



E x p e r i e n c e t h e D i f f e r e n c e

WELCOME TO THE CITY OF ARMADALE

The landscape setting of the City of Armadale is unparalleled in the Perth region. It comprises the forests, wooded hills, picturesque valleys and tranquil streams of the Darling Range and the flatter rural and wetland areas of the coastal plain.

Armadale has a rich and diverse cultural heritage covering both indigenous and European settlement. European settlement dates back to the early 1830s and many buildings and sites of historic interest are to be found in Kelmscott, Armadale, Roleystone and Forrestdale.

The City is conveniently located at the crossroads of Armadale Road and the Albany, South West and Brookton Highways, just 28 kilometres south east of the Perth CBD and has access to all destinations on the metropolitan rail network. Employment and investment opportunities are focused on commerce, administration, personal services, tourism, light industry and rural industries.

The City is poised to experience rapid population growth and is expected to reach a population of 66,400 by the year 2011 and approximately 85,000 by the year 2026.

The people of Armadale are proud of the City's attributes, traditions and sense of place. They are also strongly committed to seeing the City continue to grow into a vibrant regional centre with its own distinctive character that offers a wide range of community events and sustains the interest, liveability and economic wealth of the region.

"Armadale Alive" – 2001



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MAYOR'S FOREWORD

At last! After years of detailed planning and hard work that has found and locked in appropriate partners from both government and private sectors, Council has begun to deliver on our promise to revitalise not only Armadale, but also the rest of our district.

While our key partners have been the Armadale Redevelopment Authority and WA State Government, the retail industry has been quick to reflect the more buoyant mood of our community. As the 2003/2004 financial year drew to a close, Council was actively discussing development proposals with the owners of the Armadale Plaza; Grand Cinemas, who are developing a multi-screen cinema complex in the City's CBD; the Roleystone Shopping Centre; and the proponents of a new shopping centre in West Armadale. The one disappointment was that we have yet to reach a fair and reasonable agreement on a way forward for the Kelmscott Shopping Centre redevelopment. While the independent Town Planning Appeal Tribunal has supported Council's position in relation to this matter, we have continued to discuss options with landowner representatives in an attempt to find a way forward that is fair to all parties.

Council's strategic partnership with the State Government is producing significant benefits for our community, with 2003/2004 notable for the progress with the extension of the Tonkin Highway, preliminary development of an international standard rowing facility at Champion Lakes, and the building of a new railway station in Armadale. In the last year, planning has also advanced for the growth of new urban areas in Brookdale and Forrestdale, as well as for the development of the Forrestdale Business Park. We thank the Armadale Redevelopment Authority for their major contributions towards these achievements.

With the assistance of grant money from Lotterywest and the Department of Sport and Recreation, Council funded a major upgrade to the Armadale Recreation Centre. The Centre was officially re-opened in November 2003 and has been 're-badged' as the Armadale Arena as part of an innovative management agreement entered into with the Armadale Police and Citizens Youth Club.

The City once again delivered an outstanding events programme including the popular Armadale Highland Gathering, Minnowarra Festival and much acclaimed Australia Day 'Skyworks' show that attracted a well-behaved, good natured crowd of around 40,000 residents and visitors.

Council's draft new town planning scheme – TPS 4 – was advertised for public comment in April 2004. The proposed new scheme will guide the future development of our City for the next five to ten years and is significant because it will

directly influence the type and quality of any construction. As a result of the community consultation undertaken by Council, over 400 submissions have been received and these will be considered in the second half of 2004.

Work on the Kelmscott Enquiry by Design (KED) initiative also advanced. The proposals contained in the KED document represent a blueprint for the future development of Kelmscott's town centre and in the years to come, many of the recommendations will be implemented. While it might be said that 2003/2004 was an important year for Armadale, the same can be said of 2004/2005 and Kelmscott. Already Council is committed to a major upgrade of Rushton Park, a larger, modern library, and with the opening of Tonkin Highway, the removal of heavy haulage through traffic from Kelmscott's main street. An upgrade to the Kelmscott railway station is also due to be carried out by the Public Transport Authority in the near future.

The maintenance of the City's roads and footpaths, as well as the tackling of accident black spots remained a Council priority. With the help of Federal and State Government Black Spot funding, Council constructed a roundabout on one of the region's most hazardous intersections at Warton and Nicholson Roads. Work also progressed on dualling 2.1 kilometres of Champion Drive to provide an important link to the Tonkin Highway extension, and early work has commenced for Main Roads on the dualling of Armadale Road to Forrest Road.

Over the last year the City's green credentials were further enhanced with the introduction of a range of measures to encourage recycling and waste minimisation. In the six months to December 2003, the City recycled a total of 4,916 tonnes of waste that would otherwise have gone to landfill. That figure represents one in twenty tonnes of all material recycled throughout the State in that period and is a remarkable achievement. These figures show that recycling initiatives such as 'Sort & Save' at the Hopkinson Road Landfill and Recycling Facility are really paying dividends.

Finally, I would like to thank our partners and all those who have contributed to enhancing the quality of life of our residents. Our strong, experienced team of Councillors and staff has been greatly assisted by many hundreds of volunteers that provide services to the community and enrich the City's cultural, social and economic life. On your behalf, I thank them for all their efforts over the last year and ask for their assistance in meeting the exciting challenges and opportunities that 2004/2005 will undoubtedly bring.

Cr Linton Reynolds JP
MAYOR



CHIEF EXECUTIVE OFFICER'S REPORT

Once again I am pleased to be able to report on a fruitful and successful year for the City of Armadale.

For the past two years the City's operational focus has been on strategic growth. The best measure of our performance lies in the visible changes occurring in the City centre and surrounding suburbs as Armadale moves into a new phase of its history.

That is not to say that we are not conducting all the necessary corporate checks and balances to ensure our service is delivered efficiently. This report confirms our compliance and close oversight of all aspects of the City's \$30 million operation.

While not setting out to seek awards, it's pleasing to note another addition to those gained in recent years with the City's Careers Expo for High School students winning a best practice award from the Western Australian Local Government Association (WALGA). The WALGA awards are held annually to recognise best practice and promote excellence within local government throughout the State.

During the reporting year, the City refined its vision for the future and has developed a long term, 15-year financial plan that maps out priorities – established through a rigorous strategic planning process – for the next decade and beyond. This 15-year approach to the City's financial planning represents a radical departure from the traditional 5-year model used by other local governments, but is considered essential to planning for growth and ensuring that vital infrastructure and programmes can be funded.

Throughout the year the City continued to work with key partners, including the Armadale Redevelopment Authority (ARA), on projects designed to rejuvenate the City and prepare for the substantial growth expected over the next five to ten years. That work has started to pay real dividends and interest in the City as a place in which to live, work and play has increased significantly. From July 2003 to June 2004, the value of building approvals grew by 20% to around \$61 million, with the number of building licences issued during that time growing by 14% to over 1,400.

A number of projects are currently underway to enhance Armadale as the City's strategic hub. Preparations were made, in association with the ARA, for a major \$2.5 million

upgrade to Commerce Avenue that will see it transformed into an attractive gateway into the City's heart.

Works will continue into Third Road, Jull Street and the new Whitehead Road in the near future.

Construction of a multi-screen cinema in Armadale is also underway and has reached an advanced stage with opening anticipated for Boxing Day 2004. This project has captured the imagination of the community and generated a great number of inquiries in terms of job opportunities at the new complex.

In addition to work within the City's Strategic Centre, programmes to rejuvenate Kelmscott's town centre have also been identified. As a result, Council plans to relocate Kelmscott Library to more spacious premises nearby to free up land needed for future development.

It's unfortunate that future commercial plans for Kelmscott became embroiled in an expensive Town Planning Appeal case. I look forward to the formulation of a new proposal that ensures orderly and appropriate redevelopment of the Kelmscott centre.

During 2003/2004 the City played host to visits by both Prime Minister John Howard, and the WA State Cabinet. Both occasions were used as opportunities to outline, at the highest possible level, the City's special needs and circumstances – particularly in terms of unemployment issues and the need to provide new job opportunities for young people. We were also able to brief the Prime Minister on the Champion Lakes development and plans for a White Water facility to complement the international standard rowing course currently under construction.

The City's local effort is greatly enhanced by the continuing support of our State Government.

My thanks to our many partners, in particular the team at the Armadale Redevelopment Authority with whom we work closely in delivering a better future for our citizens.

Lastly, I would like to sincerely thank the elected Council for its guidance through quality decision-making, and all of the City's staff for their continued commitment to providing the highest possible standard of service to the community.

R. S. Tame
Chief Executive Officer

YOUR COUNCIL

The Council is the elected body responsible for the administration of the City and has the following role:

- directs and controls the local government's affairs;
- is responsible for the performance of the local government's functions;
- oversees the allocation of the local government's finances and resources; and
- determines the local government's policies.

The City of Armadale has fourteen Councillors elected to fill two positions in each of the seven wards. Both the Mayor and Deputy Mayor are elected by the Council for a two year term.

History

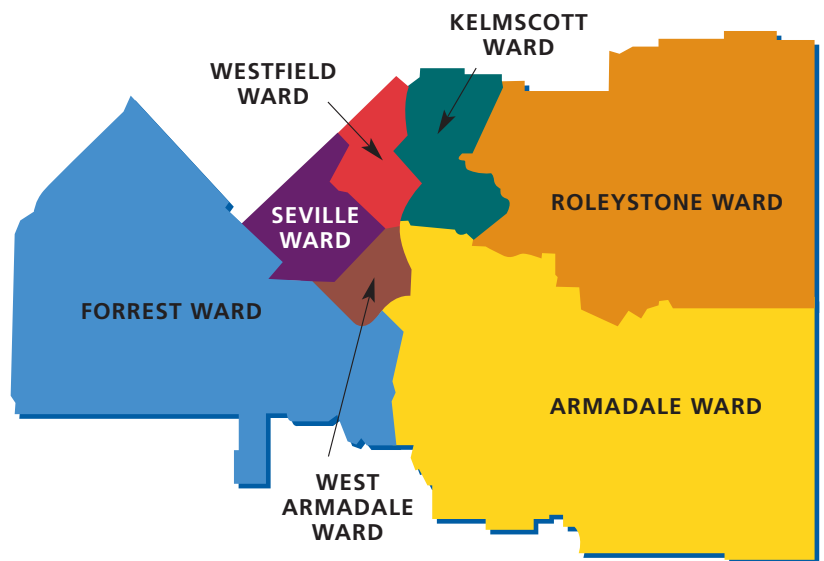
Constituted as the Kelmscott Road Board 14 December 1894
 Renamed Armadale-Kelmscott Road Board 23 March 1910
 Renamed Shire of Armadale-Kelmscott 1 July 1961
 Proclaimed Town of Armadale 1 January 1979
 Proclaimed City of Armadale 16 November 1985

Current Facts

Population 55,400
 Area 545 square kms
 Length of roads 541 kms
 Area of parks and reserves 1,692 hectares
 Homes 19,908
 Primary Schools 22
 Secondary Schools 8
 Libraries 3

Localities and Suburbs:

Armadale, Bedfordale, Brookdale, Champion Lakes, Forrestdale, Kelmscott, Karragullen, Mt Nasura, Mt Richon, Roleystone, Seville Grove, Westfield, Wungong.



