw	0	0	91	47	91	47
0952 - Vibrol trailer	0	0	0	0	0	0
0966 - Tandem trailer	0	0	1,045	540	1,045	540
0970 - Afron trailer	0	0	0	0	0	0
1096 - MTD multi-vac	0	0	250	129	250	129
1184 - Stihl brushcutter	567	0	0	0	(567)	0
1256 - Hydraulic hammer	0	0	50	26	50	26
1257 - Makita rotary hammer	100	0	0	0	(100)	0
1410 - Vehicle traffic classifier	0	0	273	146	273	146
1413 - Robin pump motor	79	0	0	0	(79)	0
1452 - Kew high pressure cleaner	5,459	0	1,740	900	(3,719)	900
1478 - Robin generator	1,608	0	727	375	(881)	375
1480 - Power cutter	995	0	350	180	(645)	180
	93,746	132,441	277,295	237,451	183,549	105,010

## 19. Disposal of assets - 2002 / 2003 financial year *(continued)*

FM Reg 36(1)(e)

FM Reg 36(2)

The following assets were disposed of during the year:

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<u>Economic services</u>						
0050 - Toyota Camry sedan	0	10,195	0	11,000	0	805
0052 - Ford Falcon sedan	0	10,783	0	11,000	0	217
0066 - Ford Futura sedan	17,931	0	14,400	0	(3,531)	0
	17,931	20,978	14,400	22,000	(3,531)	1,022
<b>Total - Plant and machinery</b>	395,093	473,056	612,296	790,890	217,203	317,834
<b>Total assets</b>	395,093	473,056	612,296	790,890	217,203	317,834

## 20. Financial ratios

FM Reg 50

FM Reg 83

	2003	2002	2001
Current ratio	1.08	1.07	0.96
Debt ratio	0.02	0.02	0.03
Debt service ratio	0.02	0.05	0.06
Rate coverage ratio	0.51	0.56	0.56
Outstanding rates ratio	0.08	0.09	0.11

The above ratios are calculated as follows:

Current ratio  $\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$

Debt ratio  $\frac{\text{Total liabilities}}{\text{Total assets}}$

Debt service ratio  $\frac{\text{Debt service cost (principal and interest)}}{\text{Available operating revenue}}$

Rate coverage ratio  $\frac{\text{Net rate revenue}}{\text{Operating revenue}}$

Outstanding rates ratio  $\frac{\text{Rates outstanding}}{\text{Rates collectable}}$



## Notes to and forming part of the Financial Report

For the year ended 30 June 2003

### 21. Information on borrowings

FM Reg 48(f)

#### Repayment - Debentures (Budget)

Particulars	Principal 1 July \$	New loans \$	Principal Payments Budget \$	Principal 30 June Budget \$	Interest Payments Budget \$
<u>General purpose funding</u>					
Loan 273 - Debenture payout	558,205	-	558,205	0	8,507
<u>Recreation and culture</u>					
Loan 268 - Pries park pavilion	32,978	-	6,461	26,517	2,197
Loan 271 - Armadale recreation	121,316	-	21,088	100,228	7,894
Loan 275 - Display pavilion *	11,594	-	7,629	3,965	356
Loan 276 - Gwynne park pavilion *	69,459	-	8,257	61,202	3,865
Loan 281 - Armadale golf plan	130,000	-	0	130,000	6,890
<u>Economic services</u>					
Loan 280 - Forrestdale business	134,766	-	10,937	123,829	7,581
<u>Other property and services</u>					
Loan 279 - Former administration	128,097	-	39,813	88,284	7,992
	1,186,415	0	652,390	534,025	45,282

FM Reg 48(f)

