



Annual Report 2011-2012



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

All three colours are fresh and bright reflecting a rejuvenated City.

Green is representative of the natural environment, red represents the community and the built environment and blue symbolises an economic focus and the water resources of the district.

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

The background of the page is a photograph of a park. In the upper left, a child is sliding down a blue slide. The foreground is filled with tall green grass and several small purple flowers. The overall scene is bright and sunny.

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Armadale – building our future

The Armadale region is one of diverse opportunity and lifestyle. With its unique foothills environment, your City continues to grow rapidly into a bustling urban centre and a caring and tolerant community, proud of its history and achievements.

The City continues to invest cautiously for the long term benefit of the region. Millions of dollars are being put into road improvements and re-alignments to assist transport throughout the district. Major housing developments are taking place in the western part of the City, just a few minutes from the City centre. A well positioned rail service means its only 35 minutes to the centre of Perth from the heart of Armadale. The Forrestdale Business Park is just 20 mins from the airport and more businesses are moving to the area because of its versatile and ready workforce.

Forrestdale Business Park, Memorial Park upgrade in the city centre, the Armadale Aquatic Centre and the new Wungong housing estate development are all examples of Armadale's determined march towards the future.

The development of the City centre into a hive of local activity has proven a welcome addition for families and City businesses. Our unique events such as the Highland Gathering, Minnawarra Festival and Australia Day celebrations continue to draw crowds into the heart of our City.

Children are our future. That's why we've invested in pre-school education programs and outdoor activities such as the new pirate ship playground at Frye Park and Splash Town at the Aquatic Centre, literacy programs at the Champion Centre and our City libraries – to improve the fitness, reading, writing and play skills of our young people.

Recent years have seen some challenges for us all in the form of bushfires, storm damage and fire damage to Council buildings. Throughout all of this, the resilience and spirit of our community has remained steadfast and firmly committed to a better future.



New suburbs continue to grow and develop



Memorial Park has become a hub for community events

Council Statistics 2011-2012

Distance from Perth (km)	29
Area (sq km)	560.4
Length of Sealed Roads (km)	676
Length of Unsealed Roads (km)	11.5
Estimated Population	67,725
Number of Electors	37,106
Number of Dwellings	25,045
Total Rates Levied	\$38,672,860
Total Revenue 2011 - 2012	\$83,622,273
Number of Employees	424
Areas of Parks and reserves	1651 hectares
Libraries	3
Schools	22 primary schools and 10 secondary schools
Localities and suburbs	19

Local events

September/October	Spring Family Bushwalks
October	Kelmscott Show
November	Highland Gathering and Cycling Classic
December	Carols by Candlelight
January	Australia Day
February/March/April	Concerts in the Park
March	Minnawarra Festival
July	Minnawarra Art Awards

Armadale, Ashendon, Bedforddale, Brookdale, Camillo, Champion Lakes, Forrestdale, Harrisdale, Haynes, Hilbert, Karragullen, Kelmscott, Lesley, Mt Nasura, Mt Richon, Piara Waters, Roleystone, Seville Grove, Wungong.

Mayor's Foreword



It is evident as you drive, cycle or walk through the City of Armadale, that we continue our strong growth pattern. On average we are rolling out a new suburban street each week and several new neighbourhoods a year, and over the next 25 years we will add the equivalent of three Albany cities to the City of Armadale.

This growth means it is a very exciting time to be working for the City of Armadale community. That same growth also means that it is essential we plan effectively for the future. The provision of future services and facilities and continuing to deliver the highest quality of service to our community is always top of mind for Councillors and staff. Our hard work now will provide for current and future residents of the area into the distant future.

An example of the major projects for our growing community is the start of works on the refurbishment of Baker's House in Harrisdale. This stately heritage style building will become a community centre with multi-purpose functional spaces that will allow a wide



Many young people have enjoyed the Youth Activity Area

variety of uses and maintain the charming character of the home. This facility will provide a much needed community focal point for residents of the surrounding new suburbs. The project is being managed by the City through developer contributions and grants.

Over the last 10 years this Council has lead a process of change which has inspired positive transformation in the area, leading Armadale to be a thriving metropolitan regional centre. We look forward to continuing this progress as we strive to bring a balance of commercial and industrial uses to the City and reduce the reliance on residential rates.

In 2011-2012 improvement works on three intersections which receive high traffic volumes were commenced, with completion set for next year. The realignment of the Armadale Road, Abbey Road and Railway Avenue intersection (with the addition of traffic lights), new traffic lights at Armadale Road and Seville Drive and installation of traffic lights at the Tonkin Highway and Champion Drive intersection will all greatly improve safety and traffic flow for the community.

The City continued to dedicate efforts to projects that the latest community surveys confirmed are important to, and valued by, our residents. These included maintaining and extending our path network, parks and reserves. These are assets that our community enjoys for many reasons and in many different ways, including bush walks through reserves, fitness and yoga classes in parks, bike riding for leisure or fitness, commuting or picnicking. Families of all descriptions enjoy these parts of our City and we are dedicated to continuing the investment for the whole community.

October 2011 saw the swearing in of six Councillors, four of whom are Councillors for the first time. I have already seen them learn and grow in their roles and am very proud of the way all of the City's Councillors work together to deliver positive outcomes to all areas of this community.

Your Council and I enjoy working to lead our district to ever bigger and better things and are proud to represent and support such a diverse community.

**Cr Henry Zelones JP
Mayor**

CEO's Report



As our City continues to grow it is crucial that we plan for the changes and future needs that inevitably come with a larger and more diverse community. 2011-2012 was a year filled with strategic planning for projects that will affect every aspect of the City in the years to come.

As more residents and businesses establish in Armadale they demand more services, which in turn requires our organisation to grow. This, along with the fire in 2011 which destroyed one of our office blocks, has generated considerable pressure for more office space. The City has been forced to bring forward parts of its master plan for the Civic Precinct which will, we hope, also bring a greater presence of Government services within the Armadale CBD.

The winding up of the Armadale Redevelopment Authority in December 2011 meant that some joint projects were delayed while being transferred to the Metropolitan Redevelopment Authority (MRA). The City will now work with the MRA to deliver long



Our population growth sees new suburbs develop every year

term Armadale projects, including the development of the Wungong area and Forrestdale Business Park.

Two of the major projects completed in 2011-2012 were of great significance to the younger members of our community. Teens and young adults now have a great place to be active, meet other young people and build their skate or BMX skills at the Youth Activity Area or YAA. Located next to the City's Administration building in the heart of the CBD, the YAA has proved very popular with local young people as well as those from further afield. Stage 1 of the redevelopment of the Armadale Aquatic Centre was also completed with nearly four million dollars spent improving filtering and pump systems and installing the Splash Town, zero depth wading pool for toddlers and young children. The summer season saw a 23% increase in the number of locals and visitors enjoying the new and upgraded facilities.

The new State Government guidelines for strategic community planning have required us to work towards a new planning and reporting framework for the City. This has involved two community research projects carried out during 2011-2012, Ask Armadale and the community perception survey, which will inform the Plan for the Future 2013-2028.

The State Government Committee to investigate Local Government Structural Reform released their draft findings to local government in May 2012, providing a brief window for Councils to provide feedback on the draft findings and recommendations.

One challenge City staff faced this year was the period of uncertainty while awaiting implementation of the new Building Act 2011. This resulted in a temporary reduction in the number of Building applications submitted to the City while builders and owners worked to understand and meet the new requirements. This temporary setback has now passed and the building industry seems to have adapted to the new, more onerous, requirements.

In closing, I would like to sincerely thank the Mayor, Councillors and City staff for their hard work during a busy year.

R S Tame
Chief Executive Officer

Your Council

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

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

- 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
- Determining the City's policies.

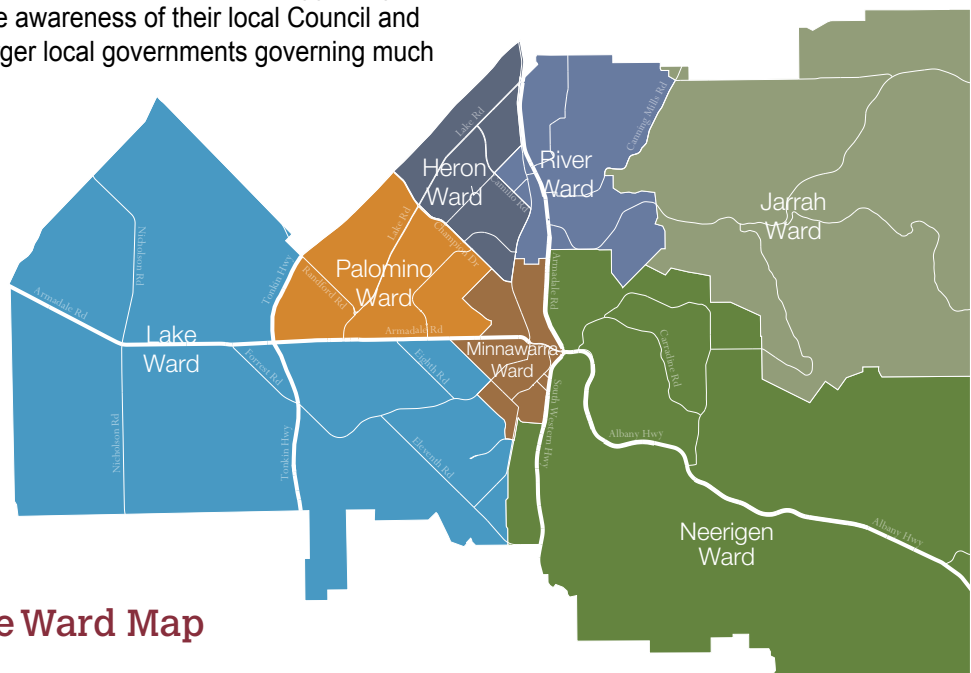
Elections are held every two years on the third Saturday in October. Councillors are elected for four year terms with half the positions up for election every two years.

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

All committee and Council meetings are open to the public.

The State Government has foreshadowed significant change to local government following the next State election, suggesting that communities have little awareness of their local Council and will be comfortable with larger local governments governing much larger areas.

<p>Heron Ward</p>  <p>Cr Jim Stewart</p>  <p>Cr Donna Shaw</p>	<p>Jarrah Ward</p>  <p>Cr Grant Nixon</p>  <p>Cr Caroline Wielinga</p>
<p>Lake Ward</p>  <p>Cr Jeff Munn JP CMC</p>  <p>Cr June MacDonald</p>	<p>Minnawarra Ward</p>  <p>Cr Kerry Busby</p>  <p>Cr Matthew Norman</p>
<p>Neerigen Ward</p>  <p>Cr Guenter Best</p>  <p>Cr Mark Geary</p>	<p>Palomino Ward</p>  <p>Cr Laurie Sargeson</p>  <p>Cr Melissa Northcott</p>
<p>River Ward</p>  <p>Cr Ruth Butterfield</p>  <p>Cr Henry Zelones JP</p>	



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

Community Services

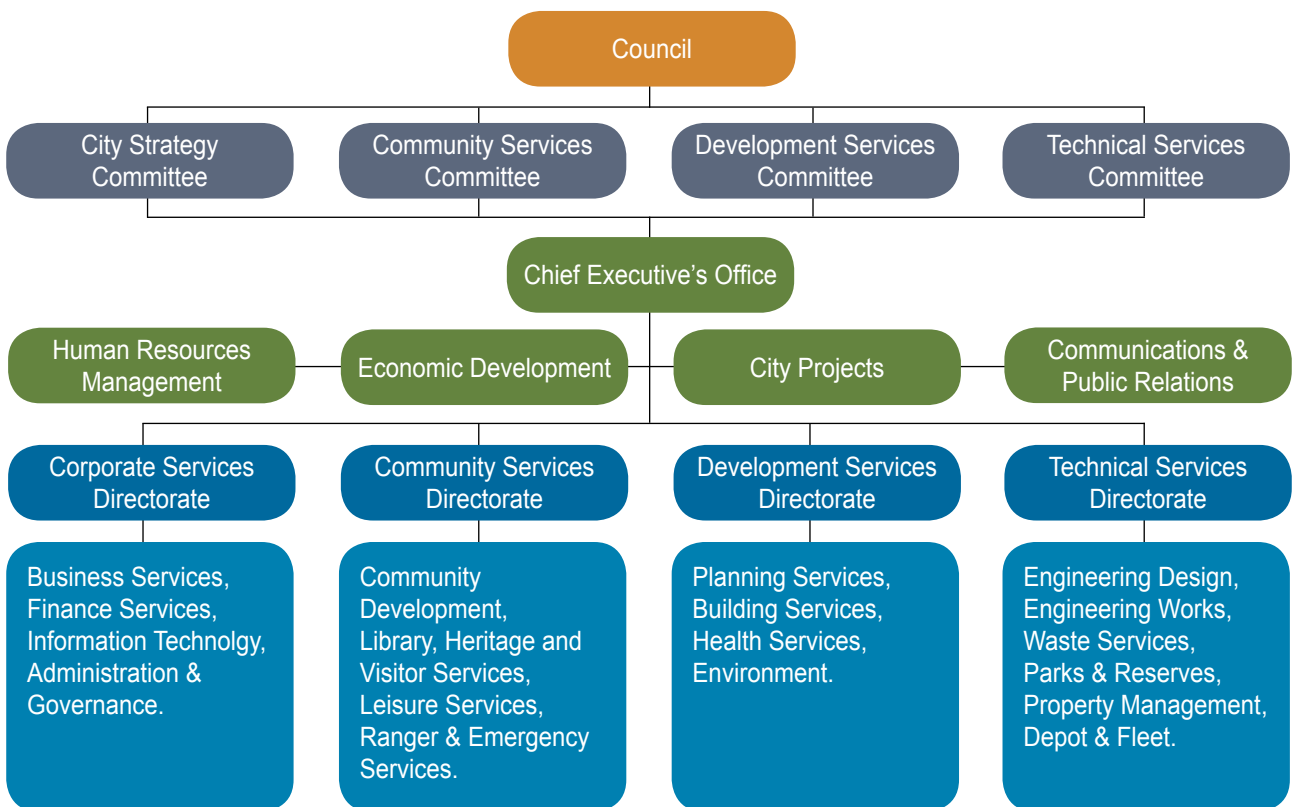
Deals with all the recreation, aquatic, library and cultural matters as well as community development and rangers services.

Development Services

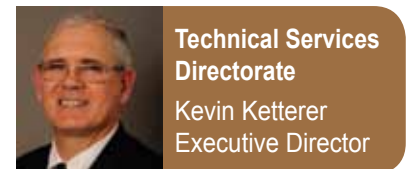
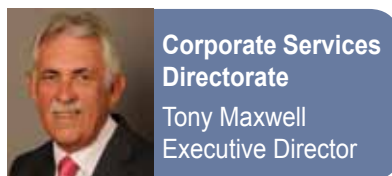
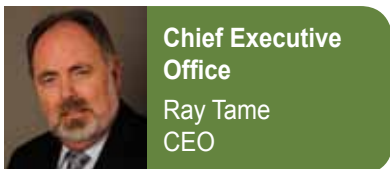
Considers development proposals, subdivisions, land use matters, building applications, building safety, immunisation, food handling and disease control.

