



Annual Report

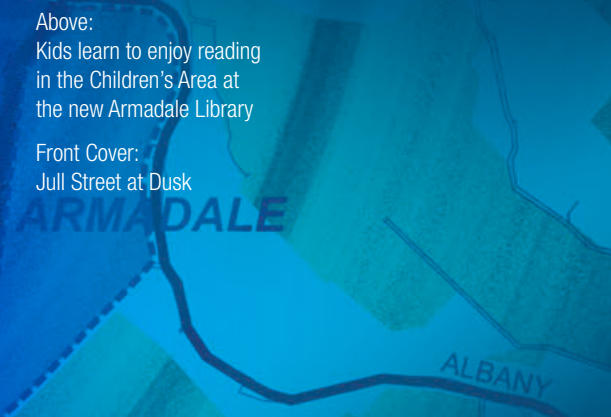


2009/2010



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Armadale – Moving Ahead

With the Armadale City Centre only 30 minutes south-east of Perth and with one of the highest development growth rates of any Local Government Area in the state, Armadale continues to surprise.

With the assistance provided by the Armadale Redevelopment Authority (ARA), the City of Armadale has been transformed into a beautiful regional centre with enterprise and opportunity waiting around every corner.

Major investment during the past five years in the City CBD has seen the generation of over 500 additional jobs as new shopping complexes and business centres have been constructed. These now offer patrons to the area a greater variety of shopping and business options than ever before. And the great news is that more is yet to come!

The City continues to invest in the region for the long-term benefits of all ratepayers. On the horizon the City has scheduled major sporting and recreation investment which, along with industrial land development, will rival any in the State. These developments will be much needed as our population (currently 61,000) continues to grow and more than double over the next 20 years.

The City has won a number of awards for the meticulous planning guiding this projected growth and, with these plans now coming to fruition; the future looks bright for Armadale!



Fireworks on Australia Day



City of Armadale
Administration Centre

History

Significant dates in Armadale's history include –

- Constituted as the Kelmscott Road Board 14 Dec 1894
- Renamed Armadale-Kelmscott Road Board 23 Mar 1910
- Renamed Shire of Armadale-Kelmscott 1 Jul 1961
- Proclaimed Town of Armadale 1 Jan 1979
- Proclaimed City of Armadale 16 Nov 1985

Current Facts and Figures

The City of Armadale has –

- A estimated population of 61,336
- An area of 560 square kilometres
- Three libraries
- 35,622 electors
- 25,099 rate assessments
- 22 primary schools
- 8 secondary schools
- 1,403 roads with a length of 637 kilometres
- 261 full-time equivalent employees (386 total employees)

Localities and suburbs include – Armadale, Ashendon, Bedforddale, Brookdale, Camillo, Champion Lakes, Forrestdale, Harrisdale, Haynes, Hilbert, Karagullen, Kelmscott, Lesley, Mount Nasura, Mount Richon, Piara Waters, Roleystone, Seville Grove and Wungong.

Tourist Attractions

Armadale Reptile Park, Araluen Botanic Park, Araluen Country Club, Armadale Visitor Centre, Bert Tyler Vintage Machinery Museum, Bibbulmun Track, Canning Dame, Champion Lakes, Churchman's Brook Dam, Elizabethan Village, Forrestdale Walk Trail, Minnowarra Park Historic Precinct, Munda Biddi Mountain Bike Trail, Pioneer Village, Wungong Dam, and a variety of art galleries, bed and breakfast accommodation sites, tea rooms and wineries.

Local Events

NAIDOC Week – July, Karragullen Field Day – October, Spring Family Bushwalks – September / October, Kelmscott Show – October, Highland Gathering and Cycle Classic – November, Carols by Candlelight – December, Outdoor Cinema – December / January, Australia Day – January, Concerts in the Park – February / March / April, Minnowarra Festival – March, Minnowarra Art Awards – May.



Mayor's Foreword

In reviewing the performance of Council and its stewardship of our municipality for the 2009-2010 financial year, I am struck by the significance of Council's achievements, despite us still having to rely primarily on residential rates as opposed to some of the larger councils that benefit from large commercial and industrial rate bases.

In terms of governance, your Council continues to work as a united team, with all elected members and staff working together to achieve consensus outcomes for the betterment of the district. This is very unusual in urban Australia, and worth celebrating, as it allows all our energy to be focused on achieving outcomes as opposed to managing personalities. My thanks to all concerned for their continued commitment.

I am pleased to also reflect on the range and scope of projects that Council undertook during the year despite limited income sources. Council has had success in attracting specific project grants from other levels of government (for which we are most grateful), however, I note that the inequitable share of tax income across the three sectors continues. Despite the other levels of government continuing to withdraw from service delivery, leaving local government to provide those services, they often come without commensurate funding.

The figures speak for themselves – the Federal Government receives 82 per cent of all taxes and maintains 12 per cent of the nation's infrastructure while local governments collect three per cent of taxes and must maintain 36 per cent of the nation's infrastructure.

In the face of such inequity and the need to provide for a local population that will double in the next 20 years, Council continues to very carefully examine and balance needs and wants against our limited capacity to provide.

The 2009-2010 financial year saw the successful opening of the new Armadale Library. Its shopping centre location and innovative facilities have proved a boon for the community and user statistics show very large increases in membership, visitors and borrowing rates.

Kelmscott's Frye Park, a well-used, but tired, sporting ground built in the 1960s, has undergone a massive transformation in

the past 12 months. It now has a new grass playing surface, irrigation system, lighting, two cricket wickets and four cricket practice nets. Stage 2 works including a pavilion, car park and playground are now underway and will be completed before the completion of the 2010-2011 financial year.

The very rapid population growth in our new western suburbs will require significant infrastructure investment in road network, community, and recreation facilities. In response, during the 2009-2010 financial year we completed the first two stages of dualing Ranford Road, and commenced similar work on Nicholson and Warton Roads. In the next 12 months significant works are again scheduled for Nicholson and Warton Roads along with stage three of Ranford Road (adjacent to the Forrestdale Business Park).

We are proud of our high quality Public Open Spaces and they are showing the benefits of Council's targeted improvements and ongoing maintenance. There has been a raft of new playground equipment installed, much of it funded by the Regional and Local Community Infrastructure Program grants, for which I thank the Federal Government. The Frye Park project and Memorial Park upgrade that will occur in this year, have also received federal funding. High quality public open spaces will be critical as our community responds to reduced water availability resulting from the drying of the climate, and to government's requirement for suburbs of higher density.

While Council is not responsible for many aspects of daily life such as education, we none the less believe that we play a vital role in lobbying other levels of government on these issues. During the past 12 months Council has engaged in some very positive discussions with the State Government regarding Armadale's future educational needs, both at a secondary and tertiary level. We also continue to provide strong support for a wide range of environmental and land management initiatives through award winning groups such as the South East Regional Energy Group and the Armadale-Gosnells Landcare Group.

However, we cannot rest on our laurels. Armadale is now a vibrant place, with its CBD recognised as a strategic regional centre, albeit differentiated from others by its major CBD parklands providing balance to the hustle and bustle of the retail malls.

A major task for Council remains its capacity to provide infrastructure and services for the thousands of new families who will move to the area over the next 20 years. Currently we are building a new street of 30 houses every week of the year, and this growth rate is anticipated to continue for another 10 -15 years.

Armadale and other high growth, outer metropolitan Councils will continue to vigorously advocate for a larger share of the tax cake, and I am pleased to report that we are making headway, both at a State and Federal level.

As we observe the progress Armadale is making as a healthy, vibrant, sustainable community, the team is spurred on to even greater efforts.



Cr Linton Reynolds AM JP
Mayor

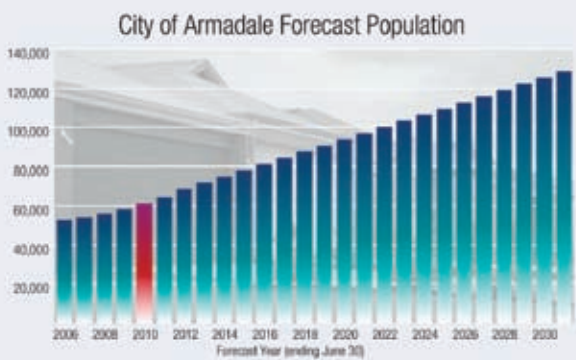


CEO's Report

Thank you for the opportunity to report to you again on the completion of another year in the City's forward progress.

In the 2009-2010 financial year, the City completed a review of both its *Strategic Plan 2010-2014*, and *Plan for the Future 2011-2025*.

The *Strategic Plan*, developed through a series of workshops, surveys and public consultation, sets the values and vision for our future direction. The longer term *Plan for the Future* puts the financial framework in place to show how the City hopes to fund its future and accommodate the City's forecast population growth. These forward estimates and assumptions show future Councils how our decisions were based enabling them to re-evaluate and update, rather than "reinventing the wheel".



This year presents a significant turning point in our district's progress, with population growth of 5% per annum now established, completion of some \$200 million of investment (public and private) in the Armadale CBD, the Armadale Redevelopment Authority approaching its "sunset" year of 2011 after a decade of hard work, and the City's forthcoming Annual Budget (2010-2011) exceeding \$100 million for the first time.

The Mayor has referred to completion and opening of the City's fantastic new public library in the Armadale Central Shopping Centre. Relocation of the library service enabled the old library

to be converted to much-needed office space for the City's Technical Services staff – there are now two of the City's four Directorates housed outside the main Administration complex.

These changes also enabled a refurbishing of the public foyer into a more welcoming space and the appointment of additional staff to serve customers' needs. Thank you to those members of the public commenting on this new, positive, customer-service environment.

This year has seen development of new Business Plans for each of the City's 40 management areas, all to be monitored through an integrated computerised corporate management system.

The City has over 380 staff (261 full-time equivalents) and is in the process of negotiating a new Collective Workplace Agreement. During this critical growth phase, it is important the City gets high performance from its workforce, but stays competitive in Perth's employment environment. The City's Collective Workplace Agreement is currently being negotiated to get that balance right and keep the staff turnover rate (currently 9.6%) well beneath the industry average of 18%.

Once again, Armadale has been successful in attracting Awards, with the Armadale-Gosnells Landcare Group winning a Keep Australia Beautiful Council award for Protection of the Environment and three of the Urban Development Institute of Australia's awards for WA awarded to Armadale developments.

The community will welcome completion of the Ranford Road upgrading west of the Tonkin Highway with preliminaries now underway to commence the extension to Armadale Road at a cost of approximately \$5 million. We have also recently completed the dualling of Warton Road to enable diversion of heavy traffic from Nicholson Road and the new Piara Waters town centre.

The major \$4 million upgrade of Frye Park in Kelmscott continues on schedule, as does the refurbishment of the Armadale Aquatic Centre.

Your City is in regular contact with other growth areas throughout Australia, learning from other communities who are 30 to 50 years ahead of us in their development. Great communities don't just evolve, they are planned and managed. I would like to thank the Mayor, Council and all of the City's staff for their continued commitment to improving the quality of life for everyone in our district, both now and into the future.



R S Tame
Chief Executive Officer

Your Council

The City of Armadale is divided into the seven wards of Heron, Jarrah, Lake, Minnowarra, Neerigen, Palomino and River. Two councillors are elected to represent each of these wards for a period of four years. Armadale City Council is made up of 14 councillors, including the Mayor.

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

- Directing and controlling City affairs
- Taking responsibility for the performance of the City's functions
- Overseeing the allocation of the City's finances and resources and
- Determining the City's policies.

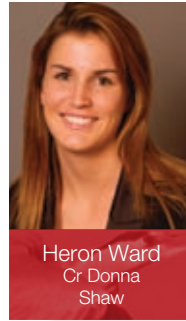
Elections are held every two years on the third Saturday in October. Councillors are elected for four year terms with half retiring every two years.

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

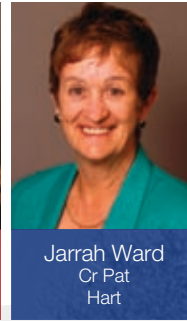
All committee and Council meetings are open to the public.



Heron Ward
Cr Linton Reynolds
AM JP, Mayor.



Heron Ward
Cr Donna Shaw



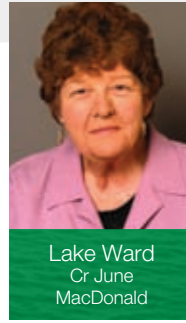
Jarrah Ward
Cr Pat Hart



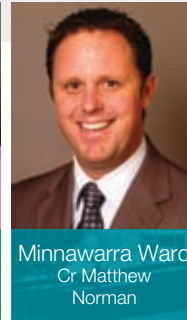
Jarrah Ward
Cr Caroline Wielinga



Lake Ward
Cr Jeff Munn JP CMC
Deputy Mayor



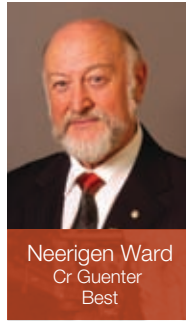
Lake Ward
Cr June MacDonald



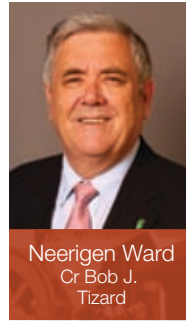
Minnowarra Ward
Cr Matthew Norman



Minnowarra Ward
Cr Keith Lethbridge JP



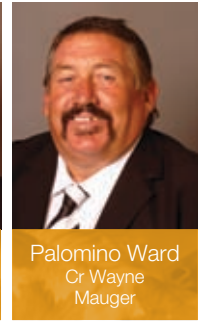
Neerigen Ward
Cr Guenter Best



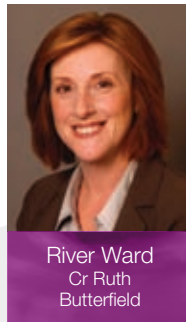
Neerigen Ward
Cr Bob J. Tizard



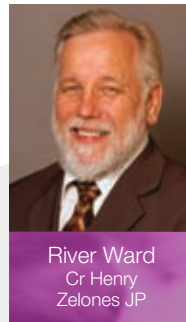
Palomino Ward
Cr Laurie Sargeson



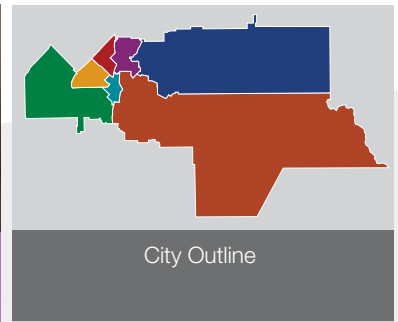
Palomino Ward
Cr Wayne Mauger



River Ward
Cr Ruth Butterfield

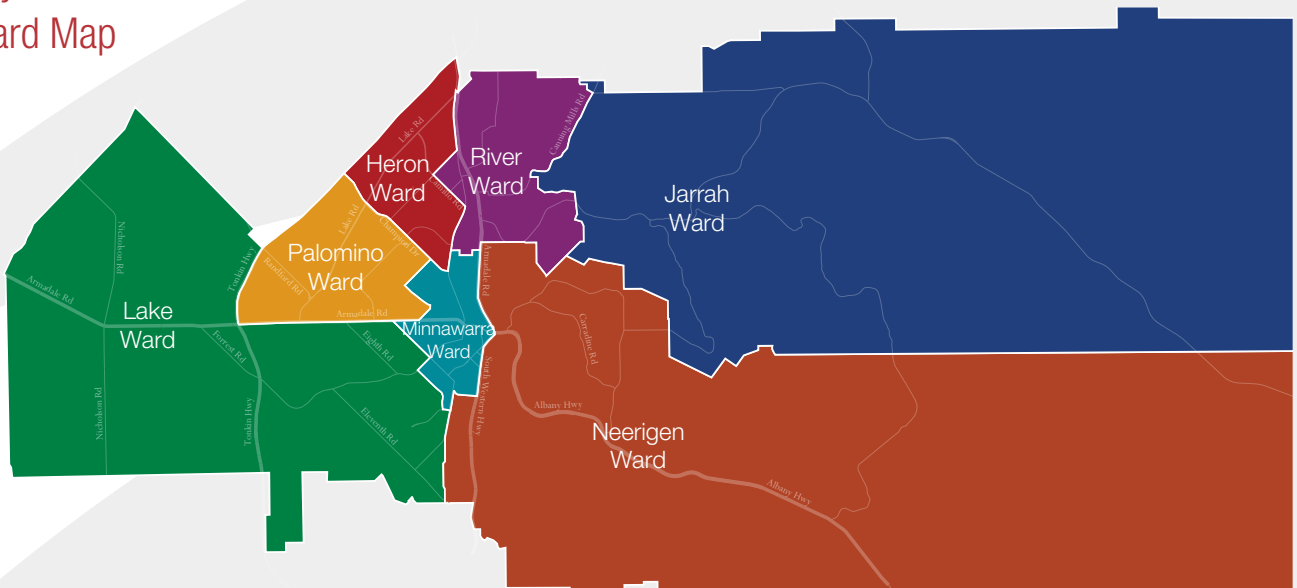


River Ward
Cr Henry Zelones JP



City Outline

City of Armadale Ward Map



Organisational Structure

The Armadale City Council meets regularly to make decisions on behalf of residents. There are four primary committees of Council, each concentrating on one of the following areas:

