



Annual Report
2012 - 2013





City of Armadale
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The future of Armadale

The City of Armadale Strategic Community Plan 2013 – 2028 is a blueprint for the future direction of the City and its community members. It represents a shared community vision and sets out long-term strategies designed to strengthen and build on Armadale's unique assets.

Community Vision

By 2028 Armadale will be:

A liveable city for future generations that is responsive to community values, appreciative of our exceptional environment, providing a choice of lifestyle, supporting opportunities for education and employment, and a strategic metropolitan centre respected by the wider Western Australian community.

As a rapidly growing Strategic Regional Metropolitan Centre, with outstanding recreation facilities, lush bushland, scenic rivers and hills, enviable residential lifestyles and an expanding commercial/industrial precinct, the City of Armadale is an ideal place to live, work and visit.

The City of Armadale is one of Western Australia's fastest growing local government areas, with its population forecast to reach 127,585 by 2028. The newer western suburbs are the focus of intense residential and infrastructure development, with new schools, shopping and recreation facilities planned.

Our Mission

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

Strategically located at the gateway arterial routes of Armadale Road, South Western Highway and Albany Highway, Armadale CBD is a modern urban hub quickly establishing itself as a major metropolitan shopping, commercial and service centre.

Our Values

-  Honesty
-  Professionalism
-  Respect
-  Accountability

The development of the City centre into a hive of local activity has proven a welcome addition for families and for City businesses, with more and more people calling the City of Armadale home each year.



Council Statistics 2012 - 2013

Distance from Perth (km)	28
Area (sq km)	560.4
Length of Sealed Roads (km)	681.68
Length of Unsealed Roads (km)	15.37
Estimated Population	69,108
Number of Electors	41,289
Number of Dwellings	27,586
Total Rates Levied	\$42,875,000
Total Revenue	\$93,788,000
Number of Employees	476
Areas of Parks and reserves (hectares)	1847
Libraries	3
Schools	22 primary schools and 8 secondary schools
Localities and suburbs	19

Local Events

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



Mayor's Foreword



This City has a long and proud history and is a place where many people enjoy raising their children or enjoying their retirement. The rate of growth in the area has continued to climb in recent years, and the last year has been no different.

That growth means we have to be very organised and plan for the long term future of the community and the organisation that serves you. In the last year the City and Council have been busy preparing a Strategic Community Plan 2013 – 2028 which outlines what the community want from their local governing body and what you hope and dream of for your community in the next 15 years. The Plan was compiled from what the community told us through the Ask Armadale and Community Perceptions surveys, both undertaken in 2012. Put simply, the document is the guide book for us to give the community what they need and desire. This document will guide all of the activities, plans and decisions the organisation and Council make in coming years. The Plan will be reviewed every two years and progress reports will be available for the community. That Plan feeds into other operational documents that the City will use to deliver the day to day operations of the organisation.

One of the major projects that the City has been working on in recent years was completed this year. The Council were very pleased to be able to welcome the community to the new Baker's House community facility in Harrisdale with a gala opening event in March 2013. Many local residents celebrated this great new facility, which was originally a Homestead owned and constructed by the Baker family in the 1970s. The newly accessible facility has a nice sense of history, due to its construction from recycled materials from the Kellerberrin Hotel and the Mogumber Bridge, and now that it has been refurbished it should prove a valuable asset for the new communities in the west of the City.

Works have also started on the next major community facility project for the City, the Piara Waters (North) Community and Sporting Facility. When completed, the facility will include multi-purpose playing fields with lighting, a pavilion for sports and community uses, an enclosed children's playground, a path network and cricket nets. Residents will be able to play organised team sports and there'll also be room for casual recreation, such as dog walking or jogging. The community was heavily involved in the planning for the facility so it has been designed to fulfil the needs of the community. We look forward to seeing completion of the project and residents enjoying another community hub.

The Council continues to focus on bringing growth to the area, as this leads to the provision of more services to the community. We all enjoy living in this beautiful place, that is so close to the hills and natural bushland, and access to services which growth has provided, makes the place we live the best of both worlds.