Technical Services

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



City of Armadale Key Staff



CEO's Office and Corporate Services

Staffing

Recruitment was a major activity for 2011-2012. The City recruited more than 130 employees to fill newly created positions or to replace retirements, resignations and seasonal positions. The City has also continued to provide local students the opportunity to gain work experience to enhance their skills and career opportunities.

Training and Development

Training and development was a key focus with a review of the training and development program for staff at all levels being conducted.

Media

The Communications team has been working hard to capitalise on the interest aroused in Armadale, through high profile projects, local events and the aftermath of the Roleystone-Kelmscott bushfire.

The team has begun to provide information to media outlets outside of Armadale. For example, by publishing in newspapers in the Cities of Fremantle and Cockburn it is possible, to both reach a higher number of potential visitors for events and promote Armadale to a wider audience. We have also been tailoring story opportunities to local news outlets and providing News in Brief lists to improve the level of communication to our community.

Communications and Marketing Strategy

The City has commenced reviewing the Communications and Marketing Strategy originally prepared in 2005, and trialled promotional opportunities not previously explored by the City.

Armadale Youth and Community Activity Area

The official launch of the Armadale Youth and Community Activity Area (YAA) took place in February 2012. Designed by internationally recognised skate park designers, the YAA is unique in its blend of active and passive recreation facilities and provides a focal point for communication with the young people of the district.

Aquatic Centre Redevelopment Stage 1B

Following on from the works in Stage 1A, the second phase of the redevelopment of the Armadale Aquatic Centre was completed in time for the summer season. With a capital cost of \$3.8 million, the starring attraction was the unveiling of a zero depth splash pad with tipping buckets, spraying palm tree, whale tail sprayer and water jets, which proved popular with children and adults alike. New pumping, heating and filtration equipment was also included in the Stage 1B works.

Virtual Desktop Computing

The City has continued to invest in virtualisation software for use in core system infrastructure.

120 of the City's 420 desktop computers were migrated to a virtual desktop, along with a substantial upgrade to the underlying operating system. These migrations have produced a number of benefits for the organisation and, through centralisation of desktop services, have improved the ability of the City's ICT Department to provide more direct IT support. Reduction in physical computing hardware will also see a reduction in energy usage per desktop at the City, as well as see a reduction in costs associated with leasing desktop PCs over the longer term.

Communications and Disaster Recovery

A replacement communications tower was erected within the City's Works Depot. This tower provides the central communications hub for the City's many buildings and their connectivity to business systems and telecommunications via Microwave and wireless base stations. The upgrade also included a replacement communications room at the base of the tower, which will eventually cater for the City's IT disaster recovery requirements.

Core Business System Upgrades

With technology underpinning many of the processes undertaken in delivering services to our community, upgrades to a number of the City's core business systems were completed in 2012. These included the introduction of an electronic business papers system,



Smarter Way to Pay eases the pressure of lump sum rate payments

capable of automating a number of the processes associated with managing the complex tasks of collating officer reports into Agendas and Minutes for Council and committees. A significant upgrade was also completed to the City's electronic record keeping system (TRIM v7.2) which has further enabled the City to continue with its compliance with the State Records Act and act as the key repository of the City's digital records. The City's Geospatial Information System also underwent a major release upgrade, improving the ability for staff to search and increasing the capacity to integrate with the City's property management systems.

Accounting

The Accounting team continued to implement improvements and automation of transaction processes to improve efficiencies and productivity. The City continues to pursue electronic funds payments to suppliers wherever possible, to maintain the reputation the City has achieved for meeting payment terms. The collection of outstanding general Sundry Debtors has been thoroughly disciplined resulting in a \$nil write off of bad debts for the 2012 financial year.

The Smarter Way to Pay

During 2011-2012, the Smarter Way to Pay rates payment option continued to prove popular with ratepayers, with an increase of 548 ratepayers, to

4,537, opting to pay their rates by regular Direct Debit arrangements. This scheme is proving very successful for the City's collection of rates and, as well as assisting ratepayers to meet their payments on a regular basis (weekly, fortnightly or monthly), it is a highly effective debt management tool.

Print Production

With two large map printers reaching the end of their life, a new high quality plan printer was purchased. This printer enables the City to print high resolution large (up to A0) maps, plans and posters, further boosting the City's capacity to produce high quality publications in-house saving time and money.

Customer Services

Over 27,000 in-person customer enquiries were received by the Customer Service team at the City's Administration Centre. This represents a 21% increase in customer enquiries from the previous year. With the introduction of a dedicated Customer Request system, the same period saw over 12,500 customer requests logged, with over 2,500 captured by the main Customer Service team, 3,100 by Waste Services and 6,000 by Ranger Services.

Records

A total of 726,550 records were captured within the City's central record keeping system, with over 48,100 of these records received from external sources. A significant proportion of these records are from the migration of over 500,000 records from the City's financial and property system (Authority) that occurred during February 2012.

Back Scanning Project

Year three of the eight year back scanning project was very successful with over 9,400 files scanned. These files comprise subdivision files, inactive human resource files and building application envelopes for the period 2005 to 2006. Over 1,600 of these scanned images have also been quality assured and profiled within the central record keeping system.

Community Services

Community Planning

Planning is underway in partnership with the Department for Education for shared school/community use of several sites in North Forrestdale and Wungong. Master Planning has commenced for four of the 12 community hub sites identified in the City's Active Sporting Reserves and Community Hubs Study. Grants were secured to compliment significant funding from the North Forrestdale Developer Contribution Scheme for an upgrade of Bakers House in Harrisdale and the Piara Waters Sporting and Community facility. Planning has also progressed for the redevelopment of the Armadale Golf Course and the Cross Park Skate Facility.

Arts and Events

The annual events programme which included the Highland Gathering, Carols in Minnowarra, Concerts in the Park, Minnowarra Festival, Outdoor Cinema at Rushton Park, Ramped Youth events and Heron Park Fair proved popular once again. The City also provided assistance to the Armadale Independent Film Festival which held its inaugural event in December 2011.

Children and Families

In partnership with local organisation Communicare, there has been a focus on raising awareness amongst Child Care Centre staff of the importance of the Australian Early Development Index (AEDI) as a measure of children's school readiness. Strategies include a survey of early childhood educators in the Centres to determine how staff and parents would like to receive information about the AEDI, and the provision of posters, lesson plans and a copy of the 'We are Champion Children' book developed in partnership with the Better Beginnings programme.

Seniors and Access/Inclusion

The establishment of a Positive Ageing Working Group to assist in progressing the City's Positive Ageing Strategy has resulted in the identification of potential projects to address the issues of social isolation and the transport needs for seniors, along with exploring the concept of Age-friendly Cities and strengthening networks within the sector.

The establishment of a student art award celebrating inclusion of people with a disability during Disability Awareness Week has assisted in promoting disability awareness.

Indigenous Support

The ongoing work of the Champion Centre highlights the City's commitment to supporting the National Close the Gap initiative which aims to reduce life outcome gaps between indigenous and non-indigenous communities. The Centre provides a base for programmes in the areas of parenting, health, arts, education and employment. Major activities in the past year have included the annual NAIDOC Celebrations, service delivery forums, driver training, school holiday programmes, Kids in the Kitchen and Youth Achievement awards.

Youth Engagement

The popularity of the Youth Activity Area (YAA) since its opening in February 2012 has increased by the month, resulting in many young people and families utilising the space. Located in the City Centre adjacent to the City's Administration Centre, the YAA has already hosted a number of skate and BMX events as well as featuring as part of the Minnowarra Festival in March and National Youth Week in April. To engage with young people at the YAA on a regular basis, the City has partnered with the local youth organisation Drug ARM.

The City worked with Armadale PCYC to secure a grant for an extension of the very successful Saturday night youth basketball programme, now called Ignite Basketball. This has led to strong support from a number of organisations, including Communicare, Armadale Youth Resources and Drug ARM who have committed staff and resources to the programme.

Volunteer Referral Service

Ongoing and increasing success has been experienced by the City's Volunteer Referral Service with over 700 referrals made to 125 organisations throughout the year. The Service also facilitates a volunteer management network which has proven to be of value to organisations who work with volunteers, as well as providing training for individuals interested in volunteering.

Club Development

With grant funds from Department of Sport and Recreation, Club Development has processed 570 Kidsport registrations, resulting in a total of \$72,209 in



The Positive Ageing Strategy will help address issues faced by seniors

financial support for the community. Active Clubs has held successful workshops for clubs focusing on the Healthy Clubs checklist.

Armada Aquatic Centre

The Aquatic Centre has had a very successful season with 142,565 visitors, a 23% increase from 2010-2011. The opening date was delayed due to higher rainfall during the up-grade construction, with the new Splash Town opening early December. A revised promotion strategy, signage and a mascot, Fergus the Frog, have created more community exposure. School usage reached capacity again with 37,219 in-term participants. The City successfully conducted its first in-term Learn to Swim programme for a private school, with 334 enrolments.

Outdoor Recreation Programmes

The annual Spring Bush Walks were boosted this year with the addition of Night Stalk at Settlers Common. The three regular Bush Walks continued to experience good attendance of 150 walkers.

The free Yoga in the Park is in its third year with Minnowarra Park being added as a venue. Attendances are good with over 104 participants enjoying the four sessions offered.

Armada Arena

The Arena continued to increase attendances and participation in programmes, with 38,000 attendances in 2011-2012. New programmes included basketball competitions and new toddler activities. Arena staff have been trained in and commenced the delivery of the Eat, Act, Live programmes for the City. Term programme participation increased by 45% to 189 enrolments and team sport registration was 67. Two evenings are now at capacity and limited space is available for remaining competitions. Memberships remain steady at 220 and personal training was successfully launched with 44 sessions from February to June. The Armada Arena has eight regular hirers, who brought large attendances through the door.

Community Facilities

Leisure Services manages the usage of 18 Community Facilities, 13 Active Reserves and 16 Passive Reserves. In 2011-2012 the facilities usage was 6162 bookings, a 6.8% increase on the previous year. The City assumed management of Churchman Brook Community Centre in April 2012 and streamlined booking administration processes to improve customer service. Personal Training was incorporated into the Recreation Fees and Charges Management Practice,

with the objective of maximising use of suitable reserves and restricting use of passive reserves near residential property. Community surveys were completed in Piara Waters and Harrisdale with results used to assist in determining suitable sports and recreation activities at the new Piara Waters Pavilion and community interest for Bakers House.

Sponsorship of Major Events

The City sponsored major events, including the 2012 National Open Water Swimming Championships, City of Armadale Duathlon, City of Armadale Triathlon, National Rowing Championships and Golden Spokes Cycling Classic. The swimming and rowing events both resulted in sold out accommodation in the City and the sponsorship of events attracted over 15,000 visitors to the City.

Libraries

The roll out of Radio Frequency Identification to Kelmscott and Seville Grove Libraries improved both stock security and management. Library Services community programmes included events, workshops and school holiday programmes, the most popular being the Seniors IT Training session that is provided by volunteers.

The Inaugural Armadale Young Writer's Award received 106 entries across the four categories and all placegetters had their works compiled into a book which will become part of the City's history.

The 2012 National Year of Reading was launched and a number of events were organised including the new café style format in the Armadale Library Reading Lounge, seeing a marked increase in attendances and positive feedback from attendees.



The City's sponsorship of the National Rowing Championships attracted thousands of visitors

Birtwistle Local Studies Library

The new history book, *Settlement to City*, was launched and some 500 copies have been sold. The book was shortlisted for the Margaret Medcalf Award that recognizes excellence in referencing and research in use of State archives. It has also been entered for the 2011 Premier's Book Award, WA History category.

A new initiative, *Picture Armadale*, will make a selection of the Local Studies Library's digitised photographs available on the City's website which will be of both interest and benefit to historians and researchers.

The Oral History project is ongoing, with a substantial number of oral histories being both recorded and transcribed.

The visitor numbers to the Local Studies Library grew from 664 in the previous 12 months to 1,188 in the current year. Volunteering hours totalled approximately 1,700.

History House Museum

The History House Museum's exhibition areas were upgraded requiring the removal of all exhibits to enable the removal of walls, rendering, painting and installation of new flooring. Displays were updated to complement the new and brighter look of the museum. The *Aladdin's Cave: Treasures of the Collection* exhibition used the newly renovated Museum to its advantage, displaying a number of treasures that have been in storage for some time. A Lotterywest grant was secured to progress the next stage of the Museum Interpretation Plan. Visitor numbers grew from 1,698 to 2,183 and volunteering hours totalled approximately 2,186.

Animal Control

The number of dogs impounded and infringements issued was less than the previous year. This can be attributed to a greater emphasis on public education through the City Views newsletter, the popular Dogs Day Out event and other events throughout the year.

Fire Prevention

Prior to the beginning of the fire season, areas throughout the City are evaluated for the purpose of identifying and formulating a firebreak inspection strategy for that particular year. This year 18% or

5,212 of the City's 28,324 rateable properties were inspected with 127 infringements being issued for landowners who failed to comply with Firebreak Notices. This equates to approximately 2% of the properties inspected, which indicates that landowners in the City are aware and vigilant with fire prevention.

The City reviewed its current policies and practices in relation to fire mitigation in response to the Keely A Shared Responsibility report. The processes were assessed as being appropriate and adequate for the circumstances of the hills areas of Armadale. It was decided that additional measures could be instituted for further improvement, Ranger Services formalised the verge inspection process and additional bushfire education pamphlets were distributed.

Other Law and Safety

There has been an increase in reports of littering, parking issues and off road vehicles in the new growth areas of the City, resulting in increased attendances in those areas. Ranger Services has also responded to increased requests regarding parking issues surrounding school areas, with the focus always being on public safety.

Tourism Development

The Tourism Strategy promotion and advertising plan is achieving great results with over 1,908 interstate and 1,990 overseas visitors recorded for 2011-2012 year. Whilst the tourism sector overall has experienced a downturn, Armadale's tourism and visitor numbers have increased. The production and distribution worldwide of over 30,000 copies of the 2011 Armadale Regional Visitor Guide, presence at local events, shows, expos and shopping centres, together with the promotion and advertising plan is creating great exposure which equates to significant economic benefits for the local community.

The City of Armadale is attracting interest from other local governments and the tourism sector for its innovative and strategic approach to Tourism development. The Armadale Visitor Centre won the 2011 Top Tourism RAC Travel Business Planning and Marketing Award and the 2011 Top Tourism Community Relations Award. The Coordinator, Yvonne Bradfield was a finalist in the 2011 Top Tourism Awards Visitor Centre Manager/Coordinator of the Year.

