

Armadale. A Year of Positive Growth.

GRAND CINEMAS



Perth

Armadale



## 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.

### 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 55,600
- Area 560.4 square kilometres
- Length of roads 541 kilometres
- Area of parks and reserves 1,692 hectares
- Homes 20,018
- 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.

### Our vision is for the City of Armadale to be:

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

### Our community will be recognised for their:

- tradition of innovation;
- strong sense of hospitality;
- pride in the city.

### The Steps to the Future

These have been built around six areas of initiative:

- 1 planning ahead and evaluating progress;
- 2 building our community;
- 3 communication and marketing;
- 4 developing our City;
- 5 developing our organisation;
- 6 providing physical infrastructure and caring for the natural environment.



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*Armadale. A Year of Positive Growth.*

*“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.”*





## MAYOR'S FOREWORD

Each year we get the opportunity to reflect on the accomplishments of the previous year. Before highlighting our successes, we should acknowledge that many years of time consuming (and costly) planning and "influencing" was needed before the inertia that had gripped Armadale and Kelmscott was overcome. Some of the elected members and staff who contributed during that frustratingly slow phase have moved on. On your behalf I thank them all for their valuable support and for their contribution to our district's future.

Financial year 2004-05 saw the first major changes to the face of the Armadale CBD for many years. This was matched by a flurry of state government funded activity at Champion Lakes where the Tonkin Highway extension and the shaping of the future rowing course took place. Our first major land releases in recent years occurred in the Seville Grove area with land rapidly selling.

The Kelmscott Enquiry by Design process followed three years after its Armadale equivalent, and so while we can expect some preliminary works to occur in Kelmscott early in the 2006 year, real momentum is more likely from 2007 onwards. I understand the frustration of those in Kelmscott who would have things change more rapidly, but as most of Kelmscott town centre is privately owned, Council is restricted in the changes that it can bring about by itself. We need to convince others to make changes.

The developments underway across the breadth of our city are a taste of what is to follow. Not everyone will agree with all that follows, but it will be based on a number of well publicised, extensive consultations that have occurred between interested community members on one hand, and the Council and the Armadale Redevelopment Authority on the other hand.

Without doubt, the highlight during the reporting year was the opening of the new Cinema complex and the increase in the number of food outlets in the CBD that now offer locals and visitors alike a genuine after hours alternative to staying at home. The relationship that the revamped building enjoys with Memorial Park has been significantly enhanced, and we alone amongst Perth's strategic regional centres, have a quality central CBD park surrounded by built form.

Meanwhile at the other end of the Mall the new Armadale Railway Station was opened by the Minister for Planning and Infrastructure the Hon Alannah MacTiernan MLA. This building gives residents an insight into the scale and style of buildings to come in future years on the surplus railway land. The associated upgrade to Commerce Avenue was begun, and when eventually completed, a high quality boulevard will extend from Church Avenue in the south to Armadale Road in the north.

In the suburbs, house values rose rapidly, ahead of State and Metropolitan averages. Between June 2000 and June 2005 median house prices in Mt Nasura rose by 107%, Brookdale by 104%, Armadale by 84%, Roleystone by 83%, Westfield 80% and Kelmscott 78%. During the year covered by this report, Council approved 312 new houses, up 31% on 2003-04, and for the first few months of 2005-06, housing approvals are up again by a similar figure on the previous highs. During the year, building construction in the city averaged \$6 Million per month and is expected to significantly increase over the next few years.

Council actively lobbied the Federal Government through local Member for Canning Don Randall MP. Mr Randall facilitated a number of Ministerial visits to our district and initiated a visit by CEO Ray Tame and me to other Ministers in Canberra.

During this period \$3.4 Million was allocated to Communicare to deliver services for 0-5 year olds in our suburbs, and funding was allocated to Curtin University to enable them to provide places for university study at an Armadale Campus. Council also heavily lobbied both State and Federal agencies for the provision of TAFE level courses in Armadale.

With limited funds available, Council's upgrades to passive recreation facilities is dependant on improved work practices by staff, and the sale of surplus land not suitable for parkland. When Council sells land, it uses the funds to provide higher quality facilities on the remaining public open spaces. During the last year Council carried out a major upgrade to Kuhl Park in Westfield, and has completed widespread public consultation in connection with the proposed upgrade to Rushton Park.

Council's strong relationship with the Armadale Redevelopment Authority has continued and we thank staff and Board Members for their efforts on our behalf. Very little occurs without one group consulting the other as we work together with our State and Federal Members of Parliament to make the city a place to be proud to live and work in. Council has also continued to promote close working relationships with our neighbours at Serpentine-Jarrahdale and Gosnells, culminating in the recent joint application with Gosnells for an Australian Technical College.

I eagerly look forward with my colleagues to the next reporting period, as the focus moves from the Armadale town centre, to new growth cells at Forrestdale and to upgrades to Roleystone and Kelmscott parklands.

**Linton Reynolds JP**  
Mayor



## CHIEF EXECUTIVE OFFICER'S REPORT

The Annual Report 2004/05 comprises a formal record of the operations, finances and achievements of the City of Armadale during the past financial year.

While the City operates as a \$32 million per year business, it conducts all its decision-making against the backdrop of a 15 Year Financial Plan.

The year just completed represents the first year of that new Plan. Armadale is now virtually debt-free which ensures it is well placed for strategic borrowing on carefully selected projects in the future.

In April this year, the City's revised Strategic Plan was released, outlining our vision for the next 5 years. The Plan is designed to guide the City's transformation into a thriving regional centre surrounded by bustling, vibrant suburbs. It was developed over an extensive consultation period before being tested against the 15 Year Financial Plan and adopted for release.

Your Council continues to work closely with the Armadale Redevelopment Authority on projects such as the development of an international rowing course and white-water rafting park at Champion Lakes, the establishment of an Industrial Business Park in Forrestdale and the development of a new residential estate in Brookdale.

The Mayor has already referred to the ARA partnership and the Enquiry By Design Study undertaken to investigate ways to revitalise the Kelmscott Town Centre. The consultation phase of this project is now completed and Kelmscott is poised to undergo a significant facelift in the future.

The opening of the new multi-screen cinema in the Armadale CBD was undoubtedly one of the most significant achievements of recent years and represents a key milestone in the City's Strategic Plan. The City's active support and participation in the cinema project stemmed directly from the community's indication that this was its number one priority.

In November 2004 the new \$8.3 million railway station and forecourt was officially opened in Armadale. This terrific State Government project is planned to provide access to a new "centre of learning" and office precinct, incorporating the City library, within a few years.

The City has undertaken a number of major road projects aimed at supporting its future development and population growth. Projects include the construction of the new southern carriageway on Armadale Road (between the Tonkin Highway and Anstey Road) for Main Roads WA, and the upgrading of Commerce Avenue in the Armadale City Centre, in conjunction with the ARA.

While the bulk of roadworks are complete for the vital link of Champion Drive from Lake Road to the Tonkin Highway, Westfield residents must wait a little longer as environmental issues delayed completion of the crossing of Southern River prior to the onset of Winter.

Whilst our efforts are often limited by financial constraints I am pleased to report that we were able to offer practical support to Sri Lankan communities left devastated by the Boxing Day tsunami through the secondment of one of our planners, Erin Perera. Ms Perera spent six months providing technical assistance and expertise to the Sri Lanka Urban Development Authority and assisted in the establishment of thousands of replacement houses. The Sri Lankan Government expressed their gratitude and appreciation to the people of Armadale for the "loan" of Ms Perera.

The delivery of quality services is our prime responsibility and you have continually rated our rubbish and recycling collection service as second-to-none. In addition, the City continues to maintain its many parks and reserves and work with community groups to prevent the spread of Dieback, control weeds in bushland areas and coordinate planting days. Another new initiative this year was the development of the Junkbusters Drop 'n' Shop and Re-use Centre at the Hopkinson Road Landfill site in Brookdale. The Centre was established to recover, repair and reuse items that would otherwise end up in landfill and has provided residents with a practical way to minimise their waste.

The City provides a wide range of programs and activities designed to improve the quality of life of residents of all ages and abilities. One of the most successful activities undertaken by Council this year was the City of Armadale Careers Expo. Aimed at assisting young people and their families to plan for their future, the event attracted over 1,500 local high school students from Years 9 to 12. The Careers Expo was a huge success with 89% of students surveyed stating that the event was helpful in providing the career information they were looking for.

On behalf of the staff of the City of Armadale I would like to thank the elected Council for their guidance and leadership throughout the year. Finally I am proud to offer this Annual Report to you, the citizens of Armadale, as a reflection of the dedicated work the City has undertaken on your behalf.

**R S Tame**  
Chief Executive Officer

## WARD BOUNDARIES AND ELECTED COUNCILLORS

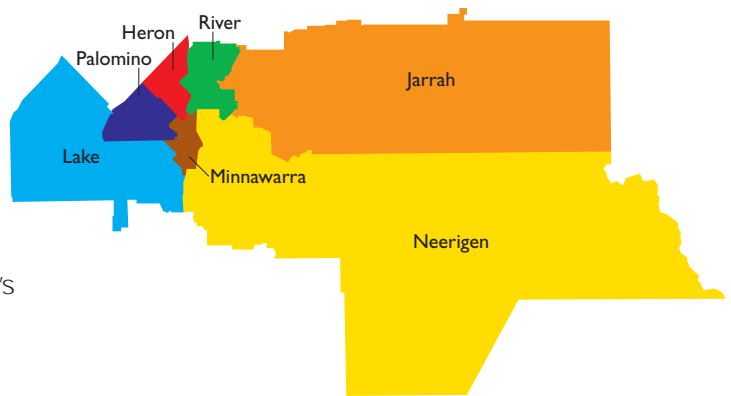
Armadale City Council is the elected body responsible for the administration of the City, and it undertakes the following:

- direction and control of the Local Government's affairs;
- responsibility for the performance of the Local Government's functions;
- overseeing the allocation of the Local Government's finances and resources;
- determines the Local Government's policies.

Armadale City Council comprises 14 Councillors that are elected for a four year term to represent seven wards (two per ward). In May 2005 Local Government Biennial Elections were conducted, with voters selecting candidates to fill seven vacancies on the Armadale City Council. The new Councillors elected to a four year term were Councillors Best, Butterfield, Everts, MacDonald, Knezevich, Scidone and Stewart.

Councillors Reynolds and Munn, who were elected during the 2003 elections and whose terms will expire in 2007, were re-elected by their peers to fulfil the roles of Mayor and Deputy Mayor for a further two year term. As a requirement of the *Local Government Act 1995*, during 2003/04 the City of Armadale undertook a review of its wards and Councillor representation. This review revealed a number of imbalances in representation across the City with the Armadale and Kelmscott Wards being under-represented and the Forrest and Seville Wards being over-represented.

Following public consultation and approval by the Minister for Local Government and Regional Development, the City's seven ward system with two Councillors representing each ward was retained. However the physical boundaries of each ward were changed, and new names that more appropriately reflect the local environments were given to each ward. These changes came into effect on 7 May 2005.