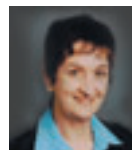
Cr Frank Green
Armadale Ward



Cr Alison Cominelli JP
Forrest Ward



Cr Vivienne Clowes-Hollins
Kelmscott Ward



Cr Pat Hart
Roleystone Ward



Cr Jim Everts
Seville Ward



Cr John Knezevich
West Armadale Ward



Cr Linton Reynolds JP
Mayor
Westfield Ward



Cr Bob Tizard
Armadale Ward



Cr Trudi Hodges
Forrest Ward



Cr Henry Zelones JP
Kelmscott Ward



Cr Deb Hopper JP
Roleystone Ward



Cr Graham Wallace
Seville Ward

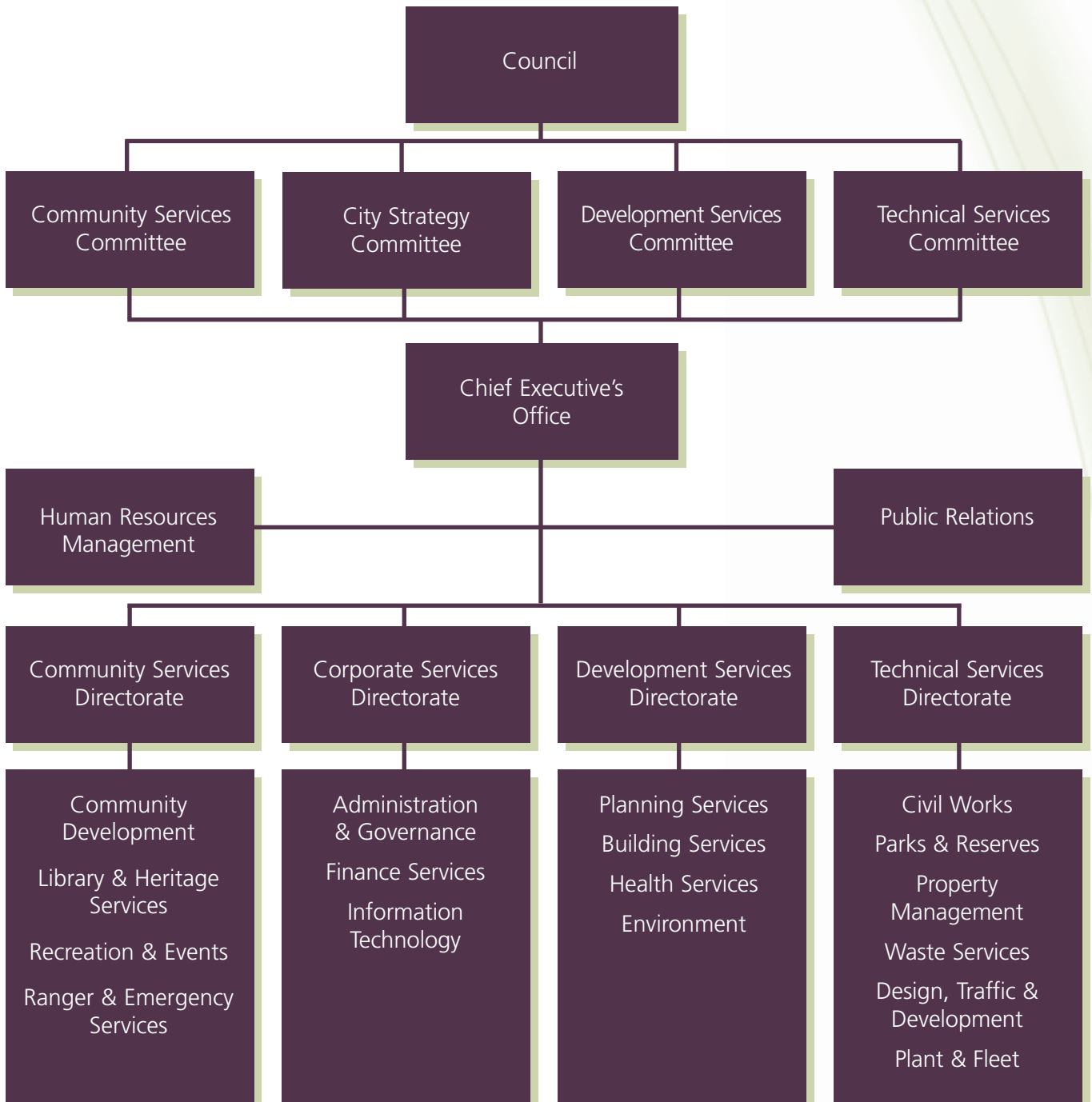


Cr Jeff Munn JP CMC
Deputy Mayor
West Armadale Ward



Cr Jim Stewart
Westfield Ward

ORGANISATION STRUCTURE & DIRECTORATE RESPONSIBILITIES



Modern local government corporations are highly complex, multi-disciplinary businesses which present many challenges in respect to the provision of sound administration and support services, governance and legislative compliance. The City has established itself as a leader in local government best practice. This high level of corporate administration and service has continued during 2003/2004, with the following representing some of the more notable achievements:

Information Technology

- Replacement and upgrading of core computer systems with acceptance of tenders and signing of contracts totalling approximately \$800,000. Several years in the planning, the new systems will replace previous systems which had served the City well for over 20 years. The new systems, when fully implemented, will have the ability to dramatically increase the efficient flow of relevant and vital information to all stakeholders thereby further improving service to customers.
- Further improvements to the City's information technology structure and systems during the year, all designed to improve the delivery of service, cost effectiveness and responsiveness whilst keeping systems and data secure, include:
 - increasing of security firewall capability to better protect internal systems and data;
 - implementation of Virtual Private Network facilities to enable remote broadband connections to the City's network;
 - installation of content and anti-virus filtering software for internet browsing and email correspondence;
 - upgrading of communications links to Kelmscott Library.



Finance

- In line with the updating of Council's Strategic Plan, a 15-Year Financial Plan has been initiated. The Plan will greatly assist in the continuing sound financial management of the City.
- A four-yearly Financial Management Review was undertaken by an independent firm of accountants. The Review highlighted the fact that there were no inconsistencies in the account keeping practices of the City.

“The City has established itself as a leader in local government best practice”

Public Relations

- A new Style Guide has been developed which establishes a fresh, new corporate image for the City. This Guide assists in ensuring uniformity of presentation of City documents and publications. The City has appointed its first Public Relations Co-ordinator. This position has assisted in raising the media profile of the City and improving communications via an increased number of press releases and production of the high profile ‘City Views’ newsletter. The first edition of City Views was published on Thursday 11 December 2003 and appears as a feature in the local newspaper every two months.

Governance

- Required by statute to be conducted every eight years, the City’s review of Wards and representation was commenced during the year. It is anticipated that the review will be completed and a new ward system put into place in time for the next ordinary local government elections to be held in May 2005.
- Council’s Policies and Procedures were reviewed and updated in line with relevant legislation and current best practice.
- Required by legislation, the City completed its first Record Keeping Plan. The Plan sets out the matters about which records are to be created by the City and how it is to keep its records. It also provides an accurate reflection of the record keeping programme including information about systems, disposal arrangements, policies, practices and processes. The City was congratulated for the timeliness of completion of its Plan as well as for demonstrating a strong commitment towards record keeping best practice across the organisation.

Human Resources

The most important resource any organisation has at its disposal is its staff. In recognition of this fact, the City aims to maintain an equitable and safe workplace where staff continue to learn. The following are some of the initiatives undertaken during the year to ensure that the City’s objectives in this area are achieved:

- *Training and development.* The City strongly promotes career development. Employees have participated in comprehensive corporate training programmes in the areas of ‘frontline’ management, communication, customer service, report writing, computer skills and more job specific training. A group of employees also participated in the annual Local Government Managers Association’s ‘Management Challenge’ which offers a valuable professional development opportunity.
- *Apprentices and work experience.* The City actively supports apprenticeships/traineeships and recognises that work experience placements and traineeships offer students the opportunity to gain skills and enhance their career opportunities. This year the City appointed three apprentices and accommodated many requests for work experience placements.
- *Safety and health.* The City is committed to providing a safe and healthy workplace. A comprehensive safety training programme has been implemented for staff including the City of Armadale’s ‘Fleet safety’ system. Health assessments, flu vaccinations and skin cancer screening programmes were made available to staff.



PLANNING

Armadale Redevelopment Authority

The close working relationship between the City, the Armadale Redevelopment Authority (ARA) and the State Government to facilitate major development projects continued over the last year. Further progress was made on the development of the Armadale City Centre, Forrestdale Business Park, South Armadale Industrial area and Champion Lakes Regional Recreation Park.

Armadale City Centre

Development in the Armadale Strategic Centre CBD is currently visible in the following projects under construction:

- The redevelopment of Armadale Plaza shopping centre and new multiplex cinema;
- The relocation of Armadale Bus/Rail Transfer Station.

It is also notable that various smaller tenancies in the City Centre have been refurbished during the year as a result of positive development prospects in the City.

Forrestdale Business Park

The first subdivision of industrial land in the 190ha site has occurred and a development approval for industrial / showroom purposes has been granted by the City. Further review of a drainage plan for the Park continues.

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. The objective with the project is the sustainable development of the Champion Lakes Regional Recreation Park – a Public Environmental Review of the project has been completed.

Excavation of the proposed International Rowing Course commenced in conjunction with Tonkin Highway works during the year. The City has also expressed an interest in facilitating the development of a Whitewater Park at Champion Lakes.



Brookdale and Forrestdale Residential Development Areas

Following completion of the Southern River, Forrestdale, Brookdale, Wungong Structure Plan, the City has pursued goals of landowner coordination and zoning initiatives resulting in the following:

- Amendments under the Metropolitan Region Scheme and the City's Town Planning Scheme have both been initiated to prepare the Harrisdale and North Forrestdale development areas for subdivision, which is expected to commence during the next two years. The development of local Structure Plans are also well progressed for these areas.
- Construction of the C.Y. O'Connor ERADE Village development near Nicholson Road in Forrestdale has commenced. The Village comprises hi-tech business incubator units, research and development facilities and bio-medical laboratories.
- The ARA has initiated the preparation of Local Area Plans for land in Brookdale, which will facilitate future residential development.

West Armadale Shopping Centre

The City has approved a new 5010m² neighbourhood shopping centre at the intersection of Armadale and Eighth Roads to replace the existing West Armadale Shopping Centre. The construction of the new centre is expected to commence shortly while the existing centre will be redeveloped predominantly for medium density residential use.

Town Planning Scheme No. 4

During the last year the City progressed the review of its Town Planning Scheme. The Draft TPS No. 4, the Local Planning Strategy, the Retail Hierarchy Report, and the Local Planning Policies were advertised for public comment between March and June 2004. Over 20,000 information packages containing a brochure, Scheme Map and submission form were sent to each property address and ratepayer, resulting in the receipt of over 400 submissions. It is anticipated that the Scheme will be finalised over the next 12 months.

BUILDING ACTIVITY AND SERVICES

Building activity in the City of Armadale over the last financial year has been the strongest for many years, with over \$60 million worth of construction being approved. The higher dollar value of approvals, along with the increase in the number of housing approvals reflects the growing confidence in the local community. The commencement of some long awaited major projects in the City has been a highlight.

The City's Property Inspection Service remains very popular, with record numbers of reports being requested by the community over the last year. In most cases the inspections are requested when residents have decided to sell their property and find that a shed, patio, pool or other addition has been constructed without a Building Licence. Without the service offered by the City of Armadale a long and wasteful process must be followed to formalise the works to the extent that the sale can continue.

A strong on-site building inspection focus is maintained by the City during the construction of new buildings to ensure that the finished building meets appropriate standards of safety and amenity. The service is rounded off by the provision of unbiased advice to residents on issues relating to building construction and other related fields.

"After years of detailed planning and hard work... Council has begun to deliver on our promise to revitalise not only Armadale, but also the rest of our district"

HEALTH AND SAFETY

Council provides a range of services directed towards maintenance, promotion and improvement of public health. The objectives of these programmes and an outline of how they are undertaken, measured and evaluated are detailed within the City's Environmental Health Plan.

Council's Plan for the years 2003 - 2008 attempts to link all programmes and sub programmes to the listed government responsibilities within the Australian Charter for Environmental Health.

Immunisation

Continuation of the State and Commonwealth subsidising of schools based Hepatitis B and Meningococcal programmes and the continuing successful partnership between the City and Armadale Health Service in provision of free immunisation resulted in a record 7881 vaccinations this year.

The outstanding outcome of the year's programme is a consequence both of Local Government and locally based State Government agencies being well placed to deliver services to their communities and of Council's ability to commit additional resources to immunisation as a direct result of the State and Commonwealth payments.