#### Repayment - Debentures (Actual)

Particulars	Principal 1 July \$	New loans \$	Principal Payments Actual \$	Principal 30 June Actual \$	Interest Payments Actual \$
<u>General purpose funding</u>					
Loan 273 - Debenture payout	558,206	-	558,206	0	5,218
<u>Recreation and culture</u>					
Loan 268 - Pries park pavilion	33,244	-	6,461	26,783	2,197
Loan 271 - Armadale recreation	121,316	-	20,822	100,494	7,894
Loan 275 - Display pavilion *	11,594	-	7,629	3,965	356
Loan 276 - Gwynne park pavilion *	69,459	-	8,257	61,202	3,865
Loan 281 - Armadale golf plan	130,000	-	0	130,000	6,890
<u>Economic services</u>					
Loan 280 - Forrestdale business	134,766	-	10,937	123,829	7,581
<u>Other property and services</u>					
Loan 279 - Former administration	128,097	-	39,813	88,284	7,992
	1,186,682	0	652,125	534,557	41,993

\* denotes a self supporting loan financed by payments from third parties.  
All other loan repayments were financed by general purpose revenue.

## 21. Information on borrowings *(continued)*

FM Reg 48(d)

### New debentures - 2002 / 2003

Council did not budget for, nor accept, any new debentures in the 2002 / 2003 financial year.

FM Reg 48(a)

### Unspent debentures

Council had no unspent debenture funds as at 30 June 2003.

FM Reg 48(b)

### Overdraft

Council did not utilise an overdraft facility during the 2002 / 2003 financial year, although a \$100,000 facility has been established with the Challenge Bank to assist with short term liquidity requirements. A further provision to this facility is the permitted temporary increase to \$1,500,000 during the months of July through September if required. Council did not utilise these facilities and the balance of any bank overdrafts at 1 July 2002 and 1 July 2003 was \$nil.

## 22. Budget comparison

	2003	2003
	\$	Budget
		\$
<u>Non operating revenue and expenditure</u>		
The following is a comparison of capital revenue and expenditure and movements to and from reserve accounts with the amounts contained in the Rate Setting Statement in the annual budget.		
<u>Non operating revenue</u>		
Proceeds on sale of assets	612,296	790,890
Repayments of self supporting loans	15,886	15,886
Transfers from cash backed reserves	931,451	1,764,772
<u>Non operating expenditure</u>		
Principal repayment of debentures	652,391	652,390
Principal repayment of finance leases	4,212	4,212
Construction / purchase of assets		
Land and buildings	598,016	784,650
Furniture and equipment	13,782	19,575
Plant and machinery	1,394,849	2,603,312
Infrastructure	6,128,649	8,480,157
Transfer to cash backed reserves	1,549,428	1,407,040

FM Reg 36(1)(b)

### Current position at 1 July 2002

The current position balance carried forward from the previous financial year for the purpose of the 2002 / 2003 annual budget was \$2,455,120.

The actual current position balance shown in the audited financial report as at 30 June 2002 was \$438,021.

This difference amounts to \$2,017,099 and was due largely to the non-accounting for current employee provisions, as well as the non-accounting of some sundry deposits and bonds. Other various audit adjustments also accounted for the difference.

## Notes to and forming part of the Financial Report

For the year ended 30 June 2003

### 23. Rating information - 2002 / 2003 financial year

FM Reg 39(a)-(d)