Linton Reynolds JP  
Mayor  
Heron Ward



Cr Jim Stewart  
Heron Ward



Cr Ruth Butterfield  
River Ward



Cr Henry Zelones  
River Ward



Cr Patricia Hart  
Jarrah Ward



Cr Laurie Scidone  
Jarrah Ward



Cr Guenter Best  
Neerigen Ward



Cr Bob Tizard  
Neerigen Ward



Cr John Knezevich  
Minnawarra Ward



Cr Jeff Munn JP CMC  
Deputy Mayor  
Minnawarra Ward



Cr Alison Cominelli  
Lake Ward



Cr June MacDonald  
Lake Ward

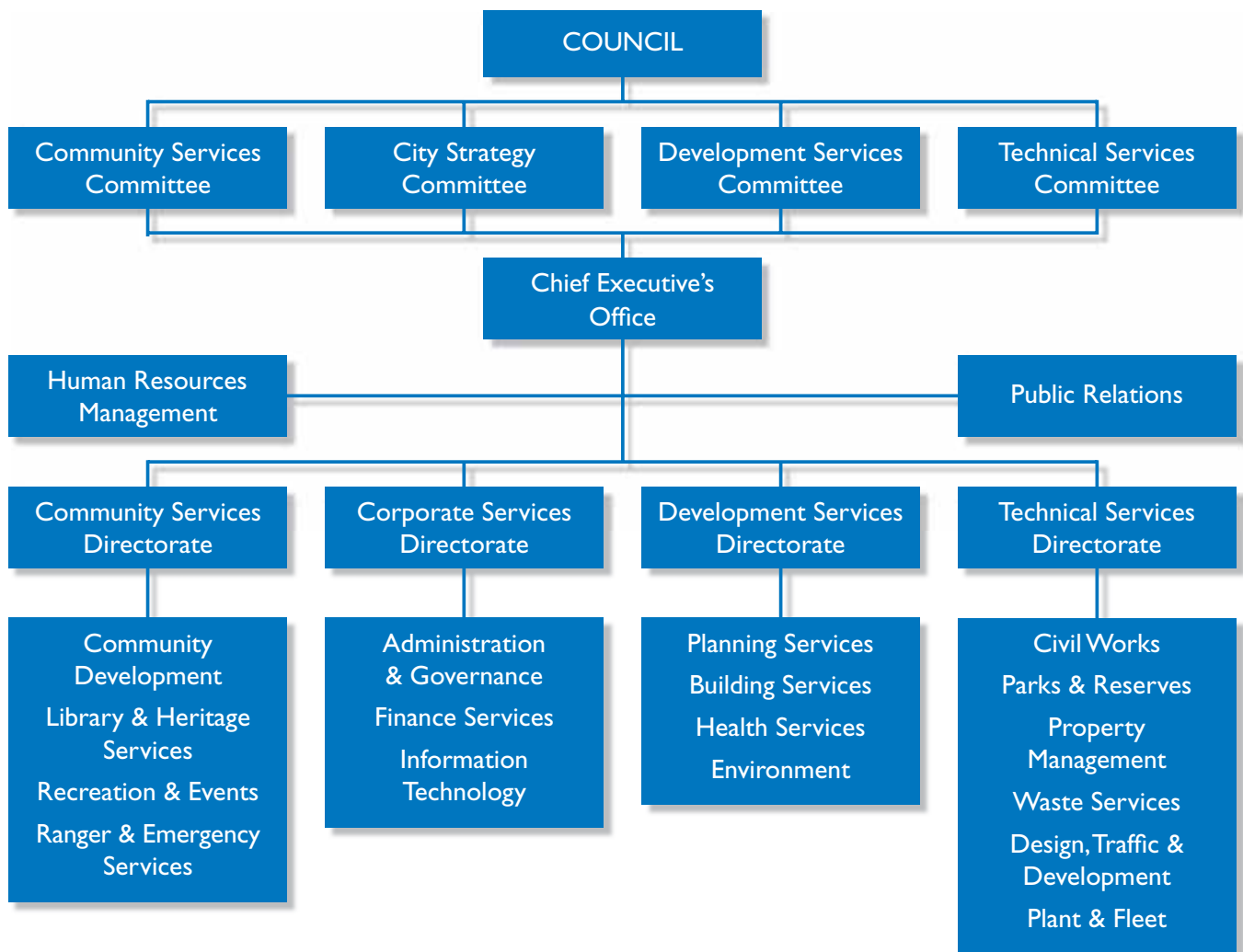


Cr Jim Everts  
Palomino Ward



Cr Graham Wallace  
Palomino Ward

## ORGANISATION STRUCTURE AND DIRECTORATE RESPONSIBILITIES



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## 2004 - 2005 FINANCIAL YEAR IN REVIEW

The business of Local Government is highly complex and challenging and requires the coordination of a range of strategies and disciplines. The City of Armadale's Corporate Services Directorate works with the Chief Executive's Office to complete a diverse range of projects, and in the 2004/05 financial year a number of significant goals were achieved, as detailed below.

### **Completion of Ward Review**

*The Local Government Act 1995* requires that all Local Governments maintain a specific ratio of councillors to electors, with an allowance of plus or minus 10% within that ratio. In 2003, the City of Armadale commenced a Ward Review in compliance with the Act, and this process was completed in the 2004/05 financial year.

The outcomes of the Review included recommendations, subsequently approved by the State Government, to retain the current number of seven wards, with representation on Council by two councillors each.

However, to satisfy the representation criteria, the ward boundaries were re-drawn to accommodate changes in population. At the same time, the seven wards that comprise the City were renamed to give them more suitable sounding names, drawn from features of the local environment that predominate or have some historical relevance.

The new names applied to the City's seven Wards:

Heron (formerly Westfield);  
Jarrah (formerly Roleystone/Karragullen);  
Lake (formerly Forrest);  
Minnawarra (formerly West Armadale);  
Neerigen (formerly Armadale);  
Palomino (formerly Seville);  
River (formerly Kelmscott).

Local government elections are held biennially, and in May 2005 the four year terms of seven elected members (one Councillor for each of the seven wards) expired according to this schedule. Three candidates were elected unopposed, so the postal vote was undertaken in only four wards, being Lake, Minnawarra, Neerigen and River.

### **Implementation of Corporate Computer System**

The City of Armadale utilises a large and complex computer system for almost every aspect of its operations. This system requires consistent maintenance and upgrading to stay ahead of the ever-growing demands placed upon it. Throughout the year, implementation of a new corporate computer system proceeded, and two of the three phases of the task, namely, the Financial/Property and Application Register Modules, were successfully completed.

Phase three, which primarily relates to the complex Electronic Document Management System, Customer Request Management System, Electronic Business Papers System and E-services System will be a primary focus for the coming year.

### **Service Tenders**

During the 2004-2005 financial year, the Directorate invited tenders for Audit Services, with the outcome being the appointment of Mr Anthony Macri as the City's Auditor for the next five year period.

### **International Accounting Standards Review**

City officers, in association with various other agencies, conducted a review of changes to Australian Accounting Standards to better align the City's accounting with International Accounting Standards. The review identified a number of required minor changes to be made to the City's future Annual Financial Reports and these changes are included in the 2004-05 Annual Financial Report.

### **Record Keeping Plan**

Further work occurred on the update of the City's Record Keeping Plan during the year, however with the delay in the implementation of the Electronic Document Management System, the project will carry-over to the 2005-06 year.

### **Updating Property Valuations**

The three yearly revaluation for properties rated on their Gross Rental Value, and annual revaluation for properties rated on their Unimproved Valuation, was supplied by the Valuer Generals' Office and successfully entered into the City's Property/Rating Database.



The revaluation data was received later than anticipated and accordingly analysis of the data is continuing to occur prior to the adoption of the 2005-06 Annual Budget.

#### Image and Marketing Improvements

The City of Armadale is a 'brand' like any other, and thus requires a consistent presentation of its corporate image and promotion of its achievements and goals. To this end, the Chief Executive's Office guided the completion of a Style Guide for Corporate Documents and Presentations. A major coup in this area was the appointment of a Public Relations Co-ordinator, who has assisted in raising the profile of the City and provided the media with a direct link to the Council.

#### Human Resources

The City aims to maintain an equitable and safe workplace where staff are innovative, confident and continue to learn. The City has continued to raise its profile as an employer of choice, and continues to attract and retain qualified staff.

The following are some of the initiatives that have been undertaken to ensure that the City's objectives in this area are achieved.

#### Training and Development

The City has continued to implement its extensive Training and Development Program for staff at all levels. Supervisors have completed a nationally recognised frontline management training program. The frontline management training has, this year, been extended to other groups of employees and offers a valuable professional development opportunity. Other training programs offered to staff covered such topics as customer service, communication, computer skills, disability awareness and governance.

#### Apprentices and Work Experience

The City has extended its Apprenticeship Trainee Program. The City now employs three apprentices and two trainees. The City has also offered many local students the opportunity to gain valuable work experience within the organisation in an effort to enhance their skills and career opportunities.

#### Health and Safety

To achieve best practice in occupational health and safety, the City has this year prepared a comprehensive Occupational Health and Safety Management Plan, which is currently being implemented. Extensive Safety Training Programs have been offered to staff, as well as health assessments and vaccinations.

#### Employee Satisfaction

Despite the current skills shortage crippling Western Australia, the City has been successful in recruiting and retaining quality staff. A recent survey confirms that the City continues to provide a workplace where people enjoy good working relationships and employment conditions.

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## PLANNING

### **Final approval of Town Planning Scheme No. 4**

Town Planning Scheme No 4 is a long term plan that has been in development for some time and is nearing finalisation. During the year Council considered the 400 submissions on the Scheme and accordingly resolved to make certain modifications. The Scheme was considered by the Western Australian Planning Commission and the Minister for Local Government and Regional Development, and adopted subject to some additional modifications.

### **Continuing support for the planning operations of the Armadale Redevelopment Authority (ARA)**

The City has continued to work closely with the ARA through a number of technical committees and reference groups to assist it in the facilitation of development within the City. During the year the Authority introduced amendments to provide interim control over the Brookdale area and initiated studies over part of the Kelmscott Town Centre. The City has been closely involved in reporting on these amendments and has assisted the ARA in planning projects arising from the amendments.

### **Commencement of the Canning River Precinct Study**

As an outcome of the Kelmscott Enquiry by Design Report, the City initiated the Canning River Precinct Study to plan for the future of the Canning River area including the Canning River foreshore and Fancote Park. MacKay Urban Design Consultants were appointed to facilitate the preparation of the Study and the first of a series of community workshops was held in May 2005.

### **Finalisation of the North Forrestdale Structure Plan**

Following amendments to the Metropolitan Region Scheme and the Town Planning Scheme, and extensive liaison through the City's North Forrestdale Steering Group. The Council adopted the Stage One North Forrestdale Structure Plan in March 2005. This Plan will guide the future development of 455 hectares of urban land in a number of ownerships. Subdivision activity has already been initiated by developers with the submission of subdivision applications for the initial stages of development.

### **Opening of the Grand Cinema Complex**

Prior to the 2004/05 financial year, the City had been working for some time to attract a major cinema operator to Armadale, and the opening of the Grand cinema

complex in January 2005 marked a milestone in the City's growth. The redeveloped Armadale Plaza cinema and retail complex then opened in June 2005, completing an exciting 'makeover' for the town centre. The City has been active in promoting the facility through the work of the Cinema Promotions Committee.

### **Municipal Heritage Inventory Review**

The Armadale Strategic Plan 2005 affirms the aim to sustain and maintain the distinctive character of the City. To this end the review of the 1995 Municipal Heritage Inventory has commenced with an initial review of documentation, advertising of the Inventory for public comment, and the appointment of consultants.

### **Public Open Space Strategy**

A seven stage Public Open Space Strategy designed to facilitate the rationalisation of open space within the City, has been under development since 2001. In 2004/05, progress was made in the implementation of the strategy with the inclusion of proposals within the new Town Planning Scheme for stages one to five and the commencement of stage six.

### **Assistance to Tsunami affected areas**

Following the December 2004 Asian Tsunami, Council agreed to contribute the services of Senior Statutory Planning Officer Erin Perera for a six-month period to the Sri Lankan Urban Redevelopment Authority in Colombo. Erin's planning qualifications, language skills and experience uniquely qualified her to provide invaluable assistance in the necessary planning required to assist in the recovery of disaster-affected areas.



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## BUILDING ACTIVITY AND SERVICES

The financial year continued on from a busy 2003/04, with record building licence approval levels and the completion of several high profile projects including the new Grand cinema and a major educational and research establishment in Warton Road, North Forrestdale.

Residential approvals remain extremely strong as more quality land comes onto the market in the City. The 2005/06 financial year is expected to be even busier than the previous year as many new high value lots in North Forrestdale are released for sale.

## HEALTH AND SAFETY

Council provides a range of services directed towards maintenance, promotion and improvement of public and environmental health. A number of these services are detailed below:

### Immunisation

This schools based program, subsidised by the State and Federal Governments, was highly successful, the primary focus being on Hepatitis B (1820 vaccinations), and Diphtheria – Tetanus – Pertussis (1840 vaccinations).

The Health and Safety Unit also coordinated just over 1850 vaccinations against diseases such as Diphtheria, Tetanus, Pertussis (Whooping Cough), Hepatitis B, Poliomyelitis, Haemophilus Influenza (Hib) Measles, Mumps and Rubella (German measles) at Council's routine Wednesday morning clinics. In addition, 130 seniors vaccinated were against influenza in special Seniors Clinics run in April.

This represents another outstanding outcome of the year's program, and is a consequence of the continuing successful partnership between the City and Armadale Health Service, both agencies being well placed to deliver immunisation services to their communities.

It is also due in part to Council's ability to commit additional resources to immunisation as a direct result of State and Federal payments.



## HEALTH AND SAFETY

### **The City's Environmental Health Plan**

Food safety practices adopted by the City's food outlets and manufacturers again continued to show improvement during the year. 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.