City Strategy

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

Community Services

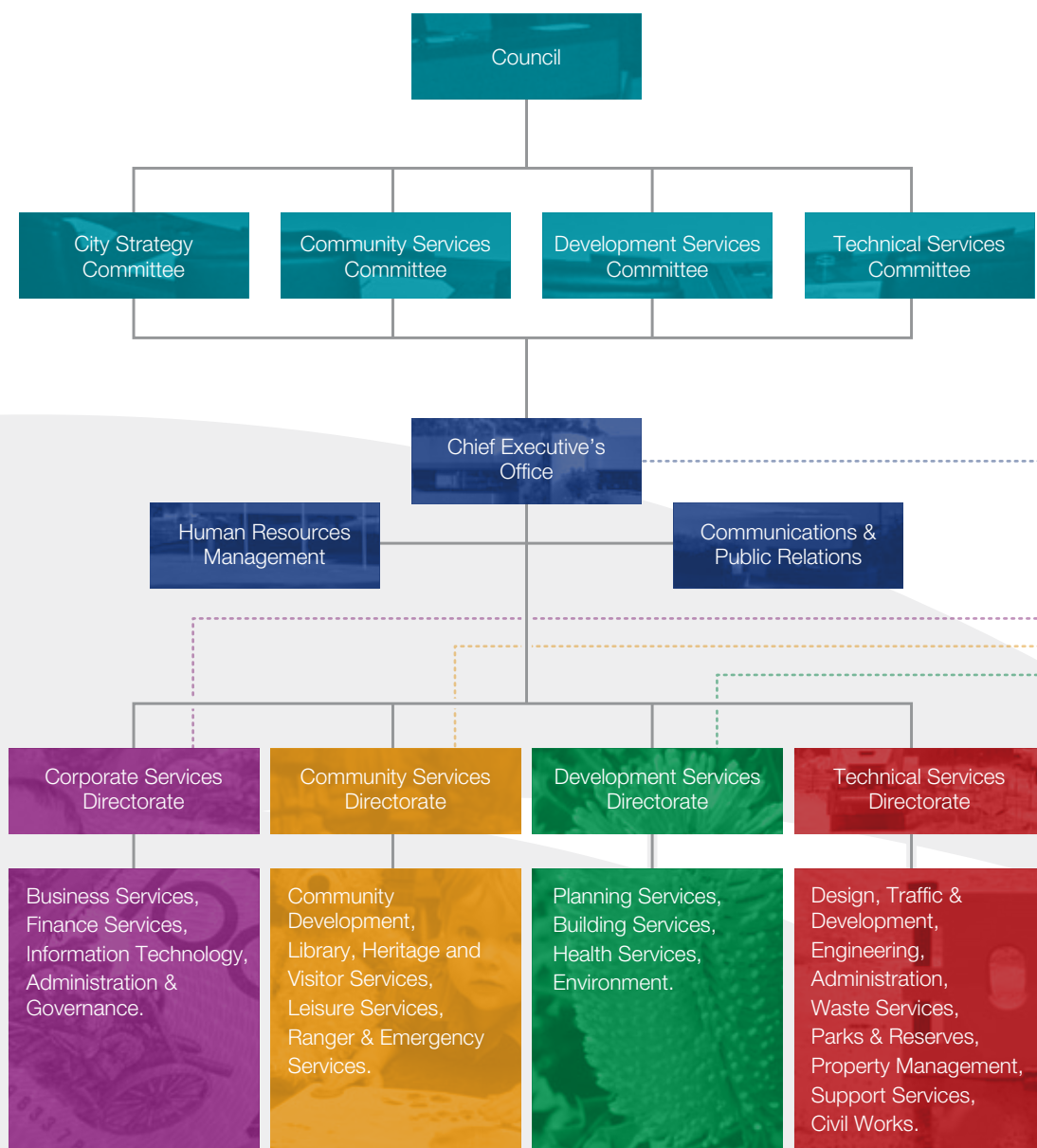
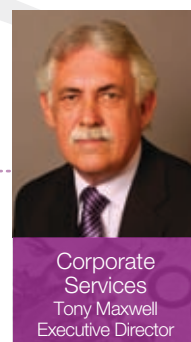
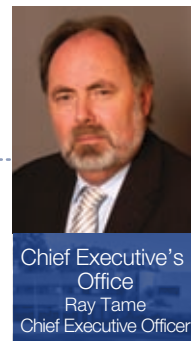
Deals with all recreation, aquatic, library and cultural matters as well as community development and ranger services.

Development Services

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

Technical Services

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



CEO's Office and Corporate Services

The Chief Executive's Office and the Corporate Services Directorate are responsible for the overall management and strategic direction of the City of Armadale and achieved a number of goals during the 2009-2010 financial year, the details of which are as follows:

2009 Council Elections

Council elections were held on 17 October 2009 with postal voting held for seven vacancies, one within each of the City's seven wards. With only one nomination received for the Neerigen Ward, Councillor Guenter Best was elected unopposed with elections then held for each of the remaining Wards of Heron, Jarrah, Lake, Minnowarra, Palomino and River.

The elected candidates (in the same order as the above respective wards) were Cr Donna Shaw, Cr Caroline Wielinga, Cr June MacDonald, Cr Matt Norman, Cr Laurie Sargeson and Cr Ruth Butterfield. The voter participation rate at 30.6% was slightly less than that of previous Council elections and was slightly below the State average of 33.4%.

Strategic Plan Review

The Strategic Plan, which sets out community values and a vision for the future development of the City, was reviewed during the 2009-2010 financial year. The Plan provides the broad framework for the next five years within which funding and resource allocations are then made.

The process to develop the final version of the Plan involved, over a number of months, -

- Review and analysis of current, significant Council documents
- A series of Community focus groups
- A City of Armadale staff workshop
- Councillor workshops
- Interviews with members of the City's Management Executive Team

The *City of Armadale Strategic Plan 2010 - 2014* was adopted by Council in April 2010 following a further public submission period.

Corporate Performance Management, Planning and Reporting

Tenders were called during the 2009-2010 financial year for the development of Management Area Business Plans and for the supply of an Integrated Corporate Planning Performance Management System. The development of the separate Business Plans was the next logical step following the adoption

of the City's new Strategic Plan and is designed to accurately reflect each area of Management responsibility under that Plan.

The implementation of a new integrated Corporate Planning and Performance Management System for the organisation is to complement the business planning process and enable management to properly monitor and report on progress on the Strategic Plan goals and outcomes. The first measuring period is the 3rd Quarter of the 2010-2011 Financial Year, with reporting to commence in the 3rd Quarter.

Human Resources Management and Development

Training and Development

Human Resources has continued to implement its extensive training and development program for staff at all levels. The training programs offered to staff included areas of customer service, communication, computer skills, disability awareness, finance and governance, teamwork and performance management.

Equal Employment Opportunity

During the year the City continued to provide a work environment that fosters good working relationships where employees, contractors and volunteers are treated fairly and equally and that unlawful discrimination does not take place.

Recruitment and Retention

The past 12 months have seen a positive shift in the employment market. This has resulted in success in recruiting and retaining staff. Initiatives in this area have included the extension of the City's apprenticeships / trainee program, amongst others. Once again, the City has continued to provide local students the opportunity to gain work experience to enhance their skills and career opportunities



New Housing Estate
in Armadale



State Criterium Championships

Industrial Relations and Agreements

The terms and conditions of employment at the City are a major factor affecting the level of employee satisfaction. For that reason negotiations on the City's new Enterprise Agreement have been focused on fairness and equity for all staff members. Our agreement provides a sound base to promote the City in the WA employment market and help retain its valuable human resource.

Occupational Safety and Health

The City continues to show its commitment to Occupational Safety and Health. This year has seen the development of an Occupational Safety and Health Management Plan, which is aligned to the City's new Strategic Plan. The Human Resources Department has also overseen the development of an Occupational Safety and Health Intranet site to foster Occupational Safety and Health objectives within the organisation, thus protecting staff and the City (as an employer) against potential liability risk.

Rating Services

The *Smarter Way to Pay* rates payment option continued to prove very popular with an increase of 617 ratepayers, to 3,458, opting to pay their rates by a regular Direct Debit arrangement. Unlike many Councils, the City offers all ratepayers what is called the Smarter Way to Pay option, which is a direct debit facility developed to assist ratepayers better manage payment of their rates in the context of their personal budget. Payments may be made weekly, fortnightly or monthly, from April, in one year, to March of the next, and there are no administration fees or penalty interest. Ratepayers simply complete an application form providing their banking details,

select their payment option and the rest happens automatically removing the worry for ratepayers to pay their rates on time.

Ratepayers may also make payments by instalment or by making special arrangements with the City. A total of 8,111 ratepayers elected to pay under these arrangements.

The number of Change of Ownerships handled by the City increased to 3,079 during 2009-2010 - an increase on the previous year of 26% - and the number of new lots by subdivision has increased by 1,793 (7% from the previous year).

Administrative Functions

Records Scanning

As part of an ongoing program to digitise important old corporate records, work was completed during 2009-2010 on converting several thousand hard copy records into an electronic form, these records being Town Planning Scheme Number 1, Building Tax Maps, Strata Plan Lists and Building Permit list files. This was completed at a cost of \$75,000. Work also commenced on the digitisation of all Microfiche film, and this project will continue into the 2010-2011 financial year.

Record Keeping

During June 2010, in line with the City's legislated record keeping requirements, a review of the *Record Keeping Plan* was successfully completed. This latest version of the Plan incorporates a number of key achievements by the City as it continues to successfully implement and refine its endeavours in the area of electronic document management.

The latest version outlines areas where further improvements are being undertaken such as website content management, a migration strategy for transferral of electronic records to new systems, reviews of record batching processes and disaster recovery.

Archival Storage

Works at the City Corporate Archives were completed, providing increased storage capacity, improved records security and easier accessibility / retrieval of records.



Wildlife in Minnowarra Park

Administration Centre Upgrade

As part of Council's commitment to further improving service delivery, work was completed during the 2009-2010 financial year on the revitalisation of the City's main reception area and foyer. A new dedicated customer service position was also created in order to better assist customers and quickly refer them to the area relevant to their specific enquiry. This position was successfully filled in late 2009.

Geographic Information System Review

A major upgrade to the City's Intramaps (GIS) application was successfully completed, making it fully operable with the City's core business systems. The City now subscribes to NearMap aerial photography, providing updates to the City's aerial imagery every 4-6 weeks (previously an annual update through Landgate). The frequency of the NearMap imagery provides a valuable view of how the City changes throughout the year and enables business decisions to be made utilising up-to-date information.

Updates to the City's core spatial datasets such as the lot boundaries, road centrelines and reserve information is now fully automated on a fortnightly update schedule using Landgate's Shared Land Information Platform (SLIP), minimising manual processing time and providing up-to-date information via the City's Intramaps software solution.

In-House Print Production

The renewal of the City's photocopier contract in the 2008-2009 financial year resulted in a vast change to the City's print production processes, particularly in the area of high quality colour publications.

Historically, documents such as the City's *Annual Report*, *Strategic Plan*, *Plan for the Future* etc were previously outsourced at considerable cost and waste. Throughout the 2009-2010 financial year most of these publications were produced in-house at a lower cost, when required, and with reduced wastage.

Wireless Communications Upgrades

Wireless network links have allowed the City to increase the quality and bandwidth of electronic information communications from outlying facilities without the increased costs of rental and hardware associated with landline systems.

During the 2009-2010 financial year the links to the Armadale Arena were upgraded as was the backhaul links between the Administration Centre and the Council Works Depot. These improvements have allowed the greater flow of information from, and to, the community and improved overall system performance for staff located at outlying work centres.



City of Armadale Administration Building

Community Services

The Community Services Directorate of the City has successfully provided a number of services, programs and activities throughout the 2009-2010 financial year, the details of which are outlined below –

Community Development

The Community Development Department has worked closely with a wide range of groups, service providers and other organisations to assist in the planning and implementation of programs, activities and strategies that benefit the City of Armadale community. Significant initiatives and highlights from the 2009-2010 financial year include –

Arts and Events

Review of the City's arts and events programs to refine and focus the City's very successful schedule of cultural activities. Highlights included - Carols in Minnowarra, Highland Gathering, Australia Day Celebrations and Minnowarra Festival as well as many smaller events. A free outdoor cinema at Rushton Park and free concerts at the recently completed Memorial Park amphitheatre were also included on the events program for the first time.

Children and Families

Continued advocacy of the value of the Australian Early Developmental Index (AEDI) and assistance in the provision of related programs focused on early literacy, nutrition and intergenerational playgroups.



Community Planning

Working towards the provision of community facilities in the City's growth areas through the development of a Community Infrastructure Plan for the City and a Memorandum of Understanding with the Department of Education and Training for the development of shared facilities and grounds.

Financial Assistance

The provision of \$120,000 in grants and donations to community groups and services providers, through a number of funding programs, to assist in the delivery of programs that benefit the community or for individuals to help achieve their aspirations over a wide range of cultural, academic or sporting activities.

Indigenous Support

Partnership development with the Canning Division of General Practice, Communicare and the Departments of Health, Housing, WA Police, Child Protection and Indigenous Affairs took place to establish the City's Champion Centre as a 'one-stop shop' to assist in the delivery of services for Aboriginal People.

Youth Engagement

The securing of \$600,000 in external funding towards the development of a Youth Activity Area in the Armadale CBD, has provided a significant boost to this project, with construction due to commence in the 2010-2011 financial year. The Youth Services section of the City has also partnered with external organisations, including Armadale PCYC, Millennium Kids, Murdoch University, Champion Lakes Christian Church and Armadale Youth Resources to develop programs such as Midnight Basketball, Youth Nights and the Youth Opportunities Program.

Other initiatives for the Community Development Department during the 2009-2010 financial year include a major event to recognise the value of volunteers in the community, a seniors 'Have-a-go' day, held at the Champion Lakes Regatta Centre, and a day of activities to raise awareness of services and programs that support people with disabilities.



Seniors keep fit at the Armadale Arena



Armadale Aquatic Centre

Leisure Services

The Leisure Services Department has had a productive year with good outcomes over a range of projects, with the primary focus points being the operational management of Armadale Arena, Armadale Aquatic Centre and the City's halls and pavilions. The Department has also delivered programs to the community and has co-ordinated the Club Development Program. For the previous financial year this approach has meant –

Armadale Arena

A partnership with Communicare resulted in the return of Vacation Care - a program that has been absent from the community for over 3 years. The Armadale Arena usage continued increasing, with new programs offered and memberships rising. A major storm in March 2010 caused considerable damage to the indoor court surfaces and an operational down-time of up to 6 months. Participants and Centre users were relocated during this period.

Armadale Aquatic Centre

The receipt of an Outer Metropolitan Grant for 'Aqua Inflatable Bubbles' provided new activities for Aquatic Centre patrons. The attendance for the 2009-2010 financial year, at the Centre, was 142,500, an increase of 9,900 from the previous year.

Club Development Program

Active Clubs was launched in 2009 and attracted interest from a range of sporting clubs. A successful grant application for an additional cricket pitch at Gwynne Park was another outcome

from the Club Development role. The City has successfully negotiated a grant for \$69,000, over 3 years, towards a full-time, contracted position. The funding will be available from 1 July, 2010.

Community Facilities

In 2010, the community halls and pavilions were hired on 7,100 occasions, resulting in approximately 220,000 attendances. A number of Management Agreements and Leases were completed, including one for the Armadale Golf Course, which successfully transferred to a new lessee in December 2009. The City's facilities continue to play an important role in hosting innovative community programs such as the Armadale PCYC's Midnight Basketball competition.

Following negotiations and the facilitation of mediation sessions between users of the John Dunn Pavilion and the City, the City resumed management of the Pavilion. This process highlighted the importance of the City's *Community Facility Policy* review, which will be a key focus throughout the 2010-2011 financial year.

Library and Heritage Services

Armadale Visitor Centre

The main achievements for the year for the Visitor Centre were –

- Adoption of the Tourism Strategy Plan.
- The publication of a tourism booklet - with the first 10,000 copies distributed nationally and internationally.
- Entry into the Top Tourism Town awards.
- Installation of Point-of-Sale software.
- Ticketmaster continues to be a valued service with an ongoing trend of increased transactions over the past year.

Birtwistle Local Studies Library

The major focus for the Birtwistle Local Studies Library was on the relocation from the Old Schoolroom Facility in the Civic Precinct to the new Armadale Library in the Armadale Central Shopping Centre. A task that was completed successfully and professionally with all items safely and securely transferred.



The new Birtwistle Local Studies Library



Children's Area
at the new Armadale Library

History House Museum

The main achievements for the year for the History House Museum were –

- Completion of Stage 1 of the *Interpretation Plan* - Completion of the Welcome to Armadale display.
- 2 x temporary displays (A Tale of 2 Italian Women and Popping Down to the Shops).
- 2 x new lesson plans completed that has resulted in a significant increase in school bookings.
- Refurbishment of the office and work space areas in the Museum, as well as the refurbishment of the courtyard display area.

Libraries

The focus for the year was the relocation of the Armadale Library to the Armadale Central Shopping Centre. The Library opened to the public on 27 January 2010. The first 3 months of operation indicate the success of the new library and location. Visits over this period have increased 168%, new members 183%, reference enquiries 146%, on-line enquiries 69% and stock issuing 17%.

Other achievements during the year for the Libraries section included –

- Roll out of the computerised Reservation System across all libraries.
- Ongoing participation in the State-wide Better Beginnings and Ripper Reader programs, and involvement with the pilot of the Better Beginnings Plus program - all, of which, are important initiatives in assisting with improved literacy levels in our community.