Food

The measurement criteria used under the City's Environmental Health Plan continues to show improvement in the food safety practices adopted by the City's food outlets and manufacturers. National Food Standards that came into effect in 2002 impose a range of new responsibilities upon all food businesses and Council's Environmental Health team helps all proprietors in understanding how to fulfil their obligations.



Council's Environmental Health Officers regularly sample and submit for analysis, foods purchased from manufacturers and retailers throughout the district to determine its compliance with legislated chemical and bacteriological standards. Much of this work is undertaken as part of the State Food Monitoring Programme or the Local Health Authorities Analytical Committee Scheme. Of 75 samples analysed this year, just five failed to meet required standards. Prosecutions were instituted in three cases.

Notifiable Infectious Disease Investigations

Environmental Health Officers investigate all cases of notifiable infectious diseases referred for follow up by the WA Department of Health. The majority of these are enteric (food or water borne) illnesses such as campylobacter and salmonella infections. The rate of incidence of notifications of these diseases per unit population in Armadale was again below the metropolitan average, as it has consistently been since 1998.

RECREATION

Council's Recreation Services continued to work in partnership with the community to provide a range of enjoyable recreation opportunities for residents. A number of important achievements were realized during the year, including:

- The Police and Citizen Youth Club (PCYC) completed its first full year as managers of the newly upgraded Armadale Arena. The PCYC has been successful in blending its exciting new programmes with the traditional and established ones of the centre.
- The Armadale Aquatic Centre enjoyed its most successful season in recent times with attendance numbers up by 14,158 on the 5-year average. The ever-changing climatic conditions prompted an extension of the season for two weeks in April to allow patrons to enjoy the very warm autumn weather.
- As part of Council's strategy for the future provision of aquatic facilities for the community, a needs assessment and feasibility study for an indoor aquatic centre was commenced during the year. The community indicated support for developing the current Aquatic Centre at Champion Drive.
- A study and concept plan for the former Kelmscott Pool site was completed. The proposals from this plan will soon see this site transformed into another exciting community asset for Kelmscott.
- Grants totalling \$40,800 were obtained from the Department of Sport and Recreation for various projects to provide new and improved facilities for the community.
- A major review of the City's recreation fees and charges was carried out during the year resulting in a new and more equitable fee structure being put in place.
- A specialist Facilities Management Officer was employed to implement strategies and provide assistance to some larger sporting clubs with their financial and facility management issues. This assistance has enhanced the long-term sustainability of these clubs in the community.



“The Armadale Aquatic Centre enjoyed its most successful season”

EVENTS

The City continues to be an industry leader with its diverse and entertaining Cultural Events Programme. The year's major success stories included:

- The Armadale Highland Gathering and Cycling Classic attracted its biggest ever crowd and presented a unique blend of Scottish culture and high quality cycling.
- An estimated 40,000 people celebrated our national day at the City's Australia Day Celebrations in Minnowarra Park, and enjoyed the great family entertainment and a spectacular fireworks display.
- The return of the award winning Spring Family Bushwalks proved very popular and will again be showcasing our stunning natural bushland this year.
- Several thousand people attended the very popular programme of free Concerts in the Park. The feature "Minnawarra Blues" concert has grown to the extent that it is now recognized as one of the leading Blues concerts in the State.
- The ever popular Minnowarra Festival and Art Award is the State's largest arts festival and provided a smorgasbord of activities and entertainment for the whole family. Approximately 25,000 locals and visitors attended over the two days of the event.
- The Outside the Frame Art Award for Year 11 and 12 students was an outstanding success and attracted over 400 entries from students from throughout the region. The quality of the pieces of artwork entered belied the age of the artists and further demonstrated the outstanding talent of our young people.

COMMUNITY DEVELOPMENT

The City's Community Development team works with and for our community to create and maximise opportunities that allow for practical and effectual strategies to meet the needs of the community.



Major achievements this year have included:

- Community Safety and Crime Prevention Partnership Agreement signed with the State Government to ensure Armadale receives priority funding for projects aimed at community safety and crime prevention.
- Development of a skate park in Forrestdale with planning now happening for community urban art work for the site.
- Completion of reviews of the City's Cultural Plan, Disabilities Services Plan and Youth Plan.
- Completion of the Neighbourhood Improvement Project that has seen improvements in local neighbourhoods and parks, building on the sense of community spirit and creating safer places.
- The Armadale Aboriginal Family Support Service continues to be the pivotal contact between the aboriginal community and service providers. Completion of strategic and business plans for the Service will guide its ongoing development.
- The Armadale Volunteer Resource Service in its first year of operation has been acknowledged as one of the most successful pilot services funded by State Government. Further funding has been secured to develop Volunteer Management Strategies with the City's sporting groups.
- The Seniors Ready for Life Project took up residence at the Armadale Town Hall with a number of the Seniors' community projects becoming reality.

“Over 251,000 people visited the libraries during the year”

LIBRARIES

The City's libraries continued to provide high levels of service both within the physical library space (with over 251,000 people visiting the libraries during the year), as well as in the online environment as the public library catalogue was made available on the City's website during this period.

The loan period for library items was increased from two to three weeks to offset the introduction of a fines system. This system was introduced to increase the turnover in stock by encouraging borrowers to either renew or return items that they have finished with on time.

Significant activities for the year included:

- Support for students was enhanced with the commencement of the Homework Hub at Westfield Library. This service is coordinated by a volunteer tutor.
- A small grant from the Office of Multicultural Interests enabled the libraries to support Harmony Week, with more than 150 people attending the special multicultural story times and morning teas in each of the libraries.
- Australian Library & Information Week was used to highlight the regular weekly happenings in the City's libraries. These included:
 - story times in each library,
 - a Justice of the Peace in attendance,
 - an Internet Introduction session,
 - the "Come Write In" group meeting,
 - the Pastels Art group meeting,
 - the Homework Hub,
 - the "Books-on-Wheels" group and
 - the Westfield Writing group.



All of these sessions are ongoing services and support the library's role in community capacity building, as well as the regular lending and reference services associated with libraries.

HISTORY & HERITAGE

Council remains strongly committed to the preservation and promotion of the City's history and heritage, as is evidenced by the ongoing fit-out of the expanded History House Museum storeroom area and the professional cataloguing of the Birtwistle Local Studies Library collection.

The growth in strong public and educational programmes has enabled the Historian / Museum Curator to tailor visitor experiences and offer a greater range and variety of activities. As a result, visitor numbers continue to rise with significant increases in school and seniors groups visiting the Minnowarra Historic Precinct in 2003/2004.

Activities for the year included:

- Upgrading of the "Nyoongar" Display at History House Museum.
- Additional conservation framing of Council's nationally significant Ben Strange political cartoon collection.
- Commencement of the City's oral history programme.
- Local history focused curriculum based education programmes being offered to school groups within the community.



RANGER SERVICES

Ranger Services provide regulatory and other services to the Armadale community. They liaise with agencies such as the Police Service, Department of Transport, Department of Conservation & Land Management, Fire & Rescue Service and the Bush Fire Service and enforce legislation in relation to animal control, litter, fire prevention, parking, and off-road vehicles.

Rangers conduct regular patrols of thoroughfares, removing impediments to safe vehicular and pedestrian traffic caused by unlawfully parked vehicles or other unauthorised obstructions.

With increasing population growth, the primary focus of Ranger Services is managing the response to the community. Demand has again increased over the last twelve months, with 5,371 requests for assistance having been received.

School educational visits are conducted where the duties and role of a Ranger are explained to students and children. This initiative is designed to assist younger members of the community to better understand responsible animal management and to teach them how to understand and comply with State legislation and Local Laws in relation to registration, confinement, and control of pets whilst in public places. Other aspects of Ranger Services covered in the school visits include:

- Fire hazard awareness
- Keep Australia Beautiful litter awareness programmes
- Safety around schools
- Fire awareness and environmental responsibilities

ANIMAL CONTROL

Animal control continues to demand a large proportion of Ranger Services operational time.

The City dealt with 4,190 lost, nuisance and/or straying animal incidents during this report period which, unfortunately, included the impounding of some 740 dogs. The City's modern animal impounding facility provides for the adequate welfare of impounded dogs or livestock.



FIRE SERVICES

Ranger Services coordinate fire and emergency management procedures and practices, in conjunction with other combat authorities and support agencies, to ensure optimum delivery of district and regional fire prevention and protection.

Volunteer fire brigades responded to 255 calls to bush/scrub fires during the 2003/2004 fire season, however, due to the excellent response from members and the upgraded resources now available to them, they have been able to deal with those incidents in a timely and effective manner, thereby reducing the potential for a major fire situation.

Recreation areas and other public places are patrolled to control unauthorised activities and promote responsible practices relating to the lighting of fires and reducing fire hazards.

The City is committed to providing a level and standard of infrastructure that will enable our community to develop to its full potential, whilst maintaining the highest level of respect for our environment.

The following represents some of the more significant achievements in this area for the 2003/2004 year:

CONSTRUCTION

- The replacement/construction of new bus shelters continued with the installation of 5 significantly improved shelters.
- Completion of Stage 1 of the construction of dual carriageway from Seville Drive to Lake Road to improve connectivity and accessibility to the Kelmscott industrial area.
- Major rebuilding of Hopkinson Road from Rowley Road to the City's landfill site.
- Completion of the construction of a dual lane roundabout at the intersection of Nicholson and Warton Roads which has significantly improved traffic flow in that area.
- Construction of Black Spot funded roundabouts at Raeburn/Holden Roads, Seventh/Avonlee Roads and upgrade to the Ranford/Warton Roads intersection.
- Construction of a new 75 vehicle car park, together with installation of lighting, at the Roleystone Theatre.
- Refurbishment of the Armadale Recreation Centre in preparation for PCYC to take over management of the facility.
- Extensive refurbishment of the Reg Williams Pavilion to provide accommodation for the Council and WA Police Service road safety joint venture at the ARK Road Safety Centre.
- Commencement of extensions and refurbishment of the Armadale Kelmscott Senior Citizens Centre.
- Design works undertaken for Commerce Avenue and Armadale Road 'Black Spot' funded projects, drainage works and river crossings as well as more than 15 smaller projects.
- Construction of access roads on behalf of Main Roads WA for private property on Albany Highway, Bedforddale.
- Reconstruction of part of Hesketh/Westfield Roads to facilitate urban development.



- Asphalt resurfacing on some seventeen roads at a total cost of \$500,000.
- Construction of twelve new paths and reconstruction of fourteen old paths throughout the municipality in line with Council's 10-Year Path Replacement Programme.

PARKS & RESERVES

- Streetscape works commenced on Champion Drive, Commerce Avenue and the Armadale 'Gateway' to beautify and enhance the environment.
- Construction of the new Forrestdale Skate Park completed and officially opened.
- Work continued on the upgrading of playgrounds and associated equipment in local parks.
- Irrigation systems continued to be upgraded to comply with new requirements of the State Water Strategy.
- Kelmscott tennis courts were resurfaced and associated fencing/hardware upgraded as the final stage of an upgrade programme which included Cross Park and Gwynne Park courts.
- Neighbourhood Improvement Programme (NIP) works were carried out in the Hollybush precinct and included street tree planting, verge mulching and various works at Bernice Hargraves Reserve, including a performance rotunda.
- The ongoing tree planting programme continued with the involvement of various community groups including scouts, local schools and residents.
- Continued support was provided to community groups to provide environmental awareness through the peak group for bushland/wetland management in Armadale known as the Bushcare and Environmental Advisory Committee (BEAC).

PROPERTY

- Major repairs to Armadale Aquatic Centre 50m pool.
- Refurbishment of Karragullen Hall, including rebuilding of the kitchen.
- Provision of new disabled access ramp and handrails at Frye Park Pavilion to allow visitor access to pavilion and viewing area.
- Provision of disabled ramps and doors at Armadale Tourist Centre allowing access off Jull Street.