Most of this work is undertaken as part of the Local Health Authorities Analytical Committee (LHAAC) Scheme, but Council also participated in the State Food Monitoring Program. Participation in the LHAAC Scheme is mandatory, and Local Governments are levied a fee (based upon population) that entitles them to a specified number of analytical "units".

While not all Local Governments use all of the units to which they are entitled as a consequence of their contribution, samples submitted by the City this year again exceeded the allocation. Of 61 samples analysed this year, only one failed to meet required standards, this being as a result of a relatively minor discrepancy and a warning was issued.

The City's continued representation among the leading users of the Scheme is pleasing as participation is essential for both its effectiveness and viability.

### **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 has consistently been below the metropolitan average since 1998 and that was again the case this year. There were no cases of Ross River Virus reported in Armadale this year, despite the being moderate incidence through the State generally, and there was a single case of Barmah Forest Virus, a related disease.

An extremely rare occurrence of a reported case of Typhoid was investigated by Environmental Health Officers, who established that it was acquired overseas.

### **Industrial Waste**

The Directorate this year implemented an innovative new industrial waste management program aimed primarily at controlling the disposal of liquid industrial waste. Poor practice in this area may result in run off of storm water carrying contaminants to drains, and hence to streams and other water ways, as well as costly clean ups.

The first phase of the program has focussed on an educational approach, with deficiencies noted during inspections of relevant industrial premises resulting for the most part in the business proprietors being educated in cleaner production practices.

Businesses associated with the automotive industry were primarily targeted, past experience having shown these are among the main contributors to liquid waste pollution.

Of 56 premises inspected, only three were found to be operating markedly outside commonly accepted sound practice, and a further five were issued with minor improvement notices. Follow up inspections in the coming year will determine whether stronger enforcement action is needed.

For the last few years, the State of the Environment Report 2000 has been a key reference document in determining environmental actions, and that was also the case in 2004/05.

Whilst significant progress continued to be achieved in the implementation of actions identified in the 2000 Report, a comprehensive review has also been underway, with a draft State of the Environment Report 2005 in preparation.

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## ENVIRONMENT

The City's management plans for natural areas are implemented on an ongoing basis, and this year a number of these areas have benefited from the treatment of Dieback and the control of weeds in good condition bushland. Numerous natural areas have also benefited from the implementation of capital works priorities.

Ongoing programs operated or supported by the Council that achieved excellent results this year also include:

- The Streamcare Promotion encouraging landowners to receive free advice on watercourse management.
- Support for the World Wildlife Fund for Nature's initiative known as 'Wetland Watch' - a regional program designed to assist private landowners in the management of wetlands on the Swan Coastal Plain.
- The Bushcare and Environmental Advisory Committee (BEAC) continue to advise Council on environmental issues.

In 2004 BEAC hosted it's first recognition ceremony for environmental volunteers, celebrating over 5,000 hours of volunteer work.

- The South East Energy Group continues to implement the City's Community and Corporate Greenhouse Action Plans. This year the City achieved Milestone 5 of the Cities for Climate Protection Program. Milestone 5 involved the preparation of an inventory of the City's greenhouse gas emissions.
- 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.

Finally, the Directorate this year trialed an initiative aimed at educating youth on the influence of their behaviour on natural areas. The 'bushpig', an iconic carton designed to appeal to a generation of youth, now appears on a number of signs in natural areas around the City.



The principal activities carried out by the Technical Services Directorate fall into four main categories: Civil Works, Parks and Reserves, Property Management and Waste Services. Sound management practices in each department enabled programmed works and routine maintenance to be completed within nominated service levels, timeframes and budget allocation. In 2004/05 these included a range of projects, some of which are detailed below.

## CIVIL WORKS

### Armadale Road – Tonkin Highway to Anstey Road

The construction of a southern carriageway between the new highway and Anstey Road, undertaken to compliment the rest of the construction on the Tonkin Highway – Armadale Road intersection. Valued at \$2.3 million, this work is being undertaken on behalf of Main Roads WA.

### Champion Drive

Work has been substantially completed on the last stage of this project, Lake Road to Tonkin Highway, which will open in December 2005. Expenditure on this work when completed will approximate \$2.4 million.

### Commerce Avenue

This project includes a streetscape upgrade down to John Street and the opening of Commerce Street on to Church Avenue with a large scale roundabout. The first stage of the upgrade has been completed and the program will be concluded by February 2006 at a total cost of \$1.5 million.

### Keates Avenue

Council has continued to fund main drain upgrades, including this work, which will see the piping of an open drain in the industrial area off South Western Highway at a cost of \$260,000.

### Footpath Construction

Some 30 new footpaths were constructed at various locations through the year at a cost of \$460,000.

### Road Resurfacing

This ongoing program involved the resurfacing of some 20 roads at a cost of \$600,000.

## PARKS AND RESERVES

During the 2004/05 financial year, \$2.52 million was spent on Parks and Reserves maintenance, with a further \$284,163 expended on development projects. The investment in Parks and Gardens was expended on a range of undertakings including the following.

### Streetscaping

Projects successfully completed this year include the streetscaping of Champion Drive to provide a green interface between the Kelmscott industrial area and adjoining residential areas, and renewal of the Armadale gateway on the corner of South West Highway and Armadale Road. Further streetscape work was commenced on Commerce Road, and additional improvements to Armadale's railway precinct are planned.

### Park Improvements

This year two major projects took precedence – the Kuhl Park redevelopment and the Memorial Park upgrade. Kuhl Park now provides a major passive recreation area in Westfield, with a rotunda, play equipment and basketball facility all linked by a network of paths through the shade trees. The Memorial Park upgrade coincided with the opening of the Grand cinema complex, offering a pleasant space for all residents to enjoy in the heart of the City. Further improvements will be completed in 2005/06.

### Playgrounds

Of the 68 playground facilities in the City, Bernice Hargrave Reserve, Kuhl Park and Borrello Park received new play equipment. An ongoing program of review and improvement is conducted to ensure that the facilities continue to meet the community's needs.

### Irrigation

In line with the State Water Strategy, the City's parks continue to be improved to ensure we use our water wisely.

### Recreation

Each year improvements and upgrading of sporting facilities are programmed, and in 2004/05 these included the rebuilding of junior cricket practice nets and installation of a cricket pitch cover at Cross Park in Roleystone.

### Environment

The City continues to support environmental initiatives undertaken by community groups within the Bushcare Environmental Advisory Committee and the Armadale Gosnells Landcare Activities. In addition, the City's residential and school tree planting programs continue to be popular, while a range of environmental strategies have been implemented in nature reserves. These cover issues such as weed control, interpretive signs and walk trails.

## PROPERTY MANAGEMENT

### Street Trees

A record of all of the street trees throughout Armadale has been created to facilitate more effective management, including pruning of trees under power lines annually to meet Western Power regulations.

### Capital Works

The Kelmscott Library and Child Health Clinic were relocated to refurbished premises in Albany Highway. Works included internal alterations, new library shelving and fit out, external painting, signage and provision of disabled parking.

### Toilet facilities for people with disabilities

New toilet facilities were constructed within the Armadale Aquatic Centre, to accommodate people with disabilities and their carers. A parenting room was also included.

### The Greendale Centre

(formerly Armadale Kelmscott Senior Citizens Centre) Received extensions to the lesser hall, dining room, and kitchen, as well as a complete electrical upgrade, the addition of access ramps and a new unisex toilet facility.

### Other Projects Included

An upgrade to the clubroom and kitchen at the Palomino/Riverside Pony Club provided a step up from the previously basic facilities.

Permanent and secure storage for Police and Citizens Youth Centre buses and climbing wall and gymnasium facilities were constructed adjacent to the Arena complex.

The Minnowarra Bridge was stabilised and re-decked to ensure safety and prolong the life of the structure.

Security lighting was provided to the Rushton Park Redevelopment and parking area.

## WASTE MANAGEMENT

Waste Services continues to work towards minimisation of waste to landfill and increased commitment to recycling by the City and its residents. Recent increases in the financial rebate figures reflect the consistent efforts made during the year, incorporating various programs already in place, including:

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

New initiatives for the 2004/05 financial year have included the development of a resource recovery centre, undertaken with the Junkbuster Community Recycling Group, who clean, repair and sell unwanted goods; and a range of school projects that focus on reusing old rubbish bins to create compost bins, worm farms and other imaginative devices.



# COMMUNITY SERVICES

As its name suggests, the Community Services Directorate is responsible for the provision of a wide range of programs, activities and initiatives designed to facilitate quality of life and enjoyment for a broad cross section of the residential population, from children and youth, to the disabled, to the elderly.

The Directorate's achievements for the 2004/05 financial year include the following.

## PROJECTS AND PROGRAMS 2004/05

The **Aboriginal Family Support Service (AFSS)** is widely respected within both the indigenous and non-indigenous community as providing a vital and necessary service to the Armadale Aboriginal community.

In the last twelve months it has had 300 client contacts and created and developed a number of activities relevant to the Aboriginal community including the successful Breast Screening Program, Domestic Violence Agency Tour, girls camps and arts and culture classes.

A key element of the AFSS is to provide the essential link between service providers and Aboriginal families in crisis, and it has been very successful in creating networks with government and non-government service providers, with a number of government agencies being representative on its reference group.

The AFSS is increasingly becoming the focus for the Aboriginal community for enquiries and assistance on a range of issues outside its sphere, including requests for assistance with community consultation process, cultural awareness and information on local Aboriginal issues.

The demand on the Service is far in excess of what its current resources are and there is an important need to source additional resources and funding for the AFSS to maintain its current service delivery.

The Federal Government currently funds the AFSS through its Stronger Families Stronger Communities portfolio, and negotiations are currently underway to extend the service for a further three years beyond the current 2006 expiry. Initial indications are that this will be successful and officers are actively pursuing adequate funds to operate the Service at its current levels.

Whilst only funded by DCD in Years 1 and 2 of the current plan indications by the State Government are that the service will be funded until at least 2008. In support of this DCD have increased funding for the service in 2005 from \$17,500 to \$22,500 and discussions with the City of Gosnells to extend the service across the region are also being progressed. It is possible that ongoing funding from the Department may be provided beyond the proposed three years, depending upon service outcomes.

Council approved the **Strategic Library Services Study** in the 2004-05 Budget in recognition of the likely future changes within Armadale in relation to library services. The study has been commissioned and it is expected to present a report to Council in August 2005.

Council endorsed its **Community Safety Plan** in 2004 and, more recently, has entered into a partnership with the State Government through the Office of Crime Prevention (OCP). It is anticipated that a reviewed and amended plan will be tabled at Council in August 2005. As a consequence of the Plan it will be necessary to undertake priority projects related to community safety and for which some funding from OCP will be forthcoming. The allocation of \$10,000 for the first two years rising to \$40,000 per annum thereafter will enable Council to address issues of community safety and allow the attraction of "matching funds" where appropriate.





The provision of an **Aboriginal Interpretive Centre** is a State Government condition of approval for the rowing and white water development at Champion Lakes. Whilst the timing and funding of the Centre are yet to be determined it is likely that the City will financially contribute to the project in an ongoing way. A provisional allocation of \$50,000 has been set aside from 2006-2007.

The **Canning District Education Office** is undertaking a Local Area Education Plan and, as part of the proposed model(s) a Centre of Learning in the CBD, with a Regional Library as its hub, will form the core of the Plan. Council has provided "in principle" support for the relocation of the Armadale Library to a proposed Centre of Learning at the Armadale Rail Station in partnership with TAFE, University and Education Department representatives.

The redevelopment of the former **Kelmscott pool site and foreshore at Rushton Park** commenced in 2004 with extensive community consultation and planning resulting in Council adopting a draft concept plan in March 2004. Detailed plans were submitted to both the Swan River Trust and Western Australian Planning Commission for development approval.

External grant funding totalling \$135,000 has been secured to date and the proposed redevelopment will see a new paved concourse area, a performance space, upgraded toilet and change room facilities, a story wall and foreshore upgrades to include pathways, lighting, barbecue and seating facilities and playground equipment.