Ranger and Emergency Services

The primary focus of Ranger Services has always been in managing the response to the community for requests for service. This has increased over the last 5 years, partially due to population growth, partially due to higher expectations and indeed the City's own internal desires to deliver a better service. Furthermore, it is envisaged that with the ever-expanding population of the City, demand for Ranger Services will increase. Areas of primary management of the Department include –

Animal Control

Animal control continued to demand a large portion of the Ranger Services' operational time. During the last 12 months, the Rangers impounded 665 dogs and a total of 505 *Dog Act* Infringement Notices were issued. Ranger Services dealt with in excess of 4,000 lost, nuisance and / or straying animal incidents during the 2009-2010 financial year.

Fire Prevention

The 2009-2010 fire season was reasonably active with volunteer brigades attending 97 reported bush fires. Several of these fires had the potential to develop into major incidents. In addition to the fires attended by volunteer fire fighters, and the hazard reduction work carried out, Ranger Services recorded in excess of 1,160 other fire-related calls. The City of Armadale Ranger Services inspected approximately 3,000 properties during the period of December 2009 through to March 2010. During this period approximately 220 Infringement Notices (which represents approximately 7.5% of the total number of properties inspected) were issued to landowners for failing to install firebreaks.

Other Law and Safety

The operational duties covered by Other Law and Safety include, but are not limited to, the following –

- Control of Vehicles (Off Road Areas)
- Litter Control
- Abandoned Vehicles



Our friendly Rangers

Development Services

The Development Services Directorate achieved the following key outcomes during the 2009-2010 financial year;

Planning Services

Town Planning Scheme No. 4

Following the November 2005 gazettal of the City's town planning scheme and amendment updates during the 2009-2010 financial year, the Scheme has continued to provide new opportunities for land use and development. These are key factors in encouraging the wide range of structure plans, subdivision and developments that continue to improve lifestyle opportunities, new facilities and generally boost the catchment population underpinning the Armadale Strategic Regional and Kelmscott District Centres.

Management of planning reviews, appeals and prosecutions

The Directorate was involved in several appeals in the 2009-2010 financial year. The Directorate was able to accommodate its reviews and general legal expenses within budgetary allocations. The Compliance team was also proactive in resolving issues without prosecution, although some cases did proceed, ending in successful litigations.

Continuing support to the planning operations of the Armadale Redevelopment Authority (ARA)

The ARA continues to progress planning of its development areas in Armadale, Forrestdale, Wungong and Kelmscott. The City provided formal and informal comment on the plans, amendments and proposals. The City continued to work closely with the ARA through a number of technical committees and reference groups to assist in the facilitation of development within the City. In particular, officers provided assistance in the review of the planning of the Wungong Urban Water area and in preparing for the future gradual normalisation of some ARA areas back to the City's control.

Municipal Heritage Inventory (MHI) Review

The updated Municipal Heritage Inventory was finalised and published during the year following a process of review and adoption in conjunction with the *Heritage Management Incentives Policy*. New sites added during the year included the Convict Road, on Albany Highway, and the proposed establishment of an historic precinct based on River Road was commenced.



New subdivision in Armadale

Progress in the North Forrestdale development

A significant level of development has occurred in North Forrestdale with 2,437 lots now created. An estimated 3,977 lots remain to be developed within the North Forrestdale Development Contribution Area in Piara Waters and Harrisdale. Communities are being established in the estates of Arion, Heron Park, Vertu, Newhaven, Burtonia Gardens, Northerly, and Riva. Development Contribution Scheme No. 3, which arranges for developers to equitably contribute towards common infrastructure works, has been important in facilitating the above mentioned development. The associated Infrastructure Cost Schedule has been reviewed and now identifies over \$66 million of common infrastructure works. Revenue and expense in relation to the Scheme totals several million dollars, with expense focused on land acquisition for drainage, conservation category wetlands, roads and sporting and community facilities, and the completion of Wright Road and initiation of Warton Road upgrading works.

Public Open Space (POS) Strategy

Following the completion of its *POS Strategy* in 2000, the City embarked on a seven stage program aimed to progressively analyse and rationalise open space in localities throughout the City. Space not suitable or poorly located for POS is sold and the funds allocated to develop nearby POS. Considerable progress has continued through the 2009-2010 financial year to progress the stages. Stages 1 to 7 have progressed through all planning processes and Stages 1 to 6 have progressed through the reserve closure process. The Strategy has progressed to the stage where over half of the properties have been sold and several properties are ready for sale or on the market. Park upgrades have been undertaken in Precincts G (Canning River and Foothills 2 (Kelmscott)) and D (Coastal Plain South 2 (South Armadale)).

Land Use Planning study for Lot 33 Connell Avenue (Pries Park)

Council's major study into the City's future active sporting needs and feasibility of current and required reserves and facilities identified the land at Lot 33 Connell Avenue (Pries Park) as of limited use recreationally and no longer required for that purpose (*Active Sporting Reserves - A Balanced View Leisure Consultancy Services - December 2008*) and the currently Rural Living zoned land was earmarked for rationalisation. Opportunities for equestrian activities to transfer to another site were identified via a subsequent associated study (*Equestrian Club Facilities Needs Assessment - ABVLCG -*



Viewing platform overlooking a water feature in Harrisdale



New suburbs in Armadale

May 2010). A consultant team headed by Burgess Design Group appointed by formal tender process progressed planning studies and investigations of the environmental and servicing requirements to facilitate land use change from the current Rural MRS zone to the Urban MRS zone (and to progress a suitable zoning and structure plan to facilitate subdivision and development under TPS No.4).

Environmental Assessment of Keane Road Construction

Studies on the environmental assessment of constructing the much-needed unbuilt section of Keane Road in terms of its social, economic and environmental benefits and costs, were progressed. The Keane Road "link" is proposed on a long-established gazetted road reserve which lies adjacent to the environmentally sensitive Jandakot Regional Park. The primary role of the road is to directly link the new suburbs of Piara Waters and Harrisdale (North Forrestdale) with the facilities and services in the existing Forrestdale townsite, recreational facilities and the Armadale town centre, and provide access to the new Senior High School planned in Harrisdale.

Because of the project's location, the City has been required to seek the approval of the Western Australian Environmental Protection Authority (EPA) on the scope of environmental studies. The City's consultant, Enviroworks Consulting, lodged a Public Environmental Review (PER) and the completed suite of studies with the EPA for approval to advertise. Formal public consultation will allow Council to consider any submissions and make recommendations on State environmental issues to the EPA and Minister for the Environment. The EPA checks that the State environmental protection issues are adequately protected and appropriate conditions are attached to any road works.

The City has also been required to refer the project to the Commonwealth government for assessment under the *Environmental Protection and Biodiversity Conservation Act* to ensure national environmental objectives are appropriately addressed. The Commonwealth provided feedback information on additional studies required to assess whether nationally protected species would be affected. Any additional environmental conditions to protect nationally protected species can be required to be attached to the project works by the Commonwealth Minister for the Environment.

Building Services

Building Approvals

Building approvals issued by the City during the 2009-2010 financial year have sustained peak levels set last financial year, with 2,606 approvals issued despite a generally difficult economic climate. The continued development of cost effective residential lots from quality subdivisions has ensured that the City of Armadale remains one of the foremost growth areas of the Perth metropolitan area. Following this trend, minor structure applications such as sheds, patios, swimming pools and spas and compliance issues have also remained at high levels.

All building licence applications must be assessed for compliance with current building regulations, including the *Building Code of Australia* and relevant *Australian Standards*. Where necessary, as a part of the building approval process for residential applications, less complex minor planning applications and Residential Design Code variations are also assessed by the Building Department. Smaller residential lots and increased housing density has seen an increase in the quantity of Residential Design Code variations being considered and it is a trend that is expected to continue.

The past year has also seen quality commercial developments undertaken within the City of Armadale, dramatically changing



New residential estate

the streetscapes and outlook of the City both in the Armadale and Kelmscott areas. These complex building approvals issued during the year have resulted in the Building Department continuing to sustain a high workload. Commercial and Industrial developments require detailed technical assessment and certification to ensure these developments comply with the *Building Code of Australia*. Once a building licence has been issued, subsequent building inspections are required to demonstrate compliance. Finally, Certificate of Classification inspections ensures a safe built environment for the public who utilise these buildings.

Building Compliance

The addition of a full time compliance officer in December 2008 has enabled the Building and Health Departments to better respond to public complaints on matters such as unauthorised building works. Requests for Building and Health Compliance investigation have exceeded 200 over the 2009-2010 financial year. It is anticipated that with the growth of the City's population, increasing housing density, large volume of approvals and changing legislative requirements, demands on the role of Building and Health Compliance Officer will continue to increase.

Private Swimming Pool and Spa Inspections and Approvals

Ongoing inspections by the City of private swimming pools and spas ensure the safety of the public. All swimming pools and spas require a building approval and inspection to demonstrate safety compliance. These inspections have ensured requirements have been met and maintained.

Built Strata (Form 24) Approvals and Clearances (Form 26 and 7) and Subdivision Clearances

In 2010, the Western Australian Planning Commission delegated Built Strata (Form 24 and 26) applications to all local authorities. The past year has also seen the development of a large number of the grouped dwelling planning approvals, which has resulted in an influx of both built strata and subdivision clearance applications.



Roleystone residents enjoy a spectacular hilltop aspect



Baby Rhyme Time at the Library

Administration

In many cases, the Building Department is the first point of contact over the counter and the telephone for increasing numbers of new Armadale residents. Acknowledging this, the Building Department continually develops service level improvements and provision of quality information relevant to the building process. Due to the increase in real estate activities, orders, requisitions and building approval enquiries have placed increasing demand on building administration throughout the 2009-2010 financial year.

Health Services

Legislation

The new *Food Act* came into effect during the 2009-2010 financial year. Under the new legislation, all food businesses are required to be registered by the City and a risk category allocated to each premise, based on the nature of their food handling activities. This in turn determined risk assessment inspection frequencies and annual fees payable by all but certain exempt food businesses.

As required under the *Local Government Act* the eight-yearly review of the City's *Health local Law* and *Environment Animals and Nuisance Local Law* was completed.

Food and Water Safety

During the 2009-2010 financial year the number of food businesses in the City increased substantially from 224 the previous year to 258, reflecting the strong growth in commercial activity in the City. A number of food business risk assessment inspections were conducted and food samples were collected under the *Local Health Authorities Analytical Scheme*.

There are 12 aquatic water bodies that are required to be sampled monthly to ensure the water is safe. Health Services also collected monthly drinking water samples from 17 public facilities, including schools, food businesses, spring water sources and Council facilities not connected to scheme water.

Immunisation

The City continued to conduct weekly immunisation clinics to provide a free service for infants and two senior's clinics were held for adults eligible for vaccinations under the Immunisation Schedule. A new service, introduced in April 2010, was the provision of influenza vaccinations to at-risk populations.

Compliance Management

The number of service requests requiring compliance action increased substantially from 193 in 2008-2009 to 363 over the past year. Of those, building site litter and noise pollution were the most common types of complaint. Compliance actions included the issue of infringements and notices, directives or orders. One legal action was initiated.

Chronic Disease Prevention

In conjunction with the Western Australian Local Government Association (WALGA) and the South Metropolitan Public Health Unit, a cross functional workgroup was formed to develop a *City of Armadale Alcohol Risk Management Policy*.

Implementation of the *Tobacco Action Plan* also progressed, with the installation of permanent signs at all playgrounds, buildings and outdoor dining areas on land owned by the City. The City's plan received a high commendation at the Heart Foundation Local Government Awards.



Café in the Armadale City Centre



Roley Pool Reserve in Roleystone

Environmental Services

The City of Armadale *State of the Environment Report (2005)* identified priority actions for environmental management from 2005 to 2010. Implementation of the *State of the Environment Report* and other highlights of activity during the year are below

Awards

The Armadale Gosnells Landcare Group was one of three finalists for the Keep Australia Beautiful Awards 2009 and was the winner in the category of Protection of the Environment. The Switch Your Thinking! Program, which is supported by the City, was a finalist in the 2009 WA Environment Awards and the 2010 Sustainable Cities Awards.

Local Biodiversity Strategy

In early 2009 a consultant was engaged, with the help of grant funding, to prepare a *Local Biodiversity Strategy*. The final Strategy was adopted in November 2009. The Strategy aims to protect, retain and manage a network of viable local natural areas that support biodiversity and related processes by providing priorities, guidance and integration with land use

planning and community involvement. The Strategy includes a number of targets and actions for implementation, which will commence during the 2010-2011 financial year.

Climate Change Adaptation Plan

Two workshops were held by Environmental Services (one with staff, one with councillors) during the production of a draft *Climate Change Adaptation Plan*. This has brought together expertise from across the organisation to identify the risks associated with climate change in the area and potential controls to mitigate these. Additional work has been programmed to occur in the 2010-2011 financial year.

Implementing the City's Volunteer Strategy

The City's *Volunteer Recruitment Strategy* continues to encourage volunteer activity. Through the City's Bushcare and Environmental Advisory Committee, 784 environmental volunteers reported in excess of 8,153 volunteer hours in the 2009 calendar year, which is an increase of over 400 hours from 2008. In late 2009 a celebration to recognise environmental volunteer efforts was hosted by the City and the Armadale-Gosnells Landcare Group, which was well attended.



The Canning River meanders through Roleystone

Streamcare Project

The Waterways Restoration Project, 'Streamcare', commenced in 2002 and has been conducted through the autumn and winter of each year since. In the 2009 planting season, 57 residents showed an interest in the program and were offered personalised advice from the City's Streamcare Promoter in rehabilitating their waterway. A total of 2,700 native seedlings were distributed to 23 landholders. Foreshore assessments were completed to help assess the success of the program and to help support the participants.

Management of Bushland Reserves

The City of Armadale is responsible for a larger area of native bushland than any other metropolitan Council. Information gathered during surveys of all of the City's bushland reserves enabled the prioritisation of works and budgets. The City's weed control, dieback control and capital works programs that seek to "Keep the good condition bushland good for areas of 1ha or more" were continued during the year.

The *Bungendore Park Strategic Directions* document was finalised and the *Wungong River Management Plan* was released for public comment in September 2009. Consultants were engaged to review and prepare the *Fletcher Park Bushland Management Plan*. The *Lloyd Hughes Management Plan* and a management plan for Bob Blackburn Flora Reserve, Kendal Court Bushland, Creyk Park Bushland, John Dunn Bushland, Depot Bushland, Eva and Bill Moore Heathland and Cammillo Road Bushland Reserves have been progressed.

In 2005 the City, in conjunction with Greening Australia, began a study into the impact of horse use on vegetation degradation and regeneration in Fletcher Park. A statistician was engaged in early 2010 to analyse the data collected since 2005. It was recommended that the monitoring be continued to ensure any long term impacts may be observed.

Catchment Management

The City continues to support the efforts of the Armadale-Gosnells Landcare Group (AGLG), who worked on 18 sites, with 1,142 volunteers, contributing 6,403 volunteer hours within the Cities of Armadale and Gosnells. The AGLG continued to implement the priority actions and objectives of their Strategic Plan. During the 2009-2010 financial year the group received over \$177,000 worth of grant funding, which benefits the City.

Cities for Climate Protection and Switch Your Thinking! Program

The Councils of Armadale, Gosnells and Serpentine-Jarrahdale constitute the South East Regional Energy Group which runs the Switch Your Thinking! (Syt!) Program. Highlights throughout the 2009-2010 financial year included –

- Completion of the successful, Federally funded, *Switched on Business and Industry* project. Sustainability assessments were conducted on a total of 154 small to medium enterprises in the Cities of Armadale and Gosnells to help them reduce their operating costs and environmental footprint. Businesses saved a combined total of \$86,000 and 440 tonnes of carbon dioxide over the first 12 months.
- Successful implementation of the Syt! rebate scheme (*Rebates 4 Residents*) occurred covering a range of energy efficient and waterwise products. Rebates were also made available to City staff and local businesses during the period.
- The *Green Light Schools Fundraiser* project was delivered across 32 schools across 7 participating Syt! Councils, including 7 schools in Armadale. A total of 550 showbags containing energy efficient and waterwise products and information were distributed through the project.



Community Planting Day in Roleystone

Technical Services

The Technical Services Directorate is responsible for the construction and maintenance of roads, pathways, drainage, buildings, parks and reserves, waste and recycling collections, composting and landfill, and the management of Council assets and support services. Some of the significant achievements of the directorate during the 2009-2010 financial year include –

Civil Works

Roads

Programmed road projects completed during 2009-2010 included the Ranford Road second carriageway between Southern River Road and Warton Road (\$2.1 million). This project was jointly funded by the Federal Government, the City of Gosnells and the City of Armadale. Significant sections of Warton Road second carriageway were also constructed (\$2.5 million).

The road resealing program of \$1.8 million (across 32 roads) included, amongst others, sections of Champion Drive, Railway Avenue and Lowanna Way. Traffic calming and safety devices were installed on 10 roads, the more significant of these occurring on Westfield Road, Armitage Road and Champion Drive. The total cost of traffic calming and safety devices was \$613, 000.

Pathways

New footpaths were installed in six locations at a cost of \$208,000, new cycle paths on Inverness Circle and Peet Road were also installed (\$200,000), and ancillary work (such as tactile paving) was performed at a cost of \$20,000.

Drainage

New drainage was installed in a number of locations including the Slab Gully Reserve and along Lake Road. The total cost of works for new drainage totalled \$276,000.