The Councillors and I are pleased to represent such a diverse and engaged community and thank the City staff for their efforts in 2012 - 2013.

Henry Zelones JP
Mayor



CEO's Report



In making this report in 2011 – 2012 I made reference to the uncertainty surrounding the work of your Council as the subject of Local Government Reform and amalgamations continues unresolved. Let us hope that the State Government settles this matter once and for all in 2013 – 2014 so that Councils can get on with the all-important planning and shaping of your suburbs for future generations. Despite this uncertainty, Armadale has advanced its output in a number of key areas as it continues to grow rapidly in the new suburbs of Harrisdale and Piara Waters. The Mayor has made reference to the new Strategic Community Plan 2013 – 2028 document prepared under the City's new Integrated Planning Framework. Underpinned by the now completed Corporate Business Plan the Strategic Community Plan states the outcomes and strategies guiding us over the next 15 years. New documents formulated this year to inform and deliver the Plan are the City's Workforce Plan and the Economic Development Strategy.

Endorsed in May 2013 following the appointment of the City's Economic Development Manager, the Economic Development Strategy contains 34 action items across six key outcome areas all aimed at attracting economic investment and adding value to your community and your property.

The City has also pursued specialist asset management software as the business of managing our estimated \$489 million of assets will be crucial to protecting quality of life in the City's various communities into the future.

Each year the City responds to your enquiries and calls with over 25,000 in-person enquiries made at the City's front desk in 2012 – 2013.

The City of Armadale is one of WA's fastest growing districts with over 1400 new lots created in 2012 – 2013. This equates to nearly 4000 new residents and in the same period 2862 building approvals were issued to a record value of \$489 million. While dealing with this growth the community has demanded that we protect the amenity of all suburbs and compliance officers have investigated a record number of unauthorised building actions.

The City has been engaged in a number of key projects of vital importance to the Strategic Community Plan. A new state of the art standby generator has been installed at the City's Administration building to overcome the impact of lengthy power outages which hampered operations. The Administration building is the City's emergency operational centre and it is imperative that business continuity is maintained.

Major road projects on Ranford Road and Nicholson Road are advancing as quickly as possible, as key services and adjoining land boundaries are determined. Negotiations with the MRA to complete Ranford Road from Tonkin Highway to Armadale Road will see the project completed by mid-2015. This was originally not scheduled for at least another five years so while road users patience has been tested, the results will be worth the extra effort in 2013.

Another recently completed road project, the Abbey Road/Armadale Road/Railway Avenue intersection is now fully functional at a cost of over \$2.6 million. The City also welcomes commissioning of the new traffic lights at Armadale Road/Seville Drive intersection, safe-guarding a previously dangerous intersection.

All of the City's suburbs share in its heritage of parkland and bushland. A total of \$5.9 million was spent in maintaining the City's parks and reserves in 2012 – 2013.

Finally, this year planning was completed and tenders awarded for the construction of a new landmark building on the corner of Jull Street and Orchard Avenue in the Armadale City Centre. Estimated at up to \$20 million, this building will house Government and City officers to provide services for our growing population. It will be the first phase in an ultimate redevelopment of the City's Civic Precinct as Armadale becomes a true Strategic Metropolitan Centre.

I'm proud to be part of the leadership of this City as it advocates for both Government and private investment in this beautiful part of the Perth metropolitan area. Without strong and aggressive advocacy, our district will quickly fall behind and there are already disquieting signs of Government priorities lying elsewhere.