Rate type (property numbers)	Rate in \$	Rateable Value \$	Budget			Total Revenue \$
			Rate Revenue \$	Interim Rate \$	Back Rate \$	
<u>Differential General Rate - GRV</u>						
Residential vacant (33)	9.5551	406,164	38,809	0	0	38,809
Residential improved (14,558)	9.5550	96,007,724	9,173,538	60,000	10,000	9,243,538
Residential rural vacant (97)	10.2943	1,022,925	105,303	0	0	105,303
Residential rural improved (1,147)	10.2942	10,132,220	1,043,031	0	0	1,043,031
Business 1 vacant (17)	9.0546	431,499	39,071	0	0	39,071
Business 1 improved (301)	9.0545	13,399,724	1,213,278	0	0	1,213,278
Business 2 vacant (1)	9.1786	20,003	1,836	0	0	1,836
Business 2 improved (67)	9.1785	9,878,303	906,680	0	0	906,680
<u>Differential General Rate - UV</u>						
Rural general (670)	0.5671	181,775,777	1,030,850	0	0	1,030,850
Sub - Total (16,891)	-	313,074,339	13,552,396	60,000	10,000	13,622,396
<u>Minimum Rate - GRV</u>						
Residential vacant (687)	572	1,874,713	392,964	0	0	392,964
Residential improved (1,746)	495	8,101,960	864,270	0	0	864,270
Residential rural vacant (314)	690	1,478,153	216,660	0	0	216,660
Residential rural improved (219)	615	1,142,139	134,685	0	0	134,685
Business 1 vacant (39)	928	198,944	36,192	0	0	36,192
Business 1 improved (246)	786	1,308,384	193,356	0	0	193,356
Business 2 vacant (1)	1,144	6,747	1,144	0	0	1,144
Business 2 improved (42)	999	296,633	41,958	0	0	41,958
<u>Minimum Rate - UV</u>						
Rural general (72)	610	5,627,057	43,920	0	0	43,920
Sub - Total	-	20,034,730	1,925,149	0	0	1,925,149
Total						15,547,545
Specified Area Rates (note 24)						0
						15,547,545
Discounts (note 26)						0
Totals						15,547,545

**23. Rating information - 2002 / 2003 financial year (continued)**

FM Reg 39(a)-(d)

Rate type (property numbers)	Rate in \$	Rateable Value \$	Actual			Total Revenue \$
			Rate Revenue \$	Interim Rate \$	Back Rate \$	
<b><u>Differential General Rate - GRV</u></b>						
Residential vacant (30)	9.5551	382,046	36,505	0	0	36,505
Residential improved (14,598)	9.5550	96,365,858	9,207,758	(51,597)	18,840	9,175,001
Residential rural vacant (96)	10.2943	1,017,056	104,699	0	0	104,699
Residential rural improved (1,168)	10.2942	10,399,043	1,070,499	0	0	1,070,499
Business 1 vacant (17)	9.0546	403,954	36,576	0	0	36,576
Business 1 improved (306)	9.0545	13,387,290	1,212,152	0	0	1,212,152
Business 2 vacant (1)	9.1786	20,000	1,836	0	0	1,836
Business 2 improved (67)	9.1785	9,739,076	893,901	0	0	893,901
<b><u>Differential General Rate - UV</u></b>						
Rural general (671)	0.5671	181,709,950	1,030,478	0	0	1,030,478
Sub - Total		313,424,273	13,594,404	(51,597)	18,840	13,561,647
<b><u>Minimum Rate - GRV</u></b>						
Residential vacant (657)	572	1,798,724	375,804	0	0	375,804
Residential improved (1,761)	495	8,128,461	871,695	0	0	871,695
Residential rural vacant (299)	690	1,415,693	206,310	0	0	206,310
Residential rural improved (213)	615	1,113,172	130,995	0	0	130,995
Business 1 vacant (39)	928	198,939	36,192	0	0	36,192
Business 1 improved (241)	786	1,298,357	189,426	0	0	189,426
Business 2 vacant (1)	1,144	6,750	1,144	0	0	1,144
Business 2 improved (42)	999	296,634	41,958	0	0	41,958
<b><u>Minimum Rate - UV</u></b>						
Rural general (73)	610	5,721,984	44,530	0	0	44,530
Sub - Total		19,978,714	1,898,054	0	0	1,898,054
Total						15,459,701
Rate equivalent charge						2,042
Specified Area Rates (note 24)						0
						15,461,743
Discounts (note 26)						0
Totals						15,461,743

**Notes to and forming part of the Financial Report**

For the year ended 30 June 2003

**24. Specified area rate - 2002 / 2003 financial year**

*FM Reg 39(e)* Council did not raise any specified area rates for the 2002 / 2003 financial year. Therefore no transfer to, or from, reserve accounts has occurred.