Maintenance

A total of \$2.3 million was injected into the maintenance of the City's roads, pathways and drainage networks. This includes maintenance and minor repairs to such items as road surfaces and verges, pathways, street signage, car parks, drainage pits and pipes, bridges, culverts and bus shelters, amongst others.

Parks and Gardens

Significant Works

A total of \$1.7 million was spent by the Parks Department on capital works across the City's vast array of parks, bushland reserves, streetscapes and community facilities. The more significant of these included improvements at Cross Park, Fancote Park, Gwynne Park, Memorial Park and Minnowarra Park. Works ranged from new playground installation and new lighting installation to general improvements.

Maintenance

A total of \$5.0 million was spent maintaining the City's parks and reserves. This included \$1.1 million on street tree maintenance, \$930,000 on active reserves, and \$850,000 on irrigated passive reserves.

A variety of other areas of maintenance also occurs, which includes support given to environmental groups such as the Armadale-Gosnells Landcare Group and the Bushcare Environmental Advisory Committee. Examples of these works include weed management, walk trail maintenance and revegetation of sensitive areas.

Property Management

The City is responsible for the supply and maintenance of a wide variety of public facilities including halls and pavilions, libraries, works depots, administration and civic centres and a variety of other community-benefitting facilities.

Significant Works

The Property Services Department of the City was responsible for several improvements to City facilities including renovations to the Champion Centre to enable the facility to be a 'one-stop shop' to assist in the delivery of services for Aboriginal People, renewal of the roof and gutters on the Gwynne Park Football Pavilion and extensive internal remodelling to the City's main Administration Centre.

The Technical Services Directorate also coordinated the fit out of the City's new Armadale Library and refurbished the old library building to accommodate the City's growing administration.

Maintenance

The City has close to 200 facilities requiring maintenance and operational funding. A total of \$3.3 million was expended on ensuring these facilities were insured, cleaned, serviced and safe for use by the community.



Your Council at work



Your household waste is picked up at your kerbside...

Waste Services

The delivery of waste services continued to be maintained to the City's and the community's justifiably high expectations. Continued high levels of recycling reflected the consistent efforts throughout the year in carrying out established programs that included –

- Kerbside recycling activities
- Verge side green waste and junk
- Sale of salvageable material from the landfill facility
- Free mulched green waste for local residents

Depot and Plant

During the 2009-2010 financial year, the City's plant and vehicle replacement program continued to be managed ensuring the best value for Council was achieved at all times. Also, during the same period, the City's Depot facilities continued to operate to ensure safe delivery and access to plant, machinery and materials at all times.

Administration and Client Services

Throughout the 2009-2010 financial year, the Administration and Client Services components of the Technical Services Directorate expended approximately \$4 million in ensuring that the Directorate conformed with sound financial practices and delivered the 2009-2010 Annual Budget objectives in as timely and efficient a manner as possible.

Asset Management

In accordance with legislative requirements, the City maintains a comprehensive register of all assets under its care and control. The City also allocates appropriate funding to ensure that the maintenance and renewal of those assets are adequately covered.

The City's current Road Asset Management Plan (2007) and Footpath Asset Management Plan (2005) are currently under review and will be updated in accordance with the City's overarching Asset Management Improvement Strategy (AMIS) 2010, which has recently undergone review.

Other asset groups, such as buildings, drainage, parks and reserves, are scheduled for review in the upcoming 12 month period.

A number of professional Asset Management forums and groups exist throughout Australia. The City maintains membership amongst several of these. Two of the more prominent of these groups include the National Asset Management Strategy Committee (NAMS) and the West Australian Asset Management Initiative (WAAMI).

The City has responded positively to the initiatives stemming from these professional groups. Amongst the changes includes the commitment by the City to maintain a 'whole of life' analysis when developing new assets in order to maintain and preserve the asset – thus ensuring the City maintains a sustainable approach to asset development.

The use of a 15-Year Plan for the Future, as opposed to the legislated minimum of 2-years, ensures that a greater confidence in the capacity of the City to fully fund its assets is achieved. This approach has allowed the City to significantly close the asset preservation gap (the rate at which a depreciating asset is renewed) from an originally estimated \$100 million, four years ago, to the current estimated gap of \$16 million over the life of the Plan.



... and processed at the Armadale Landfill and Recycling Facility, Brookdale

Plan for the Future

The City's 15 Year Plan for the Future far exceeds the requirement of the Local Government Act 1995 for a minimum two year plan. Armadale's Plan provides a 15-year outlook for the development and supply of services and facilities across the City. It maps out new projects and provides a timeline for development and is designed to extend beyond the *City of Armadale Strategic Plan 2010-2014*, whilst fitting in with the estimated financial and organisational capacity of the City.

Major Initiatives to Continue in 2010-2011

Abbey Road / Railway Avenue Link

An identified need to realign Abbey Road and Railway Avenue, Armadale, to provide improved access to the Armadale CBD and reduce traffic incidents in the immediate vicinity has opened up an opportunity for the City to pursue a substantial urban renewal initiative. In order to complete the realignment, several parcels of land have been, or are in the process of being, acquired. It is envisaged that, once the road has been realigned, the remaining land not required for road reserve will have the potential to be redeveloped and recoup the project cost – a matter that has already been accepted via an adopted Business Plan. The project capital expense is estimated in the Plan at \$13.2 million over a period of five years.

Additional Staff Resourcing

This initiative seeks to recognise that, as the range and extent of services provided by the City increases (commensurate with an increasing population) there is a corresponding need to increase staff resources. It is to be noted that the City's current staffing numbers compare favourably with other growth local governments. The City has less staff per 1,000 residents reflecting than most other metropolitan Councils, reflecting a considered and responsible approach to human resource management at the City.

Aquatic Centre Upgrade

A core outcome of a recent Needs Assessment and Feasibility Study undertaken by the City for the provision of indoor aquatic facilities at the Armadale Aquatic Centre was the realisation that, prior to any consideration being given to the future construction of an indoor facility, renewal works are required in order to permit the current facility to continue to operate. The proposed schedule of works, planned for completion by 2013, includes upgrading and / or renewing hydraulic systems, change rooms and out buildings, concourse, grandstand, pool basins, kiosk and outdoor facilities. The plan contains \$3.7 million for this current phase of improvement at the Aquatic Centre.



Bakers House, Harrisdale

Bakers House Refurbishment

Located in Harrisdale, Bakers House is a large residential homestead originally built and owned by the Baker family and currently used by the Harrisdale Land Developers as a site office. The facility is scheduled to transfer to the City's control in the 2010 – 2011 financial year and will become a community centre for the new communities in the area. Whilst the future purpose has yet to be finalised, certain upgrades and modifications will be required to bring the facility up to a standard for use by community members. This includes kitchen, toilet and structural modifications (including disability access), information technology and communications infrastructure and new fixtures and fittings. A total capital funds expense allocation of \$950,000 is included in the Plan with total works set to occur by 2013.

Community Sport and Recreation Facilities Fund Initiatives

This initiative is in response to the State Government's Community Sporting and Recreation Facilities Fund (CSRFF) program that is administered and funded through the Department of Sport and Recreation. The CSRFF is a co-contribution scheme aimed at improving sport and recreation opportunities for the community. The initiative makes financial provision in each year of the Plan (other than the first) for project costs totalling \$140,000 and revenues of \$80,000 comprising the CSRFF grants and community group contributions. Importantly, the initiative also makes provision for the additional maintenance and asset renewal costs associated with any successful grant applications.

Freehold Land Sales and Investment

First initiated in the 2007-2008 financial year, the Freehold Land Sales and Investment Initiative seeks to more effectively manage the City's land assets by maximising returns, disposing and investing in new revenue generating assets (as a priority) and allocating some funds to strategic capital works. The proceeds from the land sales are distributed to higher investment yielding assets (70%) and major asset and capital creation programs (30%). The four remaining years of this initiative are estimated to generate \$17.2 million in land sales.



Jull Street at Night

Frye Park Redevelopment

The Frye Park Redevelopment has been broken down into two major stages. Stage one focuses on the replacement of the playing surface, including sub-soil drainage, reticulation renewal, and new turf. This stage is, essentially, completed. Works now focuses on Stage Two, which includes construction of a new pavilion, change room facility, commercial kitchen, car parking and playground facilities. Work is expected to be completed in time for the 2011 winter sports season. A total of \$2.3 million for capital works has been included to complete Stage Two of this \$4.2 million project.

Loan Borrowings

As part of the City's managed loan borrowings, supplementary loan borrowings (to proposed loan borrowings for specific major projects) are proposed to fund necessary annual works. Part funding of these works by way of loans is considered a fair and equitable means of sharing the cost amongst current and future ratepayers given both current and future ratepayers will benefit from such works. There is a remaining two more iterations of loan borrowings identified, the cost of which, over the life of the Plan, is \$600,000.

Public Open Space (POS) Land Sales

The initiative, first launched in the 2007-2008 financial year, has, as its primary objective, a more efficient and effective utilisation of POS land holdings across the City. The initiative

seeks to identify and sell POS land holdings that are superfluous to current and future requirements, with 30% of the net sale proceeds being directed to a Regional Recreation holding account, with the balance to be spent on improving those POS land holdings to be retained. It is anticipated that for the remaining three years of this initiative \$4.2 million will be generated in land sales.

Major Initiatives to Start in 2010-2011

Armadale Youth Activity Area

In recent times there have been numerous approaches to the City, both formal and informal, in relation to youth activities within the Armadale CBD – in particular with reference to the provision of skate facilities. After consultation with the local community in relation to youth services and activities, the City engaged a leading skate park design company to consider options for a *street real* youth activity and skate facility. The brief for the project design was that it must incorporate the expressed needs of Armadale's young people with a design that was unlike traditional skate parks and more of a social and interactive *community* activity area. Importantly, the design must complement the current Central Business District community and tie in with both the built and natural environment. Construction is set to commence and conclude in the 2010-2011 financial year at a capital cost of \$820,000.

Piara Waters (North) Community and Sporting Facility

The provision of a new oval and pavilion in Piara Waters (North) is a major community and sporting facility project forming part of the City's strategy for provision of active sporting facilities, as identified in the *Active Sporting Reserves Needs Assessment* and various feasibility studies, associated with areas covered by the North Forrestdale Development Contribution Plan. The key elements of the proposal include senior-sized playing fields, a community and sporting pavilion (incorporating function facilities and change rooms), access roads and car parking, playground facilities, landscaping and drainage. The complete facility is expected to finish by 2013. A total of \$5.8 million has been included in the *Plan for the Future* for the capital components associated with this facility.



Milkmaids at Fletcher Park, Wungong

Statutory Reports

Each year the City is required to provide various statutory reports that discharge accountability for compliance with various legislative roles and responsibilities. These include –

Record Keeping Plan – State Records Act 2000

The Record Keeping Plan (RKP) describes the City's commitment to practices of records management that satisfy organisational needs and legislative requirements.

The RKP has been in operation since 2004 and was last reviewed and updated in October 2006. To ensure the RKP remains current and relevant to the City's needs, it was again reviewed during the 2009-2010 financial year, and approved by the State Records Office in June 2010.

During the 2009-2010 financial year, approximately 78,000 documents were recorded and the City's focus on enhancing its electronic records continued with the following initiatives having been either completed or commenced –

- full digitising of the City's paper based Town Planning Scheme 1, tax maps dating back to the 1960's and building permit lists dating back to 1959; and
- commencement of an eight year back scanning and digitisation project encompassing the majority of the City's historical hardcopy records.



The new Armadale Library



Cardio exercise at Armadale Arena

Disability Access and Inclusion Plan – Disability Services Act 1993

The Disability Access and Inclusion Plan (DAIP) 2007-2011 guides the City in ensuring quality of life for people with disabilities. Local Governments are required to have a DAIP under the *Disability Services Act (1993)* which was amended in 2004 to include this requirement.

The City of Armadale's DAIP has eight outcome areas, six of which are required by the Act. The City of Armadale has completed 40 strategies and partially completed another two out of a total of 42 strategies. The DAIP 2007-2011 is currently under review as required.

Major achievements for the past year include -

- Continued support of the Disability Advisory Team (DAT). The DAT meets monthly and provides advice on how to improve access and inclusion for people with disabilities. The team also provides advice on relevant business and projects. The team is composed of community members, local service providers, Councillors and staff members from the City.
- Commenced the review of the Access and Mobility Map. The revised map is due for completion by the end of 2010. The map promotes accessible toilets, crossings, shops and other features in the CBD areas of Armadale, Kelmscott, Seville Grove and Roleystone.
- Continued implementation of the *You're Welcome* project, which assesses ease-of-access to businesses in the Armadale area. Sixty-one businesses have been assessed.
- *Day of Disability* activity day on 3rd December 2009 held at Champion Lakes.
- The Desktop Magnifier located at the Armadale library. The Magnifier allows patrons with difficulty reading small and normal print sizes to magnify text to larger sizes.
- DAISY readers are available for hire and use in the Armadale library. This is a talking book machine with additional features available to people with a print disability.

Information Statement – Freedom of Information Act 1992

The City's Information Statement was again reviewed during the year. The Statement supports the objects of the *Freedom of Information Act* in that it describes:-

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

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

A total of ten *Freedom of Information* applications were dealt with during the year.

Public Disclosures – Public Interest Disclosure Act 2003

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

In acknowledgement of its responsibilities, The City has:-

- an appointed Public Interest Disclosure Officer; and
 - published procedures to assist persons making a disclosure.
- During the 2009-2010 financial year, the City did not receive any disclosures. Further details about public interest disclosures, are available from the City's Administration Centre and website.

National Competition Policy

The *National Competition Policy* (NCP) seeks to enable and encourage competition to improve the wellbeing of Australians. Of the three agreements that underpin the NCP, the Competition Principles Agreement has most relevance to the City. In accordance with this Agreement, the City is to report annually on its activities in relation to the following principles –

Competitive Neutrality

This principle is to ensure local government business activities (those which generate user pay revenues > \$500,000 per annum) do not have competitive advantages or disadvantages relative to privately owned business competitors as a result of their local government ownership, e.g. tax exemptions and lower financing costs. In this regard, and for the 2009-2010 financial year, there were no new business activities commenced by the City, nor did the City receive any allegations of non-compliance.



Purple Coral-Peas in Harrisdale

Structural Reform

The objective of structural reform as relating to government operated monopolies is to introduce competition or, as a minimum, remove barriers to new private businesses competing in the market. The City does not operate any monopoly type business activities nor did it privatise any such activities during the 2009-2010 financial year, and accordingly, the City has no structural reform responsibilities to report.

Legislation Review – Local Laws

The aim of the legislation review program is to remove restrictions on competition from local laws unless those restrictions can be shown to be in the public interest. All of the City's thirteen local laws are compliant with this principle and all reviews of local laws are undertaken having regard for this principle.

During the 2009-2010 financial year, the following two local laws were reviewed,

- Fencing Local Law
- Health Local Law

and, amendments were made to the Local Government Property Local Law.

Conduct of certain Officials – Local Government Act 1995

Section 5.53 of the Local Government Act states - the annual report is to contain details of entries made under section 5.121 during the financial year in the register of complaints.

For the 2009-2010 financial year, there were no entries made in the Register of Complaints.

Independent Audit Report



Certified Practising Accountants

PARTNERS
Anthony Macri FCPA
Domenic Macri CPA
Connie De Falice CA

INDEPENDENT AUDITOR'S REPORT

TO: RATEPAYERS OF CITY OF ARMADALE

We have audited the financial report of the City of Armadale, which comprises the Statement of Financial Position as at 30 June 2010 and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



Auditor's Opinion

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

- (i) gives a true and fair view of the financial position of the City of Armadale as at 30 June 2010 and of its financial performance for the year ended on that date; and
- (ii) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards (including the Australian Accounting Interpretations).

Statutory Compliance

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 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).



MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
28 THOROGOOD STREET
BURSWOOD WA 6100



A MACRI
PARTNER

PERTH
DATED THIS 25th DAY OF OCTOBER 2010.