WASTE MANAGEMENT

- Purchase of a new compactor which will extend the life expectancy of the City's landfill site.
- Introduction of the 'Sort & Save' initiative which will enable 80% of trailer waste to be recycled, thus saving valuable landfill capacity.
- Working with local schools for the development and testing of Worm Farms and composting utilising old mobile garbage bins.
- In association with the Armadale Redevelopment Authority, introduction of calico bags to encourage use of re-usable bags rather than plastic bags which pollute the environment.
- Commenced trial of cardboard compactor in conjunction with Amcor Recycling.
- Clean Up Australia launch at Skeet Road, Forrestdale by the Minister for the Environment, Dr Judy Edwards, in conjunction with Ian Keirnan, Chairman Clean Up Australia Day.

ENVIRONMENT

Significant progress continues to be achieved in the implementation of the City's State of the Environment Report plus the City's management plans for a number of natural areas.

Implementation of management plans has included the treatment of Bungendore Park, Kendal Court, Creyk Park and Bob Blackburn Reserve for *Phytophthora Dieback*. A number of natural areas have also benefited from the implementation of capital works priorities and the undertaking of priority weed control in good condition bushland.



The Streamcare Promotion has continued this year, with the promotion extending from the upper catchment areas to areas of the Swan Coastal Plain, encouraging landowners to receive free technical advice on watercourse management.

The City also supported the World Wide Fund for Nature's initiative known as 'Wetland Watch' by providing office space and other in-kind support. This regional programme is designed to assist private landowners in management of wetlands on the Swan Coastal Plain.

The Bushcare and Environmental Advisory Committee continue their role in advising Council on environmental issues and the City continues to work with the South East Regional Energy Group to implement the Community and Corporate Greenhouse Action Plans.

Armadale Gosnells Landcare Group (AGLG) has continued to support community landcare and implement the Upper Canning Southern Wungong Catchment Management Plan. AGLG and the City are working closely together to enhance the City's environment through coordinated landcare.

“The City is performing at a high level of achievement for all activities”

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 five years. The Plan details for each principal activity:

- a general description;
- the direct revenue and expenditures;
- 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 2003/2004 those activities, together with their associated objectives were:

- **Roads, Construction and related infrastructure**

To provide the most effective, safe and economical roads (and related infrastructure) network for the convenient movement of vehicles, pedestrians, cyclists and disabled persons.

- **Waste Management**

To minimise waste and to provide a cost effective and environmentally sound waste management service.

- **Parks and Reserves**

To provide safe, attractive, cost effective and socially accepted areas for the recreation and enjoyment of the public.

- **Public Buildings Maintenance and Construction**

To provide effective, safe and economically designed buildings to meet the needs of the community and accommodating people with special needs.

- **Culture and Libraries**

- To preserve local history and foster local culture.
- To provide services supporting the information needs of the community.
- To foster and support major local events to encourage community participation and pride.
- To facilitate the creation and development of local cultural community groups.

- **Administration and Governance**

To provide cohesive management, information technology and financial structures and practices that adequately serve the needs of elected members, Council employees and the broader community.

The City is performing at a high level of achievement for all activities with most performance targets being attained.

In the Administration and Governance principal activity, the City has again performed well on both an efficiency and effectiveness basis. From an efficiency perspective, the City’s level of expenditure continues to be below that of the State average for all local governments.

The latest comparative figures from the Western Australian Local Government Grants Commission show the City’s expenditure to be 18% less than its assessed standard whereas the State figures (for all local governments) show actual expenditures to be 8% greater than the assessed standard. In terms of effectiveness, the following indicators and outcomes again show a good level of achievement:

- the Annual Audit Report again had no qualifications;
- income and operating expenditures for the activities were either within budget or subject only to minor variations;
- a 97% compliance rate in the Annual Compliance Audit Return (the Return is a legislated requirement upon all local governments which measures levels of statutory compliance). The City met all but 8 of the 232 specific questions with the exceptions being of a minor nature. Improved systems and practices have been implemented to assist in ensuring that the City’s compliance performance will be even better in future audits;



- an independent evaluation of the appropriateness and effectiveness of the City's financial management systems and procedures revealed only one minor matter for possible review, and
- another independent evaluation of the City's administration of the Rates & Charges (Rebates & Deferments) Act confirmed that the City's procedures and practices 'are considered adequate to meet the requirements of the Act'.

Surveys conducted by independent agencies and Council staff indicates the following in respect to the principal activities of Roads, Construction and related infrastructure; Waste Management; and Parks and Reserves:

- the City's performance regarding its level of expenditure in maintaining its road network has been rated at the best level;
- comparative surveys confirm the City's expenditure on parks, gardens, ovals and reserves is below average, indicating that expenditure is adequate but limited;
- regular community satisfaction surveys have measured the City's Waste Services at a 98% satisfaction rating.

The City of Armadale's key principal activities are expected to remain the same for the next financial year.

NATIONAL COMPETITION POLICY

The City of Armadale, in satisfaction of the provisions of Clause 7 of the Competition Principles Agreement, offers the following reports on activities which occurred during 2003/2004:

Competitive Neutrality

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

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

The City's Health Local Laws and Environment, Animals and Nuisance Local Laws were reviewed during the year. This resulted in amendments to the Health Local Laws to strengthen controls over the use of refuse receptacles and in minor amendments to the Environment, Animals and Nuisance Local Laws to clarify some definitions.

The Signs, Hoardings & Bill Posting and Removal of Refuse, Rubbish & Disused Materials Local Laws are currently under review with completion anticipated during the next financial year.

Structural Reform

The City of Armadale did not privatise any activities in 2003/2004 and as a consequence there were no obligations for structural reform.

RECORD KEEPING PLAN

The State Records Act 2000 ('the Act'), section 19, requires that every government organisation must have a Record Keeping Plan that has been approved by the State Records Commission ('the Commission'). The City of Armadale's record keeping plan was endorsed by Council in February 2004 and subsequently approved by the Commission on 22 April 2004.

Under section 61 of the Act, the Commission has established and gazetted 'State Records Principles and Standards'. Standard 2, Principle 6 (Compliance) requires, inter alia, that a government organisation includes within its annual report a section that addresses the following points with regard to its Record Keeping Plan:

The efficiency and effectiveness of the organisation's record keeping systems is evaluated not less than once every five years: The latest date for the City's record keeping systems to be evaluated is March 2009. An evaluation will in fact be conducted by April 2006, which is the date by when a fully revised Record Keeping Plan is required to be presented to the State Records Commission.

“The City is committed to ensuring that its facilities are accessible to all members of the community”

The organisation conducts a record keeping training programme: The City of Armadale’s record keeping training programme has been recognised and approved within its Record Keeping Plan.

Training commences at the induction stage and occurs on an ongoing basis, including the provision of both internal and external training opportunities.

The efficiency and effectiveness of the record keeping training programme is reviewed from time to time: The City’s records training is continually monitored for effectiveness and relevancy from staff feedback and surveys of training requirements including information received at annual staff appraisals.

The organisation’s induction programme addresses employee roles and responsibilities in regard to their compliance with the organisation’s Record Keeping Plan: The City of Armadale’s induction programme contains a mandatory session with the Records Department and includes an explanation of the filing system and records procedures as well as staff responsibilities.

DISABILITY SERVICES PLAN

The Disability Advisory Committee has been involved with reviewing the City’s Disability Services Plan and developing a new one. The new plan, renamed the Disability Access and Inclusion Plan, has been developed to incorporate the findings of the review and community consultation. It ensures that the City has a plan that meets any changing legislative developments and strives for best practice in creating an accessible and inclusive community.



The City of Armadale is committed to ensuring that its facilities are accessible to all members of the community and has made some significant access improvements throughout the year. These include:

- Construction of a new unisex/disabled change room, shower and toilet at the Armadale Aquatic Centre to complement disabled user programmes run at the Centre.
- Inclusion of disabled access ramps to the refurbished ARK Road Safety Centre.
- Redesigned access for disabled users at the refurbished Armadale Kelmscott Seniors Centre, including a new unisex toilet facility.
- Currently designing new temporary accommodation for administrative staff which will include access ramps to entry and unisex toilet facility.

The City makes every effort to respond to the needs of people with disabilities and therefore provides alternative formats of the Plan and other Council information on a personalised basis.

LOTTERIES COMMISSION GRANTS

The City is grateful to the Lotteries Commission for providing the following grant funding during 2003/2004:

Purpose	Amount \$
Australia Day celebrations	13,000
Concerts in the Park	5,000
Seniors’ Ready for Life Project	46,000
Total	64,000

BARRETT & PARTNERS – DFK

Certified Practising Accountants

INDEPENDENT AUDIT REPORT

TO: RATEPAYERS OF THE CITY OF ARMADALE

PARTNERS

Ronald E Barrett FCA
Anthony D Macri FCA
Domenic A Macri CA

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 2004. 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 2004 and the results of its operations for the year then ended in accordance with applicable Accounting Standards; and
- (b) are prepared in accordance with the requirements of the Local Government Act 1995 and Regulations under that act and other mandatory professional reporting requirements.

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


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


A MACRI
PARTNER

PERTH
DATED THIS 4TH DAY OF OCTOBER 2004.

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A member firm of

A worldwide association of independent
accounting firms & business advisors

City of Armadale Financial Report

For the year ended 30 June 2004



Financial Report For the Year Ended 30 June 2004

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

Statement by the Chief Executive Officer

The attached financial report of the City of Armadale, being the Annual Financial Report and supporting notes and other information, for the financial year ended 30 June 2004 is, in my opinion, properly drawn up to present fairly the financial position of the City of Armadale as at 30 June 2004, and the results of the operations for the financial year ended, in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and regulations under the Act.

Signed on the 1st day of October 2004



R S Tame
Chief Executive Officer

FINANCIAL REPORT

Operating Statement

For the year ended 30 June 2004

	Note	2003 \$	2004 Budget \$	2004 \$
Revenues from Ordinary Activities	2			
General Purpose Funding		19,086,892	20,103,027	20,366,594
Governance		119,705	23,335	42,668
Law, Order and Public Safety		346,598	483,402	488,134
Health		77,553	81,228	89,431
Education and Welfare		536,560	331,692	404,531
Community Amenities		4,033,899	4,249,694	5,437,004
Recreation and Culture		1,265,132	893,648	882,767
Transport		4,320,323	3,515,528	4,166,885
Economic Services		269,170	256,548	322,631
Other Property and Services		307,908	54,500	235,440
		30,363,740	29,992,602	32,436,085
Expenses from Ordinary Activities				
Ex Borrowing Cost	2			
General Purpose Funding		136,171	134,000	157,157
Governance		3,837,555	1,525,588	1,445,813
Law, Order and Public Safety		980,971	1,247,418	1,117,846
Health		520,448	654,520	608,235
Education and Welfare		878,502	1,297,293	1,053,488
Community Amenities		4,870,598	5,863,697	6,765,192
Recreation and Culture		9,125,173	10,604,917	10,243,396
Transport		6,160,289	7,893,652	7,672,820
Economic Services		569,378	860,468	709,789
Other Property and Services		344,818	306,576	951,078
		27,423,903	30,388,129	30,724,814
Borrowing Costs Expense	2			
General Purpose Funding		0	1,000	0
Governance		0	70,000	4,486
Law, Order and Public Safety		109	0	0
Community Amenities		7,581	7,200	6,929
Recreation and Culture		29,194	24,200	23,635
Transport		5,219	0	0
		42,103	102,400	35,050
Net Profit or Loss / Result		2,897,734	(497,927)	1,676,221

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

Statement of Financial Position

As at 30 June 2004

	Note	2003	2004
		\$	\$
Current Assets			
Cash Assets	3	7,372,647	9,057,385
Receivables	4	2,886,926	1,963,356
Inventories	5	97,441	118,824
Total Current Assets		10,357,014	11,139,565
Non-Current Assets			
Receivables	4	656,308	609,545
Property, Plant and Equipment	6	25,897,355	26,839,896
Infrastructure	7	167,325,500	167,746,819
Total Non-Current Assets		193,879,163	195,196,260
Total Assets		204,236,177	206,335,825
Current Liabilities			
Payables	8	2,572,088	1,714,961
Interest-Bearing Liabilities	9	96,445	194,050
Provisions	10	1,701,677	2,263,996
Total Current Liabilities		4,370,210	4,173,007
Non-Current Liabilities			
Interest-Bearing Liabilities	9	437,846	1,043,838
Provisions	10	274,050	288,686
Total Non-Current Liabilities		711,896	1,332,524
Total Liabilities		5,082,106	5,505,531
Net Assets		199,154,071	200,830,294
Equity			
Retained Surplus		185,775,036	187,344,302
Reserves - Cash Backed	11	3,103,225	3,210,182
Reserves - Asset Revaluation	12	10,275,810	10,275,810
Total Equity		199,154,071	200,830,294