Development Services

Town Planning Scheme No. 4 Review

The process to review and update the City's Local Planning Strategy and Town Planning Scheme No.4 (TPS No 4) was progressed through Council information sessions and feedback. The draft Local Commercial/Activity Centres Strategy consultant's report was prepared and a consultant study commenced for a new Landscape-Sensitive Rural Areas policy project. The Report on the Keelty Review of the 2011 Roleystone-Kelmscott Bushfire Disaster was assessed in the context of its implications to the City's Planning Scheme.

Several minor and major amendment updates to the TPS were also progressed during the year, providing new land use and development opportunities contributing to the City's economic development.

Planning Compliance

The Planning Compliance staff dealt with over 400 complaints and compliance matters this year. Compliance officers have successfully implemented effective processes to achieve compliance with the City's Town Planning Scheme No.4 in a timely manner.

Statutory Planning

Development approvals being issued by the City have been steady in 2011-2012. There has been an increase in Structure Planning and Detailed Area Plan proposals which has been reflective of the continued expansion of the City's urban growth areas (Piara Waters/Harrisdale) and developers trending towards smaller lot products to suit current market conditions, diversify housing products and to create more affordable housing options. In line with anticipated population growth figures, the City processed a high number of subdivision clearances resulting in the creation of over 1200 new lots in 2011-2012.

Stage 1 of a comprehensive review of existing Planning Policies was completed. This has greatly assisted with the ongoing management of planning applications and provided improved clarity for applicants when lodging such applications. In addition, a new policy Residential Design Codes Variations PLN 3.10 was developed to specifically reduce the number of applications required for minor single residential developments and accordingly speed up approvals and reduce fees for those developing in the City.

Continuing support to MRA

The City contributed to the preparation of the Metropolitan Redevelopment Act (2011) which subsumed the Armadale redevelopment projects under the new regional Metropolitan Redevelopment Authority. The City provided formal and informal comments on amendments, plans and developments in redevelopment areas and worked closely with the ARA/MRA through the technical committees and reference groups.

Municipal Heritage Inventory Review

The City's first Heritage Precinct was finalised to enhance the historic importance of River Road Kelmscott and design/landscape incorporated into the TPS No.4 Heritage Precinct local planning policy. The old Fremantle to Armadale Railway line was studied and interpretive signage investigated. The study on Buckingham's House Ruins was also progressed.

North Forrestdale, Harrisdale and Piara Waters

The City's Development Contribution Scheme No. 3 provides a centrally coordinated approach for developers to equitably contribute towards the provision of common infrastructure works required to facilitate the urban development of Harrisdale and Piara Waters. Over 3,900 lots have now been created and an estimated 4,000 lots remain to be developed within the current North Forrestdale Development Contribution Area No.3. An area to include an additional 900 lots has resulted from the recent inclusion of North Forrestdale Stage 4 Structure Plan East.

This financial year also saw the release of the Housing Association Report that ranks the City of Armadale as one of the Top 20 Hotspots in Australia, which can largely be attributed to the growth that has been achieved in Piara Waters and Harrisdale.

Development has commenced on the Piara Waters (North) Community and Sporting Facility and the Baker's House refurbishment, with the Development Contribution Scheme providing over \$6 million in funding towards these projects. The Nicholson Road upgrade construction program has continued to be rolled out by the City, with a majority of the work being



New estates in Piara Waters continue to develop

focused around the future district commercial centre between Wright Road and Exchange Avenue.

Public Open Space Strategy

The Public Open Space (POS) Strategy is an on-going project that has progressed considerably in the last financial year. Implementing the recommendations of the Public Open Space Strategy also included prioritising land sales within the first five stages of the Strategy and development of expenditure proposals, upon all land sales being finalised in each POS precinct. The percentage of land sales that have occurred over the last financial year represents an increase from 59% to 67%.

Planning study – Lot 33 Connell Avenue

The City's consultant team prepared amendments to change the current Rural MRS zone to the Urban MRS zone and to change TPS No.4 by concurrent amendment from Rural Living 2 to Urban Development zone. The land is currently zoned Rural Living. Council's active sporting needs and feasibility study identified the site as no longer appropriate for recreation and the land is being investigated for a more appropriate use such as residential development. The planning amendments were supported by a draft Urban Residential Structure Plan and the appropriate environmental, servicing and planning studies.

Environmental Assessment – Keane Road Link

The comprehensive high level environmental impact assessment being undertaken by the City for construction of the critical section of Keane Road between Skeet Road and Anstey Road Forrestdale is progressing slowly. Additional flora and fauna studies requested by the Commonwealth and State Government Environment departments in their separate Public Environmental Review and Controlled Action - Preliminary Documentation assessments have now been completed.

Keane Road was constructed between Nicholson Road and Exchange Avenue, Harrisdale to the proposed Harrisdale Senior High School site. Approvals were also issued for the Satterley urban development fronting the north side of Keane Road, which includes the Primary and High School sites and the major Harrisdale community and recreation facility.

Building Approvals

Building approvals issued continued at a high level, totalling 2,445 approvals issued. This exceeds the figures for 2010-2011 by 185, also the value of work approved rose to \$325 million, in spite of the significant temporary fall in approvals attendant to the introduction of the Building Act (2 April 2012).



The state of the art Piara Waters (North) Community and Sporting Facility will service the families in our newest suburbs

There was an increase in commercial building activity within the City during the year. Significant building approvals issued during the year included the Kelmscott Plaza, Stargate and Haynes Shopping Centres, Grand Cinemas extension, Bunnings Harrisdale, Bunnings Forrestdale, Masters Forrestdale and major recreational development at Frye Park and Champion Lakes.

Kelmscott/Roleystone Bushfire Recovery

2011-2012 also saw the continued recovery program rebuilding our community, following the Kelmscott/Roleystone bushfire of February 2011. As directed by Council the rebuilding process remains free of Council Development and Building application fees. To date the Building Department has issued 145 bushfire Building Licences (now Permits) covering all aspects of the rebuilding process including demolition, new residences, garages, sheds, patios and major repairs. The direct cost, or loss, to the City to date has been \$31,460.

Building Compliance

The compliance branch has been involved in over 400 Building and Health Department and unauthorised building works actions during 2011-2012, rising from 295 the previous year. A number of successful prosecutions occurred during the year.

Immunisation Clinics

The City conducted monthly immunisation clinics at two venues during the year in collaboration with the Armadale Health Service. Although infants are the primary target group, a new service to provide protection against Whooping Cough was introduced during the previous year and continued throughout

2011-2012, in response to an increasing incidence of the disease among adults.

The Health Service also provided free immunisations to 66 seniors to protect them from influenza and pneumococcal disease.

Requests for Intervention

Of the 343 service requests from residents to resolve neighbourhood nuisance complaints, 41% related to unwanted noise, most often due to radios, stereos and loud parties. Other significant matters causing concerns for residents included complaints about food, refuse and rubbish from building sites, and fumes or odours. Following investigation, 13 on the spot fines were issued.

Review of Environment, Animals and Nuisance Local Laws

A comprehensive review of the Environment, Animal and Nuisance Local Law was conducted to update interpretations and improve compliance powers.

Environment Awards

The Armadale Gosnells Landcare Group (AGLG) is supported by the City and won the 'Urban Landcare' category at the 2011 Western Australian Landcare Awards and will represent Western Australia at the National Landcare Awards in Sydney.

Armadale Settlers Common (East) – Track Rationalisation and Bushland Enhancement Project

Ongoing work programs at Armadale Settlers Common (East) have included the planting of 12,500 seedlings as part of a major revegetation project. This

included community planting days by the Armadale Settlers Common Working Group (ASCMG) and school children from the Armadale Primary School's Bushrangers.

Other projects at the Common included weed control, dieback treatment and ongoing trail upgrades. Trail names were proposed by the ASCMG in consultation with the Armadale Nyoongar Corporation and supported by the Darling Range Community Advisory Committee. The proposed trail names have their origins in the Armadale Settlers Common eastern portion and make reference to local historical, botanical, ethnographic and geographic features. The new trail names were endorsed by Council in May 2012.

Implementation of the City's Volunteer Strategy

The City of Armadale has a very active community of bushcare and environmental Friends Groups. For example, the Bushcare and Environmental Working Group reported in excess of 5,300 volunteer hours in 2011 and actively support many environmental initiatives within the City's reserves. This year all City of Armadale volunteers, including environmental groups were recognised at a function for National Volunteer Week at Armadale Town Hall.

Streamcare Project

The award winning waterways restoration project, Streamcare, commenced in 2002 and has been conducted in the Autumn and Winter of each subsequent year. This focuses on residents with waterways running through their property, with a view to improving the environmental qualities of the foreshore area. In the 2011 planting season 37 residents showed an interest in the program and were offered personalised advice from the City's Streamcare Promoter in rehabilitating their land, 2,296 native seedlings were distributed to landholders for planting on their residences.

Management of Bushland Reserves

Bushland management continues to be a priority of Environmental Services. Information gathered during surveys of all of the City's bushland reserves enables the prioritisation of works and budgets.

During Spring 2011, a tri-annual survey of all City vested bushland reserves was undertaken. This included weed and vegetation condition mapping, which is used to develop annual weed management and capital works programs for the next five years.

The Forrestfield Complex Bushland Management Plan 2011-2016 was adopted by Council in 2011-2012. The production of this five year work plan for a Threatened Ecological Community present in numerous City reserves addresses a key recommendation of the City's State of Environment Report. The main actions of the plan include dieback treatment, weed control, revegetation activities and capital works to enhance vegetation quality and prevent degradation.

Catchment Management

The City has continued to support the efforts of the Armadale-Gosnells Landcare Group (AGLG), who during the year worked on 26 sites across the Cities of Armadale and Gosnells. Activities undertaken by AGLG involved the support of 1,404 volunteers, contributing 5,383 volunteer hours.

The City adopted the AGLG Business Plan in 2011-2012. This further reinforces the successful working partnerships between the City and AGLG and led to increased funding from the City.

Switch your thinking! Program

The Cities of Armadale and Gosnells, and the Shire of Serpentine Jarrahdale constitute the South East Regional Energy Group which runs the Switch your thinking! (Syt!) program.

The highly successful Energy Efficiency and Waterwise Gardening Workshop series was attended by over 500 Armadale residents/visitors. The Syt! Rebates 4 Residents scheme was implemented, covering a range of energy efficient and waterwise products. Switched on Staff (SOS) was rolled out to City of Armadale staff, empowering them to save over 3,600 kWh of electricity, resulting in the abatement of 3.4 tonnes of CO₂ emissions and pledge over 655 sustainable actions. Completion of the Switched on Recycling project attracted State Government funding and engaged over 890 primary school students, 23,800 community members and 501 Council staff across the South East Region.

Technical Services

Slab Gully Drainage Upgrade

The Slab Gully drain in Roleystone, has been the subject of upgrading works over the past six years, and the final section between Brookton Highway and Holden Road has now been completed. The project realigned the drain, which had eroded into adjoining properties, and lined the drain floor and sides with ironstone boulders. The result has converted this drain from a wasteland into an attractive relaxation space, and with additional works planned for the establishment of trees and natural indigenous shrubs, will become a positive community asset. This entry to Roleystone presents flowing water, waterfalls and ponds, with wild water birds beginning to establish a permanent presence.

Memorial Park

Works were completed on the redevelopment of Memorial Park. Memorial Park lies in the heart of the Armadale CBD, as well as being a memorial to the fallen soldiers of World War I, World War II,

Korean War, Vietnam War, and later conflicts such as Afghanistan and Iraq, it has also been designed to play a pivotal community role in Armadale. What was originally a run down area in the CBD, Memorial Park has been transformed into a play area for younger children and a shaded gathering place in the CBD for workers and visitors alike. A safe and friendly space has been created where people can meet and walk in a peaceful environment. The retention of the tall ficus trees and the creation of broad lawns and many flower beds has transformed the CBD and created a green space for all to share. *(image opposite)*

Reg Williams Pavilion (Minnawarra House) Extension

The Reg Williams Pavilion is leased by the Roberta Jull Community Care Association for community purposes, and they were successful in obtaining a grant for new extensions to the existing building. The additional building area complements and expanded their capacity for community programmes. The project was designed and project managed by Property Services.



New Ranford Road works will provide access to Forrestdale Business Park



Memorial Park in the Armadale CBD

Nicholson Road Duplication

Stage two of the duplication of Nicholson Road was completed. Expansion of this section of road has provided for the additional vehicle movements which are expected to occur with the further development of Piara Waters and Harrisdale. Phases three and four will follow in future financial years as the housing development progresses.

Ranford Road – Armadale Road to Lake Road

This section of Ranford Road will provide access to the adjoining industrial developments associated with the Forrestdale Business Park and provide the road frontage and access to the proposed Bunnings site. Works on this section of road commenced in January 2012 and it is scheduled for opening in November 2012.

Palomino Reserve Upgrade

The Palomino Reserve contains a municipal facility for the more formal disciplines of equine sport. The previous facility was uneven, had poor reticulation, and was not of a standard to develop the sport in Armadale.

This project included enlargement of, and improvements to, the dressage area, regrading and returfing of the grassed arena, new irrigation and water storage facilities, regrading of the track and a new parking area.

Plan for the Future

Major Initiatives to Continue in 2012-2013

Baker's House Refurbishment

The 500m² Baker's House homestead is nestled in the suburb of Harrisdale. This colonial-style granite homestead has been undergoing major refurbishment work to bring the facility up to a standard for use by the community. Due for completion in late 2012 and costing approximately \$1m, the rooms within the homestead will provide facilities for playgroups, a base for a child health nurse, and meeting and function spaces as well as improved accessibility throughout the building. Funding for the project is largely from the Developer Contribution Plan 3, supplemented by a grant from Lotterywest.

Piara Waters (North) Community and Sporting Facility

Located at the corner of Wright and Nicholson Roads, development of the \$5.8m Piara Waters (North) Community and Sporting Facility is starting to take shape. The first stage of this multi-purpose facility

includes laying of the playing surface – a drought tolerant, hard wearing turf – as well as sports lighting, sub-soil drainage and reticulation. Stage two includes the construction of a community and sports pavilion with tiered seating for spectator viewing, function and meeting facilities, change rooms, children's playground and car parking. The project is expected to be complete for the 2013-2014 summer season.

Equestrian Club Facilities (Palomino Park)

A Needs and Feasibility Study relating to the sustainability of the City's equestrian facilities was commissioned in 2010 with recommendations including reducing the number of City equestrian facilities to two, Fletcher Park and Palomino Park. Council acknowledged the two facilities would require upgrading to cater for additional usage as a result of Equestrian Club relocations. Local Equestrian Clubs were consulted on the scope of works to be undertaken and the upgrades to Palomino Park will be completed in 2012 with a LotteryWest grant to supplement the City's funding.



Baker's House homestead in Harrisdale



Many residents enjoy the facilities at Armadale Arena

Public Open Space Land Sales Strategy

This initiative commenced in the 2007-2008 financial year and has the primary objective of more efficient and effective utilisation of public open space across the City. The initiative aims to identify and sell public open space that is surplus to current and future requirements. 70% of sale proceeds will be spent on improving public open space that is retained. The remaining 30% will be applied towards regional recreation initiatives, like the proposed indoor aquatic centre which is scheduled in the Plan to commence in 2019. It is planned that in 2012-2013 draft expenditure proposals for Precincts A, B and M will be considered and implemented.