City of Armadale – Financial Report

For the year ended 30 June 2010



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

Statement by the Chief Executive Officer

The attached Financial Report of the City of Armadale, being the Annual Financial Report and Supporting Notes and other information for the financial year ended 30 June 2010 are, in my opinion, properly drawn up to present fairly the financial position of the City of Armadale at 30 June 2010 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 22nd day of October 2010



R S Tame
Chief Executive Officer

City of Armadale - Statement of Comprehensive Income - By Nature or Type

For the year ended 30 June 2010

	Note	2010 Actual \$	2010 Budget \$	2009 Actual \$
Revenues from Ordinary Activities				
Rates	23	31,593,843	31,043,000	27,997,129
Operating Grants, Subsidies and Contributions	29	12,496,296	3,975,500	8,472,618
Fees and Charges	28	10,730,021	10,224,700	9,685,116
Interest Earnings	2	2,641,914	2,050,370	2,860,634
Other Revenue		590,082	1,336,500	1,121,063
		58,052,157	48,630,070	50,136,560
Expenses from Ordinary Activities				
Employee Costs		(19,740,941)	(24,083,091)	(17,658,969)
Materials and Contracts		(20,535,588)	(13,163,539)	(14,089,687)
Utilities		(1,779,659)	(929,600)	(792,382)
Depreciation	2	(9,743,050)	(9,592,700)	(9,218,947)
Interest Expenses	2	(261,866)	(388,600)	(199,580)
Insurance		(713,089)	(771,229)	(657,388)
Other Expense		(2,451,144)	(1,938,341)	(1,652,222)
		(55,225,336)	(50,867,100)	(44,269,175)
		2,826,821	(2,237,030)	5,867,385
Grants / Contributions for Asset Development				
Grants and Subsidies - Non-Operating	29	9,058,577	10,361,400	4,286,014
		9,058,577	10,361,400	4,286,014
Profit / (Loss) / Adjustments of Assets				
Profit on Asset Disposal		2,089,557	312,500	1,209,512
Loss on Asset Disposal		(68,156)	(14,400)	(103,994)
		2,021,401	298,100	1,105,518
Net Result				
		13,906,799	8,422,470	11,258,917
Other Comprehensive Income				
Changes on revaluation of non-current assets	13	0	0	0
		0	0	0
Total Comprehensive Income				
		13,906,799	8,422,470	11,258,917

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

City of Armadale - Statement of Comprehensive Income - By Program

For the year ended 30 June 2010

	Note	2010 Actual \$	2010 Budget \$	2009 Actual \$
Revenues from Ordinary Activities				
	2			
General Purpose Funding		37,130,485	35,288,670	34,095,401
Governance		606,959	1,346,000	1,128,426
Law, Order and Public Safety		684,272	553,700	590,586
Health		100,507	110,100	81,329
Education and Welfare		241,835	361,300	304,158
Community Amenities		15,577,729	10,340,900	12,203,751
Recreation and Culture		4,484,714	1,641,800	1,809,364
Transport		8,843,911	8,297,500	4,098,649
Economic Services		1,279,216	1,133,000	1,065,121
Other Property and Services		250,664	231,000	255,301
		69,200,291	59,303,970	55,632,085
Expenses excluding Finance Costs				
	2			
General Purpose Funding		(1,109,401)	(894,600)	(758,138)
Governance		(3,184,692)	(1,355,200)	(2,233,925)
Law, Order and Public Safety		(1,583,368)	(1,784,800)	(1,481,083)
Health		(952,784)	(1,002,600)	(856,967)
Education and Welfare		(2,553,152)	(2,879,400)	(2,088,871)
Community Amenities		(10,546,465)	(10,982,300)	(8,893,820)
Recreation and Culture		(19,102,930)	(16,156,700)	(14,053,390)
Transport		(13,560,705)	(13,294,700)	(11,828,999)
Economic Services		(2,081,653)	(1,892,200)	(1,569,567)
Other Property and Services		(356,476)	(250,400)	(408,828)
		(55,031,626)	(50,492,900)	(44,173,588)
Finance Costs				
	2			
Governance		(121,314)	(122,000)	(92,025)
Community Amenities		(2,480)	(127,500)	(3,339)
Recreation and Culture		(53,979)	(54,200)	(56,667)
Transport		(84,092)	(84,900)	(47,549)
		(261,866)	(388,600)	(199,580)
Net Result		13,906,799	8,422,470	11,258,917
Other Comprehensive Income				
Changes on revaluation of non-current assets	13	0	0	0
		0	0	0
Total Comprehensive Income		13,906,799	8,422,470	11,258,917

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

City of Armadale - Statement of Financial Position

As at 30 June 2010

	Note	2010 Actual \$	2009 Actual \$
Current Assets			
Cash and Cash Equivalents	3	41,278,991	33,835,245
Trade and Other Receivables	5	5,612,697	2,606,546
Inventories	6	102,699	79,494
Total Current Assets		46,994,388	36,521,286
Non-Current Assets			
Other Receivables	5	783,134	786,863
Property, Plant and Equipment	7	37,627,802	29,162,476
Infrastructure	8	194,648,513	188,972,163
Total Non-Current Assets		233,059,449	218,921,501
Total Assets		280,053,837	255,442,787
Current Liabilities			
Trade and Other Payables	9	6,773,446	4,800,626
Current Portion of Long Term Borrowings	10	1,233,051	271,235
Provisions	11	4,273,533	3,621,521
Total Current Liabilities		12,280,030	8,693,382
Non-Current Liabilities			
Trade and Other Payables	9	156,487	137,712
Long Term Borrowings	10	10,776,763	3,677,023
Provisions	11	295,315	296,226
Total Non-Current Liabilities		11,228,565	4,110,962
Total Liabilities		23,508,594	12,804,344
Net Assets		256,545,243	242,638,443
Equity			
Retained Surplus		221,779,955	211,194,565
Reserves - Cash / Investment Backed	12	26,313,540	22,992,130
Reserves - Asset Revaluation	13	8,451,748	8,451,748
Total Equity		256,545,243	242,638,443

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

City of Armadale - Statement of Changes in Equity

For the year ended 30 June 2010

	Note	2010 Actual \$	2009 Actual \$
Retained Surplus			
Balance as at 1 July		211,194,565	201,773,971
Total Comprehensive Income		13,906,799	11,258,917
Transfer from / (to) Reserves		(3,321,410)	(1,838,322)
Balance as at 30 June		221,779,955	211,194,565
Reserves - Cash / Investment Backed			
Balance as at 1 July		22,992,130	21,153,808
Total Comprehensive Income		0	0
Transfer (to) / from Retained Surplus		3,321,410	1,838,322
Balance as at 30 June	12	26,313,540	22,992,130
Reserves - Asset Revaluation			
Balance as at 1 July		8,451,748	8,451,748
Total Comprehensive Income		0	0
Balance as at 30 June	13	8,451,748	8,451,748
Total Equity		256,545,243	242,638,443

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

City of Armadale - Statement of Cash Flows

For the year ended 30 June 2010

	Note	2010 Actual \$	2010 Budget \$	2009 Actual \$
Cash Flows from Operating Activities				
Receipts				
Rates		31,593,843	31,043,000	27,997,129
Operating Grants, Subsidies and Contributions		12,496,296	3,975,500	8,472,618
Fees and Charges		7,723,871	12,468,212	10,156,417
Interest Earnings		2,641,914	2,050,370	2,860,634
Goods and Services Tax (on revenue)		1,240,976	1,000,000	750,808
Goods and Services Tax (refunded)		2,960,252	2,000,000	2,406,324
Other		593,811	1,195,734	1,041,021
Total Receipts		59,250,963	53,732,816	53,684,951
Payments				
Employee Costs		(19,089,841)	(24,004,613)	(17,367,124)
Materials and Contracts		(18,585,973)	(12,672,608)	(14,034,083)
Utilities		(1,779,659)	(929,600)	(792,382)
Insurance		(713,089)	(771,229)	(657,388)
Interest		(261,866)	(388,600)	(199,580)
Goods and Services Tax		0	(3,000,000)	(3,157,132)
Other		(6,633,597)	(1,876,053)	(1,637,788)
Total Payments		(47,064,024)	(43,642,703)	(37,845,477)
Net Cash Provided by Operating Activities	14	12,186,939	10,090,113	15,839,474
Cash Flows from Investing Activities				
Payments for Property, Plant and Equipment		(11,437,993)	(18,598,700)	(4,611,221)
Payments for Infrastructure		(13,296,534)	(18,346,300)	(17,235,485)
Grants and Subsidies - Non-Operating		9,058,577	10,361,400	4,286,014
Proceeds from Sale of Assets		2,871,201	5,370,000	1,864,386
Net Cash Provided by Investing Activities		(12,804,749)	(21,213,600)	(15,696,306)
Cash Flows from Financing Activities				
Repayment of Debentures		(271,244)	(273,000)	(234,098)
Proceeds from New Debentures		8,332,800	7,712,800	1,189,200
Net Cash Provided by Financing Activities		8,061,556	7,439,800	955,102
Net Increase / (Decrease) in Cash Held		7,443,746	(3,683,687)	1,098,270
Cash at Beginning of Year		33,835,245	33,835,244	32,736,975
Cash and Cash Equivalents at End of Year	14	41,278,991	30,151,557	33,835,245

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

City of Armadale – Rate Setting Statement

For the year ended 30 June 2010

	Note	2010 Actual \$	2010 Budget \$
Revenues			
General Purpose Funding		5,536,641	4,245,670
Governance		606,959	1,346,000
Law, Order and Public Safety		684,272	553,700
Health		100,507	110,100
Education and Welfare		241,835	361,300
Community Amenities		15,577,729	10,340,900
Recreation and Culture		4,484,714	1,641,800
Transport		8,843,911	8,297,500
Economic Services		1,279,216	1,133,000
Other Property and Services		250,664	231,000
Total Revenues		37,606,448	28,260,970
Expenses			
General Purpose Funding		(1,109,401)	(894,600)
Governance		(3,306,006)	(1,477,200)
Law, Order and Public Safety		(1,583,368)	(1,784,800)
Health		(952,784)	(1,002,600)
Education and Welfare		(2,553,152)	(2,879,400)
Community Amenities		(10,548,945)	(11,109,800)
Recreation and Culture		(19,156,909)	(16,210,900)
Transport		(13,644,797)	(13,379,600)
Economic Services		(2,081,653)	(1,892,200)
Other Property and Services		(356,476)	(250,400)
Total Expenses		(55,293,492)	(50,881,500)
Adjustments for Cash Budget Requirements			
Non-Cash Items			
(Profit) / Loss on Asset Disposals	20	(2,021,401)	(298,100)
Depreciation on Assets	2	9,743,050	9,592,700
Total Non-Cash Items		7,721,649	9,294,600
Capital Expense and Revenue			
Purchase Land	7	(2,560,020)	(463,200)
Purchase Buildings	7	(4,560,367)	(12,976,700)
Purchase Furniture and Equipment	7	(668,531)	(762,400)
Purchase Plant and Machinery	7	(3,649,076)	(4,396,400)
Purchase Infrastructure - Roads	8	(8,072,918)	(12,623,900)
Purchase Infrastructure - Drainage	8	(1,442,250)	(399,400)
Purchase Infrastructure - Pathways	8	(511,070)	(666,200)
Purchase Infrastructure - Parks / Reserves	8	(3,270,296)	(4,656,800)
Proceeds from Disposal of Assets	20	2,871,201	5,370,000
Repayment of Debentures	22	(271,244)	(273,000)
Proceeds from New Debentures	22	8,332,800	7,712,800
Transfer to Reserves	12	(7,929,575)	(5,751,100)
Transfer from Reserves	12	4,608,165	3,440,700
Total Capital Expense and Revenue		(17,123,180)	(26,445,600)
Add Estimated Surplus / (Deficit) July 1 B/Fwd		9,402,420	8,728,530
Less Estimated Surplus / (Deficit) June 30 C/Fwd		13,907,688	0
Amount Required to be Raised from Rates	23	(31,593,843)	(31,043,000)

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

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

1. Significant Accounting Policies

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

a. Basis of Preparation

The Financial Report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), 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 modified, where applicable, by the measurement, at fair value, of selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

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

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

b. The Local Government Reporting Entity

All Funds through which the City controls resources to carry on its functions have been included in the financial statements forming part of this financial report. In the process of reporting on the Local Government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Funds are excluded from the financial statements, but a separate statement of those monies appears at Note 18 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. Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in-hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined previously, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the Statement of Financial Position.

e. Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

1. Significant Accounting Policies (Continued)

f. Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price, in the ordinary course of business, less the estimated costs of completion, and the estimated costs necessary to make the sale. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

Land held for resale

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

Revenue arising from the sale of property is recognised in the Statement of Comprehensive Income as at the time of signing a binding contract of sale. Land held for resale is classified as current except where it is held as non-current based on the City's intentions to release for sale.

g. Property, plant and equipment and Infrastructure assets

Initial recognition

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

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes, where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

Land under roads

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

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulations 4 (2) provides, in the event of such inconsistency, direction that the Local Government (Financial Management) Regulations prevail. Consequently, any land under roads acquired on, or after, 1 July 2008 is not included as an asset of the City.

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

1. Significant Accounting Policies (Continued)

h. Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and 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
Furniture and Equipment	5 to 15 years
Plant and Machinery	3 to 20 years
Sealed Roads and Streets	
Clearing and Earthworks	Not Depreciated
Construction and Roadbase	50 Years
Original Surface and Major Resurfacing	50 years
Gravel Roads	
Clearing and Earthworks	Not depreciated
Construction and Roadbase	50 years
Gravel Sheet	12 years
Drainage	50 years
Pathways	20 years
Parks and Reserves	20 years

i. Investments and Other Financial Assets

Classification

The City classifies its investments in the following categories - financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date, which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the City's management has the positive intention and ability to hold to maturity. If the City were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

1. Significant Accounting Policies (Continued)

i. Investments and Other Financial Assets (Continued)

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the City commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Statement of Financial Income.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the City has transferred substantially all the risks and rewards of ownership. When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Statement of Comprehensive Income as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the Statement of Comprehensive Income within other income or other expenses in the period in which they arise.

Dividend income from financial assets at fair value through profit and loss is recognised in the Statement of Comprehensive Income as part of revenue from continuing operations when the City's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment

The City assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the Statement of Comprehensive Income. Impairment losses recognised in the Statement of Comprehensive Income on equity instruments classified as available-for-sale are not reversed through the Statement of Comprehensive Income.

j. Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets is based on quoted market prices at the Statement of Financial Position date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The City uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the City for similar financial instruments.

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

1. Significant Accounting Policies (Continued)

k. Impairment

In accordance with Australian Accounting Standards, the City's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income. For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

l. Trade and Other Payables

Trade payable and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

m. Employee Benefits

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

Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months 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 City expects to pay and includes related on-costs.

Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the City does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

n. Provisions

Provisions are recognised when the City has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow, with respect to any one item included in the same class of obligations, may be small.

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

1. Significant Accounting Policies (Continued)

o. Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the City has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

p. Leases

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

q. 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 relevant items reported in the Statement of Financial Position and Statement of Comprehensive Income. Information about any joint ventures is set out in Note 17.

r. Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the City obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in Note 2. That note also discloses the amount of contributions recognised as revenues in a previous reporting period that were obtained in respect of the City's operations for the current reporting period.

s. Superannuation

The City of Armadale contributes to defined contribution schemes. Contributions are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

t. Current and Non-Current Classification

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

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

1. Significant Accounting Policies (Continued)

u. Rounding Off Figures

All figures shown in this Financial Report, other than a rate in the dollar, are rounded to the nearest dollar. As such, rounding errors in calculations may occur.

v. Comparative Figures

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

w. Budget Comparative Figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimates for the relevant items of disclosure and do not reflect any budget variations that may have occurred throughout the reporting period.

x. New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet effective, have not been adopted by the City for the annual reporting under review. The City's assessment of these new standards and interpretations are set out below –

Title and Topic	Issued	Applicable	Impact
AASB 9 Financial Instruments	Dec 2009	Jan 2013	Nil - The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the City, it is not anticipated the standard will have any material affect.
AASB 124 Related Party Disclosures	Dec 2009	Jan 2011	Nil - It is not anticipated the City will have any related parties as defined by the Standard.
AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash - Settled Share-based Payment Transactions (AASB 2)	Jul 2009	Jan 2010	Nil - The City will not have applicable transactions.
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 5, 8, 101, 107, 117, 118, 136, and 139)	May 2009	Jan 2010	Nil - The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the City.
AASB 2009-12 Amendments to Australian Accounting Standards (AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052)	Dec 2009	Jan 2011	Nil - The revisions embodied in this standard relate to standards that do not apply to local government (i.e. AASB 8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the City.
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12)	Dec 2009	Jan 2011	Nil - The revisions embodied in this standard relate to standards that do not apply to local government (i.e. AASB 8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the City.
AASB 2009-13 Amendments to Australian Accounting Standards Arising from Interpretation 19 (AASB 1)	Dec 2009	Jul2010	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the City

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

1. Significant Accounting Policies (Continued)

x. New Accounting Standards and Interpretations (Continued)

Title and Topic	Issued	Applicable	Impact
AASB 2010-1 Amendment to Australian Accounting Standards - Limited Exemption from Comparative AASB 7 Disclosure for First-time Adopters (AASB 1 and AASB 7)	Feb 2010	Jul 2010	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the City
AASB 2009-10 Amendments to Australian Accounting Standards - Classification of Rights Issues (AASB 132)	Oct 2009	Feb 2010	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the City
Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	Dec 2009	Jul 2010	Nil - The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the City.
AASB 2009-14 Amendments to Australian Interpretations - Prepayments of a minimum Funding Requirement (AASB Interpretation 14)	Dec 2009	Jan 2011	Nil - The revisions embodied in this standard relate to standards that do not apply to local government (i.e. AASB 8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the City.

y. Adoption of New and Revised Accounting Standards

During the current year, a number of new and revised Australian Accounting Standards and Interpretations became mandatory and these were taken up by the City.

The following is an explanation of the impact these standards and interpretations have had on the financial statements of the City -

AASB 101 - Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101 and, as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the City's financial statements -

Terminology changes

The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting Changes in Equity

The revised AASB 101 requires all changes in equity arising from transactions with owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the Statement of Changes in Equity, with non-owner changes in equity presented in the Statement of Comprehensive Income.

Statement of Comprehensive Income

The revised AASB 101 requires all income and expenses to be presented in either a single statement (Statement of Comprehensive Income) or two statements (separate Income and Comprehensive Income Statements). The City has chosen the single statement approach.

Other Comprehensive Income

The revised version of AASB 101 introduces the concept of 'other comprehensive income', which comprises income and expenses not recognised in profit or loss as required by other Australian Accounting Standards. Items of 'other comprehensive income' are to be disclosed in the Statement of Comprehensive Income.