#### Further Planning

A number of future projects include;

- planning for community facilities including a Skate Park in the Armadale CBD;
- Forrestdale Place Plan;
- Seniors Plan;
- The Roleystone Revitalisation Project;
- development of an Arts Policy;
- the initiation of local community days;
- the development of a Small Grants Programme;
- mapping existing and proposed community services and facilities;
- reviewing and updating the City of Armadale Local Emergency Management Plan;
- conducting a review and upgrade of District Fire Management Plans in conjunction with Local Volunteer Bush Fire Brigades and Fire and Emergency Services Authority;
- initiation of the Australian Veterinary Association PetPEP Community Relations Support Program;
- the administration of Bert Tyler Museum collection through the management of History House Museum;
- conduct a review recreation fees and charges and implement a new fee schedule in line with the 2005-06 budget process;
- present an interesting and diverse program of cultural events for local residents and visitors to the City.

*Armadale. A Year of Positive Growth.*



# STATUTORY REPORTS

## 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 2004-05:

### 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 of Armadale Health Local Laws 2002 and the City of Armadale Environment, Animals and Nuisance Local Laws 2002 were reviewed during the year. This resulted in amendments to the Environment, Animals and Nuisance Local Laws to strengthen controls over back yard burning, a significant contributor to urban air pollution. Permits are now required for burning at any time of the year in residential areas, and burning as a de facto means of garden refuse disposal is no longer permitted.

The Signs, Hoardings and Bill Posting, Removal of Refuse, Rubbish & Disused Materials and Parking and Parking Facilities Local Laws are currently under review.

### Structural Reform

The City of Armadale did not privatise any activities in 2004/2005 and as a consequence there were no obligations for structural reform.

## RECORD KEEPING PLAN

The City of Armadale fully supports and acknowledges its commitments under State Records Commission Standard 2 of the State Records Act 2000.

The City is currently in a transitional state from its previous Records Management System to a new Electronic Document Management System. This new system is due to be implemented in 2006, following which, within a mandatory five year period, it will be evaluated for its efficiency and effectiveness.

A revised Record Keeping Training and Induction Program will be also be put in place to ensure that, along with the new operational procedures, all staff are aware of their roles and responsibilities in regards to their compliance with the City's Record Keeping Plan.

The City of Armadale looks forward to increasing the efficiency and effectiveness of its Records Management System as a means of improving service delivery to its clients and fulfilling its statutory obligations.

## PUBLIC INTEREST DISCLOSURES

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

Internal procedures have been implemented adhering to this legislation and the City has appointed a designated senior officer as a Public Interest Disclosure Officer. Throughout the 2004/2005 reporting period no public interest disclosures were lodged with the City of Armadale.

Armadale. A Year of Positive Growth.

## DISABILITY SERVICES PLAN

In 1995 the City's first Disability Services Plan was developed to address the barriers within the community for people with disabilities. A review of this Plan undertaken by the City and its Disability Advisory Committee found that many of the initial objectives in the 1995 Plan have since been achieved. This resulted in the development of a new Disability Access and Inclusion Plan, which incorporates the findings of the review and community consultations.

The City is committed to ensuring that its facilities are accessible to all members of the community, and as a result 2004/05 saw the City implement a range of initiatives, a number of which are highlighted below.

- A new toilet facility was constructed within the Armadale Aquatic Centre to accommodate people with disabilities and their carers. The new unisex facility also provides a secure place for parents with small children and is fitted with a change table.
- A new ramp was constructed at Frye Park to allow people with disabilities to access the main floor level of the Frye Park change room facility.
- In the Westfield Library alterations to both male and female toilet access doors have been made to afford easier entry into those facilities.
- Recent additions to the Greendale Centre include access ramps internally and externally in addition to a new unisex toilet facility constructed on the upper level of the Centre.

Council can provide information including this plan in alternative formats when requested.



## LOTTERYWEST GRANTS

An amount of \$19,000 was received from Lotterywest during 2004-2005 for Australia Day (\$13,500) and Concerts in the Park (\$5,500)

## INFORMATION STATEMENT

Under the Freedom of Information Act 1992 (FOI Act), the City is required to prepare an Information Statement annually detailing its administration and compliance with the FOI Act and the Local Government Act 1995 in relation to the provision of information to the public. A copy of this Statement is available from the Council's Administration Building, 7 Orchard Avenue, Armadale, during normal office hours or from our website [www.armadale.wa.gov.au](http://www.armadale.wa.gov.au)



## BARRETT & PARTNERS – DFK

*Certified Practising Accountants*

### INDEPENDENT AUDIT REPORT

#### PARTNERS

*Ronald E Barrett FCA*

*Anthony D Macri FCA*

*Domenic A Macri CA*

TO: RATEPAYERS OF THE CITY OF ARMADALE

#### 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 2005. The Council is responsible for the preparation and presentation of the financial report and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the ratepayers of the City of Armadale.

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

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

#### Audit Opinion

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

- (a) present fairly the financial position of the City of Armadale as at 30 June 2005 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 7<sup>TH</sup> DAY OF OCTOBER 2005.

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A member firm of  
  
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accounting firms & business advisers



## **Financial Report For the year ended 30 June 2005**

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

Statement by Chief Executive Officer

The attached financial report of the City of Armadale, being the annual financial report and supporting notes and other information for the financial year ended 30 June 2005, are in my opinion properly drawn up to present fairly the financial position of the City of Armadale at 30 June 2005 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and regulations under that Act.

Signed on the fourth day of October 2005.



R S Tame  
Chief Executive Officer

# FINANCIAL REPORT

## Operating Statement For the year ended 30 June 2005

	Note	2005	2005 Budget	2004
		\$	\$	\$
<b>Revenues from Ordinary Activities</b>	2			
General Purpose Funding		20,812,105	20,925,622	20,366,594
Governance		1,400	20,333	42,668
Law, Order and Public Safety		439,969	492,361	488,134
Health		102,462	91,800	89,431
Education and Welfare		204,964	198,921	404,531
Community Amenities		4,218,965	4,177,678	5,437,004
Recreation and Culture		961,571	796,994	882,767
Transport		5,122,093	4,337,812	4,166,885
Economic Services		379,230	279,356	322,631
Other Property and Services		386,740	129,196	235,440
		<b>32,629,499</b>	<b>31,450,073</b>	<b>32,436,085</b>
<b>Expenses from Ordinary Activities Ex Borrowing Cost</b>	2			
General Purpose Funding		679,869	239,266	157,157
Governance		655,433	1,564,255	1,445,813
Law, Order and Public Safety		1,076,793	1,362,898	1,117,846
Health		823,200	663,332	608,235
Education and Welfare		1,395,799	1,132,541	1,053,488
Community Amenities		5,336,838	6,223,266	6,765,192
Recreation and Culture		11,105,177	11,186,140	10,243,396
Transport		6,704,094	8,237,341	7,672,820
Economic Services		1,021,363	796,759	709,789
Other Property and Services		172,138	140,538	951,078
		<b>28,970,704</b>	<b>31,546,336</b>	<b>30,724,814</b>
<b>Borrowing Costs Expense</b>	2			
General Purpose Funding		0	1,000	0
Governance		0	50,000	4,486
Community Amenities		6,166	6,600	6,929
Recreation and Culture		16,209	64,500	23,635
Other Property and Services		48,925	0	0
		<b>71,300</b>	<b>122,100</b>	<b>35,050</b>
<b>Net Profit or Loss / Result</b>		<b>3,587,495</b>	<b>(218,363)</b>	<b>1,676,221</b>

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

**Statement of Financial Position**  
For the year ended 30 June 2005

	Note	2005 \$	2004 \$
<b>Current Assets</b>			
Cash Assets	3	14,420,034	9,057,385
Receivables	4	2,563,727	1,963,356
Inventories	5	88,994	118,824
<b>Total Current Assets</b>		<b>17,072,755</b>	<b>11,139,565</b>
<b>Non-Current Assets</b>			
Receivables	4	577,327	609,545
Property, Plant and Equipment	6	25,401,706	26,839,896
Infrastructure	7	167,901,845	167,746,819
<b>Total Non-Current Assets</b>		<b>193,880,878</b>	<b>195,196,260</b>
<b>Total Assets</b>		<b>210,953,633</b>	<b>206,335,825</b>
<b>Current Liabilities</b>			
Payables	8	4,296,568	1,714,961
Interest-Bearing Liabilities	9	419,172	194,050
Provisions	10	1,815,019	2,263,996
<b>Total Current Liabilities</b>		<b>6,530,759</b>	<b>4,173,007</b>
<b>Non-Current Liabilities</b>			
Interest-Bearing Liabilities	9	1,209,666	1,043,838
Provisions	10	619,481	288,686
<b>Total Non-Current Liabilities</b>		<b>1,829,147</b>	<b>1,332,524</b>
<b>Total Liabilities</b>		<b>8,359,906</b>	<b>5,505,531</b>
<b>Net Assets</b>		<b>202,593,727</b>	<b>200,830,294</b>
<b>Equity</b>			
Retained Surplus		190,099,036	187,344,302
Reserves - Cash Backed	11	4,042,943	3,210,182
Reserves - Asset Revaluation	12	8,451,748	10,275,810
<b>Total Equity</b>		<b>202,593,727</b>	<b>200,830,294</b>

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 2005

	Note	2005 \$	2004 \$
<b>Retained Surplus</b>			
Balance as at 1 July 2004		186,344,302	185,775,038
Net Result		3,587,495	1,676,221
Transfer from / (to) Reserves		(832,761)	(106,957)
<b>Balance as at 30 June 2005</b>		<b>190,099,036</b>	<b>187,344,302</b>
<b>Reserves - Cash Backed</b>			
Balance as at 1 July 2004		3,210,182	3,103,225
Transfer (to) / from Retained Surplus		832,761	106,957
<b>Balance as at 30 June 2005</b>	11	<b>4,042,943</b>	<b>3,210,182</b>
<b>Reserves - Asset Revaluations</b>			
Balance as at 1 July 2004		10,275,810	10,275,810
Revaluation Increment		0	0
Revaluation Decrement		(1,824,062)	0
<b>Balance as at 30 June 2005</b>	12	<b>8,451,748</b>	<b>10,275,810</b>
<b>Total Equity</b>		<b>202,593,727</b>	<b>200,830,294</b>

The statements on page 24 and 25 are to be read in conjunction with the accompanying notes.



**Statement of Cash Flows**  
For the year ended 30 June 2005

	Note	2005	Budget 2005	2004
		\$	\$	\$
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Rates		18,199,840	17,767,405	16,904,659
Grants and Subsidies - Operating		2,330,377	2,172,830	2,831,673
Contributions, Reimbursements and Donations		590,848	2,971,189	1,850,829
Service Charges		0	0	0
Fees and Charges		4,810,520	5,908,885	6,914,825
Interest Earnings		906,674	599,838	758,808
Goods and Services Tax (on revenue)		761,789	495,672	781,587
Goods and Services Tax (refunded)		853,973	500,000	1,022,232
Other		134,968	604,967	1,296,107
		<b>28,588,989</b>	<b>31,020,786</b>	<b>32,360,720</b>
<b>Payments</b>				
Employee Costs		(10,790,993)	(10,722,988)	(11,148,687)
Materials and Contracts		(6,112,493)	(10,371,059)	(8,306,948)
Utility Charges		(387,110)	(1,010,577)	(1,083,050)
Insurance		(483,085)	(515,996)	(852,285)
Interest		(71,300)	(112,100)	(35,050)
Goods and Services Tax		(1,729,914)	0	(1,777,259)
Other		(454,646)	(2,692,864)	(1,764,656)
		<b>(20,029,541)</b>	<b>(25,425,584)</b>	<b>(24,967,935)</b>
<b>Net Cash Provided by Operating Activities</b>	13	<b>8,559,448</b>	<b>5,595,202</b>	<b>7,392,785</b>
<b>Cash Flows from Investing Activities</b>				
Payment for Development of Land		0	0	0
Payment for Property, Plant and Equipment		(2,540,640)	(3,182,702)	(2,957,185)
Payment for Infrastructure		(6,441,147)	(11,587,864)	(6,708,615)
Grants and Subsidies - Non Operating		4,914,945	2,223,915	2,491,142
Proceeds from Sale of Assets		479,093	537,400	763,015
<b>Net Cash Provided by Investing Activities</b>		<b>(3,587,749)</b>	<b>(12,009,251)</b>	<b>(6,411,643)</b>
<b>Cash Flows from Financing Activities</b>				
Advances to Community Groups		0	0	0
Repayment of Debentures		(194,050)	(243,700)	(96,403)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	2,900	0
Proceeds from Advances		0	0	0
Proceeds from New Debentures		585,000	1,070,000	800,000
<b>Net Cash Provided by Financing Activities</b>		<b>390,950</b>	<b>829,200</b>	<b>703,597</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>5,362,649</b>	<b>(5,584,849)</b>	<b>1,684,739</b>
<b>Cash at Beginning of Year</b>		<b>9,057,385</b>	<b>9,212,149</b>	<b>7,372,646</b>
<b>Cash at End of Year</b>	13	<b>14,420,034</b>	<b>3,627,300</b>	<b>9,057,385</b>

### 1. Significant Accounting Policies

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

#### a. Basis of Accounting

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

#### b. The Local Government Reporting Entity

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

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

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

#### c. Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the 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 accounting standards and legislative requirements.