Freehold Land Sales Investment Strategy

First initiated in the 2007-2008 financial year, this strategy seeks to more effectively manage the City's land assets by maximising investment returns. It is planned that 70% of sale proceeds be invested in higher return investment assets with the remaining 30% being applied towards major capital works planned for the future, in line with the City's growth. Total sale proceeds over the life of this strategy are estimated at approximately \$17m.

Community Sport and Recreation Facilities Funds Projects

This initiative is in response to the State Government's Community Sporting and Recreation Facilities Fund (CSRFF) program as administered and funded by the Department of Sport and Recreation. The CSRFF program is a co-contributory scheme aimed at improving sport and recreation opportunities. On an annual basis the City's initiative makes provision for project costs totalling \$140,000 and revenues of \$80,000, in the form of CSRFF grants and club/group contributions.

Major Activities to Commence in 2012-2013

Armadale District Hall Upgrade

The Armadale District Hall is listed on the State Heritage Register, therefore any redevelopment or upgrades to the Hall are influenced by the State Heritage Council. Following community requests Council has set aside funds to investigate future opportunities for the Hall. Once those investigations are completed and draft findings submitted, upgrade works can take place. Proposed works on the Hall will be contingent upon development works within the Civic Precinct, the limitations of the hall (given its heritage status), its current uses and future proposed uses.

Statutory Reports

Each year the City is required, by legislation, to provide various statutory reports on compliance with legislative roles and responsibilities.

Record Keeping Plan – State Records Act 2000

The City continued efforts towards best practice in the area of electronic record keeping with over 726,000 documents registered in the corporate record keeping system during 2011-2012. This represents a significant increase in documents captured within the system as compared to last year, due to over 500,000 records being migrated across from the City's financial and property systems.

This year was the second of an eight year back scanning and digitalisation project with emphasis being hardcopy Building Applications and Subdivision files. The closure of the Armadale Redevelopment Authority (ARA) in 2011-2012 also resulted in the first transfer of 99 hardcopy files to the City of Armadale. These have all been converted into an electronic form and captured within the central record keeping system.

A total of 7,823 building applications dating from early 2004 to 2007 were fully digitised, with over 2,280 quality checked and captured within the corporate electronic record keeping system.

All remaining subdivision files (circa 1970 to 2006), 3,846 in total, have been digitised which now completes this part of the project.

Disability Access and Inclusion Plan – Disability Services Act 1993

The City of Armadale's Disability Access and Inclusion Plan 2011-2016 (DAIP) seeks to improve access and inclusion for people with a disability to facilities, services and community life. Local Governments are required to have a DAIP by the Disability Services Act (1993) which was amended in 2004 to include this requirement. It is also a requirement that DAIPs are reviewed every five years.

A review of the City's Disability Access and Inclusion Plan 2007-2011 was undertaken in 2010-2011, in consultation with key disability advocates and in line with requirements determined by the Disability Services Commission of WA. Following a public

comment period, the City's revised Disability Access and Inclusion Plan 2011-2016 was endorsed by Council in October 2011 and the Disability Services Commission in February 2012.

Major achievements for the past year include:

- Continued support of the Disability Advisory Team (DAT) comprised of community members, local service providers, a Councillor and staff from the City that meets bi-monthly to help implement the DAIP. The team also provides advice on how to improve access and inclusion for people with disabilities.
- Celebrated 'International Day of People with Disability' on 3 December 2011 in partnership with local agencies.
- Continued park improvements to improve accessibility and inclusion for people with disability.
- Development of a disability awareness training program to be delivered to City staff.
- Communication of legislative changes and awareness of new access to premises standard to appropriate City staff.
- Consultation with people with disability and carers to identify barriers to inclusion.
- Progress towards making the City's website more accessible.
- Improved access to administration forms and applications now available online.

Freedom of Information Act 1992

In accordance with the Freedom of Information Act 1992 a total of fifteen (15) Freedom of Information applications were processed during the year. This represents a 100% increase in applications than for the same period the previous year.

The City's Information Statement was also reviewed in October 2011. This 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.



Armdale CBD is thriving, with new businesses opening every year

- The types of documents that are usually held by the City.
- 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.

Public Disclosures

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

In acknowledgement of its responsibilities, the City has an appointed Public Interest Disclosure Officer, and published procedures to assist persons to make a disclosure.

During the 2011-2012 financial year the City did not receive any disclosures. Further details about public interest disclosures are available from the City's Administration Centre and website.

Local Government Act 1995 – Conduct of Certain Officials

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

For the 2011-2012 financial year there were no entries made in the Register of Complaints.

Financial Report



Certified Practising Accountants

PARTNERS

Anthony Macri FCPA
Domenic Macri CPA
Connie De Felice CA

INDEPENDENT AUDITOR'S REPORT

TO: RATEPAYERS OF CITY OF ARMADALE

We have audited the financial report of the City of Armadale, which comprises the Statement of Financial Position as at 30 June 2012 and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, 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:

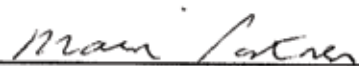
- (i) gives a true and fair view of the financial position of the City of Armadale as at 30 June 2012 and of its financial performance for the year ended on that date; and
- (ii) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as 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).

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of City of Armadale for the year ended 30 June 2012 included on the City of Armadale's website. The Council is responsible for the integrity of the City of Armadale's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100



A MACRI
PARTNER

PERTH
DATED THIS 29th DAY OF OCTOBER 2012.

**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 2012 are, in my opinion, properly drawn up to present fairly the financial position of the City of Armadale at 30 June 2012 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 18th day of October 2012



**R S Tame
Chief Executive Officer**

CITY OF ARMADALE
Statement of Comprehensive Income – By Nature or Type
For the year ended 30 June 2012

	Note	2012 Actual \$	2012 Budget \$	2011 Actual \$
Revenues from Ordinary Activities				
Rates	22	41,068,857	38,448,600	35,173,857
Operating Grants, Subsidies and Contributions	28	13,284,067	10,597,600	18,743,722
Fees and Charges	27	13,296,977	13,288,100	12,319,768
Interest Earnings	2	4,692,471	3,786,327	3,983,919
Other Revenue		166,375	1,422,300	152,483
		72,508,747	67,542,927	70,373,749
Expenses from Ordinary Activities				
Employee Costs		(24,808,220)	(32,669,200)	(23,099,033)
Materials and Contracts		(24,514,977)	(17,856,500)	(27,178,903)
Utilities		(2,851,847)	(1,260,800)	(2,082,292)
Depreciation	2	(10,450,273)	(10,801,000)	(10,287,729)
Interest Expenses	2	(1,154,760)	(1,077,800)	(725,767)
Insurance		(897,365)	(1,045,900)	(637,696)
Other Expense		(1,200,002)	(5,924,900)	(2,243,387)
		(65,877,443)	(70,636,100)	(66,254,809)
		6,631,304	(3,093,173)	4,118,940
Grants / Contributions for Asset Development				
Grants and Subsidies - Non-Operating	28	10,464,540	15,216,700	7,802,844
		10,464,540	15,216,700	7,802,844
Profit / (Loss) / Adjustments of Assets				
Profit on Asset Disposal		648,986	168,000	1,997,326
Loss on Asset Disposal		(73,414)	(33,400)	(33,430)
		575,571	134,600	1,963,896
Net Result				
		17,671,416	12,258,127	13,885,680
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	0	0	0
		0	0	0
Total Comprehensive Income				
		17,671,416	12,258,127	13,885,680

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

CITY OF ARMADALE

Statement of Comprehensive Income – By Nature or Type For the year ended 30 June 2012

	Note	2012 Actual \$	2012 Budget \$	2011 Actual \$
Revenues from Ordinary Activities				
General Purpose Funding		49,880,866	45,627,027	42,212,193
Governance		686,741	1,938,400	3,864,893
Law, Order and Public Safety		617,248	621,900	567,305
Health		127,960	134,500	69,368
Education and Welfare		579,827	292,000	516,393
Community Amenities		16,009,346	15,876,000	20,496,159
Recreation and Culture		3,899,403	6,778,700	1,581,592
Transport		10,396,390	9,996,800	9,417,638
Economic Services		1,130,389	1,404,000	1,238,440
Other Property and Services		294,104	258,300	209,937
		83,622,273	82,927,627	80,173,919
Expenses excluding Finance Costs				
General Purpose Funding		(848,801)	(893,000)	(1,003,940)
Governance		(3,197,760)	(5,307,600)	(7,380,627)
Law, Order and Public Safety		(1,890,543)	(1,805,400)	(1,705,935)
Health		(1,164,870)	(1,187,500)	(991,391)
Education and Welfare		(2,736,831)	(2,877,100)	(2,594,004)
Community Amenities		(17,563,919)	(20,054,300)	(17,496,770)
Recreation and Culture		(19,372,202)	(18,722,100)	(17,474,022)
Transport		(14,944,626)	(16,104,500)	(14,190,613)
Economic Services		(2,335,690)	(2,218,700)	(1,993,538)
Other Property and Services		(740,855)	(421,500)	(731,633)
		(64,796,097)	(69,591,700)	(65,562,472)
Finance Costs				
Governance		(215,927)	(182,700)	(184,265)
Community Amenities		(280,013)	(280,900)	(261,195)
Recreation and Culture		(421,753)	(406,800)	(200,032)
Transport		(237,068)	(207,400)	(80,276)
		(1,154,760)	(1,077,800)	(725,767)
Net Result		17,671,416	12,258,127	13,885,680
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	0	0	0
		0	0	0
Total Comprehensive Income		17,671,416	12,258,127	13,885,680

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

CITY OF ARMADALE
Statement of Financial Position
as at 30 June 2012

	Note	2012 Actual \$	2011 Actual \$
Current Assets			
Cash and Cash Equivalents	3	61,301,633	55,359,777
Trade and Other Receivables	4	4,272,015	5,781,812
Inventories	5	131,758	70,727
Total Current Assets		65,705,406	61,212,317
Non-Current Assets			
Other Receivables	4	725,425	782,102
Property, Plant and Equipment	6	46,939,215	42,546,604
Infrastructure	7	204,525,377	196,919,626
Total Non-Current Assets		252,190,017	240,248,332
Total Assets		317,895,423	301,460,649
Current Liabilities			
Trade and Other Payables	8	4,211,955	6,946,094
Current Portion of Long Term Borrowings	9	800,658	650,595
Provisions	10	5,211,066	5,053,951
Total Current Liabilities		10,223,679	12,650,640
Non-Current Liabilities			
Trade and Other Payables	8	216,989	207,315
Long Term Borrowings	9	18,961,990	17,802,658
Provisions	10	390,427	369,113
Total Non-Current Liabilities		19,569,406	18,379,086
Total Liabilities		29,793,085	31,029,726
Net Assets		288,102,338	270,430,923
Equity			
Retained Surplus		237,795,336	222,572,525
Reserves - Cash / Investment Backed	11	41,855,254	39,406,650
Reserves - Asset Revaluation	12	8,451,748	8,451,748
Total Equity		288,102,338	270,430,923

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 2012

	Note	2012 Actual \$	2011 Actual \$
Retained Surplus			
Balance as at 1 July		222,572,525	221,779,955
Total Comprehensive Income		17,671,416	13,885,680
Transfer from / (to) Reserves		(2,448,605)	(13,093,110)
Balance as at 30 June		237,795,336	222,572,525
Reserves - Cash / Investment Backed			
Balance as at 1 July		39,406,650	26,313,540
Total Comprehensive Income		0	0
Transfer (to) / from Retained Surplus		2,448,604	13,093,110
Balance as at 30 June	11	41,855,254	39,406,650
Reserves - Asset Revaluation			
Balance as at 1 July		8,451,748	8,451,748
Total Comprehensive Income		0	0
Balance as at 30 June	12	8,451,748	8,451,748
Total Equity		288,102,338	270,430,922

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 2012

	Note	2012 Actual \$	2012 Budget \$	2011 Actual \$
Cash Flows from Operating Activities				
Receipts				
Rates		41,068,857	38,448,600	35,173,857
Operating Grants, Subsidies and Contributions		13,284,067	10,597,600	18,743,722
Fees and Charges		14,806,774	14,069,912	12,150,653
Interest Earnings		4,692,471	3,786,327	3,983,919
Goods and Services Tax (on revenue)		1,383,199	1,384,100	1,383,199
Goods and Services Tax (refunded)		2,614,174	2,615,900	2,614,174
Other		223,051	629,615	153,516
Total Receipts		78,072,594	71,532,054	74,203,040
Payments				
Employee Costs		(24,629,791)	(32,169,200)	(22,244,817)
Materials and Contracts		(27,310,146)	(17,231,867)	(26,974,283)
Utilities		(2,851,847)	(1,260,800)	(2,082,292)
Insurance		(897,365)	(1,077,800)	(637,696)
Interest		(1,154,760)	(1,045,900)	(725,767)
Goods and Services Tax		0	(4,000,000)	0
Other		(5,187,701)	(5,632,215)	(6,189,932)
Total Payments		(62,031,610)	(62,417,782)	(58,854,789)
Net Cash Provided by Operating Activities	13	16,040,984	9,114,272	15,348,251
Cash Flows from Investing Activities				
Payments for Property, Plant and Equipment		(8,239,876)	(19,444,900)	(7,944,855)
Payments for Infrastructure		(15,411,033)	(35,832,400)	(10,261,217)
Grants and Subsidies - Non-Operating		10,464,540	15,216,700	7,802,844
Proceeds from Sale of Assets		1,777,845	3,397,300	2,692,323
Net Cash Provided by Investing Activities		(11,408,524)	(36,663,300)	(7,710,905)
Cash Flows from Financing Activities				
Repayment of Debentures		(650,605)	(657,300)	(1,233,060)
Proceeds from New Debentures		1,960,000	8,716,000	7,676,500
Net Cash Provided by Financing Activities		1,309,395	8,058,700	6,443,440
Net Increase / (Decrease) in Cash Held		5,941,855	(19,490,328)	14,080,786
Cash at Beginning of Year		55,359,777	55,359,777	41,278,991
Cash and Cash Equivalents at End of Year	13	61,301,633	35,869,449	55,359,777