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

2. Revenues and Expenses

a. Result from Ordinary Activities

The result from ordinary activities includes -

	Note	2010 Actual \$	2010 Budget \$	2009 Actual \$
i Charging as an Expense				
Auditor's Remuneration		25,410	31,100	21,580
Bad and Doubtful Debts				
Write Off - Rates		361,906	67,300	67,727
Write Off - General		7,288	10,400	7,706
Write Off - Infringements		47,612	27,900	34,801
		416,805	105,600	110,234
Depreciation				
Land and Buildings		637,188	602,155	581,798
Furniture and Equipment		30,677	23,299	22,511
Plant and Machinery		1,455,001	1,489,600	1,390,528
Roads		3,051,331	2,927,003	2,828,022
Drainage		631,244	580,922	561,277
Pathways		396,000	391,712	378,466
Reserves		3,541,609	3,578,009	3,456,345
		9,743,050	9,592,700	9,218,947
Interest Expense				
Debentures	22	261,866	388,600	199,580
		261,866	388,600	199,580
ii Charging as a Revenue				
Interest Earnings				
Investments - Reserve Funds		852,153	919,600	990,032
Investments - Municipal Fund		1,518,806	899,970	1,637,481
Other Interest Revenue	27	270,955	230,800	233,121
		2,641,914	2,050,370	2,860,634

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

2. Revenues and Expenses (Continued)

b. Statement of Objective

In order to discharge its responsibility to the community, the City has developed a set of operational and financial objectives. The objectives have been established both on an overall basis, reflected by the City's Mission and Values Statements, and for each of its broad activities / programs.

Our Mission

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

Our Values

- Honesty
- Professionalism
- Respect
- Accountability

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

General Purpose Funding

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

Governance

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

Health

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

Education and Welfare

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

Community Amenities

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

Recreation and Culture

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

Transport

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

Economic Services

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

Other Property and Services

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

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

	2010 Actual \$	2009 Actual \$
2. Revenues and Expenses (Continued)		
c. Conditions over Contributions		
Grants recognised as revenues in a previous reporting period that were not expended at the close of that period (in the manner required as per the terms of the contribution)		
Governance		
ARA Project Grants	0	36,364
Education and Welfare		
Indigenous Assistance	71,100	0
Community Activities Place Planning	15,000	0
Community Arts	0	7,586
Seniors	14,100	25,800
Community Amenities		
Environment Programs	0	20,311
Recreation and Culture		
Playgrounds	275,500	0
Transport		
Transport Network	167,755	0
National Community Crime Prevention	0	100,000
	543,455	190,061

New grants recognised as revenues during the reporting period that had not yet been fully expended at period end (in the manner required as per the terms of the conditions)

Education and Welfare		
Indigenous Assistance	0	71,100
Community Activities Place Planning	0	15,000
Community Arts	0	0
Seniors	0	14,100
Recreation and Culture		
Australia Day	23,500	0
Concerts in the Park	6,500	0
Playgrounds	0	275,500
Transport		
Federal Black Spot	594,000	0
Local Government Road Funding	3,284,443	0
State Black Spot	115,600	0
Transport Network	0	167,755
	4,024,043	543,455

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

2. Revenues and Expenses (Continued)

c. Conditions over Contributions

Grants recognised as revenues in a previous reporting period that were expended in the current reporting period (in the manner required as per the terms of the contribution)

	2010 Actual \$	2009 Actual \$
Governance		
ARA Project Grants	0	36,364
Education and Welfare		
Indigenous Assistance	61,600	0
Community Activities Place Planning	15,000	0
Community Arts	0	7,586
Seniors	14,100	25,800
Community Amenities		
Environment Programs	0	20,311
Recreation and Culture		
Playgrounds	275,500	0
Transport		
Transport Network	167,755	0
National Community Crime Prevention	0	100,000
	533,955	190,061
Closing Balance of Unspent Grants	4,033,543	543,455

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

3. Cash and Cash Equivalents

	Note	2010 Actual \$	2009 Actual \$
Unrestricted		8,939,128	10,299,660
Restricted		32,339,863	23,535,585
		41,278,991	33,835,245

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

Reserves			
Asset Renewal - Buildings		58,492	56,778
Asset Renewal - Parks		58,492	56,778
Building Plant and Equipment		121,158	118,495
Civic Precinct		348,562	0
Computer Systems Technologies		114,146	0
Crossover Contributions		53,575	419,669
Emergency Waste		173,178	168,142
Employee Provisions		4,295,242	3,621,521
Freehold Sales Capital Works		7,706	0
Future Community Facilities		624,948	605,988
Future Project Funding		2,539,284	2,573,279
Future Recreation Facilities		170,055	165,162
Land Acquisition		359,805	350,075
Mobile Bin Program		1,530,605	1,498,971
North Forrestdale DCP 3		8,799,725	4,864,322
North Forrestdale SAR Asset Renewal		232,807	40,331
Plant and Machinery		1,353,918	2,454,701
Portable Long Service Leave		156,487	141,721
Revolving Energy		101,348	0
Strategic Asset Investments		1,095,552	990,958
Waste Management		3,220,774	4,043,341
Workers Compensation		404,982	400,827
Works Contributions		492,700	421,069
		26,313,540	22,992,130
Restricted Funds			
Unspent Grants	2	4,033,543	543,455
Unspent Loans	22	1,992,780	0
		6,026,323	543,455
Total Reserves and Restricted Cash and Cash Equivalents		32,339,863	23,535,585

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

2010
Actual
\$

2009
Actual
\$

4. Investments

Financial assets, at fair value, held in the form of an investment, as at 30 June

0 0

5. Trade and Other Receivables

Current

Accrued Revenue and Prepayments	2,425,811	324,974
Rates Debtors	782,899	712,030
ESL Debtors	34,285	26,310
Unclaimed Pensioner Rates Rebate	0	24,971
Unclaimed ESL Rates Rebate	0	541
Sundry Debtors	2,492,080	1,640,098
Provision for Doubtful Debts	(122,378)	(122,378)
	<u>5,612,697</u>	<u>2,606,546</u>

Non-Current

Rates Debtors	583,991	571,899
ESL Debtors	30,067	26,964
Sundry Debtors	169,076	188,000
	<u>783,134</u>	<u>786,863</u>

6. Inventories

Current

Fuel and Materials	102,699	79,494
	<u>102,699</u>	<u>79,494</u>

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

7. Property, Plant and Equipment

	2010 Actual \$	2009 Actual \$
Land - Cost	6,233,615	3,704,362
Buildings - Revaluation	27,029,867	22,469,500
Less Accumulated Depreciation	(2,839,519)	(2,202,330)
	30,423,962	23,971,532
Furniture and Equipment - Cost	3,155,663	2,487,132
Less Accumulated Depreciation	(2,132,950)	(2,102,273)
	1,022,714	384,860
Plant and Machinery - Cost	12,864,651	11,667,883
Less Accumulated Depreciation	(6,683,525)	(6,861,799)
	6,181,126	4,806,085
Total Property, Plant and Equipment	37,627,802	29,162,476

Movements in Carrying Amounts

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

Particulars	Land \$	Buildings \$	Furniture and Equipment \$	Plant and Machinery \$	Total \$
Beginning Balance	3,704,362	20,267,170	384,860	4,806,085	29,162,476
Additions	2,560,020	4,560,367	668,531	3,649,076	11,437,993
Disposals	(30,768)	0	0	(819,033)	(849,801)
Revaluation Movements	0	0	0	0	0
Impairment Adjustments	0	0	0	0	0
Depreciation Expense	0	(637,188)	(30,677)	(1,455,001)	(2,122,866)
Carrying Amount	6,233,614	24,190,348	1,022,714	6,181,126	37,627,802

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

8. Infrastructure

	2010 Actual \$	2009 Actual \$
Roads - Cost	160,813,832	152,740,914
Less Accumulated Depreciation	(29,140,089)	(26,088,758)
	131,673,743	126,652,156
Drainage - Cost	33,010,076	31,567,827
Less Accumulated Depreciation	(6,813,653)	(6,182,410)
	26,196,423	25,385,417
Pathways - Cost	8,598,260	8,087,190
Less Accumulated Depreciation	(3,347,927)	(2,951,927)
	5,250,333	5,135,263
Parks and Reserves - Cost	74,270,257	70,999,961
Less Accumulated Depreciation	(42,742,245)	(39,200,635)
	31,528,013	31,799,326
Total Infrastructure	194,648,513	188,972,163

Movements in Carrying Amounts

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

Particulars	Roads \$	Drainage \$	Pathways \$	Parks and Reserves \$	Total \$
Beginning Balance	126,652,156	25,385,417	5,135,263	31,799,326	188,972,163
Additions	8,072,918	1,442,250	511,070	3,270,296	13,296,534
Disposals	0	0	0	0	0
Revaluation Movements	0	0	0	0	0
Impairment Adjustments	0	0	0	0	0
Depreciation Expense	(3,051,331)	(631,244)	(396,000)	(3,541,609)	(7,620,184)
Carrying Amount	131,673,743	26,196,423	5,250,333	31,528,013	194,648,513

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

	2010 Actual \$	2009 Actual \$
9. Trade and Other Payables		
Current		
Sundry Creditors	4,895,746	2,958,509
Payroll Deductions	0	0
Accrued Expenses	210,800	253,620
Revenue Liability	1,565,783	1,561,448
ESL Liability	83,637	9,116
Payroll Entitlements	17,481	17,933
	<u>6,773,446</u>	<u>4,800,626</u>
Non-Current		
Sundry Creditors	156,487	137,712
	<u>156,487</u>	<u>137,712</u>

10. Borrowings

Current		
Secured by Floating Charge Debentures	1,233,051	271,235
	<u>1,233,051</u>	<u>271,235</u>
Non-Current		
Secured by Floating Charge Debentures	10,776,763	3,677,023
	<u>10,776,763</u>	<u>3,677,023</u>

Additional details on Borrowings are provided in Note 22.

11. Provisions

Current		
Provision for Annual Leave	2,416,121	2,037,511
Provision for Sick Leave	0	100,000
Provision for Long Service Leave	1,857,412	1,484,010
	<u>4,273,533</u>	<u>3,621,521</u>
Non-Current		
Provision for Long Service Leave	295,315	296,226
	<u>295,315</u>	<u>296,226</u>

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

12. Reserves - Cash Backed

All of the following Cash Backed Reserves are supported by money held in financial institutions and match the amounts shown as Restricted Cash in Note 3 to this Financial Report. In accordance with Council resolutions in relation to each Reserve, the purpose for which the funds are set aside, and their respective balances, are shown below.

	2010 Actual \$	2010 Budget \$	2009 Actual \$
Asset Renewal - Buildings			
To be used to assist in funding capital works on buildings, thereby extending the useful economic life of such assets.			
Opening Balance	56,778	56,778	54,000
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	1,713	2,300	2,778
Transfer from Reserve	0	0	0
	58,492	59,078	56,778

Asset Renewal - Parks

To be used to assist in funding capital works on parks, thereby extending the useful economic life of such assets.

Opening Balance	56,778	56,778	54,000
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	1,713	2,300	2,778
Transfer from Reserve	0	0	0
	58,492	59,078	56,778

Building Plant and Equipment

To be used to assist in the maintenance and replacement of Plant and Equipment associated with the City's buildings.

Opening Balance	118,495	118,495	112,697
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	2,663	4,700	5,798
Transfer from Reserve	0	0	0
	121,158	123,195	118,495

Civic Precinct

To be used to assist in research, planning and redevelopment of the City's Civic Precinct.

Opening Balance	0	0	0
Transfer to Reserve - Municipal Funds	500,004	500,000	0
Transfer to Reserve - Interest Earnings	6,558	0	0
Transfer from Reserve	(158,000)	0	0
	348,562	500,000	0

Computer Systems Technologies

To be used to assist in funding the long-term renewal of the City's core computer systems.

Opening Balance	0	0	0
Transfer to Reserve - Municipal Funds	112,500	112,500	0
Transfer to Reserve - Interest Earnings	1,646	0	0
Transfer from Reserve	0	0	0
	114,146	112,500	0

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

12. Reserves - Cash Backed (Continued)

	2010 Actual \$	2010 Budget \$	2009 Actual \$
Crossover Contributions			
To be used to assist in funding the construction of Crossovers as a condition of approved building licences.			
Opening Balance	419,669	419,669	492,334
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	20,055	16,800	25,331
Transfer from Reserve	(386,150)	0	(97,995)
	53,575	436,469	419,669
Emergency Waste			
To be used to assist with the costs associated with storm damage clean-up, collections and disposal.			
Opening Balance	168,142	168,142	233,532
Transfer to Reserve - Municipal Funds	0	0	62,496
Transfer to Reserve - Interest Earnings	5,035	6,700	10,688
Transfer from Reserve	0	0	(138,574)
	173,178	174,842	168,142
Employee Provisions			
To be used to cash-back the employees' sick, annual and long-service leave entitlements liability.			
Opening Balance	3,621,521	3,621,521	3,625,902
Transfer to Reserve - Municipal Funds	500,653	0	0
Transfer to Reserve - Interest Earnings	173,068	144,900	186,554
Transfer from Reserve	0	0	(190,935)
	4,295,242	3,766,421	3,621,521
Freehold Sales Capital Works			
To be used to assist in funding capital works and to be funded from the proceeds (30% of net sale proceeds) of selling Freehold land parcels.			
Opening Balance	0	0	0
Transfer to Reserve - Municipal Funds	0	327,600	0
Transfer to Reserve - Interest Earnings	7,706	0	0
Transfer from Reserve	0	0	0
	7,706	327,600	0
Future Community Facilities			
To be used to assist in the research, planning and construction of future Community Facilities.			
Opening Balance	605,988	605,988	229,756
Transfer to Reserve - Municipal Funds	0	0	361,936
Transfer to Reserve - Interest Earnings	18,959	24,200	14,296
Transfer from Reserve	0	0	0
	624,948	630,188	605,988
Future Project Funding			
To be used to fund future projects considered in excess of the City's normal funding capacity.			
Opening Balance	2,573,279	2,573,279	975,000
Transfer to Reserve - Municipal Funds	441,000	441,000	1,543,387
Transfer to Reserve - Interest Earnings	19,460	102,900	54,892
Transfer from Reserve	(494,454)	(216,400)	0
	2,539,285	2,900,779	2,573,279

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

12. Reserves - Cash Backed (Continued)

	2010 Actual \$	2010 Budget \$	2009 Actual \$
Future Recreation Facilities			
To be used to assist in the research, planning and construction of future recreation facilities.			
Opening Balance	165,162	165,162	157,081
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	4,893	6,600	8,082
Transfer from Reserve	0	0	0
	170,055	171,762	165,162
Land Acquisition			
To be used to assist in future acquisitions of land for investment or works requirement.			
Opening Balance	350,075	350,075	296,050
Transfer to Reserve - Municipal Funds	0	0	38,190
Transfer to Reserve - Interest Earnings	9,730	14,000	15,835
Transfer from Reserve	0	0	0
	359,805	364,075	350,075
Mobile Bin Program			
To be used to assist in the purchase and replacement of the City's Mobile Garbage Bins.			
Opening Balance	1,498,971	1,498,971	1,114,398
Transfer to Reserve - Municipal Funds	0	0	318,096
Transfer to Reserve - Interest Earnings	31,634	60,000	66,477
Transfer from Reserve	0	0	0
	1,530,605	1,558,971	1,498,971
North Forrestdale DCP 3			
To be used to fund common infrastructure works as identified in the Development Contribution Plan #3.			
Opening Balance	4,864,322	4,864,322	7,350,075
Transfer to Reserve - Municipal Funds	3,693,674	0	161,316
Transfer to Reserve - Interest Earnings	241,729	194,600	234,736
Transfer from Reserve	0	0	(2,881,805)
	8,799,725	5,058,922	4,864,322
North Forrestdale SAR Asset Renewal			
To be used to assist in the renewal of assets associated with North Forrestdale Estates covered by Specified Area Rating.			
Opening Balance	40,331	40,331	0
Transfer to Reserve - Municipal Funds	184,495	182,800	39,204
Transfer to Reserve - Interest Earnings	7,981	1,600	1,127
Transfer from Reserve	0	0	0
	232,807	224,731	40,331
Plant and Machinery			
To be used to assist in the purchase and replacement of the City's Plant and Machinery requirements.			
Opening Balance	2,454,701	2,454,701	2,107,919
Transfer to Reserve - Municipal Funds	1,455,001	1,439,200	1,390,532
Transfer to Reserve - Interest Earnings	60,274	98,200	99,019
Transfer from Reserve	(2,616,057)	(2,270,800)	(1,142,769)
	1,353,919	1,721,301	2,454,701