**25. Service charges - 2002 / 2003 financial year**

*FM Reg 40* Council did not raise any service charges for the 2002 / 2003 financial year. Therefore no transfer to, or from, reserve accounts has occurred.

**26. Discounts, incentives, concessions and write-offs - 2002 / 2003 financial year**

*FM Reg 42*

Discounts

Council did not provide any discounts in the 2002 / 2003 financial year.

Incentives

Council, in conjunction with the Armadale Shopping City, offered four (4) prizes of \$600 towards Council rates. Entries were to be on nominated entry forms, and all submitted entries conformed with the conditions of the incentive competition.

Concessions

Council offered a concession to those residential rural properties that experienced an abnormal rates impact in the 1997 / 1998 financial year. Properties eligible for the concession in 2002 / 2003 were those that received the concession in 2001 / 2002 and whose rates increase for 2002 / 2003 (by comparison to the base of 1996 / 1997) will be greater than 10%. The concession value applied was calculated at 35% of the rates levied differential between the 1996 / 1997 and 2002 / 2003 financial years. For example, if the rate increase factor between 1996 / 1997 and 2002 / 2003 is greater than 10% and the dollar value of that increase is \$100, then the concession to apply for the 2002 / 2003 financial year is \$35.

Write-offs

The following write-offs were made for the 2002 / 2003 financial year:

	\$
Chamber of Commerce	5,300
Water Corporation	2,953
Rancher Enterprises	550
Western Power	3,276
Rates - General	45,690
	<b>57,769</b>

An increase in the provision for doubtful debts of \$20,000 also occurred.

## 27. Interest charges and instalments - 2002 / 2003 financial year

FM Reg 43

Particulars	Interest Rate %	Admin Charge \$	Revenue \$	Revenue Budget \$
Interest on Late Paid Rates	8.25	-	90,564	126,800
Interest on Instalments Plan	4.20	-	58,506	70,000
Interest on Deferred Pensioner Rates	5.90	-	34,488	35,000
Charges on Instalment Plan	-	17.10	107,445	108,000
Charges on Special Arrangements	-	25.75	31,597	20,000

Ratepayers had the option of paying rates in four equal instalments, due on 20 September 2002, 20 November 2002, 20 January 2003 and 20 March 2003.

Administration charges and interest applied for the final three instalments.

	2003 \$	2002 \$
--	---------	---------

## 28. Fees and charges

FM Reg 41

General purpose funding	237,340	219,801
Governance	909	832
Law, order and public safety	241,423	182,849
Health	59,148	63,136
Education and welfare	13,000	12,012
Housing	0	0
Community amenities	3,681,225	3,313,391
Recreation and culture	537,676	304,659
Transport	17,596	27,494
Economic services	255,975	229,573
Other property and services	19,515	2,361
	<u>5,063,807</u>	<u>4,356,108</u>

## 29. Grant revenue

AAS 27.86(b)

### By nature and type

Grants and subsidies - Operating	3,056,476	2,862,068
Grants and subsidies - Non-operating	4,043,885	1,949,258
	<u>7,100,361</u>	<u>4,811,326</u>

### By programme

General purpose funding	2,758,692	2,515,807
Governance	0	0
Law, order and public safety	100,450	80,557
Health	0	0
Education and welfare	380,252	251,082
Housing	0	0
Community amenities	46,818	0
Recreation and culture	323,132	186,780
Transport	3,491,017	1,777,100
Economic services	0	0
Other property and services	0	0
	<u>7,100,361</u>	<u>4,811,326</u>



Notes to and forming part of the Financial Report

For the year ended 30 June 2003

**30. Employee numbers**

AAS 37.5.1	2003	2002
The number of full-time equivalent employees at balance date	208	205

	2003	2003 Budget	2002
	\$	\$	\$

**31. Councillors' remuneration**

AAS 37.5.1 The following fees, expenses and allowances were paid to Council members and / or the Mayor.