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

CITY OF ARMADALE
Rate Setting Statement
For the year ended 30 June 2012

	Note	2012 Actual \$	2012 Budget \$	2011 Actual \$
Revenues				
General Purpose Funding		11,208,006	7,178,427	7,038,336
Governance		686,741	1,938,400	3,864,893
Law, Order and Public Safety		617,248	621,900	567,305
Health		127,960	134,500	69,368
Education and Welfare		579,827	292,000	516,393
Community Amenities		16,009,346	15,876,000	20,496,159
Recreation and Culture		3,899,403	6,778,700	1,581,592
Transport		10,396,390	9,996,800	9,417,638
Economic Services		1,130,389	1,404,000	1,238,440
Other Property and Services		294,104	258,300	209,937
Total Revenues		44,949,413	44,479,027	45,000,062
Expenses				
General Purpose Funding		(848,801)	(893,000)	(1,003,940)
Governance		(3,413,688)	(5,620,000)	(7,564,892)
Law, Order and Public Safety		(1,890,543)	(1,805,400)	(1,705,935)
Health		(1,164,870)	(1,187,500)	(991,391)
Education and Welfare		(2,736,831)	(2,877,100)	(2,594,004)
Community Amenities		(17,843,932)	(20,315,200)	(17,757,965)
Recreation and Culture		(19,793,955)	(19,108,100)	(17,674,054)
Transport		(15,181,693)	(16,193,500)	(14,270,888)
Economic Services		(2,335,690)	(2,218,700)	(1,993,538)
Other Property and Services		(740,855)	(451,000)	(731,633)
Total Expenses		(65,950,858)	(70,669,500)	(66,288,239)
Adjustments for Cash Budget Requirements				
Non-Cash Items				
(Profit) / Loss on Asset Disposals	19	(575,571)	(134,600)	(1,963,896)
Depreciation on Assets	2	10,450,273	10,801,000	10,287,729
Adjustment for Movements in Non-Current Items		244,780	0	0
Total Non-Cash Items		10,119,482	10,666,400	8,323,833
Capital Expense and Revenue				
Purchase Land	6	0	0	(570,895)
Purchase Buildings	6	(5,834,487)	(15,588,400)	(5,250,784)
Purchase Furniture and Equipment	6	(107,697)	(126,900)	(73,620)
Purchase Plant and Machinery	6	(2,297,692)	(3,729,600)	(2,049,557)
Purchase Infrastructure - Roads	7	(11,165,990)	(23,258,200)	(7,134,634)
Purchase Infrastructure - Drainage	7	(654,734)	(3,448,100)	(918,395)
Purchase Infrastructure - Pathways	7	(527,989)	(940,100)	(349,400)
Purchase Infrastructure - Parks / Reserves	7	(3,062,319)	(8,186,000)	(1,858,788)
Proceeds from Disposal of Assets	19	1,777,845	3,397,300	2,692,323
Repayment of Debentures	21	(650,605)	(657,300)	(1,233,060)
Proceeds from New Debentures	21	1,960,000	8,716,000	7,676,500
Transfer to Reserves	11	(9,295,556)	(7,074,600)	(14,314,658)
Transfer from Reserves	11	6,846,952	13,111,800	1,221,548
Total Capital Expense and Revenue		(23,012,273)	(37,784,100)	(22,163,418)
Add Estimated Surplus / (Deficit) July 1 B/Fwd		14,859,573	14,859,573	14,813,478
Less Estimated Surplus / (Deficit) June 30 C/Fwd		19,638,197	0	14,859,573
Amount Required to be Raised from Rates	22	(38,672,860)	(38,448,600)	(35,173,857)

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

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), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying Regulations. The report has also been prepared on the accrual basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that 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 Fund 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 include cash on hand, cash at bank, deposits held at call with banks, other short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the Statement of Financial Position.

e Trade and Other Receivables

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

1 Significant Accounting Policies (continued)

f Inventories

General

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price, in the ordinary course of business, less the estimated costs of completion, and the estimated costs necessary to make the sale.

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 borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is complete are expensed.

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 Fixed Assets

Each class of fixed asset is carried at cost or fair value, as indicated, less, where applicable, any accumulated depreciation and impairment losses.

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.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the Statement of Comprehensive Income.

Any accumulated depreciation, at the date of revaluation, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount 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.

1 Significant Accounting Policies (continued)

g Property, plant and equipment and Infrastructure assets (continued)

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.

In respect of land under roads acquired on, or after, 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16 (a) (i) prohibits local government 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.

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. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use. 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

Asset residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Capitalisation Threshold

Expenditure on items of equipment under \$1,000 is not capitalised. Management considers each purchase on its merits and may record the equipment on an asset inventory listing, where applicable.

1 Significant Accounting Policies (continued)

h Financial Instruments

Initial Recognition and Measurement

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

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or costs.

Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as -

- a) the amount in which the financial asset, or liability, is measured at initial recognition;
- b) less principal repayments;
- c) plus or minus the cumulative amortisation of the difference; and
- d) less any reduction for impairment.

The effective interest method used is to allocate interest revenue or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or, when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

Revisions to expected future net cash flows will necessitate an adjustment to the carrying value, with a consequential recognition of a revenue or expense in profit or loss.

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 and are subsequently measured at amortised cost. Loan and receivables are included in current assets or current liabilities, except for those that are not expected to mature within 12 months after the end of the reporting period (classified as non-current assets).

1 Significant Accounting Policies (continued)

h Financial Instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loan and receivables are included in current assets or current liabilities, except for those that are not expected to mature within 12 months after the end of the reporting period (classified as non-current assets).

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the City's management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are included in non-current assets, except for those that are expected to mature within 12 months after the end of the reporting period, which are classified as current assets. 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.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Available-for-sale financial assets are included in non-current assets, except for those that are expected to mature within 12 months after the end of the reporting period (classified as current assets).

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the City assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

i 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.

1 Significant Accounting Policies (continued)

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 balance 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 debt 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.

k Trade and Other Payables

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

l 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.

1 Significant Accounting Policies (continued)

m 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.

n Provisions

Provisions are recognised when -

- a) The City has a present legal or constructive obligation as a result of past events;
- b) It is probable that an outflow of economic benefits will result to settle the obligation; and
- c) That outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period. Provisions are not recognised for future operating losses.

o Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the City, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives, under operating leases, are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

p 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.

q 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.

1 Significant Accounting Policies (continued)

r 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.

s 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.

t 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.

u Comparative Figures

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

When the City applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in the financial statements, a Statement of Financial Position as at the beginning of the earliest period will be disclosed.

v 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.

w Impact of Environmental Regulations

On 8 November 2011 the Australian Parliament passed the Clean Energy Act 2011 which sets out the way that Australia will introduce a carbon price to reduce Australia's carbon pollution and move to a clean energy

As the emission from the City of Armadale Waste Management Facility exceeds the threshold of 25,000 tonnes of carbon dioxide equivalents (CO₂e), the City of Armadale is classed as being a "liable entity" when waste received post 1 July 2012 begins to decompose and generate methane.

For 2012/2013, the carbon price has been fixed at \$23 per tonne of CO₂e and increasing by 2.5% per annum for the next two years. From 1 July 2015, the carbon price will transition to a fully flexible price under an emissions trading scheme (ETS) with the price to be determined by the market.

The fixed price phase will commence from 1 July 2012 and will not be retrospective. Additionally, the City of Armadale does not have any intangible assets that would require any impairment that will impact on City of Armadale Statement of Financial Position. Consequently, there will be no impact on the City of Armadale 2011/2012 Statement of Comprehensive Income.

In order to reduce carbon emissions and minimise the City's carbon tax liability, the City will invest approximately \$400,000 in the 2012/2013 Annual Budget in equipment to extract and flare emissions at the Waste Facility. Estimates indicate without this development, the City would have been liable for approximately \$600,000 in carbon tax per annum. This strategy has been funded by an increase of \$8 per rubbish service from 1 July 2012. This will be reflected in the 2012/2013 accounts.

1 Significant Accounting Policies (continued)

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 is set out below -

Title and Topic	Issued	Applicable	Impact
(i) 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.
(ii) AASB 1053 - Application of Tiers of Australian Accounting Standards	Jun 2010	Jul 2013	Nil - Due to its nature and statutory requirements, the City will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iii) 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 2013	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.
(iv) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 and 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 and 1052]	Jun 2010	Jul 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(v) AASB 2010 - 7 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038 and Interpretations 2, 5, 10, 12, 19 and 127]	Dec 2010	Jan 2013	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9, which is not anticipated to have any material effect on the City.

1 Significant Accounting Policies (continued)

x New Accounting Standards and Interpretations (continued)

<p>(vi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]</p>	<p>Dec 2010</p>	<p>Jan 2012</p>	<p>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.</p>
<p>(vii) AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009-11 and AASB 2010-7]</p>	<p>Dec 2010</p>	<p>Jan 2013</p>	<p>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.</p>
<p>(viii) AASB 2011 – 2 Amendments to Australian Accounting Standards – Arising from the Trans – Consequence Project – Reduced Disclosure Requirements [AASB 101 & AASB 1054]</p>	<p>May-11</p>	<p>1-Jul-13</p>	<p>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.</p>
<p>AASB 2011 – 3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to ABS GFS manual and related Amendments. [AASB 1049]</p>	<p>May-11</p>	<p>1-Jul-12</p>	
<p>AASB 2011 – 6 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]</p>	<p>Jul-11</p>	<p>1-Jul-13</p>	

1 Significant Accounting Policies (continued)

<p>(ix) AASB 10 – Consolidated Financial Statements AASB 11 – Joint Arrangements AASB 12 – Disclosure of Interests in Other Entities AASB 127 – Separate Financial Statements AASB 128 – Investments in Associates and Joint Ventures AASB 2011 – 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16, 17]</p>	<p>Aug-11 1-Jan-13</p>	<p>Nil – None of these except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supersede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. The City does not have any Joint Ventures.</p>
<p>(x) AASB 13 – Fair Value Measurement AASB 2011 – 8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]</p>	<p>Sep-11 1-Jan-13</p>	<p>AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 requires: - Inputs to all fair value measurements to be categorized in accordance with a fair value hierarchy; and - Enhanced disclosures regarding all assets and liabilities (including, but not limited to financial assets and financial liabilities) measured at fair value. AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards. The amendment to the legislation requires the phasing in of fair value in relation to fixed assets over the three years from 1 July 2012. It is not possible to estimate the likely amount of any revaluations.</p>

1 Significant Accounting Policies (continued)

<p>(xi) AASB 2011 – 9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</p>	<p>Sep-11</p>	<p>1-Jul-13</p>	<p>The main change embodied in this standard is the requirement or group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.</p>
<p>(xii) AASB 119 – Employee Benefits AASB 2010 – 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011 – 8 and Interpretation 14]</p>	<p>Sep-11</p>	<p>1-Jan-13</p>	<p>The changes in relation to defined benefits plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.</p>
<p>(xiii) AASB 2011 – 11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</p>	<p>Sep-11</p>	<p>1-Jul-13</p>	<p>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 Council.</p>
<p>AASB 2011 – 12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]</p>	<p>Nov-11</p>	<p>1-Jan-13</p>	
<p>AASB 2011 – 13 Amendments to Australian Accounting Standards Improvements to [AASB 1049]</p>	<p>Dec-11</p>	<p>1-Jul-12</p>	

x 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.

These new and revised standards were:

AASB 124
AASB 1054
AASB 2009 – 12
AASB 2010 – 4
AASB 2010 – 5
AASB 2010 – 6
AASB 2010 – 9
AASB 2010 – 14
AASB 2011 – 1

The standards taken up by the City had a minimal effect on accounting and reporting practices as they were either largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

	Note	2012 Actual \$	2012 Budget \$	2011 Actual \$
2 Revenues and Expenses				
a Result from Ordinary Activities				
The result from ordinary activities includes -				
i Charging as an Expense				
Auditor's Remuneration		21,831	25,500	30,652
Bad and Doubtful Debts				
Write Off - Rates		80,238	79,700	85,079
Write Off - General		7,042	5,000	0
Write Off - Infringements		54,771	27,700	33,564
		142,050	112,400	118,643
Depreciation				
Land and Buildings		996,890	790,000	714,621
Furniture and Equipment		74,481	38,300	75,105
Plant and Machinery		1,573,620	1,583,300	1,507,900
Roads		2,896,755	3,373,200	3,212,605
Drainage		692,431	693,000	660,083
Pathways		427,887	435,500	414,837
Reserves		3,788,208	3,887,700	3,702,578
		10,450,273	10,801,000	10,287,729
Interest Expense				
Debentures	21	1,154,760	1,077,800	725,767
		1,154,760	1,077,800	725,767
ii Charging as a Revenue				
Interest Earnings				
Investments - Reserve Funds		1,759,229	1,911,000	1,601,493
Investments - Municipal Fund		2,575,899	1,575,327	2,033,015
Other Interest Revenue	26	357,343	300,000	349,411
		4,692,471	3,786,327	3,983,919

2 Revenues and Expenses

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.

	2012 Actual \$	2011 Actual \$
2 Revenues and Expenses		
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)		
Education and Welfare		
Libraries - Connected Seniors	5,000	0
Youth	25,000	0
Recreation and Culture		
Australia Day	0	23,500
Concerts in the Park	0	6,500
Transport		
Federal Black Spot	0	594,000
Local Government Road Funding	535,505	3,284,443
State Black Spot	0	115,600
	565,505	4,024,043
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		
Libraries - Connected Seniors	0	5,000
Youth	0	25,000
Preservation Grant	18,600	0
Transport		
Federal Black Spot	281,300	0
Local Government Road Funding	62,100	535,505
State Black Spot	393,200	0
Transport Network	540,000	0
Roads To Recovery	413,830	0
	1,709,030	565,505

	2012 Actual \$	2011 Actual \$
2 Revenues and Expenses		
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)		
Education and Welfare		
Libraries - Connected Seniors	5,000	0
Youth	25,000	0
Recreation and Culture		
Australia Day	0	23,500
Concerts in the Park	0	6,500
Transport		
Federal Black Spot	0	594,000
Local Government Road Funding	535,505	3,284,443
State Black Spot	0	115,600
	565,505	4,024,043
Closing Balance of Unspent Grants	1,709,030	565,505

	Note	2012 Actual \$	2011 Actual \$
3 Cash and Cash Equivalents			
Unrestricted		17,737,349	15,387,622
Restricted		43,564,284	39,972,155
		61,301,633	55,359,777

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

Reserves			
Abbey Road Link Project		0	2,665,117
Asset Renewal - Buildings		209,376	61,900
Asset Renewal - Parks		209,376	61,900
Building Plant and Equipment		133,432	128,300
Champion Lakes SAR Asset Renewal		28,400	0
Civic Precinct		1,111,800	370,000
Computer Systems Technologies		384,832	225,800
Crossover Contributions		51,500	55,000
Emergency Waste		190,632	183,300
Employee Provisions		5,456,108	5,053,950
Freehold Sales Capital Works		125,736	120,900
Future Community Facilities		667,800	661,500
Future Project Funding		7,174,063	6,073,583
Future Recreation Facilities		187,200	180,000
History of the District		26,850	0
Land Acquisition		396,136	380,900
Mobile Bin Program		1,685,008	1,620,200
North Forrestdale DCP 3		13,260,865	12,765,800
North Forrestdale SAR Asset Renewal		1,016,120	643,000
Plant and Machinery		2,094,388	1,752,200
Portable Long Service Leave		215,592	207,300
Revolving Energy		85,072	81,800
Strategic Asset Investments		1,480,544	1,423,600
Waste Management		4,673,512	3,737,800
Workers Compensation		445,848	428,700
Works Contributions		545,064	524,100
		41,855,254	39,406,650
Restricted Funds			
Unspent Grants	2	1,709,030	565,505
		1,709,030	565,505
Total Reserves and Restricted Cash and Cash Equivalents		43,564,284	39,972,155