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

FINANCIAL REPORT

Statement of Changes in Equity

For the year ended 30 June 2004

	Note	2003	2004
		\$	\$
Retained Surplus			
Balance as at 1 July 2003		183,495,280	185,775,036
Net Result		2,897,734	1,676,221
Transfer from / (to) Reserves		(617,978)	(106,957)
Balance as at 30 June 2004		185,775,036	187,344,300
Reserves - Cash Backed			
Balance as at 1 July 2003		2,485,247	3,103,225
Transfer (to) / from Reserves		617,978	106,957
Balance as at 30 June 2004	11	3,103,225	3,210,182
Reserves - Asset Revaluations			
Balance as at 1 July 2003		10,275,810	10,275,810
Revaluation Increment		0	0
Revaluation Decrement		0	0
Balance as at 30 June 2004	12	10,275,810	10,275,810
Total Equity		199,154,071	200,830,292

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

Statement of Cash Flows

For the year ended 30 June 2004

	Note	2003 \$	2004 Budget \$	2004 \$
Cash Flows from Operating Activities				
Receipts				
Rates		15,686,781	17,111,627	16,904,659
Grants and Subsidies - Operating		2,304,717	2,450,468	2,831,673
Contributions, Reimbursements and Donations		528,473	1,566,089	1,850,829
Service Charges		0	0	0
Fees and Charges		5,063,807	5,705,991	6,914,825
Interest Earnings		601,710	548,900	758,808
Goods and Services Tax (on revenue)		701,301	788,304	781,587
Goods and Services Tax (refunded)		817,654	800,000	1,022,232
Other		939,235	843,155	1,296,107
		26,643,678	29,814,534	32,360,720
Payments				
Employee Costs		(10,850,035)	(10,341,248)	(11,148,687)
Materials and Contracts		(6,174,903)	(9,500,874)	(8,306,948)
Utility Charges		(1,099,545)	(923,607)	(1,083,050)
Insurance		(708,699)	(579,133)	(852,285)
Interest		(42,103)	(92,400)	(35,050)
Goods and Services Tax		(1,489,605)	(800,000)	(1,777,259)
Other		(85,488)	(2,807,177)	(1,764,656)
		(20,450,378)	(25,044,439)	(24,967,935)
Net Cash Provided by Operating Activities	13	6,193,300	4,770,095	7,392,785
Cash Flows from Investing Activities				
Payment for Development of Land		0	0	0
Payment for Property, Plant and Equipment		(2,006,647)	(3,620,867)	(2,957,185)
Payment for Infrastructure		(6,128,649)	(10,289,659)	(6,708,615)
Grants and Subsidies - Non Operating		4,043,885	2,464,879	2,491,142
Proceeds from Sale of Assets		612,296	842,550	763,015
Net Cash Provided by Investing Activities		(3,479,115)	(10,603,097)	(6,411,643)
Cash Flows from Financing Activities				
Advances to Community Groups		0	0	0
Repayment of Debentures		(652,125)	(126,500)	(96,403)
Repayment of Finance Leases		(4,211)	0	0
Proceeds from Self Supporting Loans		21,083	14,300	0
Proceeds from Advances		0	0	0
Proceeds from New Debentures		0	800,000	800,000
Net Cash Provided by Financing Activities		(635,253)	687,800	703,597
Net Increase (Decrease) in Cash Held		2,078,932	(5,145,202)	1,684,739
Cash at Beginning of Year		5,293,715	7,372,646	7,372,646
Cash at End of Year	13	7,372,647	2,227,444	9,057,385

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 2004

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 accounting basis under the convention of historical cost accounting.

b. The Local Government Reporting Entity

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

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

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

c. Goods and Services Tax

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

d. Fixed Assets

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

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

e. Land Held for Resale

Land purchased for development and / or resale is valued at the lower of cost and net realizable 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 recognized as expenses.

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

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. 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 Street 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
- Pathways 20 years
- Reserves 20 years

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 City are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that 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.

i. Joint Venture

Any interest the City 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 Statement of Financial Position and Operating Statement and 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:

Wages, Salaries and Annual Leave

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

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 (continued)

For the year ended 30 June 2004

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.

When 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 the contributions recognised as revenues in a previous reporting period that 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.

m. Interest Rate Risk

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

n. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position 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.

o. Net Fair Values

The net fair value of assets and liabilities approximate their carrying values. No financial assets and / or liabilities are readily traded on organized markets in standardized form. Financial assets, where the carrying amount exceeds net fair values, have not been written down as the City intends to hold these assets to maturity. The aggregate net fair value and carrying amounts of financial assets and liabilities are disclosed in the statement of financial position and notes to the financial statements.

p. Rounding Off Figures

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

q. Comparative Figures

Comparative figures may have been adjusted to conform to changes in presentation for the current financial year.

r. Impacts of Adopting Australian Equivalents to International Financial Reporting Standards (IFRSs)

Effective from financial periods commencing on or after 1 January 2005, the Australian Accounting Standards Board (AASB) plans to amend existing Australian Accounting Standards so content and wording is consistent with IFRSs.

As the AASB has prohibited the early adoption of the Australian equivalents to IFRSs, the first period to which they will relate will be the year ended 30 June 2006 (that is, the year commencing 1 July 2005).

The transition to the Australian equivalents to IFRSs is being managed via a process of education that includes technical training and liaison with Council's auditors and industry groups. This will include a review of the pending standards to determine the effect on Council's existing accounting policies and treatments.

From the review performed to date, it is not anticipated the adoption of the new standards, when they become applicable, will result in any key differences in the accounting policies or treatments of Council.

	Note	2003	2004
		\$	\$
2. Revenues and Expenses			
a. Net Profit or Loss / Result from Ordinary Activities was arrived at after:			
i. Charging as Expenses:			
Significant Expense		Nil	Nil
Amortisation		Nil	Nil
<u>Auditor's Remuneration</u>			
Audit		15,240	9,976
Other Services		1,260	868
<u>Bad and Doubtful Debts</u>			
Rates Written Off		45,690	30,626
Sundry Debtors Written Off		12,079	293,129
Provision for Doubtful Debts		20,000	122,378
<u>Depreciation</u>			
Land and Buildings		429,982	439,049
Plant and Machinery		931,618	1,053,489
Furniture and Equipment		35,016	32,647
Roads		2,128,619	2,242,940
Drainage		510,789	516,912
Pathways		234,807	262,962
Reserves		3,256,888	3,264,482
		<u>7,527,719</u>	<u>7,812,481</u>
<u>Rental Charges</u>			
Operating Leases		4,563	0

FINANCIAL REPORT

Notes to, and forming part of, the Financial Report (continued)

For the year ended 30 June 2004

ii. Crediting as Revenues:

	Note	2003 \$	2004 Budget \$	2004 \$
<u>Interest Earnings</u>				
Investments - Reserve Funds		121,996	123,300	163,718
Investments - Other Funds		291,104	200,000	400,414
Other Interest Revenue	27	183,558	225,600	190,750
Other Interest Revenue - Loans		5,052	3,900	3,926
		601,710	552,800	758,808

b. Revenues and Expenses Classified According to Nature and Type

Revenues

Rates	23	15,461,743		16,663,294
Grants and Subsidies - Operating	29	3,056,476		2,831,673
Grants and Subsidies - Non Operating	29	4,043,885		2,491,142
Contributions, Reimbursements and Donations		528,473		1,850,829
Profit on Asset Disposals	19	252,727		331,815
Fees and Charges	28	5,063,807		6,283,048
Interest Earnings	2	601,710		758,808
Other Revenue		1,354,919		1,225,476
		30,363,740		32,436,085

Expenses

Employee Costs		11,131,676		11,740,999
Materials and Contracts		6,487,057		7,383,252
Utility Charges		1,099,545		1,083,050
Insurance		708,699		852,285
Depreciation on Non-Current Assets	2	7,527,719		7,812,481
Loss on Asset Disposal	19	35,520		58,262
Other Expenditure		433,687		1,794,485
		27,423,903		30,724,814
Interest	2	42,103		35,050
		27,466,006		30,759,864

c. Borrowing Costs Expense

Borrowing Costs Expense Comprises:

Finance Lease Charges		109		0
Debentures	21	41,993		35,050
		42,102		35,050

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, 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.

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.

FINANCIAL REPORT

Notes to, and forming part of, the Financial Report (continued)

For the year ended 30 June 2004

	2003	2004
	\$	\$
2. Revenues and Expenses (continued)		
e. Conditions Over Contributions		
Grants recognised as revenues in a previous reporting period that were not expended at the close of the previous reporting period (i.e. opening balance)		
Law, Order and Public Safety		
Emergency Services	0	100,450
Education and Welfare		
Aboriginal Leaders	0	4,129
Aboriginal Support	137,054	50,200
Armadale Senior Citizen Centre	0	190,000
Community Arts Network	0	7,075
Keystart Neighbourhood Improvement	0	35,419
Safer WA	0	9,704
Seniors Projects	21,215	0
Vacation Training	0	5,695
Volunteer Resource Centre	0	30,000
Community Amenities		
Biodiversity Project	0	5,739
Bungendore Park Revegetation	2,909	0
Cities for Climate Protection	0	30,000
Envirofund	0	2,000
Fletcher Park	0	2,000
Recreation and Culture		
Armadale Recreation Centre	9,384	0
Armadale Sporting Club	6,500	0
Club Development	1,400	0
Kelmscott BMX Club	1,000	0
Roleystone Tennis Club	11,500	0
Transport		
Federal Blackspot	0	258,909
Grants Commission Road Fund	277,300	389,862
Local Government Road Fund	620,900	120,729
Main Roads Road Fund	0	1,062,799
Minor Acquisitions	0	1,974
Planning and Infrastructure	0	112,502
Roads to Recovery	383,000	0
Roadwise Safety Instructor	0	1,021
State Blackspot	0	28,000
	1,472,162	2,448,207

	2003	2004
	\$	\$
e. Conditions Over Contributions (continued)		
New grants that were recognised as revenues during the reporting period and that had not yet been fully expended in the manner specified		
Law, Order and Public Safety		
Emergency Services	100,450	0
Education and Welfare		
Aboriginal Leaders	4,129	0
Aboriginal Support	50,200	0
Armadale Senior Citizen Centre	190,000	0
Community Arts Network	7,075	0
Indigenous Youth Arts	0	21,990
Keystart Neighbourhood Improvement	35,419	32,667
Safer WA	9,704	0
Vacation Training	5,695	0
Volunteer Resource Centre	30,000	0
Community Amenities		
Biodiversity Project	5,739	
Cities for Climate Protection	30,000	0
Envirofund	2,000	0
Fletcher Park	2,000	0
Waterwise	0	2,114
Transport		
Federal Blackspot	258,909	0
Grants Commission Road Fund	389,862	468,808
Local Government Road Fund	120,729	0
Main Roads Road Fund	1,062,799	0
Minor Acquisitions	1,974	0
Planning and Infrastructure	112,502	0
Roads to Recovery	0	496,104
Roadwise Safety Instructor	1,021	3,645
State Blackspot	28,000	61,322
Street Lighting	0	14,051
	2,448,207	1,100,701

FINANCIAL REPORT

Notes to, and forming part of, the Financial Report (continued)