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

#### e. Land Held for Resale

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

#### 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 Streets	
- Clearing and Earthworks	Not depreciated
- Construction and Road Base	50 years
- Original Surface and Major Resurfacing	50 years
• Gravel Roads	
- Clearing and Earthworks	Not depreciated
- Construction and Road Base	50 years
- Gravel Sheet	12 years
• Drainage	50 years
• Pathways	20 years
• Parks and Reserves	20 years

#### g. Investments

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

#### h. Joint Venture

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

**Notes to, and forming part of, the Financial Report  
For the year ended 30 June 2005**

**i. Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the City, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased 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 the period.

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

**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 that the City has a present obligation to pay resulting from employees' services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

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.

**k. Rates, Grants, Donations & Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period as disclosed in Note 2. That note also discloses the amount of contributions recognised as revenues in a previous reporting period that were obtained in respect of the local government's operations for the current reporting period.

**l. Superannuation**

The City of Armadale contributes 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 balance sheet and notes to the financial statements. The City does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the City.

**o. Net Fair Values**

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

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

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

**q. Comparative Figures**

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

# FINANCIAL REPORT

## Notes to, and forming part of, the Financial Report For the year ended 30 June 2005

	2005		2004
	\$		\$
<b>2. Revenues and Expenses</b>			
<b>a. Net Profit or Loss / Result from Ordinary Activities was arrived at after:</b>			
<b>i. Charging as Expenses:</b>			
<u>Significant Expense</u>	Nil		Nil
<u>Amortisation</u>	Nil		Nil
<u>Auditor's Remuneration</u>			
Audit	12,000		9,976
Other Services	1,470		868
<u>Bad and Doubtful Debts</u>			
Rates Written Off	20,738		30,626
Sundry Debtors Written Off	25,677		293,129
Provision for Doubtful Debts	122,378		122,378
<u>Depreciation</u>			
Land and Buildings	437,067		439,049
Plant and Machinery	1,148,733		1,053,489
Furniture and Equipment	121,907		32,647
Roads	2,240,420		2,242,940
Drainage	517,134		516,912
Pathways	266,893		262,962
Reserves	3,261,674		3,264,482
	<b>7,993,828</b>		<b>7,812,481</b>
<b>ii. Crediting as Revenues:</b>			
	2005	2005	2004
		Budget	
	\$	\$	\$
<u>Interest Earnings</u>			
Investments - Reserve Funds	159,038	145,120	163,718
Investments - Other Funds	592,625	250,000	400,414
Other Interest Revenue	27 154,971	167,970	190,750
Other Interest Revenue - Loans	39	100	3,926
	<b>906,673</b>	<b>563,190</b>	<b>758,808</b>

Notes to, and forming part of, the Financial Report  
For the year ended 30 June 2005

	Note	2005 \$	2004 \$
<b>2. Revenues and Expenses (continued)</b>			
<b>b. Revenues and Expenses Classified According to Nature and Type</b>			
<u>Revenues</u>			
Rates	23	17,703,117	16,663,294
Grants and Subsidies - Operating	29	2,330,377	2,831,673
Grants and Subsidies - Non Operating	29	4,914,945	2,491,142
Contributions, Reimbursements and Donations		590,848	1,850,829
Profit on Asset Disposals	19	173,175	331,815
Fees and Charges	28	5,875,396	6,283,048
Interest Earnings	2	906,673	758,808
Other Revenue		134,968	1,225,476
		<b><u>32,629,499</u></b>	<b><u>32,436,085</u></b>
<u>Expenses</u>			
Employee Costs		10,864,403	11,740,999
Materials and Contracts		8,646,489	7,383,252
Utility Charges		387,110	1,083,050
Insurance		483,085	852,285
Depreciation on Non-Current Assets	2	7,993,828	7,812,481
Loss on Asset Disposal	19	141,143	58,262
Other Expenditure		454,646	1,794,485
		<b><u>28,970,704</u></b>	<b><u>30,724,814</u></b>
Interest	2	71,300	35,050
		<b><u>29,042,004</u></b>	<b><u>30,759,864</u></b>
<b>c. Borrowing Costs Expense</b>			
<u>Borrowing Costs Expense Comprises:</u>			
Finance Lease Charges		0	0
Debentures	21	71,300	35,050
		<b><u>71,300</u></b>	<b><u>35,050</u></b>

### 2. Revenues and Expenses (continued)

#### d. Statement of Objective

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

#### Our Commitment

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

#### Our Vision

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

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

#### General Purpose Funding

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

#### Governance

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

#### Law, Order and Public Safety

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

#### Health

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

#### Education and Welfare

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

#### Community Amenities

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

#### Recreation and Culture

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

#### Transport

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

#### Economic Services

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

#### Other Property and Services

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

**Notes to, and forming part of, the Financial Report  
For the year ended 30 June 2005**

	2005	2004
	\$	\$
<b>2. Revenues and Expenses (continued)</b>		
<b>e. Conditions Over Contributions</b>		
Grants recognised as revenues in a previous reporting period that were not expended at the close of the previous reporting period (i.e. opening balance)		
<u>Law, Order and Public Safety</u>		
Emergency Services	0	100,450
<u>Education and Welfare</u>		
Aboriginal Leaders	0	4,129
Aboriginal Support	0	50,200
Armadale Senior Citizen Centre	0	190,000
Community Arts Network	0	7,075
Indigenous Youth Arts	21,990	0
Keystart Neighbourhood Improvement	32,667	35,419
Safer WA	0	9,704
Vacation Training	0	5,695
Volunteer Resource Centre	0	30,000
<u>Community Amenities</u>		
Biodiversity Project	0	5,739
Cities for Climate Protection	0	30,000
Envirofund	0	2,000
Fletcher Park	0	2,000
Waterwise	2,114	0
<u>Transport</u>		
Federal Blackspot	468,808	258,909
Grants Commission Road Fund	0	389,862
Local Government Road Fund	0	120,729
Main Roads Road Fund	0	1,062,799
Minor Acquisitions	0	1,974
Planning and Infrastructure	0	112,502
Roads to Recovery	496,104	0
Roadwise Safety Instructor	3,645	1,021
State Blackspot	61,322	28,000
Street Lighting	14,051	0
	<b>1,100,701</b>	<b>2,448,207</b>

## Notes to, and forming part of, the Financial Report For the year ended 30 June 2005

	2005	2004
	\$	\$
<b>2. Revenues and Expenses (continued)</b>		
<b>e. Conditions Over Contributions (continued)</b>		
New grants that were recognised as revenues during the reporting period and that had not yet been fully expended in the manner specified		
<u>Law, Order and Public Safety</u>		
Emergency Services	7,197	0
<u>Education and Welfare</u>		
Indigenous Youth Arts	0	21,990
Keystart Neighbourhood Improvement	0	32,667
<u>Community Amenities</u>		
Waterwise	0	2,114
<u>Transport</u>		
Grants Commission Road Fund	66,000	468,808
Local Government Road Fund	1,000,000	0
Roads to Recovery	0	496,104
Roadwise Safety Instructor	0	3,645
State Blackspot	37,000	61,322
Street Lighting	0	14,051
	<b>1,110,197</b>	<b>1,100,701</b>



**Notes to, and forming part of, the Financial Report  
For the year ended 30 June 2005**

	2005	2004
	\$	\$
<b>2. Revenues and Expenses (continued)</b>		
<b>e. Conditions Over Contributions (continued)</b>		
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		
<u>Law, Order and Public Safety</u>		
Emergency Services	0	100,450
<u>Education and Welfare</u>		
Aboriginal Leaders	0	4,129
Aboriginal Support	0	50,200
Armadale Senior Citizen Centre	0	190,000
Community Arts Network	0	7,075
Indigenous Youth Arts	21,990	0
Keystart Neighbourhood Improvement	32,667	35,419
Safer WA	0	9,704
Vacation Training	0	5,695
Volunteer Resource Centre	0	30,000
<u>Community Amenities</u>		
Biodiversity Project	0	5,739
Cities for Climate Protection	0	30,000
Envirofund	0	2,000
Fletcher Park	0	2,000
Waterwise	2,114	0
<u>Transport</u>		
Federal Blackspot	0	258,909
Grants Commission Road Fund	468,808	389,862
Local Government Road Fund	0	120,729
Main Roads Road Fund	0	1,062,799
Minor Acquisitions	0	1,974
Planning and Infrastructure	0	112,502
Roads to Recovery	496,104	0
Roadwise Safety Instructor	3,645	1,021
State Blackspot	61,322	28,000
Street Lighting	14,051	0
	<b>1,100,701</b>	<b>2,448,207</b>
Closing balances of unspent grants	<b>1,110,197</b>	<b>1,100,701</b>

# FINANCIAL REPORT

Notes to, and  
forming part of,  
the Financial Report  
For the year ended  
30 June 2005

	2005 \$	2004 \$
<b>3. Cash Assets</b>		
Unrestricted	7,128,628	3,919,722
Restricted	7,291,406	5,137,663
	<b><u>14,420,034</u></b>	<b><u>9,057,385</u></b>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Waste Management Reserve	2,081,634	1,839,534
Plant and Machinery Reserve	1,130,475	872,470
Land Acquisition Reserve	233,051	233,052
Long Service Leave Reserve	60,085	51,936
Armadale-Kelmscott Seniors' Reserve	0	0
Workers' Compensation Reserve	99,841	0
Revolving Energy Reserve	0	0
Building Plant and Equipment Reserve	89,807	92,040
PABX Telephone System Upgrade Reserve	8,000	8,000
Mobile Garbage Bin Programme Reserve	292,850	92,850
Future Recreation Facilities Reserve	47,200	20,300
Restricted Cash - Sundry Deposits and Bonds	1,377,306	539,569
Restricted Cash - Employee Provisions	760,960	0
Unspent Grants	1,110,197	1,100,701
Unspent Loans	0	287,211
	<b><u>7,291,406</u></b>	<b><u>5,137,663</u></b>

#### 4. Receivables

##### Current

Rates Outstanding	(44,665)	421,640
Sundry Debtors	2,301,727	735,747
Provision for Doubtful Debts	(122,378)	(122,378)
GST Receivable	0	0
Accruals and Prepayments	429,043	927,311
Loans - Clubs / Institutions	0	1,036
	<b><u>2,563,727</u></b>	<b><u>1,963,356</u></b>

##### Non-Current

Rates Outstanding - Pensioners	577,327	607,745
Loans - Clubs / Institutions	0	1,800
	<b><u>577,327</u></b>	<b><u>609,545</u></b>

#### 5. Inventories

##### Current

Fuel and Materials	88,994	118,824
	<b><u>88,994</u></b>	<b><u>118,824</u></b>

**Notes to, and forming part of, the Financial Report  
For the year ended 30 June 2005**

	2005	2004
	\$	\$
<b>6. Property, Plant and Equipment</b>		
Land and Buildings - Cost	0	24,569,225
Management Valuation - 2005	20,429,796	0
Less Accumulated Depreciation	0	(2,824,520)
	<b><u>20,429,796</u></b>	<b><u>21,744,705</u></b>
Furniture and Equipment - Cost	2,098,176	2,095,276
Less Accumulated Depreciation	(2,027,414)	(1,905,507)
	<b><u>70,762</u></b>	<b><u>189,769</u></b>
Plant and Machinery - Cost	10,616,531	10,097,277
Less Accumulated Depreciation	(5,715,383)	(5,191,855)
	<b><u>4,901,148</u></b>	<b><u>4,905,422</u></b>
Total Property, Plant and Equipment	<b><u><u>25,401,706</u></u></b>	<b><u><u>26,839,896</u></u></b>

**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	21,744,705	21,717,736
Additions	1,067,953	466,016
Disposals	(143,951)	0
Revaluation Movements	(1,824,062)	0
Depreciation Written Back	22,218	0
Depreciation Expense	(437,067)	(439,047)
Carrying Amount	<b><u><u>20,429,796</u></u></b>	<b><u><u>21,744,705</u></u></b>