CITY OF ARMADALE

Notes to, and forming part of, the Financial Report For the year ended 30 June 2012

	2012 Actual \$	2011 Actual \$
4 Trade and Other Receivables		
Current		
Accrued Revenue and Prepayments	1,348,873	3,571,176
Rates Debtors	1,273,396	1,168,477
ESL Debtors	57,768	49,762
Unclaimed Pensioner Rates Rebate	0	0
Unclaimed ESL Rates Rebate	0	0
Sundry Debtors	1,714,357	1,114,776
Provision for Doubtful Debts	(122,378)	(122,378)
	<u>4,272,015</u>	<u>5,781,812</u>
Non-Current		
Rates Debtors	556,943	596,419
ESL Debtors	35,332	35,001
Sundry Debtors	133,151	150,681
	<u>725,425</u>	<u>782,102</u>
5 Inventories		
Current		
Fuel and Materials	131,758	70,727
	<u>131,758</u>	<u>70,727</u>

	2012 Actual \$	2011 Actual \$
6 Property, Plant and Equipment		
Land - Cost	6,804,510	6,804,510
Buildings - Valuation	37,429,370	32,077,870
Less Accumulated Depreciation	(4,454,356)	(3,520,276)
	39,779,523	35,362,103
Furniture and Equipment - Cost	3,336,980	3,229,283
Less Accumulated Depreciation	(2,282,536)	(2,208,055)
	1,054,444	1,021,228
Plant and Machinery - Cost	13,605,294	13,109,785
Less Accumulated Depreciation	(7,500,046)	(6,946,513)
	6,105,248	6,163,273
Total Property, Plant and Equipment	46,939,215	42,546,604

Movements in Carrying Amounts

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

	Land \$	Buildings \$	Furniture and \$	Plant and Machinery \$	Total \$
Beginning Balance	6,804,510	28,557,593	1,021,228	6,163,273	42,546,604
Additions	0	5,834,487	107,697	2,297,692	8,239,876
Disposals	0	(420,177)	0	(782,097)	(1,202,274)
Depreciation Expense	0	(996,890)	(74,481)	(1,573,620)	(2,644,992)
Carrying Amount	6,804,510	32,975,014	1,054,444	6,105,248	46,939,215

CITY OF ARMADALE

Notes to, and forming part of, the Financial Report For the year ended 30 June 2012

	2012 Actual \$	2011 Actual \$
7 Infrastructure		
Roads - Cost	179,114,456	167,948,466
Less Accumulated Depreciation	<u>(35,249,449)</u>	<u>(32,352,694)</u>
	143,865,007	135,595,772
Drainage - Cost	34,583,206	33,928,472
Less Accumulated Depreciation	<u>(8,166,168)</u>	<u>(7,473,736)</u>
	26,417,038	26,454,735
Pathways - Cost	9,475,649	8,947,660
Less Accumulated Depreciation	<u>(4,190,650)</u>	<u>(3,762,763)</u>
	5,284,999	5,184,897
Parks and Reserves - Cost	79,191,364	76,129,045
Less Accumulated Depreciation	<u>(50,233,031)</u>	<u>(46,444,823)</u>
	28,958,333	29,684,222
Total Infrastructure	204,525,377	196,919,626

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	135,595,772	26,454,735	5,184,897	29,684,222	196,919,626
Additions	11,165,990	654,734	527,989	3,062,319	15,411,033
Depreciation Expense	(2,896,755)	(692,431)	(427,887)	(3,788,208)	(7,805,282)
Carrying Amount	143,865,007	26,417,038	5,284,999	28,958,333	204,525,377

	2012 Actual \$	2011 Actual \$
8 Trade and Other Payables		
Current		
Sundry Creditors	3,481,410	4,243,406
Accrued Expenses	477,241	302,779
Revenue Liability	168,614	2,395,446
ESL Liability	27,759	0
Payroll Entitlements	56,931	4,464
	4,211,955	6,946,094
Non-Current		
Sundry Creditors	216,989	207,315
	216,989	207,315
9 Borrowings		
Current		
Secured by Floating Charge Debentures	800,658	650,595
	800,658	650,595
Non-Current		
Secured by Floating Charge Debentures	18,961,990	17,802,658
	18,961,990	17,802,658
Additional details on Borrowings are provided in Note 21.		
10 Provisions		
Current		
Provision for Annual Leave	3,006,035	2,923,453
Provision for Long Service Leave	2,205,031	2,130,498
	5,211,066	5,053,951
Non-Current		
Provision for Long Service Leave	390,427	369,113
	390,427	369,113

CITY OF ARMADALE

Notes to, and forming part of, the Financial Report For the year ended 30 June 2012

	2012 Actual \$	2012 Budget \$	2011 Actual \$
11 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.			
<u>Abbey Road Link Project</u>			
<i>To be used to assist in funding the Abbey Road / Railway Avenue Link Road and Subdivision Project.</i>			
Opening Balance	2,665,117	2,207,200	0
Transfer to Reserve - Municipal Funds	0	0	2,665,117
Transfer to Reserve - Interest Earnings	0	155,000	0
Transfer from Reserve	(2,665,117)	(2,362,200)	0
	0	0	2,665,117
<u>Asset Renewal - Buildings</u>			
<i>To be used to assist in funding capital works on buildings, thereby extending the useful economic life of such assets.</i>			
Opening Balance	61,900	61,900	58,492
Transfer to Reserve - Municipal Funds	145,000	145,000	(28)
Transfer to Reserve - Interest Earnings	2,476	3,000	3,436
Transfer from Reserve	0	0	0
	209,376	209,900	61,900
<u>Asset Renewal - Parks</u>			
<i>To be used to assist in funding capital works on parks, thereby extending the useful economic life of such assets.</i>			
Opening Balance	61,900	61,900	58,492
Transfer to Reserve - Municipal Funds	145,000	145,000	(28)
Transfer to Reserve - Interest Earnings	2,476	3,000	3,436
Transfer from Reserve	0	0	0
	209,376	209,900	61,900
<u>Building Plant and Equipment</u>			
<i>To be used to assist in the maintenance and replacement of Plant and Equipment associated with Council's buildings.</i>			
Opening Balance	128,300	128,300	121,158
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	5,132	6,000	7,142
Transfer from Reserve	0	0	0
	133,432	134,300	128,300
<u>Champion Lakes SAR Asset Renewal</u>			
<i>To be used to assist in the renewal of assets associated with Champion Lakes Estates covered by Specified Area Rating.</i>			
Opening Balance	0	0	0
Transfer to Reserve - Municipal Funds	28,400	28,400	0
Transfer to Reserve - Interest Earnings	0	0	0
Transfer from Reserve	0	0	0
	28,400	28,400	0

	2012 Actual \$	2012 Budget \$	2011 Actual \$
11 Reserves - Cash Backed (continued)			
<u>Civic Precinct</u>			
<i>To be used to assist in research, planning and redevelopment of the City's Civic Precinct.</i>			
Opening Balance	370,000	370,000	348,562
Transfer to Reserve - Municipal Funds	727,000	0	(18)
Transfer to Reserve - Interest Earnings	14,800	18,000	21,456
Transfer from Reserve	0	0	0
	1,111,800	388,000	370,000
<u>Computer Systems Technologies</u>			
<i>To be used to assist in funding the long-term renewal of Council's core computer systems.</i>			
Opening Balance	225,800	225,800	114,146
Transfer to Reserve - Municipal Funds	150,000	150,000	102,500
Transfer to Reserve - Interest Earnings	9,032	11,000	9,154
Transfer from Reserve	0	0	0
	384,832	386,800	225,800
<u>Crossover Contributions</u>			
<i>To be used to assist in funding the construction of Crossovers as a condition of approved building licences.</i>			
Opening Balance	55,000	55,000	53,575
Transfer to Reserve - Municipal Funds	0	0	(31)
Transfer to Reserve - Interest Earnings	2,200	2,000	3,440
Transfer from Reserve	(5,700)	0	(1,983)
	51,500	57,000	55,000
<u>Emergency Waste</u>			
<i>To be used to assist with the costs associated with storm damage clean-up, collections and disposal.</i>			
Opening Balance	183,300	183,300	173,178
Transfer to Reserve - Municipal Funds	0	0	(20)
Transfer to Reserve - Interest Earnings	7,332	9,000	10,142
Transfer from Reserve	0	0	0
	190,632	192,300	183,300
<u>Employee Provisions</u>			
<i>To be used to cash-back the employees' sick, annual and long-service leave entitlements liability.</i>			
Opening Balance	5,053,950	5,053,950	4,295,242
Transfer to Reserve - Municipal Funds	200,000	200,000	507,799
Transfer to Reserve - Interest Earnings	202,158	250,000	250,909
Transfer from Reserve	0	0	0
	5,456,108	5,503,950	5,053,950

	2012 Actual \$	2012 Budget \$	2011 Actual \$
11 Reserves - Cash Backed (continued)			
<u>Freehold Sales Capital Works</u>			
<i>To be used to assist in funding capital works and to be funded from the proceeds (30% of net sale proceeds) of selling Freehold land parcels.</i>			
Opening Balance	120,900	120,900	7,706
Transfer to Reserve - Municipal Funds	0	405,000	106,355
Transfer to Reserve - Interest Earnings	4,836	6,000	6,839
Transfer from Reserve	0	0	0
	125,736	531,900	120,900
<u>Future Community Facilities</u>			
<i>To be used to assist in the research, planning and construction of future Community Facilities.</i>			
Opening Balance	661,500	661,500	624,948
Transfer to Reserve - Municipal Funds	(160)	0	(23)
Transfer to Reserve - Interest Earnings	26,460	33,000	36,575
Transfer from Reserve	(20,000)	(20,000)	0
	667,800	674,500	661,500
<u>Future Project Funding</u>			
<i>To be used to fund future projects considered in excess of the City's normal funding capacity.</i>			
Opening Balance	6,073,583	6,531,500	2,539,284
Transfer to Reserve - Municipal Funds	3,407,037	420,000	3,374,783
Transfer to Reserve - Interest Earnings	242,943	230,000	159,516
Transfer from Reserve	(2,549,500)	(2,560,500)	0
	7,174,063	4,621,000	6,073,583
<u>Future Recreation Facilities</u>			
<i>To be used to assist in the research, planning and construction of future recreation facilities.</i>			
Opening Balance	180,000	180,000	170,055
Transfer to Reserve - Municipal Funds	0	0	(10)
Transfer to Reserve - Interest Earnings	7,200	9,000	9,955
Transfer from Reserve	0	0	0
	187,200	189,000	180,000
<u>History of the District</u>			
<i>To be used to assist in the research, planning and construction of future recreation facilities.</i>			
Opening Balance	0	0	0
Transfer to Reserve - Municipal Funds	26,850	100,000	0
Transfer to Reserve - Interest Earnings	0	0	0
Transfer from Reserve	0	0	0
	26,850	100,000	0
<u>Land Acquisition</u>			
<i>To be used to assist in future acquisitions of land for investment or works requirement.</i>			
Opening Balance	380,900	380,900	359,805
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	15,236	19,000	21,095
Transfer from Reserve	0	0	0
	396,136	399,900	380,900

	2012 Actual \$	2012 Budget \$	2011 Actual \$
11 Reserves - Cash Backed (continued)			
<u>Mobile Bin Program</u>			
<i>To be used to assist in the purchase and replacement of the City's Mobile Garbage Bins.</i>			
Opening Balance	1,620,200	1,620,200	1,530,605
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	64,808	81,000	89,595
Transfer from Reserve	0	0	0
	1,685,008	1,701,200	1,620,200
<u>North Forrestdale DCP 3</u>			
<i>To be used to fund common infrastructure works as identified in the Development Contribution Plan #3.</i>			
Opening Balance	12,765,800	12,765,800	8,799,725
Transfer to Reserve - Municipal Funds	0	0	3,453,888
Transfer to Reserve - Interest Earnings	800,200	638,000	512,187
Transfer from Reserve	(305,135)	(6,001,800)	0
	13,260,865	7,402,000	12,765,800
<u>North Forrestdale SAR Asset Renewal</u>			
<i>To be used to assist in the renewal of assets associated with North Forrestdale Estates covered by Specified Area Rating.</i>			
Opening Balance	643,000	643,000	232,807
Transfer to Reserve - Municipal Funds	347,400	441,700	381,941
Transfer to Reserve - Interest Earnings	25,720	32,000	28,252
Transfer from Reserve	0	0	0
	1,016,120	1,116,700	643,000
<u>Plant and Machinery</u>			
<i>To be used to assist in the purchase and replacement of the City's Plant and Machinery requirements.</i>			
Opening Balance	1,752,200	1,752,200	1,353,918
Transfer to Reserve - Municipal Funds	1,573,600	1,583,300	1,507,900
Transfer to Reserve - Interest Earnings	70,088	87,000	84,484
Transfer from Reserve	(1,301,500)	(2,167,300)	(1,194,102)
	2,094,388	1,255,200	1,752,200
<u>Portable Long Service Leave</u>			
<i>To be used to assist in financing the City's Portable Long Service Leave liability.</i>			
Opening Balance	207,300	207,300	156,487
Transfer to Reserve - Municipal Funds	0	0	41,664
Transfer to Reserve - Interest Earnings	8,292	10,000	9,148
Transfer from Reserve	0	0	0
	215,592	217,300	207,300

	2012 Actual \$	2012 Budget \$	2011 Actual \$
11 Reserves - Cash Backed (continued)			
<u>Revolving Energy</u>			
<i>To be used to assist in establishing energy efficient management techniques and practices.</i>			
Opening Balance	81,800	81,800	101,348
Transfer to Reserve - Municipal Funds	0	0	(29)
Transfer to Reserve - Interest Earnings	3,272	4,000	5,943
Transfer from Reserve	0	0	(25,463)
	85,072	85,800	81,800
<u>Strategic Asset Investments</u>			
<i>To be used to fund the acquisition of strategic asset investments from the proceeds (70% of net sale proceeds) of selling Freehold land.</i>			
Opening Balance	1,423,600	1,423,600	1,095,552
Transfer to Reserve - Municipal Funds	0	945,200	248,182
Transfer to Reserve - Interest Earnings	56,944	71,000	79,866
Transfer from Reserve	0	0	0
	1,480,544	2,439,800	1,423,600
<u>Waste Management</u>			
<i>To be used to assist in the management and future provisioning of the City's Waste Management Sites.</i>			
Opening Balance	3,737,800	3,737,800	3,220,774
Transfer to Reserve - Municipal Funds	786,200	600,000	320,791
Transfer to Reserve - Interest Earnings	149,512	187,000	196,235
Transfer from Reserve	0	0	0
	4,673,512	4,524,800	3,737,800
<u>Workers Compensation</u>			
<i>To be used to assist in covering any workers' compensation liability claims in excess of the City's normal funding capacity.</i>			
Opening Balance	428,700	428,700	404,982
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	17,148	21,000	23,718
Transfer from Reserve	0	0	0
	445,848	449,700	428,700
<u>Works Contributions</u>			
<i>To be used to fund works utilising contributions received from developers, generally pursuant to conditions of development approval.</i>			
Opening Balance	524,100	524,100	492,700
Transfer to Reserve - Municipal Funds	0	0	2,430
Transfer to Reserve - Interest Earnings	20,964	26,000	28,970
Transfer from Reserve	0	0	0
	545,064	550,100	524,100
Total Reserves			
Opening Balance	39,406,650	39,406,650	26,313,540
Transfer to Reserve - Municipal Funds	7,536,327	5,163,600	12,713,165
Transfer to Reserve - Interest Earnings	1,759,229	1,911,000	1,601,493
Transfer from Reserve	(6,846,952)	(13,111,800)	(1,221,548)
	41,855,254	33,369,450	39,406,650