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

12. Reserves - Cash Backed (Continued)

	2010 Actual \$	2010 Budget \$	2009 Actual \$
Portable Long Service Leave			
To be used to assist in financing the City's Portable Long Service Leave liability.			
Opening Balance	141,721	141,721	134,786
Transfer to Reserve - Municipal Funds	7,994	0	0
Transfer to Reserve - Interest Earnings	6,773	5,700	6,935
Transfer from Reserve	0	0	0
	156,487	147,421	141,721
Revolving Energy			
To be used to assist in establishing energy efficient management techniques and practices.			
Opening Balance	0	0	0
Transfer to Reserve - Municipal Funds	99,996	100,000	0
Transfer to Reserve - Interest Earnings	1,352	0	0
Transfer from Reserve	0	0	0
	101,348	100,000	0
Strategic Asset Investments			
To be used to fund the acquisition of strategic asset investments from the proceeds (70% of net sale proceeds) of selling Freehold land.			
Opening Balance	990,958	990,958	0
Transfer to Reserve - Municipal Funds	0	1,728,400	963,997
Transfer to Reserve - Interest Earnings	104,594	39,600	26,962
Transfer from Reserve	0	0	0
	1,095,552	2,758,958	990,959
Waste Management			
To be used to assist in the management and future provisioning of the City's Waste Management Sites.			
Opening Balance	4,043,341	4,043,341	3,535,247
Transfer to Reserve - Municipal Funds	23,072	0	417,214
Transfer to Reserve - Interest Earnings	107,863	161,700	193,879
Transfer from Reserve	(953,504)	(953,500)	(103,000)
	3,220,772	3,251,541	4,043,340
Workers Compensation			
To be used to assist in covering any workers' compensation liability claims in excess of the City's normal funding capacity.			
Opening Balance	400,827	400,827	277,841
Transfer to Reserve - Municipal Funds	0	0	107,000
Transfer to Reserve - Interest Earnings	4,155	16,000	15,985
Transfer from Reserve	0	0	0
	404,982	416,827	400,827
Works Contributions			
To be used to fund works utilising contributions received from developers, generally pursuant to conditions of development approval.			
Opening Balance	421,069	421,069	403,190
Transfer to Reserve - Municipal Funds	59,033	0	0
Transfer to Reserve - Interest Earnings	12,597	16,800	17,880
Transfer from Reserve	0	0	0
	492,700	437,869	421,069

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

12. Reserves - Cash Backed (Continued)

	2010 Actual \$	2010 Budget \$	2009 Actual \$
Total Reserves			
Opening Balance	22,992,130	22,992,130	21,153,808
Transfer to Reserve - Municipal Funds	7,077,423	4,831,500	5,403,368
Transfer to Reserve - Interest Earnings	852,153	919,600	990,032
Transfer from Reserve	(4,608,165)	(3,440,700)	(4,555,078)
	<u>26,313,540</u>	<u>25,302,530</u>	<u>22,992,130</u>

13. Reserves - Asset Revaluation

Opening Balance as at 1 July 2009	8,451,748	8,451,748	8,451,748
Revaluation Increment	0	0	0
Revaluation Decrement	0	0	0
Closing Balance as at 30 June 2010	<u>8,451,748</u>	<u>8,451,748</u>	<u>8,451,748</u>

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

14. Notes to the Statement of Cash Flows

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows -

	2010 Actual \$	2009 Actual \$
Cash and Cash Equivalents	41,278,991	33,835,245

b. Reconciliation of Net Cash Provided by Operating Activities to Net Result

Net Result	13,906,799	11,258,917
Depreciation	9,743,050	9,218,947
(Profit) / Loss on Sale of Asset	(2,021,401)	(1,105,518)
(Increase) / Decrease in Receivables	(3,002,422)	391,259
(Increase) / Decrease in Inventories	(23,205)	10,297
Increase / (Decrease) in Payables	1,991,595	59,741
Increase / (Decrease) in Employee Provisions	651,101	291,845
Grants and Contributions for Asset Development	(9,058,577)	(4,286,014)
Net Cash from Operating Activities	12,186,939	15,839,474

c. Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft Limit	100,000	100,000
Bank Overdraft at Balance Date	0	0
Credit Card Limit	6,000	6,000
Credit Card at Balance Date	0	0
Total Amount of Credit Unused	106,000	106,000

Loan Facilities

Loan Facilities - Current	1,233,051	271,235
Loan Facilities - Non-Current	10,776,763	3,677,023
Total Facilities in Use at Balance Date	12,009,813	3,948,258

Unused Loan Facilities at Balance Date

0	0
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15. Contingent Liabilities

The City had no contingent liabilities for the periods reported.

16. Capital and Leasing Commitments

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

17. Joint Venture

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

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

18. Trust Funds

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

	Balance 1 July 2009 \$	Account Movement \$	Balance 30 June 2010 \$
Cash in Lieu - POS - A14 Plan	1,733,155	115,287	1,848,442
Cash in Lieu - POS - Agreements	74,284	3,578	77,862
Cash in Lieu - POS - Heron	113,006	5,444	118,450
Cash in Lieu - POS - Jarrah	224,728	(145,115)	79,613
Cash in Lieu - POS - Lake	442,398	88,467	530,865
Cash in Lieu - POS - Minnowarra	7,153	345	7,498
Cash in Lieu - POS - Neerigen	211,763	187,579	399,342
Cash in Lieu - POS - River	2,982	12,100	15,082
Cash in Lieu - POS - Strategy North	80,165	3,862	84,027
Cash in Lieu of Footpaths	70,931	71,810	142,741
Contractors Deposits	4,228,991	(1,324,091)	2,904,900
Engineering Deposits	66,180	(66,180)	0
General Contributions	23,064	(23,064)	0
General Deposits	163,242	(163,242)	0
Hall and Key Deposits	60,008	9,070	69,078
Kerb Deposits	955,774	174,834	1,130,608
Other Deposits	13,785	(13,785)	0
POS - Precinct A - Westfield	21,812	312,977	334,789
POS - Precinct B - Seville Grove	48,648	238,840	287,488
POS - Precinct C - West Armadale	32,131	1,548	33,679
POS - Precinct D - South Armadale	405,880	(365,668)	40,212
POS - Precinct F - Clifton Hills	0	153,517	153,517
POS - Precinct G - Creyk	122,206	323,648	445,855
POS - Precinct I - Roleystone	316,596	178,396	494,992
POS - Precinct M - Palomino	85,907	4,138	90,046
POS - Regional Recreation Infrastructure	470,174	703,975	1,174,149
Rates in Suspense	32,754	3,775	36,529
SEMACC Lease Liability	10,525	0	10,525
Town Planning Bonds	51,362	0	51,362
Works Contributions	33,924	(33,924)	0
	10,103,532	458,121	10,561,652

19. Total Assets Classified by Function and Activity

	2010 Actual \$	2009 Actual \$
General Purpose Funding	19,029,932	13,132,619
Governance	16,436,125	8,997,386
Law, Order and Public Safety	341,698	325,039
Health	5,826	5,135
Education and Welfare	0	605,988
Community Amenities	15,941,249	11,940,268
Recreation and Culture	56,984,544	52,504,111
Transport	163,778,624	160,670,895
Economic Services	795	561
Other Property and Services	7,535,045	7,260,786
	280,053,837	255,442,787

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

20. Disposal of Assets

	Net Book Value		Sale Price		Profit / (Loss)	
	Actual	Budget	Actual \$	Budget \$	Actual \$	Budget \$
Land and Buildings						
Governance						
Public Open Space Land	30,768	1,419,000	1,838,183	1,419,000	1,807,415	0
Freehold Land	0	2,662,000	0	2,662,000	0	0
Total Land and Buildings	30,768	4,081,000	1,838,183	4,081,000	1,807,415	0
Plant and Machinery						
Governance						
Executive Vehicle - 85250	32,251	33,475	28,562	32,000	(3,689)	(1,475)
Executive Vehicle - 85251	29,024	27,979	26,471	25,000	(2,553)	(2,979)
Sedan - 85253	22,002	20,213	20,198	20,000	(1,804)	(213)
Sedan - 85398	11,454	11,103	13,517	12,000	2,063	897
Law, Order and Safety						
4 x 4 Utility - 85294	13,469	16,841	19,653	16,000	6,184	(841)
4 x 4 Utility - 85296	12,675	16,841	15,108	16,000	2,433	(841)
4 x 4 Utility - 85297	15,551	16,841	18,517	16,000	2,966	(841)
Sedan - 85257	21,142	20,423	19,198	20,000	(1,944)	(423)
Health						
Utility - 85302	7,742	6,598	11,138	12,000	3,396	5,402
Education and Welfare						
Executive Vehicle - 85255	29,508	27,327	27,835	27,000	(1,673)	(327)
Sedan - 85291	21,073	18,908	21,017	18,000	(56)	(908)
Community Amenities						
Executive Vehicle - 85261	25,070	23,321	25,380	27,000	310	3,679
Loader - 85359	92,541	68,900	85,000	70,000	(7,541)	1,100
Minor - Waste - 85998	0	0	0	1,000	0	1,000
Sedan - 85262	13,818	17,542	14,289	22,000	471	4,458
Sedan - 85304	8,475	7,374	10,562	14,000	2,087	6,626
Truck - 85355	76,235	45,908	52,730	50,000	(23,505)	4,092
Truck - 85357	30,663	51,789	40,900	52,200	10,237	411
Utility - 85305	10,334	14,407	14,198	20,000	3,864	5,593
Recreation and Culture						
Aerator - 85330	0	0	0	1,000	0	1,000
Minor - Parks - 85996	0	0	0	5,300	0	5,300
Minor - Property - 85999	0	0	0	1,000	0	1,000
Mower - 85316	0	10,628	0	7,000	0	(3,628)
Mower - 85351	2,105	0	2,000	3,000	(105)	3,000
Mower - 85420	0	0	2,000	3,000	2,000	3,000
Sedan - 85258	11,631	10,475	13,457	12,000	1,826	1,525
Truck - 85372	10,987	22,053	32,882	26,100	21,895	4,047
Utility - 85256	15,529	18,904	15,048	20,000	(481)	1,096
Utility - 85280	12,381	15,037	15,335	16,000	2,954	963
Utility - 85281	14,025	12,699	12,380	16,000	(1,645)	3,301
Utility - 85286	13,316	12,580	13,471	16,000	155	3,420
Utility - 85325	0	17,158	0	20,000	0	2,842
Utility - 85332	14,840	13,024	14,138	20,000	(702)	6,976
Utility - 85333	14,288	12,344	11,866	16,000	(2,422)	3,656
Utility - 85385	0	13,588	0	19,000	0	5,412
Utility - 85421	13,223	12,580	12,073	16,000	(1,150)	3,420
Van - 85388	12,536	16,656	9,609	30,000	(2,927)	13,344

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

20. Disposal of Assets (Continued)

	Net Book Value		Sale Price		Profit / (Loss)	
	Actual	Budget	Actual \$	Budget \$	Actual \$	Budget \$
Transport						
Backhoe - 85275	0	14,538	31,000	52,200	31,000	37,662
Executive Vehicle - 85265	30,368	28,191	21,698	27,000	(8,670)	(1,191)
Minor - Civil - 85995	0	0	0	3,000	0	3,000
Minor - Support - 85997	0	0	0	2,000	0	2,000
Roadsweeper - 85344	0	38,883	0	55,000	0	16,117
Sedan - 85284	16,331	20,112	16,562	26,000	231	5,888
Sedan - 85306	12,927	14,495	15,471	18,000	2,544	3,505
Sedan - 85307	12,570	11,817	15,198	16,000	2,628	4,183
Truck - 85362	2,966	5,418	20,348	15,000	17,382	9,582
Truck - 85363	3,506	9,744	25,010	30,000	21,504	20,256
Truck - 85364	0	17,286	48,181	28,000	48,181	10,714
Truck - 85365	0	18,412	43,636	28,000	43,636	9,588
Truck - 85366	0	18,392	43,636	28,000	43,636	9,608
Truck - 85369	0	17	0	52,200	0	52,183
Utility - 85269	14,067	12,809	12,320	16,000	(1,747)	3,191
Utility - 85282	12,880	12,238	12,289	16,000	(591)	3,762
Utility - 85283	18,517	16,663	15,835	16,000	(2,682)	(663)
Utility - 85287	20,655	18,765	19,653	22,000	(1,002)	3,235
Utility - 85288	15,040	16,386	16,926	20,000	1,886	3,614
Utility - 85308	11,667	10,091	14,744	16,000	3,077	5,909
Utility - 85312	0	15,861	0	16,000	0	139
Economic Services						
Sedan - 85263	9,360	10,432	12,380	14,000	3,020	3,568
Sedan - 85299	20,465	20,355	19,198	22,000	(1,267)	1,645
Utility - 85300	9,825	13,872	10,401	16,000	576	2,128
Wagon - 85264	0	12,607	0	17,000	0	4,393
Total Plant and Machinery	819,032	990,900	1,033,018	1,289,000	213,986	298,100
Total Disposal of Assets	849,800	5,071,900	2,871,201	5,370,000	2,021,401	298,100

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

21. Financial Ratios

	2010	2009	2008	2007
Current Ratio	1.83	2.56	2.92	4.07
Untied Cash to Trade Creditors Ratio	1.83	3.48	3.90	6.13
Debt Ratio	0.08	0.05	0.05	0.06
Debt Service Ratio	0.01	0.01	0.02	0.01
Gross Debt to Revenue Ratio	0.21	0.08	0.06	0.06
Gross Debt to Realisable Assets Ratio	0.14	0.06	0.05	0.04
Rates Coverage Ratio	0.53	0.55	0.44	0.53
Outstanding Rates Ratio	0.02	0.03	0.02	0.02

The above ratios are calculated as follows -

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

$$\text{Untied Cash to Trade Creditors Ratio} = \frac{\text{Untied Cash}}{\text{Unpaid Trade Creditors}}$$

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

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

$$\text{Gross Debt to Revenue Ratio} = \frac{\text{Gross Debt}}{\text{Total Revenue}}$$

$$\text{Gross Debt to Realisable Assets Ratio} = \frac{\text{Gross Debt}}{\text{Economically Realisable Assets}}$$

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

$$\text{Outstanding Rates Ratio (excluding Pensioner Deferments)} = \frac{\text{Rates Outstanding}}{\text{Rates Collectable}}$$

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

22. Information on Borrowings

	Principal 1 July \$	New Loans \$	Principal Repayments \$	Principal 30 June \$	Interest Repayments \$
a. Repayment - Debentures (Budget)					
Particulars					
Governance					
285 Temporary Administration 2005	323,111	0	46,700	276,411	18,100
288 Loan Borrowings 2007	443,156	0	43,100	400,056	30,100
292 Loan Borrowings 2008	518,466	0	22,500	495,966	37,500
295 Old Library Conversion 2009	0	700,000	0	700,000	0
296 Loan Borrowings 2009	539,200	0	21,800	517,400	36,300
298 Loan Borrowings 2010	0	550,000	0	550,000	0
Recreation and Culture					
281 Golf Course Plan 2005	42,936	0	28,400	14,536	2,300
284 Rushton Park 2006	243,615	0	28,900	214,715	14,900
286 Kelmscott Library 2005	66,621	0	9,800	56,821	3,900
291 Aquatic Works 2008	488,316	0	12,700	475,616	35,400
294 Armadale Library Relocation 2009	0	1,100,000	0	1,100,000	0
299 Aquatic Centre Upgrade 2010	0	350,000	0	350,000	0
300 Frye Park Redevelopment 2010	0	460,000	0	460,000	0
Transport					
287 Civil Works 2006	255,176	0	25,000	230,176	17,400
289 Civil Works 2007	177,262	0	17,500	159,762	12,200
290 ARA Projects 2008	200,399	0	16,600	183,799	14,500
293 Abbey Road Link Project 2008	650,000	0	0	650,000	40,800
297 Abbey Road Land 2010	0	4,552,800	0	4,552,800	125,200
	3,948,258	7,712,800	273,000	11,388,058	388,600

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

22. Information on Borrowings (Continued)

	Principal 1 July \$	New Loans \$	Principal Repayments \$	Principal 30 June \$	Interest Repayments \$
b. Repayment - Debentures (Actual)					
Particulars					
Governance					
285 Temporary Administration 2005	323,111	0	46,530	276,581	17,656
288 Loan Borrowings 2007	443,156	0	43,132	400,024	29,925
292 Loan Borrowings 2008	518,466	0	22,311	496,155	37,392
295 Old Library Conversion 2009	0	700,000	0	700,000	113
296 Loan Borrowings 2009	539,200	0	21,649	517,551	36,140
298 Loan Borrowings 2010	0	550,000	0	550,000	89
Recreation and Culture					
281 Golf Course Plan 2005	42,936	0	28,217	14,719	1,768
284 Rushton Park 2006	243,615	0	28,744	214,871	14,698
286 Kelmscott Library 2005	66,621	0	9,594	57,027	3,640
291 Aquatic Works 2008	488,316	0	12,548	475,768	35,226
294 Armadale Library Relocation 2009	0	1,100,000	0	1,100,000	177
299 Aquatic Centre Upgrade 2010	0	970,000	0	970,000	164
300 Frye Park Redevelopment 2010	0	460,000	0	460,000	74
Transport					
287 Civil Works 2006	255,176	0	24,836	230,340	17,231
289 Civil Works 2007	177,262	0	17,253	160,010	11,970
290 ARA Projects 2008	200,399	0	16,432	183,967	14,331
293 Abbey Road Link Project 2008	650,000	0	0	650,000	40,560
297 Abbey Road Land 2010	0	4,552,800	0	4,552,800	713
	3,948,258	8,332,800	271,244	12,009,813	261,866

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

22. Information on Borrowings (continued)

c. New Debentures

Particulars	Amount Borrowed		Amount Used		Balance Unspent
	Actual \$	Budget \$	Actual \$	Budget \$	
Governance					
295 Old Library Conversion 2009	700,000	700,000	700,000	700,000	0
298 Loan Borrowings 2010	550,000	550,000	550,000	550,000	0
Recreation and Culture					
294 Armadale Library Relocation 2009	1,100,000	1,100,000	1,100,000	1,100,000	0
299 Aquatic Centre Upgrade 2010	970,000	350,000	970,000	350,000	0
300 Frye Park Redevelopment 2010	460,000	460,000	460,000	460,000	0
Transport					
297 Abbey Road Land 2010	4,552,800	4,552,800	2,560,020	4,552,800	1,992,780
	8,332,800	7,712,800	6,340,020	7,712,800	1,992,780

Particulars	Institution	Loan Type	Term (Years)	Total Costs	Interest Rate
Governance					
295 Old Library Conversion 2009	WATC	Debenture	10	238,764	5.89%
298 Loan Borrowings 2010	WATC	Debenture	10	187,600	5.89%
Recreation and Culture					
294 Armadale Library Relocation 2009	WATC	Debenture	10	375,200	5.89%
299 Aquatic Centre Upgrade 2010	WATC	Debenture	15	539,054	6.19%
300 Frye Park Redevelopment 2010	WATC	Debenture	10	156,902	5.89%
Transport					
297 Abbey Road Land 2010	WATC	Debenture	5	1,319,889	6.24%
				2,817,409	

d. Unspent Debentures

The City had unspent debentures of \$1,992,780 at 30 June 2010. These funds related to land purchases as part of a Major Land Transaction for land that had not yet been purchased by year end (Note 33).

e. Overdraft Facilities

The City did not utilise an overdraft during the 2009 - 2010 financial year, although a \$100,000 facility has been established with the City's bankers to assist with short-term liquidity requirements. A further provision to this facility is the permitted temporary increase to \$1,500,000 during the months of July through September if required. The City did not need to utilise these facilities and the balance of any bank overdraft facilities at 1 July 2009 and 30 June 2010 was \$nil.