Furniture and Equipment

Beginning Balance	189,769	203,359
Additions	2,900	19,056
Disposals	0	0
Revaluation Movements	0	0
Depreciation Written Back	0	0
Depreciation Expense	(121,907)	(32,646)
Carrying Amount	<b><u><u>70,762</u></u></b>	<b><u><u>189,769</u></u></b>

Plant and Machinery

Beginning Balance	4,905,422	3,976,260
Additions	1,469,787	2,472,113
Disposals	(950,533)	(1,478,418)
Revaluation Movements	0	0
Depreciation Written Back	625,205	988,956
Depreciation Expense	(1,148,733)	(1,053,489)
Carrying Amount	<b><u><u>4,901,148</u></u></b>	<b><u><u>4,905,422</u></u></b>

Total Property, Plant and Equipment	<b><u><u>25,401,706</u></u></b>	<b><u><u>26,839,896</u></u></b>
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# FINANCIAL REPORT

## Notes to, and forming part of, the Financial Report For the year ended 30 June 2005

	2005 \$	2004 \$
<b>7. Infrastructure</b>		
Roads - Cost	117,350,559	112,149,031
Less Accumulated Depreciation	(15,720,965)	(13,480,545)
	<b>101,629,594</b>	<b>98,668,486</b>
Drainage - Cost	26,354,248	25,857,178
Less Accumulated Depreciation	(4,007,710)	(3,490,576)
	<b>22,346,538</b>	<b>22,366,602</b>
Pathways - Cost	5,679,696	5,338,670
Less Accumulated Depreciation	(1,627,449)	(1,360,556)
	<b>4,052,247</b>	<b>3,978,114</b>
Parks and Reserves - Cost	65,653,554	65,252,030
Less Accumulated Depreciation	(25,780,088)	(22,518,413)
	<b>39,873,466</b>	<b>42,733,617</b>
<b>Total Infrastructure</b>	<b>167,901,845</b>	<b>167,746,819</b>

### Movements in Carrying Amounts

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

#### Roads

Beginning Balance	98,668,486	95,256,369
Additions	5,201,528	5,655,057
Disposals	0	0
Revaluation Movements	0	0
Depreciation Written Back	0	0
Depreciation Expense	(2,240,420)	(2,242,940)
Carrying Amount	<b>101,629,594</b>	<b>98,668,486</b>

#### Drainage

Beginning Balance	22,366,602	22,565,953
Additions	497,070	317,561
Disposals	0	0
Revaluation Movements	0	0
Depreciation Written Back	0	0
Depreciation Expense	(517,134)	(516,912)
Carrying Amount	<b>22,346,538</b>	<b>22,366,602</b>

**Notes to, and forming part of, the Financial Report  
For the year ended 30 June 2005**

	2005	2004
	\$	\$
<b>7. Infrastructure (continued)</b>		
<b>Movements in Carrying Amounts (continued)</b>		
<u>Pathways</u>		
Beginning Balance	3,978,114	3,613,206
Additions	341,026	627,870
Disposals	0	0
Revaluation Movements	0	0
Depreciation Written Back	0	0
Depreciation Expense	(266,893)	(262,962)
Carrying Amount	<u><b>4,052,247</b></u>	<u><b>3,978,114</b></u>
<u>Parks and Reserves</u>		
Beginning Balance	42,733,617	45,889,972
Additions	401,523	108,127
Disposals	0	0
Revaluation Movements	0	0
Depreciation Written Back	0	0
Depreciation Expense	(3,261,674)	(3,264,482)
Carrying Amount	<u><b>39,873,466</b></u>	<u><b>42,733,617</b></u>
<b>Total Infrastructure</b>	<u><b>167,901,845</b></u>	<u><b>167,746,819</b></u>
<b>8. Payables</b>		
<u>Current</u>		
Sundry and Rates Creditors	2,026,516	404,084
Accrued Expenses	382,352	659,590
Unearned Revenue	38,914	64,297
Sundry Deposits and Bonds	1,377,306	539,569
Accrued Salaries and Wages	471,480	47,421
	<u><b>4,296,568</b></u>	<u><b>1,714,961</b></u>
<b>9. Interest Bearing Liabilities</b>		
<u>Current</u>		
Secured by Floating Charge		
Debentures	419,172	194,050
	<u><b>419,172</b></u>	<u><b>194,050</b></u>
<u>Non-Current</u>		
Secured by Floating Charge		
Debentures	1,209,666	1,043,838
	<u><b>1,209,666</b></u>	<u><b>1,043,838</b></u>

Additional details on borrowings are provided in Note 21.

# FINANCIAL REPORT

Notes to, and  
forming part of,  
the Financial Report  
For the year ended  
30 June 2005

	2005	Budget	2004
	\$	2005	\$
		\$	
<b>10. Provisions</b>			
<u>Current</u>			
Provision for Annual Leave	961,152		1,347,792
Provision for Sick Leave	100,000		161,442
Provision for Long Service Leave	753,867		754,762
	<b>1,815,019</b>		<b>2,263,996</b>
<u>Non-Current</u>			
Provision for Annual Leave	197,067		0
Provision for Long Service Leave	422,414		288,686
	<b>619,481</b>		<b>288,686</b>
<b>11. Reserves - Cash Backed</b>			
<u>Waste Management Reserve</u>			
Opening Balance	1,839,534	1,839,534	1,498,534
Amount Set Aside / Transfer to Reserve	345,000	345,000	384,000
Amount Used / Transfer from Reserve	(102,900)	(35,500)	(43,000)
Closing Balance	<b>2,081,634</b>	<b>2,149,034</b>	<b>1,839,534</b>
<u>Plant and Machinery Reserve</u>			
Opening Balance	872,470	872,470	1,315,170
Amount Set Aside / Transfer to Reserve	1,148,700	970,000	1,118,270
Amount Used / Transfer from Reserve	(890,695)	(1,404,900)	(1,560,970)
Closing Balance	<b>1,130,475</b>	<b>437,570</b>	<b>872,470</b>
<u>Land Acquisition Reserve</u>			
Opening Balance	233,051	233,051	201,687
Amount Set Aside / Transfer to Reserve	0	0	31,364
Amount Used / Transfer from Reserve	0	0	0
Closing Balance	<b>233,051</b>	<b>233,051</b>	<b>233,051</b>
<u>Long Service Leave Reserve</u>			
Opening Balance	51,936	51,936	44,218
Amount Set Aside / Transfer to Reserve	8,149	0	7,718
Amount Used / Transfer from Reserve	0	0	0
Closing Balance	<b>60,085</b>	<b>51,936</b>	<b>51,936</b>
<u>Armadale-Kelmscott Seniors' Reserve</u>			
Opening Balance	0	0	16,575
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	(16,575)
Closing Balance	<b>0</b>	<b>0</b>	<b>0</b>
<u>Workers' Compensation Reserve</u>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	99,841	68,300	0
Amount Used / Transfer from Reserve	0	0	0
Closing Balance	<b>99,841</b>	<b>68,300</b>	<b>0</b>

Notes to, and forming part of, the Financial Report  
For the year ended 30 June 2005

	2005	Budget 2005	2004
	\$	\$	\$
<b>11. Reserves - Cash Backed (continued)</b>			
<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	<b>0</b>	<b>0</b>	<b>0</b>
<u>Building Plant and Equipment Reserve</u>			
Opening Balance	92,040	92,040	27,040
Amount Set Aside / Transfer to Reserve	24,167	24,167	65,000
Amount Used / Transfer from Reserve	(26,400)	0	0
Closing Balance	<b>89,807</b>	<b>116,207</b>	<b>92,040</b>
<u>PABX Telephone System Upgrade Reserve</u>			
Opening Balance	8,000	8,000	0
Amount Set Aside / Transfer to Reserve	0	0	8,000
Amount Used / Transfer from Reserve	0	0	0
Closing Balance	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
<u>Mobile Garbage Bin Programme Reserve</u>			
Opening Balance	92,850	92,850	0
Amount Set Aside / Transfer to Reserve	200,000	200,000	92,850
Amount Used / Transfer from Reserve	0	0	0
Closing Balance	<b>292,850</b>	<b>292,850</b>	<b>92,850</b>
<u>Future Recreation Facilities Reserve</u>			
Opening Balance	20,300	20,300	0
Amount Set Aside / Transfer to Reserve	26,900	26,900	20,300
Amount Used / Transfer from Reserve	0	0	0
Closing Balance	<b>47,200</b>	<b>47,200</b>	<b>20,300</b>
<b>Total Reserves - Cash Backed</b>	<b>4,042,943</b>	<b>3,404,148</b>	<b>3,210,181</b>

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.

## Notes to, and forming part of, the Financial Report For the year ended 30 June 2005

	2005	2004
	\$	\$
<b>11. Reserves - Cash Backed (continued)</b>		
<u>Armadale-Kelmscott Seniors' Reserve</u> - To be used to assist in improvement and refurbishment of the Armadale-Kelmscott Seniors' Centre.		
<u>Workers' Compensation Reserve</u> - To be used to assist in covering Council's workers' compensation liability.		
<u>Revolving Energy Reserve</u> - To be used to assist in establishing energy efficient management techniques.		
<u>Building Plant and Equipment Reserve</u> - To be used to assist in the replacement of equipment associated with Council buildings.		
<u>PABX Telephone System Upgrade</u> - To be used to assist in the upgrade and replacement of Council's current PABX telephone system.		
<u>Mobile Garbage Bin Programme Reserve</u> - To be used to assist in the purchase and replacement of the City's Mobile Garbage Bins.		
<u>Future Recreation Facilities Reserve</u> - 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

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

### Land and Buildings

Opening Balance	10,275,810	10,275,810
Revaluation Increment	0	0
Revaluation Decrement	(1,824,062)	0
Total Asset Revaluation Reserves	<u><u>8,451,748</u></u>	<u><u>10,275,810</u></u>



**Notes to, and forming part of, the Financial Report  
For the year ended 30 June 2005**

	2005	2004
	\$	\$
<b>13. Notes to the Statement of Cash Flows</b>		
<b>a. Reconciliation of Cash</b>		
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	14,420,035	9,057,385
	<u>14,420,035</u>	<u>9,057,385</u>
<b>b. Reconciliation of Net Cash Provided by Operating Activities to Net Result</b>		
Net Result	3,587,495	1,676,221
Depreciation	7,993,828	7,812,481
(Profit) / Loss on Sale of Asset	(32,032)	(273,553)
(Increase) / Decrease in Receivables	(568,153)	970,333
(Increase) / Decrease in Inventories	29,830	(21,383)
Increase / (Decrease) in Payables	2,581,607	(857,128)
Increase / (Decrease) in Employee Provisions	(118,182)	576,955
Grants and Contributions for Asset Development	(4,914,945)	(2,491,142)
Net Cash from Operating Activities	<u>8,559,448</u>	<u>7,392,784</u>
<b>c. Credit Standby Arrangements</b>		
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	<u>106,000</u>	<u>106,000</u>
<b>d. Loan Facilities</b>		
Loan Facilities - Current	419,172	194,050
Loan Facilities - Non-Current	1,209,666	1,043,838
Total Facilities in Use at Balance Date	<u>1,628,838</u>	<u>1,237,888</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>287,211</u>

# FINANCIAL REPORT

## Notes to, and forming part of, the Financial Report For the year ended 30 June 2005

	2005	2004
	\$	\$
<b>14. Contingent Liabilities</b>		
Contingent Liabilities	Nil	Nil
<b>15. Capital and Leasing Commitments</b>		
Finance 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	48,540	(48,540)	0
Building Construction Training Fund	0	141,062	(141,062)	0
Rates in Suspense	16,035	1,976	(130)	17,881
SEMACC Lease Liability	10,525	0	0	10,525
Town Planning Bonds	25,041	4,000	(4,000)	25,041
Town Planning Section 28A Deposits	26,321	0	0	26,321
	<b>77,922</b>	<b>195,578</b>	<b>(193,732)</b>	<b>79,768</b>

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

General Purpose Funding	6,939,367	4,013,256
Governance	1,019,362	213,073
Law, Order and Public Safety	1,234,575	1,273,907
Health	131,988	237,089
Education and Welfare	2,995,441	2,843,372
Housing	0	0
Community Amenities	5,159,124	4,465,869
Recreation and Culture	57,228,214	62,902,829
Transport	133,487,302	129,903,446
Economic Services	2,355,588	320,888
Other Property and Services	402,672	162,096
	<b>210,953,633</b>	<b>206,335,825</b>