	2012 Actual \$	2012 Budget \$	2011 Actual \$
12 Reserves - Asset Revaluation			
Opening Balance as at 1 July 2011	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 2012	8,451,748	8,451,748	8,451,748

	2012 Actual \$	2011 Actual \$
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13 Notes to the Statement of Cash Flows

a Reconciliation of Cash

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

Cash and Cash Equivalents	61,301,633	55,359,777
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b Reconciliation of Net Cash Provided by Operating Activities to Net Result

Net Result	17,671,416	13,885,680
Depreciation	10,450,273	10,287,729
(Profit) / Loss on Sale of Asset	(575,571)	(1,963,896)
(Increase) / Decrease in Receivables	1,566,473	(168,082)
(Increase) / Decrease in Inventories	(61,032)	31,972
Increase / (Decrease) in Payables	(2,724,465)	223,476
Increase / (Decrease) in Employee Provisions	178,429	854,216
Grants and Contributions for Asset Development	(10,464,540)	(7,802,844)
Net Cash from Operating Activities	16,040,984	15,348,251

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	800,658	650,595
Loan Facilities - Non-Current	18,961,990	17,802,658
Total Facilities in Use at Balance Date	19,762,648	18,453,253

Unused Loan Facilities at Balance Date	0	0
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CITY OF ARMADALE

Notes to, and forming part of, the Financial Report For the year ended 30 June 2012

14 Contingent Liabilities

The City had no contingent liabilities for the periods reported.

15 Capital and Leasing Commitments

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

16 Joint Venture

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

17 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 2011 \$	Account Movement \$	Balance 30 June 2012 \$
Cash in Lieu - POS - A14 Plan	2,029,773	166,921	2,196,694
Cash in Lieu - POS - Agreements	82,033	4,515	86,548
Cash in Lieu - POS - Heron	124,794	6,870	131,664
Cash in Lieu - POS - Jarrah	83,872	4,617	88,489
Cash in Lieu - POS - Lake	797,517	43,902	841,419
Cash in Lieu - POS - Minnowarra	7,900	434	8,334
Cash in Lieu - POS - Neerigen	324,586	105,460	430,046
Cash in Lieu - POS - River	15,890	874	16,764
Cash in Lieu - POS - Strategy North	88,527	(88,527)	0
Cash in Lieu of Footpaths	201,284	21,998	223,282
Cash in Lieu of Parking	0	175,110	175,110
Contractors Deposits	6,672,245	(1,336,541)	5,335,704
Hall and Key Deposits	72,108	2,250	74,358
Kerb Deposits	1,131,906	(12,365)	1,119,542
POS - Precinct A - Westfield	352,719	439,640	792,359
POS - Precinct B - Seville Grove	653,373	(63,412)	589,961
POS - Precinct C - West Armadale	632,012	7,517	639,529
POS - Precinct D - South Armadale	39,020	(39,020)	0
POS - Precinct F - Clifton Hills	221,336	12,182	233,518
POS - Precinct G - Creyk	469,733	31,041	500,774
POS - Precinct I - Roleystone	544,779	(7,812)	536,967
POS - Precinct M - Palomino	56,241	3,094	59,335
POS - Regional Recreation Infrastructure	1,867,493	287,746	2,155,239
Rates in Suspense	37,413	1,673	39,086
SEMACC Lease Liability	10,525	0	10,525
Town Planning Bonds	351,362	243,626	594,988
	16,868,441	11,794	16,880,235

	2012 Actual \$	2011 Actual \$
18 Total Assets Classified by Function and Activity		
General Purpose Funding	28,734,726	26,715,860
Governance	18,661,514	19,446,730
Law, Order and Public Safety	372,896	369,345
Health	6,176	5,584
Education and Welfare	0	0
Community Amenities	21,223,016	19,128,981
Recreation and Culture	64,385,382	59,978,597
Transport	176,305,776	167,895,690
Economic Services	6,302	4,389
Other Property and Services	8,199,635	7,915,473
	317,895,423	301,460,649

CITY OF ARMADALE

Notes to, and forming part of, the Financial Report
For the year ended 30 June 2012

	Net Book Value		Sale Price		Profit / (Loss)	
	Actual	Budget	Actual	Budget	Actual	Budget
			\$	\$	\$	\$
19 Disposal of Assets						
Land and Buildings						
<u>Governance</u>						
POS Land Sales	0	1,040,000	371,114	1,040,000	371,114	0
Freehold Land Sales	0	1,355,000	0	1,355,000	0	0
Temporary Admin Centre	420,177	0	537,469	0	117,292	0
Total Land and Buildings	420,177	2,395,000	908,583	2,395,000	488,406	0
Plant and Machinery						
<u>Governance</u>						
Sedan - 85250	34,070	31,300	37,727	30,000	3,657	(1,300)
Sedan - 85251	30,792	27,700	25,098	25,000	(5,695)	(2,700)
Sedan - 85253	24,852	21,500	21,643	18,000	(3,209)	(3,500)
Sedan - 85290	6,660	7,300	9,611	12,000	2,951	4,700
Sedan - 85398	13,510	11,800	14,552	12,000	1,042	200
Sedan - 85423	21,785	21,900	22,337	25,000	552	3,100
<u>Law, Order and Safety</u>						
Sedan - 85257	22,195	20,900	18,701	18,000	(3,494)	(2,900)
Utility - 85260	18,608	19,500	26,377	18,000	7,769	(1,500)
Utility - 85297	18,661	19,500	26,277	18,000	7,616	(1,500)
<u>Health</u>						
Utility - 85302	0	13,800	0	17,000	0	3,200
<u>Education and Welfare</u>						
Sedan - 85255	33,220	28,600	26,916	25,000	(6,304)	(3,600)
Sedan - 85413	8,509	14,700	16,247	19,000	7,738	4,300
Utility - 85256	12,010	13,600	16,656	19,000	4,645	5,400
<u>Community Amenities</u>						
Minor Plant - Waste - 85998	0	0	0	1,000	0	1,000
Rubbish Truck - 85356	31,510	40,300	56,400	50,000	24,890	9,700
Sedan - 85261	27,262	26,100	22,570	25,000	(4,692)	(1,100)
Sedan - 85263	11,889	13,200	13,974	17,000	2,084	3,800
Sedan - 85411	5,856	10,000	10,065	14,000	4,209	4,000
Truck - 85319	86,778	52,200	59,100	50,000	(27,678)	(2,200)
Utility - 85289	11,485	23,200	17,330	24,000	5,845	800
Utility - 85335	0	14,700	0	17,000	0	2,300
Utility - 85392	11,909	12,500	11,429	14,000	(480)	1,500

	Net Book Value		Sale Price		Profit / (Loss)	
	Actual	Budget	Actual \$	Budget \$	Actual \$	Budget \$
19 Disposal of Assets (continued)						
<u>Recreation and Culture</u>						
Box Trailer - 85433	0	0	91	1,000	91	1,000
Minor Plant - Parks - 85399	10,865	10,300	6,273	15,000	(4,592)	4,700
Minor Plant - Parks - 85400	7,019	6,700	5,500	8,000	(1,519)	1,300
Minor Plant - Parks - 85996	0	0	0	5,300	0	5,300
Minor Plant - Property Sv - 85999	0	0	0	1,000	0	1,000
Sedan - 85292	9,997	15,300	16,065	19,000	6,068	3,700
Tandem Trailer - 85381	0	0	909	2,000	909	2,000
Utility - 85281	14,546	14,300	19,610	17,000	5,064	2,700
Utility - 85285	9,882	13,600	14,616	17,000	4,733	3,400
Utility - 85286	13,457	14,100	13,520	18,000	63	3,900
Utility - 85325	15,399	15,000	20,779	17,000	5,380	2,000
Utility - 85332	14,629	13,800	16,524	17,000	1,895	3,200
Utility - 85333	11,680	14,200	16,292	17,000	4,612	2,800
Utility - 85382	12,534	12,400	20,292	20,000	7,758	7,600
Utility - 85383	12,409	12,400	23,246	20,000	10,837	7,600
Utility - 85384	11,311	11,800	19,611	20,000	8,299	8,200
Utility - 85421	0	15,000	0	17,000	0	2,000
Van - 85414	6,565	6,600	10,916	10,000	4,351	3,400
<u>Transport</u>						
Minor Plant - Civil Works - 85995	0	0	0	3,000	0	3,000
Minor Plant - Support Sv - 85997	0	0	0	2,000	0	2,000
Roller - 85313	0	28,600	0	45,000	0	16,400
Sedan - 85265	31,176	28,200	22,534	25,000	(8,642)	(3,200)
Sedan - 85270	8,006	10,700	11,461	14,000	3,454	3,300
Sedan - 85408	10,043	10,300	10,520	14,000	477	3,700
Utility - 85269	13,896	13,000	13,479	18,000	(417)	5,000
Utility - 85282	14,967	13,600	14,416	18,000	(551)	4,400
Utility - 85283	20,359	22,100	23,701	17,000	3,342	(5,100)
Utility - 85284	0	20,700	0	19,000	0	(1,700)
Utility - 85287	22,366	22,100	16,883	19,000	(5,483)	(3,100)
Utility - 85288	14,813	13,900	14,160	18,000	(652)	4,100
Utility - 85306	13,200	13,800	18,156	18,000	4,956	4,200
Utility - 85308	13,297	13,700	18,474	17,000	5,177	3,300
<u>Economic Services</u>						
Sedan - 85293	12,377	7,700	12,370	12,000	(6)	4,300
Utility - 85300	12,805	14,800	17,792	17,000	4,987	2,200
Utility - 85430	12,940	14,700	18,065	17,000	5,125	2,300
Total Plant and Machinery	782,097	867,700	869,262	1,002,300	87,165	134,600
Total Disposal of Assets	1,202,274	3,262,700	1,777,845	3,397,300	575,571	134,600

2012 2011 2010 2009

20 Financial Ratios

Current Ratio	4.42	2.80	1.83	2.56
Untied Cash to Trade Creditors Ratio	5.09	3.63	1.83	3.48
Debt Ratio	0.09	0.10	0.08	0.05
Debt Service Ratio	0.02	0.03	0.01	0.01
Gross Debt to Revenue Ratio	0.27	0.26	0.21	0.08
Gross Debt to Realisable Assets Ratio	0.17	0.18	0.14	0.06
Rates Coverage Ratio	0.50	0.44	0.53	0.55
Outstanding Rates Ratio (excl Pensioner Deferments)	0.03	0.03	0.02	0.03

The above ratios are calculated as follows -

Current Ratio	=	$\frac{\text{Current Assets Minus Restricted Current Assets}}{\text{Current Liabilities Minus Liabilities From Restricted Assets}}$
Untied Cash to Trade Creditors Ratio	=	$\frac{\text{Untied Cash}}{\text{Unpaid Trade Creditors}}$
Debt Ratio	=	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Debt Service Ratio	=	$\frac{\text{Debt Service Cost (Principal and Interest Costs)}}{\text{Available Operating Revenue}}$
Gross Debt to Revenue Ratio	=	$\frac{\text{Gross Debt}}{\text{Total Revenue}}$
Gross Debt to Realisable Assets Ratio	=	$\frac{\text{Gross Debt}}{\text{Economically Realisable Assets}}$
Rate Coverage Ratio	=	$\frac{\text{Net Rate Revenue}}{\text{Operating Revenue}}$
Outstanding Rates Ratio (excluding Pensioner Deferments)	=	$\frac{\text{Rates Outstanding}}{\text{Rates Collectable}}$

	Principal 1 July \$	New Loans \$	Principal Repayments \$	Principal 30 June \$	Interest Repayments \$
21 Information on Borrowings					
a Repayment - Debentures (Budget)					
Particulars					
Governance					
285 Temporary Administration 2005	227,342	0	52,100	175,242	12,400
292 Loan Borrowings 2008	472,188	0	25,800	446,388	34,000
295 Old Library Conversion 2009	645,823	0	56,300	589,523	37,300
296 Loan Borrowings 2009	494,412	0	24,800	469,612	33,100
298 Loan Borrowings 2010	507,433	0	44,200	463,233	29,300
306 Loan Borrowings 2011	675,000	0	52,800	622,200	36,600
Recreation and Culture					
284 Rushton Park 2006	184,310	0	32,500	151,810	11,000
286 Kelmscott Library 2005	46,875	0	10,800	36,075	2,600
291 Aquatic Works 2008	462,293	0	14,500	447,793	33,300
294 Armadale Library Relocation 2009	1,014,865	0	88,400	926,465	58,500
299 Aquatic Centre Upgrade 2010	927,701	0	43,300	884,401	56,800
300 Frye Park Redevelopment 2010	424,398	0	37,000	387,398	24,500
302 Aquatic Cnte Upgrade 2012	1,430,000	0	40,700	1,389,300	83,100
303 Bakers House Refurbishment 2011	344,500	0	29,600	314,900	20,000
304 Frye Park Redevelopment 2011	1,067,000	0	30,400	1,036,600	62,000
305 Piara Waters (North) 2011	1,160,000	0	55,100	1,104,900	75,000
307 Equestrian Facilities 2012	0	360,000	0	360,000	0
308 Armadale Hall Upgrade 2012	0	735,000	0	735,000	0
309 Piara Waters (North) 2012	0	731,000	0	731,000	0
310 Abbey Road Project 2012	0	5,290,000	0	5,290,000	0
311 Aquatic Centre Upgrade 2012	0	1,600,000	0	1,600,000	0
Transport					
290 ARA Projects 2008	166,314	0	19,000	147,314	11,800
293 Abbey Road Link Project 2008	650,000	0	0	650,000	40,600
297 Abbey Road Land 2010	4,552,800	0	0	4,552,800	260,900
301 Abbey Road Project 2011	3,000,000	0	0	3,000,000	155,000
	18,453,253	8,716,000	657,300	26,511,953	1,077,800