For the year ended 30 June 2004

	2003	2004
	\$	\$
2. Revenues and Expenses (continued)		
e. Conditions Over Contributions (continued)		
Grants that have been recognised as revenues in a previous reporting period, and that were expended in the current reporting period in the manner specified by the contributor		
Law, Order and Public Safety		
Emergency Services	0	100,450
Education and Welfare		
Aboriginal Leaders	0	4,129
Aboriginal Support	137,054	50,200
Armadale Senior Citizen Centre	0	190,000
Community Arts Network	0	7,075
Keystart Neighbourhood Improvement	0	35,419
Safer WA	0	9,704
Seniors Projects	21,215	0
Vacation Training	0	5,695
Volunteer Resource Centre	0	30,000
Community Amenities		
Biodiversity Project	0	5,739
Bungendore Park Revegetation	2,909	0
Cities for Climate Protection	0	30,000
Envirofund	0	2,000
Fletcher Park	0	2,000
Recreation and Culture		
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
Transport		
Federal Blackspot	0	258,909
Grants Commission Road Fund	277,300	389,862
Local Government Road Fund	620,900	120,729
Main Roads Road Fund	0	1,062,799
Minor Acquisitions	0	1,974
Planning and Infrastructure	0	112,502
Roads to Recovery	383,000	0
Roadwise Safety Instructor	0	1,021
State Blackspot	0	28,000
	1,472,162	2,448,207
Closing balances of unspent grants	2,448,207	1,100,701

	2003	2004
	\$	\$
3. Cash Assets		
Unrestricted	1,278,249	3,919,722
Restricted	6,094,398	5,137,663
	7,372,647	9,057,385
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Waste Management Reserve	1,498,534	1,839,534
Plant and Machinery Reserve	1,315,170	872,470
Land Acquisition Reserve	201,687	233,052
Long Service Leave Reserve	44,218	51,936
Armadale-Kelmescott Seniors' Reserve	16,575	0
Workers' Compensation Reserve	0	0
Revolving Energy Reserve	0	0
Building Plant and Equipment Reserve	27,040	92,040
PABX Telephone System Upgrade Reserve	0	8,000
Mobile Garbage Bin Programme Reserve	0	92,850
Future Recreation Facilities Reserve	0	20,300
Restricted Cash - Sundry Deposits and Bonds	542,967	539,569
Unspent Grants	2,448,207	1,100,701
Unspent Loans	0	287,211
	6,094,398	5,137,663
4. Receivables		
<u>Current</u>		
Rates Outstanding	677,804	421,640
Sundry Debtors	1,347,524	735,747
Provision for Doubtful Debts	(102,378)	(122,378)
GST Receivable	26,560	0
Accruals and Prepayments	919,228	927,311
Loans - Clubs / Institutions	18,188	1,036
	2,886,926	1,963,356
<u>Non-Current</u>		
Rates Outstanding - Pensioners	601,029	607,745
Loans - Clubs / Institutions	55,279	1,800
	656,308	609,545
5. Inventories		
<u>Current</u>		
Fuel and Materials	97,441	118,824
	97,441	118,824

FINANCIAL REPORT

Notes to, and forming part of, the Financial Report (continued)

For the year ended 30 June 2004

	2003	2004
	\$	\$
6. Property, Plant and Equipment		
Land and Buildings - Cost	24,103,208	24,569,225
Less Accumulated Depreciation	(2,385,472)	(2,824,520)
	21,717,736	21,744,705
Furniture and Equipment - Cost	2,076,220	2,095,276
Less Accumulated Depreciation	(1,872,861)	(1,905,507)
	203,359	189,769
Plant and Machinery - Cost	9,103,582	10,097,277
Less Accumulated Depreciation	(5,127,322)	(5,191,855)
	3,976,260	4,905,422
Total Property, Plant and Equipment	25,897,355	26,839,896

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

Beginning Balance	21,549,702	21,717,736
Additions	598,016	466,016
Disposals	0	0
Revaluation Movements	0	0
Depreciation Written Back	0	0
Depreciation Expense	(429,982)	(439,047)
Carrying Amount	21,717,736	21,744,705

Furniture and Equipment

Beginning Balance	224,594	203,359
Additions	13,781	19,056
Disposals	0	0
Revaluation Movements	0	0
Depreciation Written Back	0	0
Depreciation Expense	(35,016)	(32,646)
Carrying Amount	203,359	189,769

Plant and Machinery

Beginning Balance	3,908,122	3,976,260
Additions	1,394,849	2,472,113
Disposals	(395,093)	(1,478,418)
Revaluation Movements	0	0
Depreciation Written Back	0	988,956
Depreciation Expense	(931,618)	(1,053,489)
Carrying Amount	3,976,260	4,905,422

Total Property, Plant and Equipment	25,897,355	26,839,896
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	2003	2004
	\$	\$
7. Infrastructure		
Roads - Cost	106,493,973	112,149,031
Less Accumulated Depreciation	(11,237,604)	(13,480,545)
	95,256,369	98,668,486
Drainage - Cost	25,539,617	25,857,178
Less Accumulated Depreciation	(2,973,664)	(3,490,576)
	22,565,953	22,366,602
Pathways - Cost	4,710,800	5,338,670
Less Accumulated Depreciation	(1,097,594)	(1,360,556)
	3,613,206	3,978,114
Parks and Reserves - Cost	65,143,904	65,252,030
Less Accumulated Depreciation	(19,253,932)	(22,518,413)
	45,889,972	42,733,617
Total Infrastructure	167,325,500	167,746,819

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:

<u>Roads</u>		
Beginning Balance	92,042,789	95,256,369
Additions	5,342,199	5,655,057
Disposals	0	0
Revaluation Movements	0	0
Depreciation Written Back	0	0
Depreciation Expense	(2,128,619)	(2,242,940)
Carrying Amount	95,256,369	98,668,486
<u>Drainage</u>		
Beginning Balance	22,842,059	22,565,953
Additions	234,683	317,561
Disposals	0	0
Revaluation Movements	0	0
Depreciation Written Back	0	0
Depreciation Expense	(510,789)	(516,912)
Carrying Amount	22,565,953	22,366,602

FINANCIAL REPORT

Notes to, and forming part of, the Financial Report (continued)

For the year ended 30 June 2004

	2003	2004
	\$	\$
7. Infrastructure		
Movements in Carrying Amounts (continued)		
<u>Pathways</u>		
Beginning Balance	3,514,716	3,613,206
Additions	333,297	627,870
Disposals	0	0
Revaluation Movements	0	0
Depreciation Written Back	0	0
Depreciation Expense	(234,807)	(262,962)
Carrying Amount	3,613,206	3,978,114
<u>Parks and Reserves</u>		
Beginning Balance	48,928,390	45,889,972
Additions	218,470	108,127
Disposals	0	0
Revaluation Movements	0	0
Depreciation Written Back	0	0
Depreciation Expense	(3,256,888)	(3,264,482)
Carrying Amount	45,889,972	42,733,617
Total Infrastructure	167,325,500	167,746,819
8. Payables		
<u>Current</u>		
Sundry and Rates Creditors	1,402,545	404,084
Accrued Expenses	563,442	659,590
Unearned Revenue	31,070	64,297
Sundry Deposits and Bonds	542,967	539,569
Accrued Salaries and Wages	32,064	47,421
	2,572,088	1,714,961
9. Interest Bearing Liabilities		
<u>Current</u>		
Secured by Floating Charge Debentures	96,445	194,050
	96,445	194,050
<u>Non-Current</u>		
Secured by Floating Charge Debentures	437,846	1,043,838
	437,846	1,043,838

Additional details on borrowings are provided in Note 21.

	2003	2004 Budget	2004
	\$	\$	\$
10. Provisions			
<u>Current</u>			
Provision for Annual Leave	1,030,644		1,347,792
Provision for Sick Leave	166,675		161,442
Provision for Long Service Leave	504,358		754,762
	1,701,677		2,263,996
<u>Non-Current</u>			
Provision for Long Service Leave	274,050		288,686
	274,050		288,686
11. Reserves - Cash Backed			
<u>Waste Management Reserve</u>			
Opening Balance	1,091,307	1,498,534	1,498,534
Amount Set Aside / Transfer to Reserve	487,170	349,000	384,000
Amount Used / Transfer from Reserve	(79,943)	(43,000)	(43,000)
Closing Balance	1,498,534	1,804,534	1,839,534
<u>Plant and Machinery Reserves</u>			
Opening Balance	1,126,692	1,315,170	1,315,170
Amount Set Aside / Transfer to Reserve	1,024,806	980,000	1,118,270
Amount Used / Transfer from Reserve	(836,327)	(1,724,678)	(1,560,970)
Closing Balance	1,315,171	570,492	872,470
<u>Land Acquisition Reserve</u>			
Opening Balance	201,687	201,687	201,687
Amount Set Aside / Transfer to Reserve	0	0	31,365
Amount Used / Transfer from Reserve	0	0	0
Closing Balance	201,687	201,687	233,052
<u>Long Service Leave Reserve</u>			
Opening Balance	48,986	44,218	44,218
Amount Set Aside / Transfer to Reserve	10,413	0	7,718
Amount Used / Transfer from Reserve	(15,181)	0	0
Closing Balance	44,218	44,218	51,936
<u>Armadale-Kelmscott Seniors' Reserve</u>			
Opening Balance	16,575	16,575	16,575
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	(15,000)	(16,575)
Closing Balance	16,575	1,575	0
<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

FINANCIAL REPORT

Notes to, and forming part of, the Financial Report (continued)

For the year ended 30 June 2004

	2003	2004	2004
	\$	Budget	\$
		\$	
11. Reserves - Cash Backed (continued)			
<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	27,040	27,040
Amount Set Aside / Transfer to Reserve	27,040	65,000	65,000
Amount Used / Transfer from Reserve	0	0	0
Closing Balance	27,040	92,040	92,040
<u>PABX Telephone System Upgrade Reserve</u>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	8,000	8,000
Amount Used / Transfer from Reserve	0	0	0
Closing Balance	0	8,000	8,000
<u>Mobile Garbage Bin Programme Reserve</u>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	92,850	92,850
Amount Used / Transfer from Reserve	0	0	0
Closing Balance	0	92,850	92,850
<u>Future Recreation Facilities Reserve</u>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	50,300	20,300
Amount Used / Transfer from Reserve	0	0	0
Closing Balance	0	50,300	20,300
Total Reserves - Cash Backed	3,103,225	2,865,696	3,210,182

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

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

Waste Management Reserve

- To be used to assist in 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.

Long Service Leave Reserve

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

Armadale-Kelmscott Seniors' Reserve

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

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.