**Notes to, and forming part of, the Financial Report  
For the year ended 30 June 2005**

**19. Disposals of Assets - 2004-2005 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
	\$	\$	\$	\$	\$	\$
<b>Land and Buildings</b>						
<u>Law, Order and Public Safety</u>						
Bushfire Tender Garage	4,228	0	0	0	(4,228)	0
	4,228	0	0	0	(4,228)	0
<u>Recreation and Culture</u>						
Lot 651 Westfield Road	0	0	0	120,000	0	120,000
Pries Park Football Shed	2,283	0	0	0	(2,283)	0
Kelmscott Pool Kiosk	7,836	0	0	0	(7,836)	0
Kelmscott Pool Plant Room	10,571	0	0	0	(10,571)	0
Gwynne Park Kiosk	14,207	0	0	0	(14,207)	0
Gwynne Park Upgrade	7,153	0	0	0	(7,153)	0
Kuhl House	22,875	0	0	0	(22,875)	0
Kuhl House Changerooms	29,175	0	0	0	(29,175)	0
Waste Treatment Plant	335	0	0	0	(335)	0
	94,435	0	0	120,000	(94,435)	120,000
<u>Transport</u>						
Bores and Pumps	13,881	0	0	0	(13,881)	0
Depot Treatment Plant	9,189	0	0	0	(9,189)	0
	23,070	0	0	0	(23,070)	0
<b>Total Land - Buildings</b>	<b>121,733</b>	<b>0</b>	<b>0</b>	<b>120,000</b>	<b>(121,733)</b>	<b>120,000</b>
<b>Plant and Machinery</b>						
<u>Governance</u>						
P727 - Wagon	13,816	15,603	15,932	14,000	2,116	(1,603)
P736 - Sedan	30,940	34,339	34,205	33,000	3,265	(1,339)
P737 - Sedan	24,625	26,770	25,477	27,000	852	230
	69,381	76,712	75,614	74,000	6,233	(2,712)
<u>Law, Order and Public Safety</u>						
P604 - Utility	12,371	14,205	14,295	15,000	1,924	795
P625 - Utility	13,251	14,965	16,023	15,000	2,772	35
	25,622	29,170	30,318	30,000	4,696	830
<u>Health</u>						
P780 - Sedan	15,843	11,021	16,114	11,000	271	(21)
	15,843	11,021	16,114	11,000	271	(21)
<u>Education and Welfare</u>						
P702 - Wagon	18,687	16,601	20,755	14,000	2,068	(2,601)
	18,687	16,601	20,755	14,000	2,068	(2,601)

# FINANCIAL REPORT

## Notes to, and forming part of, the Financial Report For the year ended 30 June 2005

### 19. Disposals of Assets - 2004-2005 Financial Year (continued)

Item	Net Book Value		Sale Price		Profit (Loss)	
	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$
<b>Plant and Machinery (continued)</b>						
<u>Community Amenities</u>						
P403 - Traxcavator	36,374	36,418	110,000	40,000	73,626	3,582
P447 - Rubbish Truck	0	24,780	50,000	25,000	50,000	220
P735 - Sedan	24,284	26,428	22,250	27,000	(2,034)	572
Minor Plant - Sanitation	8,610	0	0	3,250	(8,610)	3,250
	69,268	87,626	182,250	95,250	112,982	7,624
<u>Recreation and Culture</u>						
P304 - Mower	1,029	1,892	1,364	1,000	335	(892)
P309 - Utility	12,115	13,589	15,524	15,000	3,409	1,411
P318 - Mower	9,405	3,130	7,000	4,000	(2,405)	870
P338 - Mower	1,178	2,050	1,364	1,000	186	(1,050)
P369 - Truck	0	0	18,182	15,000	18,182	15,000
P399 - Utility	14,894	16,480	17,524	15,000	2,630	(1,480)
P506 - Van	9,125	10,570	12,841	10,000	3,716	(570)
P515 - Utility	12,115	13,589	14,023	15,000	1,908	1,411
P784 - Sedan	12,575	14,201	15,846	15,000	3,271	799
Minor Plant - Parks	96	0	0	1,700	(96)	1,700
	72,532	75,501	103,668	92,700	31,136	17,199
<u>Transport</u>						
P114 - Roller	0	2,004	0	10,000	0	7,996
P120 - Roller	482	1,192	1,800	1,000	1,318	(192)
P153 - Roller	00	0	0	20,000	0	20,000
P732 - Sedan	23,559	25,689	24,160	28,000	601	2,311
P733 - Sedan	0	15,350	0	13,000	0	(2,350)
P777 - Sedan	12,076	14,180	8,568	13,000	(3,508)	(1,180)
Minor Plant - Engineering	2,758	0	0	2,450	(2,758)	2,450
	38,875	58,415	34,528	87,450	(4,347)	29,035
<u>Economic Services</u>						
P720 - Sedan	15,121	13,409	15,846	13,000	725	(409)
	15,121	13,409	15,846	13,000	725	(409)
<b>Total Plant - Machinery</b>	<b>325,329</b>	<b>368,455</b>	<b>479,093</b>	<b>417,400</b>	<b>153,764</b>	<b>48,945</b>
<b>Total Assets</b>	<b>447,062</b>	<b>368,455</b>	<b>479,093</b>	<b>537,400</b>	<b>32,031</b>	<b>168,945</b>

**Notes to, and forming part of, the Financial Report  
For the year ended 30 June 2005**

	2005	2004	2003	2002
<b>20. Financial Ratios</b>				
Current Ratio	2.23	1.53	1.11	0.91
Debt Ratio	0.04	0.03	0.02	0.02
Debt Service Ratio	0.01	0.04	0.02	0.05
Rate Coverage Ratio	0.54	0.51	0.51	0.56
Outstanding Rates Ratio	0.03	0.06	0.08	0.09

The above ratios are calculated as follows:

Current Ratio 
$$\frac{\text{Current Assets Minus Restricted Current Assets}}{\text{Current Liabilities Minus Liabilities From Restricted Assets}}$$

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

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

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

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

# FINANCIAL REPORT

## Notes to, and forming part of, the Financial Report For the year ended 30 June 2005

### 21. Information on Borrowings

a.	Repayment - Debentures (Budget)	Principal 1 July	New Loans	Principal Payments Budget	Principal 30 June Budget	Interest Payment Budget
	Particulars	\$	\$	\$	\$	\$
	<u>Governance</u>					
	282 - Corporate System	800,000	0	87,000	713,000	50,000
	283 - ARA Works (1)	0	400,000	13,000	387,000	17,000
	285 - Temporary Admin	0	400,000	33,000	367,000	17,000
	<u>Recreation and Culture</u>					
	268 - Pries Park Pavilion	15,940	0	7,428	8,512	1,731
	271 - Armadale Recreation	77,660	0	24,404	53,256	6,203
	276 - Gwynne Park Pavilion	52,442	0	12,029	40,413	3,362
	281 - Armadale Golf Plan	130,000	0	0	130,000	6,890
	284 - Rushton Park Develop	0	170,000	5,600	164,400	7,200
	286 - Kelmscott Library	0	100,000	3,300	96,700	4,200
	<u>Economic Services</u>					
	280 - Forrestdale Land	112,236	0	12,288	99,948	6,929
	<u>Other Property and Services</u>					
	279 - Former Administration	45,651	0	45,651	0	585
		<b>1,233,929</b>	<b>1,070,000</b>	<b>243,700</b>	<b>2,060,229</b>	<b>121,100</b>
b.	Repayment - Debentures (Actual)	Principal 1 July	New Loans	Principal Payments Actual	Principal 30 June Actual	Interest Payments Actual
	Particulars	\$	\$	\$	\$	\$
	<u>Governance</u>					
	282 - Corporate System	800,000	0	94,987	705,013	46,122
	283 - ARA Works (1)	0	0	0	0	0
	285 - Temporary Admin	0	485,000	0	485,000	2,421
	<u>Recreation and Culture</u>					
	268 - Pries Park Pavilion	19,896	0	7,429	12,467	1,225
	271 - Armadale Recreation	77,660	0	24,404	53,256	4,143
	276 - Gwynne Park Pavilion	52,442	0	9,290	43,152	2,828
	281 - Armadale Golf Plan	130,000	0	0	130,000	6,862
	284 - Rushton Park Develop	0	0	0	0	0
	286 - Kelmscott Library	0	100,000	0	100,000	499
	<u>Economic Services</u>					
	280 - Forrestdale Land	112,237	0	12,288	99,949	6,166
	<u>Other Property and Services</u>					
	279 - Former Administration	45,651	0	45,651	0	1,034
		<b>1,237,886</b>	<b>585,000</b>	<b>194,049</b>	<b>1,628,837</b>	<b>71,300</b>

Notes to, and forming part of, the Financial Report  
For the year ended 30 June 2005

21. Information on Borrowings (continued)

c. New Debentures - 2004-2005 Financial Year

Particulars	Amount Borrowed		Amount Used		Balance
	Actual \$	Budget \$	Actual \$	Budget \$	Unspent \$
285 - Temporary Admin	485,000	400,000	485,000	400,000	0
286 - Kelmscott Library	100,000	100,000	100,000	100,000	0

Particulars	Institution	Loan Type	Term (Years)	Total Interest and Charges	Interest Rate
285 - Temporary Admin	WATC	Debenture	10	161,954	5.74
286 - Kelmscott Library	WATC	Debenture	10	33,393	5.74

d. Unspent Debentures

There were no Unspent Debentures as at 30 June 2005.

e. Overdraft Facilities

Council did not utilise an overdraft facility during the 2004-2005 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 2004 and 30 June 2005 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	2005 \$	2004 \$
Floating Interest Rates		
Fixed Interest Rate Maturing		
- Within One Year	322,469	45,652
- One to Five Years	902,150	1,062,235
- Over Five Years	274,218	0
Non Interest Bearing	130,000	130,000
<b>Total Borrowings</b>	<b>1,628,837</b>	<b>1,237,887</b>
Weighted Average Effective Interest Rate	5.86%	5.93%

## Notes to, and forming part of, the Financial Report For the year ended 30 June 2005

	2005	Budget
	2005	2005
	\$	\$
<b>22. Budget Comparison</b>		
<b>a. Non-Operating Revenue and Expenditure</b>		
<p>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.</p>		
<u>Non-Operating Revenue</u>		
Proceeds on Sale of Assets	479,092	537,400
Debentures Raised	585,000	1,070,000
Repayments of Self-Supporting Loans	0	2,900
Proceeds from Advances	0	0
Transfers from Reserves	1,019,995	1,440,400
Transfers from Restricted Assets	0	133,200
<u>Non-Operating Expense</u>		
Advances to Community Groups	0	0
Principal Repayment of Debentures	(194,050)	(243,700)
Principal Repayment of Finance Leases	0	0
Construction / Purchase of Assets		
- Land Held for Resale	0	0
- Land and Buildings	(1,067,953)	(1,114,816)
- Plant and Machinery	(1,469,787)	(2,054,753)
- Furniture and Equipment	(2,900)	(13,133)
- Infrastructure	(6,441,148)	(11,587,863)
Transfers to Reserves	(1,852,756)	(1,634,367)

### b. Current Position at 1 July 2004

The current position balance carried forward from the previous financial year for the purpose of the 2004-2005 Annual Budget, after calculation for budgetary purposes, was \$5,165,075.

The actual current position balance shown in the audited financial report as at 30 June 2004, after the same calculations as performed for the Annual Budget have been conducted, was \$6,214,422.

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.