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

23. Rating Information

a. Rating Information (Budget)

	Rate in \$ / Minimum Charge	Property Numbers #	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$
Rate Type						
General Rate						
Gross Rental Value	0.099720	18,406	245,166,867	24,448,035	793,400	25,241,435
Unimproved Value	0.003230	160	204,545,000	660,720	0	660,720
Sub-Total		18,566	449,711,867	25,108,755	793,400	25,902,155
Minimum Rate						
Gross Rental Value	\$783	6,055	41,663,848	4,741,065	0	4,741,065
Unimproved Value	\$940	22	5,011,000	20,680	0	20,680
Sub-Total		6,077	46,674,848	4,761,745	0	4,761,745
Total		24,643	496,386,715	29,870,500	793,400	30,663,900
Rate Equivalent Payments and Adjustments						0
Specified Area Rates						379,100
Total						31,043,000

b. Rating Information (Actual)

Rate Type						
General Rate						
Gross Rental Value	0.099720	18,880	247,085,288	24,639,348	1,086,348	25,725,696
Unimproved Value	0.003230	167	204,545,000	660,680	(21,208)	639,472
Sub-Total		19,047	451,630,288	25,300,028	1,065,140	26,365,168
Minimum Rate						
Gross Rental Value	\$783	6,029	41,687,263	4,720,707	53,752	4,774,459
Unimproved Value	\$940	23	5,049,433	21,620	0	21,620
Sub-Total		6,052	46,736,696	4,742,327	53,752	4,796,079
Total		25,099	498,366,984	30,042,355	1,118,892	31,161,247
Rate Equivalent Payments and Adjustments						14,858
Specified Area Rates						417,738
Total						31,593,843

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

24. Specified Area Rates

a. Specified Area Rates (Budget)

Rate Type	Rate in \$	Property Numbers #	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$
Specified Area Rate - GRV						
A - Armadale CBD	0.004950	90	19,204,685	95,000	0	95,000
B - Kelmscott CBD	0.013160	61	4,808,501	63,300	0	63,300
C - Kelmscott Industry	0.002600	327	6,078,860	15,800	0	15,800
D - S A'dale Industry	0.006570	127	2,754,340	18,100	0	18,100
E - Shopping Precincts	0.010320	13	2,326,426	24,000	0	24,000
F - North Forrestdale	0.008012	1,623	20,332,224	162,900	0	162,900
Total		2,241	55,505,036	379,100	0	379,100

b. Specified Area Rates (Actual)

Rate Type	Rate in \$	Property Numbers #	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$
Specified Area Rate - GRV						
A - Armadale CBD	0.004950	90	20,675,811	102,345	6,580	108,925
B - Kelmscott CBD	0.013160	61	4,808,501	63,280	3,089	66,369
C - Kelmscott Industry	0.002600	327	6,078,860	15,805	119	15,924
D - S A'dale Industry	0.006570	127	2,754,340	18,096	308	18,404
E - Shopping Precincts	0.010320	13	2,326,426	24,008	(800)	23,208
F - North Forrestdale	0.008012	1,666	20,710,289	165,931	18,977	184,908
Total		2,284	57,354,227	389,465	28,273	417,738

In the 2009-2010 financial year, the City imposed 6 separate Specified Area Rates, the purpose of which was to enhance the amenity of selected areas by way of increased and improved service levels.

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

The Area F Specified Area Rate - the North Forrestdale Estates Amenity Service - is for the increased maintenance and enhancement of the public open space (POS) and streetscapes of selected new estates in the North Forrestdale area of the City over and above other areas of the City.

25. Service Charges

No service charges were imposed for the 2009 - 2010 financial year. As such, no transfer to, or from, Reserve Accounts has occurred.

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

26. Discounts, Incentives, Concessions and Write-Offs

Discounts

No discounts were offered in the 2009 - 2010 financial year.

Incentives

Five rate payment incentives were offered in the 2009 - 2010 financial year. The first was three prizes of \$1,500 provided by the City of Armadale. The second was one prize of \$1,500 provided by Westpac. The third was one prize of \$1,000 provided by Bendigo Bank. The fourth was four prizes of \$750 to those ratepayers currently using, or opting to use, the City's Smarter Way To Pay yearly direct debit payment method. The fifth was one prize of \$500 provided by Australia Post. Conditions relating to timing of the payment of rates and entry conditions applied to these incentives.

Concessions

No concessions were offered in the 2009 - 2010 financial year.

Write-Offs

The following write-offs were made during the 2009 - 2010 financial year -

Rates	361,906
General	7,288
Infringements	47,612
	<u>416,805</u>

27. Interest Charges and Instalments

Particulars	Interest Rate %	Admin Charge \$	Actual Revenue \$	Budgeted Revenue \$
Interest on late paid rates	11	-	136,289	112,800
Interest on instalment plans	5.5	-	134,530	118,000
Interest on Emergency Services Levy (ESL)	11	-	135	0
Charges on instalment plans (per payment)	-	8.00	144,216	136,600
Charges on special arrangements	-	38.00	22,968	20,700
			<u>438,139</u>	<u>388,100</u>

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

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

	2010 Actual \$	2009 Actual \$
General Purpose Funding	412,226	338,616
Governance	2,748	4,049
Law, Order and Public Safety	421,465	437,564
Health	95,487	78,393
Education and Welfare	4,511	4,381
Community Amenities	6,853,568	6,057,178
Recreation and Culture	934,131	850,922
Transport	480,272	598,068
Economic Services	1,274,948	1,060,645
Other Property and Services	250,664	255,301
	10,730,021	9,685,116

29. Grant, Subsidies and Contributions Revenue

By Nature or Type

Operating Grants, Subsidies and Contributions	12,496,296	8,472,618
Non-Operating Grants, Subsidies and Contributions	9,058,577	4,286,014
	21,554,873	12,758,632

By Program

General Purpose Funding	2,481,181	2,896,822
Governance	15,449	2,171
Law, Order and Public Safety	262,807	151,816
Health	5,021	2,936
Education and Welfare	237,324	299,777
Community Amenities	6,899,776	5,159,039
Recreation and Culture	3,523,578	928,916
Transport	8,125,470	3,312,767
Economic Services	4,268	4,388
Other Property and Services	0	0
	21,554,873	12,758,632

30. Employee Numbers

Number of Full-Time Equivalent Employees at Balance Date

261	259
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31. Councillors' Fees and Allowances

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

	2010 Actual \$	2010 Budget \$	2009 Actual \$
Members Allowance	105,000	105,000	105,000
Mayoral Allowance	60,000	60,000	55,617
Deputy Mayoral Allowance	15,000	15,000	13,810
Telecommunications Allowance	26,180	26,200	25,270
Travelling Allowance	11,377	12,000	12,584
Communication Reimbursement	9,587	13,000	10,156
Child Minding Reimbursement	215	3,200	0
Information Technology Allowance	14,000	14,000	14,000
Vehicle Operation - Mayor	7,878	8,300	0
	249,238	256,700	236,437

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

32. Employees Remuneration

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

	2010	2009	2008	2007
100,000 - 109,999	0	4	0	2
110,000 - 119,999	2	1	1	2
120,000 - 129,999	3	2	3	0
130,000 - 139,999	2	2	0	0
140,000 - 149,999	2	0	0	0
150,000 - 159,999	0	0	0	0
160,000 - 169,999	0	1	1	1
170,000 - 179,999	1	0	0	0
	10	10	5	5

33. Major Land Transactions

Abbey Road and Railway Avenue Urban Renewal Project

a) Details

Land has been acquired in Abbey Road and Railway Avenue, Armadale during the 2009-2010 financial year, for road realignment and residential subdivision purposes. Costs associated with the development of this land will be incurred by Council over future years.

A Business Plan titled Abbey Road and Railway Avenue Urban Renewal Project was advertised in June / July 2009 in accordance with Section 3.59 of the Local Government Act 1995 (as amended).

b) Current Year Transactions

	2010 Actual \$	2010 Budget \$	2009 Actual \$
Operating Revenue			
Profit on Sale	0	0	0
Non-Operating Revenue			
New Debentures	4,552,800	4,552,800	0
Disposal of Assets	0	0	0
From Reserve	0	0	0
Operating Expense			
Interest Expenses	0	0	0
Capital Expense			
Purchase of Land	(2,560,020)	(4,552,800)	0
Development Costs	0	0	0
Non-Operating Expense			
Principal Repayments	0	0	0
To Reserve	0	0	0
	1,992,780	0	0

The above capital expense has been included in land acquisitions (Note 6 - Annual Budget) with the remaining funds included in the 2010-2011 Annual Budget for the remaining land purchases.

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

33. Major Land Transactions (Continued)

Abbey Road and Railway Avenue Urban Renewal Project (Continued)

c) Expected Cash Flows

	To 2010 \$	2011 \$	2012 \$	2013 \$	2014 \$	2015 \$
Opening	0	1,992,780	0	0	0	0
Operating Revenue						
Profit on Sale	0	0	0	0	0	0
Non-Operating Revenue						
New Debentures	4,552,800	3,000,000	5,290,000	5,290,000	0	0
Disposal of Assets	0	0	0	6,897,500	9,242,100	6,897,500
From Reserve	0	0	0	0	0	4,737,100
Operating Expense						
Interest Expenses	0	(250,400)	(486,000)	(882,800)	(1,279,600)	(1,054,600)
Capital Expense						
Purchase of Land	(2,560,020)	(1,992,780)	0	0	0	0
Development Costs	0	(2,645,000)	(4,804,000)	(5,290,000)	0	0
Non-Operating Expense						
Principal Repayments	0	0	0	0	(3,000,000)	(10,580,000)
To Reserve	0	(104,600)	0	(6,014,700)	(4,962,500)	0
Closing	1,992,780	0	0	0	0	0

The net cash outflows to 30 June 2010 in relation to this Major Land Transaction is an outflow (or cost) of \$2,560,020. The net cash flows of the entire land transaction is expected to result in an inflow of \$6,344,700.

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

34. Financial Risk Management

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

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

	Carrying Value		Fair Value	
	2010 \$	2009 \$	2010 \$	2009 \$
Financial Assets				
Cash and cash equivalents	41,278,991	33,835,245	41,278,991	33,835,245
Receivables	6,395,832	3,393,409	6,395,832	3,393,409
	47,674,823	37,228,654	47,674,823	37,228,654
Financial Liabilities				
Payables	6,929,933	4,938,338	6,929,933	4,938,338
Borrowings	12,009,813	3,948,258	8,390,561	2,815,443
	18,939,746	8,886,596	15,320,494	7,753,781

Fair value is determined as follows -

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

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

34 Financial Risk Management (continued)

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

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

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

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns. The City's weighted average interest rate on cash and cash deposits was 4.95% (2008 / 2009 - 4.47%).

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

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

Notation	30 June 2010 \$	30 June 2009 \$
Impact of a 1% movement in interest rates on Cash and Investments		
Equity	412,790	338,352
Income statement	412,790	338,352

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

34 Financial Risk Management (continued)

b. Receivables

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

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

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

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

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

	30 June 2010 \$	30 June 2009 \$
Value of Rates and Annual Charges		
Current	786,033	712,030
Overdue - Older than 12 months	583,992	571,889
	1,370,025	1,283,919
Percentage of Rates and Annual Charges		
Current	57%	55%
Overdue - Older than 12 months	43%	45%
Value of Other Receivables		
Current	4,826,664	1,901,981
Overdue - Older than 30 days	199,143	207,509
	5,025,807	2,109,490
Percentage of Other Receivables		
Current	96%	90%
Overdue - Older than 30 days	4%	10%

City of Armadale – Notes to, and forming part of, the Financial Report

For the year ended 30 June 2010

34 Financial Risk Management (continued)

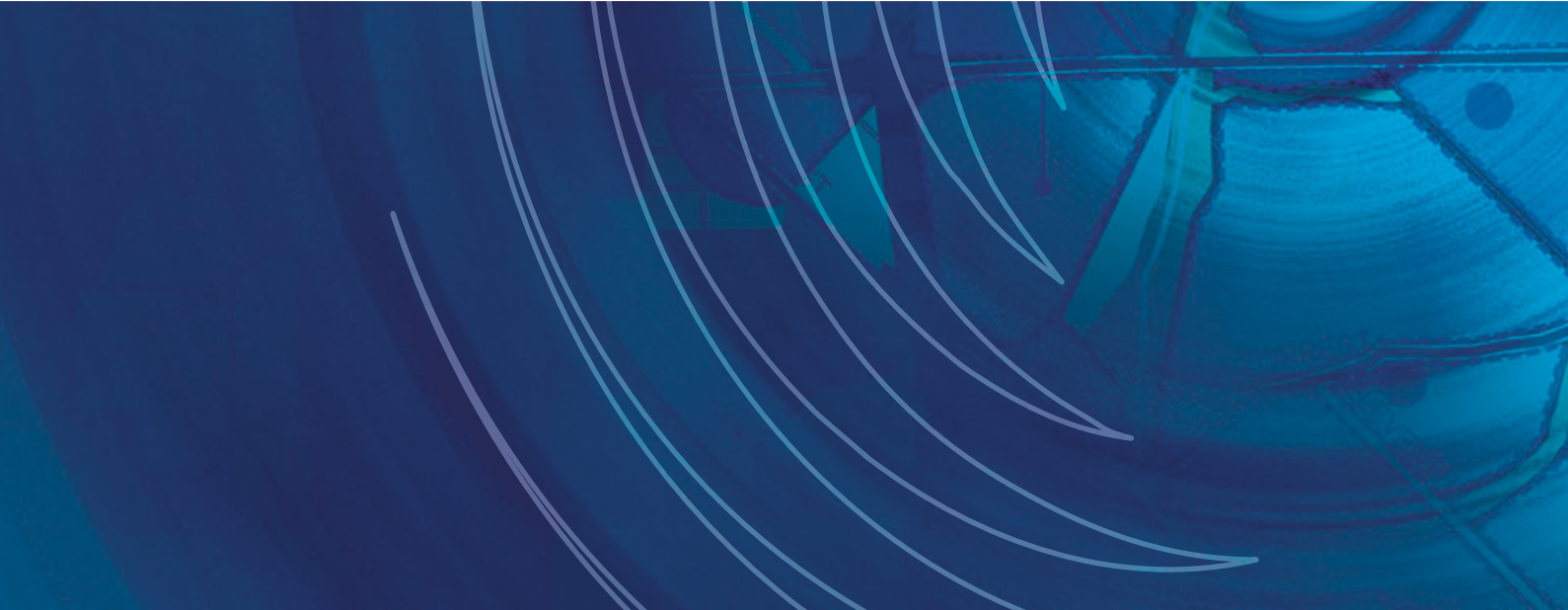
c. Payables and borrowings

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

	Due Within 1 Year \$	Due Between 1 and 5 Years \$	Due After 5 Years \$	Total Contractual Cash Flows \$	Carrying Values \$
2010					
Payables	6,929,933	0	0	6,929,933	6,929,933
Borrowings	1,238,276	9,904,105	4,223,552	15,365,933	12,009,813
	8,168,209	9,904,105	4,223,552	22,295,866	18,939,746
2009					
Payables	4,938,338	0	0	4,938,338	4,938,338
Borrowings	491,848	1,770,918	1,754,635	4,017,401	3,948,258
	5,430,186	1,770,918	1,754,635	8,955,739	8,886,596

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

	Weighted Average Rate %	Less Than 1 Year \$	Between 1 and 5 Years \$	More Than 5 Years \$	Total \$
Year ended 30 June 2010					
Borrowings					
Fixed Rate					
Debentures	6.11	1,233,059	7,664,128	3,112,626	12,009,813
Year ended 30 June 2009					
Borrowings					
Fixed Rate					
Debentures	6.73	271,245	2,414,323	1,262,690	3,948,258



City of Armadale

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