	2003 \$	2004 \$
11. Reserves - Cash Backed (continued)		
Building Plant and Equipment Reserve - To be used to assist in the replacement of equipment associated with Council buildings.		
PABX Telephone System Upgrade - To be used to assist in the upgrade and replacement of Council's current PABX telephone system.		
Mobile Garbage Bin Programme Reserve - To be used to assist in the purchase and replacement of the City's Mobile Garbage Bins.		
Future Recreation Facilities Reserve - To be used to assist in the construction of future recreation facilities.		
Various movements within each of the reserves is expected in the future as further transfers to, and from, occur.		
12. Reserves - Asset Revaluation		
Reserves - Asset Revaluation	10,275,810	10,275,810
	10,275,810	10,275,810
13. Notes to the Statement of Cash Flows		
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	7,372,647	9,057,385
	7,372,647	9,057,385
b. Reconciliation of Net Cash Provided by Operating Activities to Net Result		
Net Result	2,897,734	1,676,221
Depreciation	7,527,719	7,812,481
(Profit) / Loss on Sale of Asset	(217,203)	(273,553)
(Increase) / Decrease in Receivables	(913,055)	970,333
(Increase) / Decrease in Inventories	(37,959)	(21,383)
Increase / (Decrease) in Payables	708,132	(857,128)
Increase / (Decrease) in Employee Provisions	271,821	576,955
Grants and Contributions for Asset Development	(4,043,885)	(2,491,142)
Net Cash from Operating Activities	6,193,304	7,392,784
c. Credit Standby Arrangements		
Bank Overdraft Limit	100,000	100,000
Bank Overdraft at Balance Date	0	0
Credit Card Limit	6,000	6,000
Credit Card at Balance Date	0	0
Total Amount of Credit Unused	106,000	106,000
d. Loan Facilities		
Loan Facilities - Current	96,445	194,050
Loan Facilities - Non-Current	437,846	1,043,838
Total Facilities in Use at Balance Date	534,291	1,237,888
Unused Loan Facilities at Balance Date	Nil	287,211

FINANCIAL REPORT

Notes to, and forming part of, the Financial Report (continued)

For the year ended 30 June 2004

	2003	2004
	\$	\$
14. Contingent Liabilities		
Contingent Liabilities	Nil	Nil
15. Capital and Leasing Commitments		
Finance Lease Commitments	Nil	Nil
Operating Lease Commitments	Nil	Nil
Capital Expenditure Commitments	Nil	Nil

16. Joint Venture

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

17. Trust Funds

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

Item	Balance 1 July \$	Amounts Received \$	Amounts Paid \$	Balance 30 June \$
Builders Registration Board Levy	0	45,870	(45,870)	0
Building Construction Training Fund	0	114,211	(114,211)	0
Rates in Suspense	15,060	975	0	16,035
SEMACC Lease Liability	10,525	0	0	10,525
Town Planning Bonds	25,041	0	0	25,041
Town Planning Section 28A Deposits	26,321	0	0	26,321
	76,947	161,056	(160,081)	77,922

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

General Purpose Funding	3,100,049	4,013,256
Governance	280,928	213,073
Law, Order and Public Safety	1,132,074	1,273,907
Health	238,524	237,089
Education and Welfare	2,711,048	2,843,372
Housing	0	0
Community Amenities	3,415,457	4,465,869
Recreation and Culture	64,541,618	62,902,829
Transport	128,529,400	129,903,446
Economic Services	63,400	320,888
Other Property and Services	223,679	162,096
Unallocated	0	
	204,236,177	206,335,825

19. Disposals of Assets - 2003-2004 Financial Year

The following assets were disposed of during the year:

Item	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land and Buildings						
<u>Recreation and Culture</u>						
Lot 651 Westfield Road	0	0	0	120,000	0	120,000
Lot 194 Lake View Terrace	0	30,000	0	0	0	(30,000)
	0	30,000	0	120,000	0	90,000
<u>Transport</u>						
Lot 58 Streich Avenue	0	0	31,364	0	31,364	0
Lot 200 Chamberlain Way	0	0	0	0	0	0
Lot 201 Chamberlain Way	0	0	43,091	0	43,091	0
	0	0	74,455	0	74,455	0
Total Land - Buildings	0	30,000	74,455	120,000	74,455	90,000
Plant and Machinery						
<u>Governance</u>						
P501 - Holden Sedan	18,058	17,424	15,931	16,000	(2,127)	(1,424)
P716 - Ford Sedan	25,227	22,297	24,350	23,500	(877)	1,203
P798 - Holden Sedan	32,607	29,368	30,260	30,000	(2,347)	632
	75,892	69,089	70,541	69,500	(5,351)	411
<u>Law, Order and Safety</u>						
P500 - Ford Utility	13,498	13,768	15,385	14,700	1,887	932
P585 - Ford Utility	10,437	10,705	13,295	14,700	2,858	3,995
P615 - Toyota Utility	37,578	34,680	27,273	27,500	(10,305)	(7,180)
P616 - Toyota Utility	37,578	34,680	27,273	27,500	(10,305)	(7,180)
P620 - Isuzu Truck	0	0	77,273	55,000	77,273	55,000
P860 - Ford Wagon	18,043	13,909	13,113	13,000	(4,930)	(909)
	117,134	107,742	173,612	152,400	56,478	44,658
<u>Health</u>						
P559 - Ford Sedan	9,690	9,172	10,749	11,000	1,059	1,828
	9,690	9,172	10,749	11,000	1,059	1,828
<u>Education and Welfare</u>						
P510 - Holden Sedan	14,409	10,961	15,476	12,700	1,067	1,739
	14,409	10,961	15,476	12,700	1,067	1,739

FINANCIAL REPORT

Notes to, and forming part of, the Financial Report (continued)

For the year ended 30 June 2004

19. Disposals of Assets - 2003-2004 Financial Year (continued)

The following assets were disposed of during the year:

Item	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant and Machinery (continued)						
<u>Community Amenities</u>						
P406 - Cat Compactor	0	0	75,000	100,000	75,000	100,000
P416 - Isuzu Truck	0	12,659	10,909	30,000	10,909	17,341
P536 - Ford Sedan	11,214	11,976	10,113	11,000	(1,101)	(976)
P540 - Ford Sedan	12,794	12,285	12,385	11,000	(409)	(1,285)
P718 - Ford Sedan	25,227	22,297	25,441	23,500	214	1,203
Waste - Minor Plant	0	0	0	850	0	850
	49,235	59,217	133,848	176,350	84,613	117,133
<u>Recreation and Culture</u>						
P136 - Water Tank	53	48	30	400	(23)	352
P305 - Ford Utility	13,895	13,420	13,385	13,000	(510)	(420)
P334 - Polmac Trailer	0	0	0	500	0	500
P337 - Polmac Trailer	0	0	773	1,000	773	1,000
P340 - Ford Utility	8,860	8,358	11,204	13,000	2,344	4,642
P372 - Isuzu Truck	0	0	35,455	20,000	35,455	20,000
P485 - Mitsubishi Van	11,184	10,442	10,000	17,000	(1,184)	6,558
P486 - Mitsubishi Van	11,184	10,442	10,000	17,000	(1,184)	6,558
P492 - Ford Sedan	12,802	12,285	11,204	15,000	(1,598)	2,715
Parks - Minor Plant	11,151	0	1,773	3,700	(9,378)	3,700
	69,129	54,995	93,824	100,600	24,695	45,605
<u>Transport</u>						
P111 - Plate Compactor	4,143	1,580	2,000	2,500	(2,143)	920
P107 - Ford Sedan	12,802	12,285	12,840	15,000	38	2,715
P113 - Water Tank	198	178	50	500	(148)	322
P118 - Plate Compactor	0	0	3,800	5,000	3,800	5,000
P124 - Ford Utility	17,298	13,589	14,516	13,000	(2,782)	(589)
P125 - Ford Utility	17,054	13,589	14,749	13,000	(2,305)	(589)
P184 - Mitsubishi Truck	350	0	16,091	12,000	15,741	12,000
P207 - Polmac Trailer	0	0	0	1,000	0	1,000
P210 - Posiflex Trailer	0	0	455	500	455	500
P472 - Ford Sedan	10,870	10,346	10,930	11,000	60	654
P503 - Ford Utility	14,127	13,420	14,062	13,000	(65)	(420)
P514 - Mitsubishi Van	8,700	0	9,545	0	845	0
P525 - Ford Sedan	12,536	12,285	13,567	15,000	1,031	2,715
P701 - Ford Truck	713	0	19,091	15,000	18,378	15,000
P717 - Ford Sedan	25,930	22,018	28,204	23,500	2,274	1,482
P777 - Ford Sedan		14,180		13,000	0	(1,180)
P777 - Ford Sedan (2)		17,798		12,000	0	(5,798)
Engineering - Minor Plant	2,729	0	545	600	(2,184)	600
	127,450	131,268	160,445	165,600	32,995	34,332

19. Disposals of Assets - 2003-2004 Financial Year (continued)

The following assets were disposed of during the year:

Item	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant and Machinery (continued)						
<u>Economic Services</u>						
P440 - Ford Sedan	8,213	7,702	7,567	12,000	(646)	4,298
P458 - Polmac Trailer	0	0	727	300	727	300
P461 - Toyota Sedan	7,440	7,214	11,476	11,000	4,036	3,786
P464 - Ford Sedan	10,870	10,346	10,295	11,000	(575)	654
Property - Minor Plant	0	0	0	100	0	100
	26,523	25,262	30,065	34,400	3,542	9,138
Total Plant - Machinery	489,462	467,706	688,560	722,550	199,098	254,844
Total Assets	489,462	497,706	763,015	842,550	273,553	344,844

20. Financial Ratios

	2001	2002	2003	2004
Current Ratio	0.96	0.91	1.11	1.53
Debt Ratio	0.03	0.02	0.02	0.03
Debt Service Ratio	0.06	0.05	0.02	0.04
Rate Coverage Ratio	0.56	0.56	0.51	0.51
Outstanding Rates Ratio	0.11	0.09	0.08	0.06

The above ratios are calculated as follows:

$$\text{Current Ratio} = \frac{\text{Current Assets Minus Restricted Current Assets}}{\text{Current Liabilities Minus Liabilities Associated with Restricted Assets}}$$

$$\text{Debt Ratio} = \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

$$\text{Debt Service Ratio} = \frac{\text{Debt Service Cost (Principal and Interest)}}{\text{Available Operating Revenue}}$$

$$\text{Rate Coverage Ratio} = \frac{\text{Net Rate Revenue}}{\text{Operating Revenue}}$$

$$\text{Outstanding Rates Ratio} = \frac{\text{Rates Outstanding}}{\text{Rates Collectable}}$$

FINANCIAL REPORT

Notes to, and forming part of, the Financial Report (continued)

For the year ended 30 June 2004

21. Information on Borrowings

a. Repayment - Debentures (Budget)

Particulars	Principal 1 July \$	New Loans \$	Principal Payments Budget \$	Principal 30 June Budget \$	Interest Payments Budget \$
<u>Governance</u>					
282 - Corporate System	0	800,000	30,000	770,000	70,000
<u>Recreation and Culture</u>					
268 - Pries Park Pavilion	26,518	0	6,900	19,618	2,000
271 - Armadale Recreation	100,228	0	22,550	77,678	6,200
275 - Display Pavilion *	4,069	0	4,000	69	300
276 - Gwynne Park Pavilion	56,886	0	8,800	48,086	3,500
281 - Armadale Golf Plan	130,000	0	0	130,000	7,000
<u>Economic Services</u>					
280 - Forrestdale Business	118,117	0	11,600	106,517	7,100
<u>Other Property and Services</u>					
279 - Former Administration	67,332	0	42,650	24,682	5,300
	503,150	800,000	126,500	1,176,650	101,400

b. Repayment - Debentures (Actual)

Particulars	Principal 1 July \$	New Loans \$	Principal Payments Budget \$	Principal 30 June Budget \$	Interest Payments Budget \$
<u>Governance</u>					
282 - Corporate System	0	800,000	0	800,000	4,486
<u>Recreation and Culture</u>					
268 - Pries Park Pavilion	26,783	0	6,887	19,896	1,562
271 - Armadale Recreation	100,228	0	22,568	77,660	6,333
275 - Display Pavilion *	3,965	0	3,965	0	104
276 - Gwynne Park Pavilion	61,201	0	8,759	52,442	3,430
281 - Armadale Golf Plan	130,000	0	0	130,000	6,890
<u>Economic Services</u>					
280 - Forrestdale Business	123,829	0	11,592	112,237	6,929
<u>Other Property and Services</u>					
279 - Former Administration	88,284	0	42,632	45,652	5,316
	534,290	800,000	96,403	1,237,887	35,050

* Denotes a self-supporting loan financed by payments from third parties.
All other loan repayments are financed by general purpose revenue.