Notes to, and forming part of, the Financial Report  
For the year ended 30 June 2005

23. Rating Information - 2004-2005 Financial Year

Rate Type	Rate in \$ / Minimum Charge	Property Numbers	Budget			Total Revenue
			Rateable Value	Rate Revenue	Interim / Back Rating	
			\$	\$	\$	\$
<u>Differential Rate - GRV</u>						
Residential Vacant	11.0000	34	439,384	46,443	0	46,443
Residential Improved	10.6144	14,856	98,162,638	10,419,375	152,840	10,572,215
Residential Rural Vacant	11.8855	99	975,682	113,706	0	113,706
Residential Rural Improve	11.4355	1,704	15,846,987	1,812,182	0	1,812,182
Business	10.6146	420	24,420,113	2,592,098	0	2,592,098
<u>Differential Rate - UV</u>						
Rural General	0.5770	230	100,083,450	576,126	0	576,126
<b>Sub-Total</b>		<b>17,343</b>	<b>239,928,254</b>	<b>15,559,930</b>	<b>152,840</b>	<b>15,712,770</b>
<u>Minimum Rate - GRV</u>						
Residential Vacant	630	543	1,543,195	342,090	0	342,090
Residential Improved	550	1,747	8,131,508	960,850	0	960,850
Residential Rural Vacant	753	297	1,350,599	223,641	0	223,641
Residential Rural Improved	683	239	1,253,324	163,237	0	163,237
Business	873	310	1,589,977	270,630	0	270,630
<u>Minimum Rate - UV</u>						
Rural General	678	26	1,806,907	17,628	0	17,628
<b>Sub-Total</b>		<b>3,162</b>	<b>15,675,510</b>	<b>1,978,076</b>	<b>0</b>	<b>1,978,076</b>
<b>Total</b>		<b>20,505</b>	<b>255,603,764</b>	<b>17,538,006</b>	<b>152,840</b>	<b>17,690,846</b>
Rate Equivalent Charge						0
Specified Area Rates		Note 24				0
<b>Total</b>						<b>17,690,846</b>

# FINANCIAL REPORT

Notes to, and forming part of, the Financial Report  
For the year ended 30 June 2005

## 23. Rating Information - 2004-2005 Financial Year (continued)

Rate Type	Actual					Total Revenue
	Rate in \$ / Minimum Charge	Property Numbers	Rateable Value	Rate Revenue	Interim / Back Rating	
			\$	\$	\$	\$
<u>Differential Rate - GRV</u>						
Residential Vacant	11.0000	39	430,984	47,408	(15,555)	<b>31,853</b>
Residential Improved	10.6144	14,879	98,561,540	10,461,711	72,489	<b>10,534,200</b>
Residential Rural Vacant	11.8855	97	940,126	111,739	(10,706)	<b>101,033</b>
Residential Rural Improve	11.4355	1,650	15,122,286	1,729,309	37,881	<b>1,767,190</b>
Business	10.6146	420	24,397,341	2,589,680	11,832	<b>2,601,512</b>
<u>Differential Rate - UV</u>						
Rural General	0.5770	296	112,288,750	647,906	(2,282)	<b>645,624</b>
<b>Sub-Total</b>		<b>17,381</b>	<b>251,741,027</b>	<b>15,587,753</b>	<b>93,659</b>	<b>15,681,412</b>
<u>Minimum Rate - GRV</u>						
Residential Vacant	630	509	1,470,607	320,670	61,347	<b>382,017</b>
Residential Improved	550	1,759	8,159,448	967,450	(4,318)	<b>963,132</b>
Residential Rural Vacant	753	285	1,311,463	214,605	6,158	<b>220,763</b>
Residential Rural Improved	683	239	1,249,500	163,237	(3,166)	<b>160,071</b>
Business	873	314	1,606,197	274,122	(801)	<b>273,321</b>
<u>Minimum Rate - UV</u>						
Rural General	678	29	2,265,907	19,662	563	<b>20,225</b>
<b>Sub-Total</b>		<b>3,135</b>	<b>16,063,122</b>	<b>1,959,746</b>	<b>59,783</b>	<b>2,019,529</b>
<b>Total</b>		<b>20,516</b>	<b>267,804,149</b>	<b>17,547,499</b>	<b>153,442</b>	<b>17,700,941</b>
Rate Equivalent Charge						<b>2,176</b>
Specified Area Rates		Note 24				<b>0</b>
<b>Total</b>						<b>17,703,117</b>

**Notes to, and forming part of, the Financial Report  
For the year ended 30 June 2005**

**24. Specified Area Rate - 2004-2005 Financial Year**

Council did not raise any specified area rates for the 2004-2005 financial year. Therefore no transfer to, or from, reserve accounts has occurred.

**25. Service Charges - 2004-2005 Financial Year**

Council did not raise any service charges for the 2004-2005 financial year. Therefore no transfer to, or from, reserve accounts has occurred.

**26. Discounts, Incentives, Concessions and Write-Offs - 2004-2005 Financial Year**

Discounts

Council did not provide any discounts in the 2004-2005 financial year.

Incentives

Two rate payment incentives were offered by Council in the 2004-2005 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 City 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 24 September 2004. Winners were selected by random computer selection.

Concessions

No concessions were offered in the 2004-2005 financial year.

Write-Offs

The following write-offs were made during the 2004-2005 financial year:

	\$
Various Rates	20,738
Various Sundry Debtors	25,677
	<hr/>
	<b>46,415</b>

## Notes to, and forming part of, the Financial Report For the year ended 30 June 2005

### 27. Interest Charges and Instalments - 2004-2005 Financial Year

Particulars	Interest Rate %	Admin Charge \$	Revenue Actual \$	Revenue Budget \$
Interest on Late Paid Rates	11	-	72,882	76,350
Interest on Instalment Plans	5.5	-	82,089	91,620
Charges on Instalment Plans	-	19.20	108,006	122,160
Charges on Special Arrangements	-	31.00	14,488	10,180

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

	2005 \$	2004 \$
<b>28. Fees and Charges</b>		
General Purpose Funding	287,235	256,910
Governance	1,400	1,139
Law, Order and Public Safety	256,780	256,857
Health	76,686	65,885
Education and Welfare	22,363	7,500
Housing	0	0
Community Amenities	3,865,925	4,912,982
Recreation and Culture	678,387	444,344
Transport	15,804	28,692
Economic Services	369,831	303,331
Other Property and Services	300,985	5,408
	<b>5,875,396</b>	<b>6,283,048</b>

**Notes to, and forming part of, the Financial Report  
For the year ended 30 June 2005**

	2005	Budget	
	2005	2005	2004
	\$	\$	\$
<b>29. Grant Revenue</b>			
<u>By Nature and Type</u>			
Grants and Subsidies - Operating	2,330,377		2,831,673
Grants and Subsidies - Non-Operating	4,914,945		2,491,142
	<u>7,245,322</u>		<u>5,322,815</u>
<u>By Programme</u>			
General Purpose Funding	1,868,519		2,638,348
Law, Order and Public Safety	175,928		98,875
Education and Welfare	177,497		360,124
Community Amenities	50,300		(4,275)
Recreation and Culture	146,792		110,500
Transport	4,826,286		2,119,243
	<u>7,245,322</u>		<u>5,322,815</u>
<b>30. Employee Numbers</b>			
Number of full-time equivalent employees at balance date	<b>219</b>		<b>212</b>
<b>31. Councillors' Remuneration</b>			
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	38,000	38,000	32,750
Telecommunications Allowance	18,008	16,800	11,407
Travel Reimbursement	7,072	9,000	6,432
Communications Reimbursement	9,097	11,200	576
Information Technology Allowance	0	14,000	0
	<u>162,177</u>	<u>179,000</u>	<u>141,165</u>
<b>32. Employees Remuneration</b>			
Set out below, in bands of \$10,000, is the number of employees of the City entitled to an annual salary of \$100,000 or more.			
100,000 - 109,999	<b>2</b>		<b>2</b>
110,000 - 119,999	<b>0</b>		<b>0</b>
120,000 - 129,999	<b>0</b>		<b>0</b>
130,000 - 139,999	<b>0</b>		<b>1</b>
140,000 - 149,999	<b>1</b>		<b>0</b>
<b>33. Economic Dependency</b>			
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.			
<b>34. Major Land Transactions</b>			
Council did not enter into any major land transactions in the 2004-2005 financial year.			

## Notes to, and forming part of, the Financial Report For the year ended 30 June 2005

### 35. Australian Equivalents to International Financial Reporting Standards

For reporting periods commencing on or after 1 January 2005, the City will be required to prepare financial statements using Australian equivalents to International Financial Reporting Standards and their related pronouncements (AIFRSs) as issued by the Australian Accounting Standards Board (AASB).

As the AASB has prohibited the early adoption of AIFRSs, the City will report for the first time in compliance with AIFRSs in the annual financial report for the year ended 30 June 2006 (that is, the year commencing 1 July 2005).

The City is required to prepare an opening balance sheet in accordance with AIFRSs as at 1 July 2004. Most adjustments required on transition to AIFRSs will be made retrospectively against opening retained earnings on 1 July 2004 in accordance with AIFRSs. Transitional adjustments relating to those standards for which comparatives are not required will only be made with effect from 1 July 2005.

The transition to the AIFRSs has been managed via a process of education that includes technical training and liaison with industry and professional groups. This has included a review of AIFRSs to determine the effect on the City's existing accounting policies and treatments.

The annual financial report for the year ended 30 June 2005 has been prepared in accordance with Australian Accounting Standards and other financial reporting requirements (Australian GAAP). The differences between Australian GAAP and AIFRSs identified to date as potentially having a significant effect on the City are summarised below.

The summary should not be taken as an exhaustive list as the City is still assessing the impact of AIFRSs. Consequently, in some instances, quantified impacts of AIFRSs may not have been disclosed as disclosure of information may be misleading and may not fully represent the overall impact of transition.

#### Property, Plant and Equipment

AIFRSs provide an option to value each class of property, plant and equipment at either cost or fair value. At the transition date, an election is available under AIFRSs transition rules to use cost, fair value or deemed costs as the opening carrying value. It is the current intention of the City to adopt a combination of the following:

- Value some asset classes on the cost basis, adjusted for any accumulated impairment balances.
- Use deemed cost for some asset classes previously carried at a revalued amount adjusted for any accumulated impairment balances.
- Use fair value for some asset classes and revalued with sufficient regularity to ensure carrying amounts are not materially different from their fair value at reporting date.

At this point it is not anticipated that any adjustments to carrying values will result from the above approaches. If they do, they will be recognised against opening retained earnings or past revaluation reserves in the opening balance sheet.

#### Employee Benefits

AIFRSs require all long term employee benefits to be measured at present value. This treatment remains unchanged for the measurement of non current long service leave entitlements under current Australian GAAP. However, non current annual leave entitlements are currently measured at the amount the City expects to pay and not at present value.

It is not anticipated any such adjustment will be significant. However, adjustments to provisions, if any, will be made against opening retained earnings in the opening balance sheet and the effect on the year ended 30 June 2005 will also be adjusted via the operating statement for comparison purposes in the City's first AIFRSs financial report.

#### Impairment of Assets

Currently, assets are written down to recoverable amount when the asset's carrying amount exceeds recoverable amount. In determining recoverable amount, expected future cash flows are currently not discounted to their present value.

Under AIFRSs, both current and non-current assets are tested for impairment on an individual basis. If this is not possible, the City is required to test for impairment at the Cash Generating Unit (CGU) level.

It is anticipated the City's material assets will be able to be tested for impairment on an individual basis and the CGU level will not apply.

Assets are tested for impairment where an impairment trigger (per AIFRSs) has occurred. Intangibles with indefinite useful lives will be tested annually for impairment (or more frequently if events or circumstances indicate).

To the extent any impairment is determined, this will be recognised immediately in the operating statement.

Assets may be considered impaired in one reporting period and not in subsequent periods. Therefore, it is not practicable to determine the impact of the change in accounting policy for future financial reports as any impairment or reversal thereof will be affected by future conditions. Based on assessment to date, it is not anticipated that any such adjustments will be required.

#### Financial Assets and Financial Liabilities

Under current Australian GAAP, financial assets and financial liabilities are recognised at cost, at fair value, or at net market value.

On adoption of AIFRSs, the City will be required to classify these financial instruments into various specified categories (being either of trading assets, held to maturity investments, loans and receivables or available for sale financial assets). The classification of the instrument determines the instrument's subsequent measurement.

It is anticipated, based on definitions contained within AIFRSs, the City's financial assets and liabilities will be classified in the loans and receivables category and will be measured at their initial recognition amount.

Based on reviews performed to date, it is not anticipated any such adjustments will be significant.

However, in accordance with AIFRSs, such financial assets will be subject to annual impairment testing and to the extent any impairment testing is determined, it will be recognised immediately in the operating statement.

Assets may be considered impaired in one reporting period and not in subsequent periods. Therefore, it is not practicable to determine the impact of the change in accounting policy for future financial reports as any impairment or reversal thereof will be affected by future conditions.

#### Cash Flow Statements

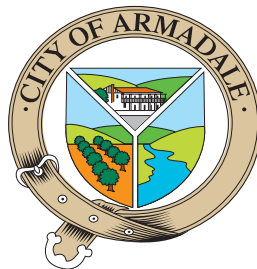
There are no material differences between the cash flow statement presented under AIFRSs and the Cash Flow Statement presented under Australian GAAP.



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.



[www.armadale.wa.gov.au](http://www.armadale.wa.gov.au)

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