	Principal 1 July \$	New Loans \$	Principal Repayments \$	Principal 30 June \$	Interest Repayments \$
21 Information on Borrowings					
b Repayment - Debentures (Actual)					
Particulars					
Governance					
285 Temporary Administration 2005	227,342	0	52,106	175,237	12,052
292 Loan Borrowings 2008	472,188	0	25,746	446,441	50,707
295 Old Library Conversion 2009	645,823	0	56,255	589,568	37,123
296 Loan Borrowings 2009	494,412	0	24,732	469,680	49,380
298 Loan Borrowings 2010	507,433	0	44,200	463,232	29,168
306 Loan Borrowings 2011	675,000	0	52,730	622,270	37,497
Recreation and Culture					
284 Rushton Park 2006	184,310	0	32,490	151,820	10,950
286 Kelmscott Library 2005	46,875	0	10,743	36,131	2,485
291 Aquatic Works 2008	462,293	0	14,472	447,821	49,825
294 Armadale Library Relocation	1,014,865	0	88,401	926,464	58,336
299 Aquatic Centre Upgrade 2010	927,701	0	43,267	884,434	56,685
300 Frye Park Redevelopment 2010	424,398	0	36,968	387,430	24,395
302 Aquatic Cnte Upgrade 2012	1,430,000	0	40,636	1,389,364	85,375
303 Bakers House Refurbishment	344,500	0	26,912	317,588	19,137
304 Frye Park Redevelopment 2011	1,067,000	0	30,321	1,036,679	63,703
305 Piara Waters (North) 2011	1,160,000	0	51,661	1,108,339	67,456
307 Equestrian Facilities 2012	0	360,000	0	360,000	388
311 Aquatic Centre Upgrade 2012	0	1,600,000	0	1,600,000	2,154
Transport					
290 ARA Projects 2008	166,314	0	18,965	147,349	17,528
293 Abbey Road Link Project 2008	650,000	0	0	650,000	60,840
297 Abbey Road Land 2010	4,552,800	0	0	4,552,800	260,875
301 Abbey Road Project 2011	3,000,000	0	0	3,000,000	158,700
	18,453,253	1,960,000	650,605	19,762,648	1,154,760

	Amount Borrowed		Amount Used	
	Actual \$	Budget \$	Actual \$	Budget \$
21 Information on Borrowings (continued)				
c New Debentures				
Particulars				
Transport				
307 Equestrian Facilities 2012	360,000	360,000	360,000	360,000
311 Aquatic Centre Upgrade 2012	1,600,000	1,600,000	1,600,000	1,600,000
	1,960,000	1,960,000	1,960,000	1,960,000

Particulars	Institution	Loan Type	Term (Years)	Total Costs	Interest Rate
Recreation and Culture					
307 Equestrian Facilities 2012	WATC	Debenture	5	37,505	3.59%
311 Aquatic Centre Upgrade 2012	WATC	Debenture	20	857,886	4.48%
				895,391	

d Unspent Debentures

The City had no unspent debentures at 30 June 2012.

e Overdraft Facilities

The City did not utilise an overdraft during the 2011 - 2012 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 2011 and 30 June 2012 was \$nil.

CITY OF ARMADALE

Notes to, and forming part of, the Financial Report
For the year ended 30 June 2012

	Rate in \$ / Minimum Charge	Property Numbers #	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$
22 Rating Information						
a Rating Information (Budget)						
Rate Type						
General Rate						
Gross Rental Value - Vacant	13.167	985	25,132,360	3,309,150	0	3,309,150
Gross Rental Value	7.9600	20,036	350,584,265	27,906,500	625,300	28,531,800
Unimproved Value	0.3538	148	236,952,500	838,350	0	838,350
Sub-Total		21,169	612,669,125	32,054,000	625,300	32,679,300
Minimum Rate						
Gross Rental Value - Vacant	875	1,791	8,277,723	1,567,125	0	1,567,125
Gross Rental Value	875	4,095	40,419,356	3,583,125	0	3,583,125
Unimproved Value	1,050	17	3,657,425	17,850	0	17,850
Sub-Total		5,903	52,354,504	5,168,100	0	5,168,100
Total		27,072	665,023,629	37,222,100	625,300	37,847,400
Rate Equivalent Payments and Adjustments Specified Area Rates						0 601,200
Total						38,448,600
b Rating Information (Actual)						
Rate Type						
General Rate						
Gross Rental Value - Vac	13.167	1,139	27,346,247	3,593,224	0	3,593,224
Gross Rental Value - Imp	7.9600	20,209	351,534,679	27,937,732	689,085	28,626,817
Unimproved Value	0.3538	149	201,882,500	714,260	0	714,260
Sub-Total		21,497	580,763,426	32,245,216	689,085	32,934,301
Minimum Rate						
Gross Rental Value - Vac	\$875	1,719	7,936,733	1,504,639	0	1,504,639
Gross Rental Value - Imp	\$875	4,080	40,293,484	3,570,000	0	3,570,000
Unimproved Value	\$1050	17	3,675	17,850	0	17,850
Sub-Total		5,816	48,233,892	5,092,489	0	5,092,489
Total		27,313	628,997,318	37,337,705	689,085	38,026,790
Rate Equivalent Payments and Adjustments Specified Area Rates						20,344 625,726
Subtotal Rates Required to be raised from rates						38,672,860
Rates in advance (Direct Debit to apply to 2013 Rates)						2,395,997
Total						41,068,857

	Rate in \$	Property Numbers #	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$
23 Specified Area Rates						
a Specified Area Rates (Budget)						
Rate Type						
Specified Area Rate - GRV						
A - Armadale CBD	0.373	90	27,601,663	103,000	0	103,000
B - Kelmscott CBD	1.020	94	6,732,138	68,700	0	68,700
C - Kelmscott Industry	0.184	331	9,292,259	17,100	0	17,100
D - S A'dale Industry	0.429	128	4,568,147	19,600	0	19,600
E - Shopping Precincts	0.788	6	2,485,740	19,500	0	19,500
F - North Forrestdale	0.988	2,272	37,781,690	373,300	0	373,300
Total		2,921	88,461,637	601,200	0	601,200
b Specified Area Rates (Actual)						
Rate Type						
Specified Area Rate - GRV						
A - Armadale CBD	0.373	90	27,601,663	102,954	0	102,954
B - Kelmscott CBD	1.020	94	6,732,138	70,591	0	70,591
C - Kelmscott Industry	0.184	331	9,292,259	17,138	0	17,138
D - S A'dale Industry	0.429	129	4,579,593	19,837	0	19,837
E - Shopping Precincts	0.788	6	2,485,740	19,488	0	19,488
F - North Forrestdale	0.988	2,277	38,287,230	395,718	0	395,718
Total		2,927	88,978,623	625,726	0	625,726

In the 2011 - 2012 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.

24 Service Charges

No service charges were imposed for the 2011 - 2012 financial year. As such, no transfer to, or from, Reserve Accounts has occurred.

25 Discounts, Incentives, Concessions and Write-Offs

Discounts

No discounts were offered in the 2011 - 2012 financial year.

Incentives

Four rate payment incentives were offered in the 2011 - 2012 financial year. The first incentive was three prizes each of \$2,000 provided by the City of Armadale. The second incentive was one prize of \$1,500 provided by Westpac. The third incentive was two prizes of \$500 provided by Bendigo Bank. The fourth incentive was four prizes of \$1,000 to those ratepayers currently using, or opting to use, Council's 'Smarter Way To Pay' yearly direct debit payment method. Conditions relating to timing of the payment of rates and entry conditions applied to these incentives.

Concessions

No concessions were offered in the 2011 - 2012 financial year.

Write-Offs

The following write-offs were made during the 2011 - 2012 financial year -

Rates	80,238
General	7,042
Infringements	54,771
	<u>142,050</u>

26 Interest Charges and Instalments

Particulars	Interest Rate %	Admin Charge \$	Actual Revenue \$	Budgeted Revenue \$
Interest on late paid rates	11	-	158,827	145,000
Interest on instalment plans	5.5	-	187,010	150,000
Interest on Emergency Services Levy (ESL)	11	-	11,506	5,000
Charges on instalment plans (per payment)	-	10.00	203,980	177,600
Charges on special arrangements	-	42.00	8,677	20,900
			<u>570,000</u>	<u>498,500</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.

	2012 Actual \$	2011 Actual \$
27 Fees and Charges		
General Purpose Funding	457,664	395,914
Governance	4,903	4,846
Law, Order and Public Safety	449,149	389,399
Health	126,395	120,544
Education and Welfare	5,682	5,540
Community Amenities	8,777,769	7,886,218
Recreation and Culture	1,140,052	1,100,436
Transport	943,229	995,409
Economic Services	1,098,029	1,211,525
Other Property and Services	294,104	209,937
	<u>13,296,977</u>	<u>12,319,768</u>
28 Grant, Subsidies and Contributions Revenue		
By Nature or Type		
Operating Grants, Subsidies and Contributions	13,284,067	18,743,722
Non-Operating Grants, Subsidies and Contributions	10,464,540	7,802,844
	<u>23,748,607</u>	<u>26,546,565</u>
By Program		
General Purpose Funding	3,657,874	2,656,743
Governance	511,260	3,706,558
Law, Order and Public Safety	152,713	169,364
Health	1,565	2,148
Education and Welfare	561,761	264,256
Community Amenities	6,823,435	11,096,600
Recreation and Culture	2,581,998	452,171
Transport	9,435,754	8,174,131
Economic Services	22,248	24,596
Other Property and Services	0	0
	<u>23,748,607</u>	<u>26,546,565</u>
29 Employee Numbers		
Number of Full-Time Equivalent Employees at Balance Date	<u>292.9</u>	<u>282</u>

	2012 Actual \$	2012 Budget \$	2011 Actual \$
30 Councillors' Fees and Allowances			
The following fees, expenses and allowances were paid to Council Members and / or the Mayor -			
Members Allowance	105,000	105,000	105,000
Mayoral Allowance	60,000	60,000	60,000
Deputy Mayoral Allowance	15,000	15,000	15,000
Telecommunications Allowance	28,420	28,400	27,160
Travelling Allowance	10,733	12,100	12,060
Communication Reimbursement	13,499	14,100	12,439
Child Minding Reimbursement	4,140	3,200	3,120
Information Technology Allowance	14,000	14,000	14,000
Vehicle Operation - Mayor	11,969	8,600	8,299
	262,761	260,400	257,078

31 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.

	2012	2011	2010	2,009
100,000 - 109,999	6	6	0	4
110,000 - 119,999	5	2	2	1
120,000 - 129,999	0	1	3	2
130,000 - 139,999	3	3	2	2
140,000 - 149,999	1	3	2	0
150,000 - 159,999	1	1	0	0
160,000 - 169,999	3	1	0	1
170,000 - 179,999	0	0	1	0
180,000 - 189,999	0	0	0	0
190,000 - 199,999	0	0	0	0
200,000 - 209,999	1	1	0	0
	20	18	10	10

32 Major Land Transactions

Abbey Road and Railway Avenue Urban Renewal Project

a) Details

Land was 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)*.

	2012 Actual \$	2012 Budget \$	2011 Actual \$
b) Current Year Transactions			
<u>Non-Operating Revenue</u>			
New Debentures	0	5,290,000	3,000,000
Disposal of Assets	0	0	0
From Reserve	2,665,117	362,200	0
<u>Operating Expense</u>			
Interest Expenses	(460,135)	(456,500)	(301,869)
<u>Capital Expense</u>			
Land & Development Costs	0	(6,711,900)	(570,895)
Roadworks	(982,813)	(2,563,300)	(81,713)
<u>Non-Operating Expense</u>			
Principal Repayments	0	0	0
To Reserve	0	0	(2,665,117)
	1,222,169	(4,079,500)	(619,594)

The above capital expense has been included in land acquisitions (Note 6 - Annual Budget) with the remaining funds included in the 2011-2012 Annual Budget for the remaining land purchases.

	To 2012 \$	2013 \$	2014 \$	2015 \$	2016 \$
c) Expected Cash Flows					
Opening	0	2,553,966	0	0	0
<u>Non-Operating Revenue</u>					
New Debentures	8,202,800				
Disposal of Assets	0	5,290,000	5,290,000	0	0
From Reserve	0	0	6,897,500	9,242,100	6,897,500
	2,665,117	0	0	0	5,238,272
<u>Operating Expense</u>					
Interest Expenses	(803,388)	(460,135)	(698,135)	(736,870)	(476,000)
<u>Capital Expense</u>					
Land & Road Development Costs	(4,845,446)	(7,383,831)	(5,300,000)	(1,253,523)	0
<u>Non-Operating Expense</u>					
Principal Repayments	0	0	(3,650,000)	(4,552,800)	(10,580,000)
To Reserve	(2,665,117)	0	(2,539,365)	(2,698,907)	0
Closing	2,553,966	0	0	0	1,079,772

The net cash flows of the entire land transaction is expected to result in an inflow of \$1,079,772

33 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	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	61,301,633	55,359,777	61,301,633	55,359,777
Receivables	4,997,441	6,563,914	4,997,441	6,563,914
	66,299,073	61,923,691	66,299,073	61,923,691
Financial Liabilities				
Payables	4,428,944	7,153,409	4,428,944	7,153,409
Borrowings	19,762,648	18,453,253	13,978,278	12,709,192
	24,191,593	25,606,662	18,407,222	19,862,601

Fair value is determined as follows -

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

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

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

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

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns. The City's weighted average interest rate on cash and cash deposits was 5.85% (2010 / 2011 - 5.62%).

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

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

	30 June 2012	30 June 2011
	\$	\$
Impact of a 1% movement in interest rates on Cash and Investments		
Equity	613,016	553,598
Income statement	613,016	553,598

33 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 2012 \$	30 June 2011 \$
Value of Rates and Annual Charges		
Current	1,331,164	1,168,477
Overdue - Older than 12 months	592,275	596,419
	1,923,439	1,764,896
Percentage of Rates and Annual Charges		
Current	69%	66%
Overdue - Older than 12 months	31%	34%
Value of Other Receivables		
Current	2,940,852	4,613,335
Overdue - Older than 30 days	133,151	185,683
	3,074,002	4,799,018
Percentage of Other Receivables		
Current	96%	96%
Overdue - Older than 30 days	4%	4%

33 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 \$	Due After 5 Years \$	Total Contractual Cash Flows \$	Carrying Values \$
2012					
Payables	4,428,944	0	0	4,428,944	4,428,944
Borrowings	1,923,235	12,609,372	8,803,322	23,335,929	19,762,648
	6,352,180	12,609,372	8,803,322	27,764,874	24,191,593
2011					
Payables	7,153,409	0	0	7,153,409	7,153,409
Borrowings	1,720,840	12,258,188	8,222,350	22,201,378	18,453,253
	8,874,249	12,258,188	8,222,350	29,354,787	25,606,662

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 2012					
Borrowings					
Fixed Rate					
Debentures	5.68	800,667	12,544,700	6,417,278	19,762,646
Year ended 30 June 2011					
Borrowings					
Fixed Rate					
Debentures	5.89	650,595	11,858,019	5,944,639	18,453,253





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