21. Information on Borrowings

c. New Debentures - 2003-2004 Financial Year

Particulars	Amount Borrowed		Amount Used		Balance Unspent
	Actual	Budget	Actual	Budget	
	\$	\$	\$	\$	\$
282 - Corporate System	800,000	800,000	512,789	800,000	287,211

Particulars	Institution Type	Loan (Years) Charges	Term Interest and	Total Rate	Interest
282 - Corporate System	WATC	Debenture	4	150,740	6.02%

d. Unspent Debentures

Particulars	Date Borrowed	Start / New Loans	Expended 2003-2004	Balance 30 June
		\$	\$	\$
282 - Corporate System	28 May 2004	800,000	512,789	287,211

e. Overdraft Facilities

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 2003 and 30 June 2004 was \$nil.

f. Interest Rate Risk

Council's exposure to interest rate risk as a result of borrowings and the weighted average interest rate on these borrowings is as follows:

Borrowings	2003	2002
	\$	\$
Floating Interest Rates		
Fixed Interest Rate Maturing		
- Within One Year	3,965	45,652
- One to Five Years	400,325	1,062,235
- Over Five Years	0	0
Non Interest Bearing	130,000	130,000
Total Borrowings	534,290	1,237,887
Weighted Average Effective Interest Rate	5.90%	5.93%

FINANCIAL REPORT

Notes to, and forming part of, the Financial Report (continued)

For the year ended 30 June 2004

	2004 Budget \$	2004 \$
22. Budget Comparison		
a. Non-Operating Revenue and Expenditure		
The following is a comparison of non-operating revenue and expenditure, including movements to and from reserve accounts, with the amounts contained in the Rate Setting Statement in the Budget.		
<u>Non-Operating Revenue</u>		
Proceeds on Sale of Assets	842,550	763,016
Debentures Raised	800,000	800,000
Repayments of Self-Supporting Loans	14,300	18,188
Proceeds from Advances	0	0
Transfers from Reserves	1,782,678	1,620,545
<u>Non-Operating Expense</u>		
Advances to Community Groups	0	0
Principal Repayment of Debentures	(126,500)	(96,403)
Principal Repayment of Finance Leases	0	0
Construction / Purchase of Assets		
- Land Held for Resale	0	0
- Land and Buildings	(883,411)	(466,016)
- Plant and Machinery	(2,717,269)	(2,472,113)
- Furniture and Equipment	(20,187)	(19,056)
- Infrastructure	(10,289,659)	(6,708,615)
Transfers to Reserves	(1,545,150)	(1,727,503)

b. Current Position at 1 July 2003

The current position balance carried forward from the previous financial year for the purpose of the 2003-2004 Annual Budget was \$5,202,924.

The actual current position balance shown in the audited financial report as at 30 June 2003 was \$(11,149).

The difference was due largely to the non-accounting for current employee provisions, as well as the non-accounting of some restricted assets. Other various audit adjustments also accounted for the difference.

23. Rating Information - 2003-2004 Financial Year

Rate Type (and Numbers)	Budget					
	Rate in \$	Rateable Value \$	Rate Revenue \$	Interim Rate \$	Back Rating \$	Total Revenue \$
<u>Differential Rate - GRV</u>						
Residential Vacant (33)	0.101284	428,034	43,353	0	0	43,353
Residential Improved (14,679)	0.101283	96,894,928	9,813,809	206,000	0	10,019,809
Residential Rural Vacant (95)	0.109119	823,642	89,875	0	0	89,875
Residential Rural Improve (1,644)	0.109118	15,286,827	1,668,068	0	0	1,668,068
Business 1 Vacant (18)	0.101286	453,952	45,979	0	0	45,979
Business 1 Improved (322)	0.101285	13,596,179	1,377,089	0	0	1,377,089
Business 2 Vacant (1)	0.101288	19,252	1,950	0	0	1,950
Business 2 Improved (74)	0.101287	10,560,812	1,069,673	0	0	1,069,673
<u>Differential Rate - UV</u>						
Rural General (240)	0.601100	94,704,542	569,269	0	0	569,269
Sub-Total (17,106)		232,768,168	14,679,065	206,000	0	14,885,065
<u>Minimum Rate - GRV</u>						
Residential Vacant (582)	606	1,653,255	352,692	0	0	352,692
Residential Improved (1,756)	525	8,108,991	921,900	0	0	921,900
Residential Rural Vacant (296)	732	1,467,606	216,672	0	0	216,672
Residential Rural Improved (255)	652	1,142,139	166,260	0	0	166,260
Business 1 Vacant (36)	983	233,711	35,388	0	0	35,388
Business 1 Improved (230)	833	2,027,135	191,590	0	0	191,590
Business 2 Vacant (2)	1,212	10,550	2,424	0	0	2,424
Business 2 Improved (34)	1,059	222,430	36,006	0	0	36,006
<u>Minimum Rate - UV</u>						
Rural General (24)	647	1,538,252	15,528	0	0	15,528
Sub-Total (3,215)		16,404,069	1,938,460	0	0	1,938,460
Total (20,321)						16,823,525
Rate Equivalent Charge						0
Specified Area Rates		Note 24				0
Discounts, Concessions, Write-Offs		Note 26				0
Total						16,823,525

FINANCIAL REPORT

Notes to, and forming part of, the Financial Report (continued)

For the year ended 30 June 2004

23. Rating Information - 2003-2004 Financial Year (continued)

Rate Type (and Numbers)	Rate in \$	Rateable Value \$	Actual			Total Revenue \$
			Rate Revenue \$	Interim Rate \$	Back Rating \$	
<u>Differential Rate - GRV</u>						
Residential Vacant (35)	0.101284	450,434	45,622	0	0	45,622
Residential Improved (14,731)	0.101283	97,293,438	9,854,181	80,855	2,003	9,937,039
Residential Rural Vacant (95)	0.109119	939,742	102,053	0	0	102,053
Residential Rural Improve (1,659)	0.109118	15,411,598	1,681,683	0	0	1,681,683
Business 1 Vacant (18)	0.101286	453,954	45,979	0	0	45,979
Business 1 Improved (323)	0.101285	13,599,799	1,377,456	0	0	1,377,456
Business 2 Vacant (0)	0.101288	0	0	0	0	0
Business 2 Improved (73)	0.101287	10,395,216	1,052,900	0	0	1,052,900
<u>Differential Rate - UV</u>						
Rural General (236)	0.601100	93,501,950	562,040	0	0	562,040
Sub-Total (17,170)		232,046,131	14,721,914	80,855	2,003	14,804,772
<u>Minimum Rate - GRV</u>						
Residential Vacant (554)	606	1,596,183	335,724	0	0	335,724
Residential Improved (1,744)	525	8,083,633	915,600	0	0	915,600
Residential Rural Vacant (290)	732	1,371,699	212,280	0	0	212,280
Residential Rural Improve (252)	652	1,309,116	164,304	0	0	164,304
Business 1 Vacant (36)	983	184,137	35,388	0	0	35,388
Business 1 Improved (236)	833	1,218,796	196,588	0	0	196,588
Business 2 Vacant (2)	1,212	10,550	2,424	0	0	2,424
Business 2 Improved (36)	1,059	238,602	38,124	0	0	38,124
<u>Minimum Rate - UV</u>						
Rural General (28)	647	1,514,207	18,116	0	0	18,116
Sub-Total (3,178)		15,526,923	1,918,548	0	0	1,918,548
Total (20,348)						16,723,320
Rate Equivalent Charge						2,213
Specified Area Rates		Note 24				0
Discounts, Concessions, Write-Offs		Note 26				(62,239)
Total						16,663,294

24. Specified Area Rate - 2003-2004 Financial Year

Council did not raise any specified area rates for the 2003-2004 financial year. Therefore no transfer to, or from, reserve accounts has occurred.

25. Service Charges - 2003-2004 Financial Year

Council did not raise any service charges for the 2003-2004 financial year. Therefore no transfer to, or from, reserve accounts has occurred.

26. Discounts, Incentives, Concessions and Write-Offs - 2003-2004 Financial Year

Discounts

Council did not provide any discounts in the 2003-2004 financial year.

Incentives

Two rate payment incentives were offered by Council in the 2003-2004 financial year. The first was four weekly prizes of \$700 and was provided in conjunction with the Armadale Shopping City and the Examiner Newspaper. Entry forms were made available with the rates notice and weekly issues of the Examiner Newspaper over a four week period. Completed entry forms were required to be placed in a barrel located at the Armadale Shopping City and each week over a four week period a winning entry was drawn. For prize winners that had not yet paid their rates the \$700 prize was forwarded to Council to credit their rates account and prize winners that had already paid their rates received a \$700 Armadale Shopping Centre gift voucher. The second incentive of three prizes of \$1,000 was provided in conjunction with Australia Post (who provided one of the prizes). Entries were conditional on the basis of full payment of rates by 19 September 2003. Winners were selected by random computer selection.

Concessions

Council, in response to ratepayer requests and subsequent to the adoption of the 2003-2004 Annual Budget, resolved on 15 September 2003 to offer a rates concession, the details of which were as follows:

- Reason for concession

To lessen the cost impact of the more significant rate increases resulting from property valuations (for approximately 500 properties) for rating purposes being changed from unimproved to gross rental valuation effective from 1 July 2003 pursuant to Section 6.28 of the Local Government Act.

- Properties eligible for the concession

The concession applied to those properties whose valuation basis for rating purposes was changed to gross rental valuation with effect 1 July 2003 and where the change had resulted in a rates increase on the previous year's rates of greater than \$200.

- Calculation of concession

For eligible properties the concession was calculated by $[(A - B) - \$200] \times 0.5$ where A equals rates levied in 2003-2004 and B equals rates levied in 2002-2003. Total cost was \$31,613.

Write-Offs

The following write-offs were made during the 2003-2004 financial year:

	\$
Rans Sports Management	6,714
Various Library Debtors	29,016
Various Ranger Services Debtors	18,624
Various Rates Debtors	30,626
Various Sporting Clubs	238,775
	323,755

27. Interest Charges and Instalments - 2003-2004 Financial Year

<u>Particulars</u>	<u>Interest Rate</u> %	<u>Admin Charge</u> \$	<u>Revenue Actual</u> \$	<u>Revenue Budget</u> \$
Interest on Late Paid Rates	11	-	67,848	125,000
Interest on Instalment Plans	5.5	-	90,716	61,800
Interest on Deferred Pensioner Rates	5.9	-	32,186	35,000
Charges on Instalment Plans	-	18.60	119,530	111,200
Charges on Special Arrangements	-	30.00	13,147	25,700

Ratepayers had the option of paying rates in four equal instalments with administration charges and interest applied for the final three instalments. The instalment due dates were 19 September 2003, 19 November 2003, 19 January 2004 and 19 March 2004.

FINANCIAL REPORT

Notes to, and forming part of, the Financial Report (continued)

For the year ended 30 June 2004

	2003 \$	2004 Budget \$	2004 \$
28. Fees and Charges			
General Purpose Funding	237,340		256,910
Governance	909		1,139
Law, Order and Public Safety	241,423		256,857
Health	59,148		65,885
Education and Welfare	13,000		7,500
Housing	0		0
Community Amenities	3,681,225		4,912,982
Recreation and Culture	537,676		444,344
Transport	17,596		28,692
Economic Services	255,975		303,331
Other Property and Services	19,515		
	5,063,807		6,283,048
29. Grant Revenue			
By Nature and Type			
Grants and Subsidies - Operating	3,056,476		2,831,673
Grants and Subsidies - Non-Operating	4,043,885		2,491,142
	7,100,361		5,322,815
By Programme			
General Purpose Funding	2,758,692		2,638,348
Governance	0		0
Law, Order and Public Safety	100,450		98,875
Health	0		0
Education and Welfare	380,252		360,124
Housing	0		0
Community Amenities	46,818		(4,275)
Recreation and Culture	323,132		110,500
Transport	3,491,017		2,119,243
Economic Services	0		0
Other Property and Services	0		0
	7,100,361		5,322,815
30. Employee Numbers			
Number of full-time equivalent employees at balance date	208		212
31. Councillors' Remuneration			
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	32,750	32,750
Telecommunications Allowance	10,080	11,200	11,407
Travelling Expenses	5,809	9,000	6,432
Communications Allowance (New Members)	1,372	0	576
Information Technology Allowance (Proposed)	0	7,000	0
	138,636	149,950	141,165

32. Economic Dependency

Some revenue is received by way of grants from the State and Federal Government. The total of grant revenue from government sources is disclosed in Note 29.

33. Major Land Transactions

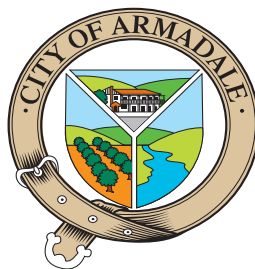
Council did not enter into any major land transactions in the 2003-2004 financial year.



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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