Annual attendance fees	90,000	90,000	90,000
Annual local government allowance	31,375	31,375	31,125
Telecommunications allowance	10,080	10,080	9,800
Travelling expenses	5,809	8,650	5,520
Communications allowance (new members)	1,372	3,200	976
	138,636	143,305	137,421

**32. Economic dependency**

AAS 37.5.3

A significant portion of revenue is received by way of grants from the State and Federal Government. The total of grant revenue from these sources is disclosed in Note 29.

**33. Major land transactions**

LGA 5.39  
F and G Reg 7  
FM Reg 46-47

Council did not enter into any major land transactions in the 2002 / 2003 financial year.

**34. Interest rate risk**

Council's exposure to interest rate risk as a result of borrowings and the effective weights are as follows:

	2003	2002
	\$	\$
<b>Borrowings</b>		
Fixed interest rate maturing		
- within one year	3,965	558,206
- one to five years	400,326	498,476
- over five years	130,000	130,000
Total borrowings	534,291	1,186,682
Weighted average effective interest rate	5.90%	6.63%

### 34. Interest rate risk (continued)

Council's exposure to interest rate risk as a result of cash at bank and the effective weights are as follows:

	2003	2002
	\$	\$
<b>Cash at bank</b>		
Fixed interest rate maturing		
- within one year	0	1,980,000
Non interest bearing	7,372,647	3,313,709
Total cash at bank	<u>7,372,647</u>	<u>5,293,709</u>
Weighted average effective interest rate	0.00%	4.33%

Council's exposure to interest rate risk as a result of loans to clubs and institutions and the effective weights are as follows:

	2003	2002
	\$	\$
<b>Loans - Club / Institutions</b>		
Floating interest rates	73,467	94,550
Total cash at bank	<u>73,467</u>	<u>94,550</u>
Weighted average effective interest rate	6.04%	6.04%

Council's exposure to interest rate risk as a result of rates receivables and the effective weights are as follows:

	2003	2002
	\$	\$
<b>Rate receivables</b>		
Floating interest rates	601,029	584,543
Non interest bearing	677,804	919,328
Total cash at bank	<u>1,278,833</u>	<u>1,503,871</u>
Weighted average effective interest rate	5.90%	5.90%

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## CITY OF ARMADALE PROFILE

*Our commitment to the future is:  
To create a caring and vibrant city, rich in history,  
heritage and lifestyle*

### HISTORY

Constituted as the Kelmscott Road Board	14 December 1894
Renamed Armadale - Kelmscott Road Board	23 March 1910
Renamed Shire of Armadale - Kelmscott	1 July 1961
Proclaimed Town of Armadale	1 January 1979
Proclaimed City of Armadale	16 November 1985

### CURRENT FACTS

Population	55,285
Number of Electors	33,146
Number of Residential Dwellings	19,780
Area	545 square kilometres
Area of Parks and Reserves	1,692 hectares
Localities and Suburbs	Armadale, Bedforddale, Brookdale, Champion Lakes, Forrestdale, Kelmscott, Karragullen, Mt.Nasura, Mt.Richon, Roleystone, Seville Grove, Westfield, Wungong
Libraries	3
Primary Schools	22
Secondary Schools	8
Length of Roads	541 kilometres

### CURRENT FACTS *Continued*

Rate Revenue (2002/03)	\$15,461,743
Council Employees (full-time equivalent)	210
Tourist Attractions	Minnawarra Historic Precinct, Signal Box Tourist Information Centre, Araluen Botanic Park, Canning, Wungong and Churchman's Brook Dams, Bungandore Park, Bibbulman Track and Forrestdale Walk Trail
Local Industries	Commercial and administrative Centre, brickworks, agistment, light industry, orchards, tourism, retail, cottage arts and crafts



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