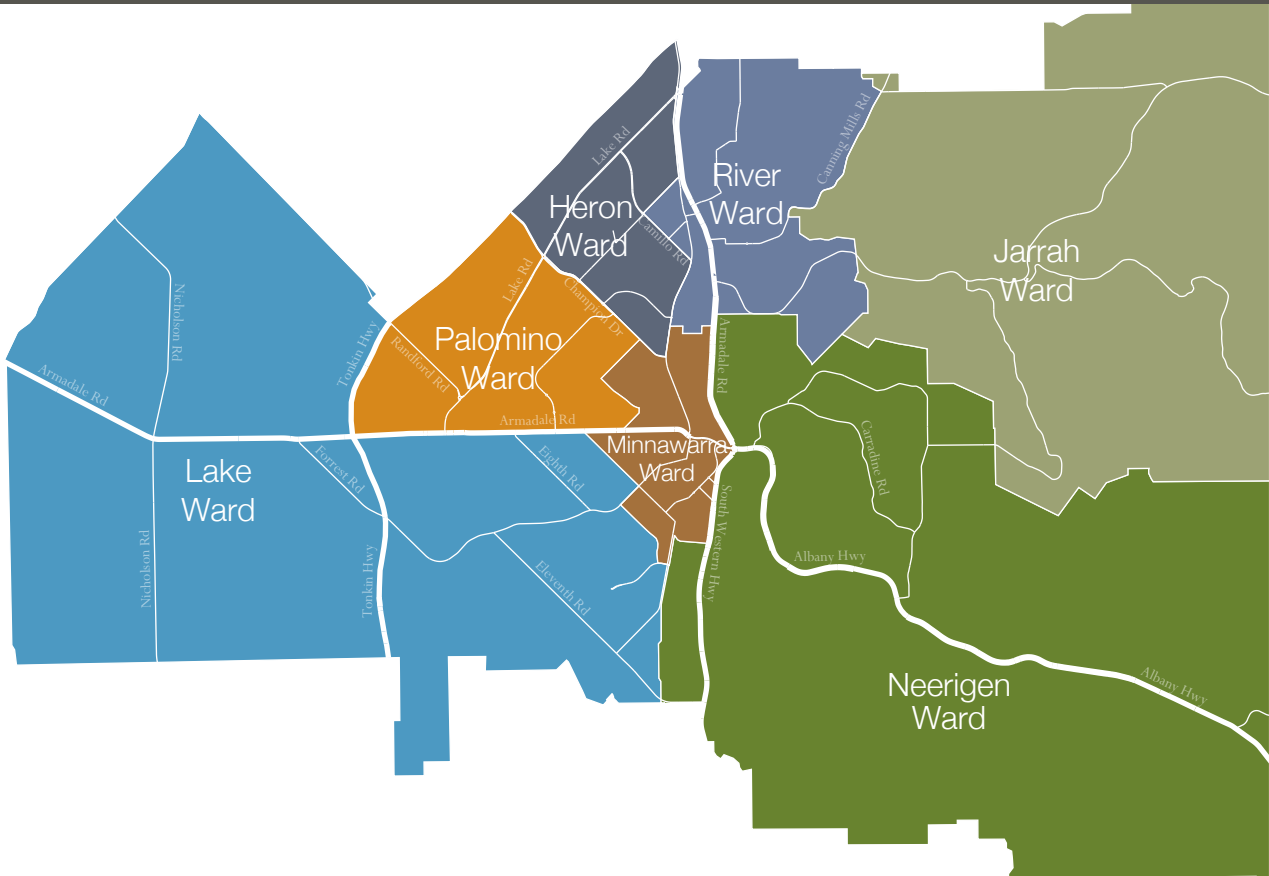
Armadale's greatest strength over the past decade has been its strategic focus and dedicated teamwork. My thanks to the Mayor, Councillors and staff for yet another year of achievement.

R.S. Tame PSM
CEO



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.



Heron Ward

Cr Jim Stewart



Cr Donna Shaw

Jarrah Ward

Cr Grant Nixon



Cr Caroline Wielinga

Lake Ward

Cr Jeff Munn JP CMC



Cr June MacDonald

Minnawarra Ward

Cr Kerry Busby



Cr Matt Norman

Neerigen Ward

Cr Guenter Best



Cr Mark Geary

Palomino Ward

Cr Laurie Sargeson



Cr Melissa Northcott

River Ward

Cr Ruth Butterfield



Cr Henry Zelones JP



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 Committee

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

Community Services Committee

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

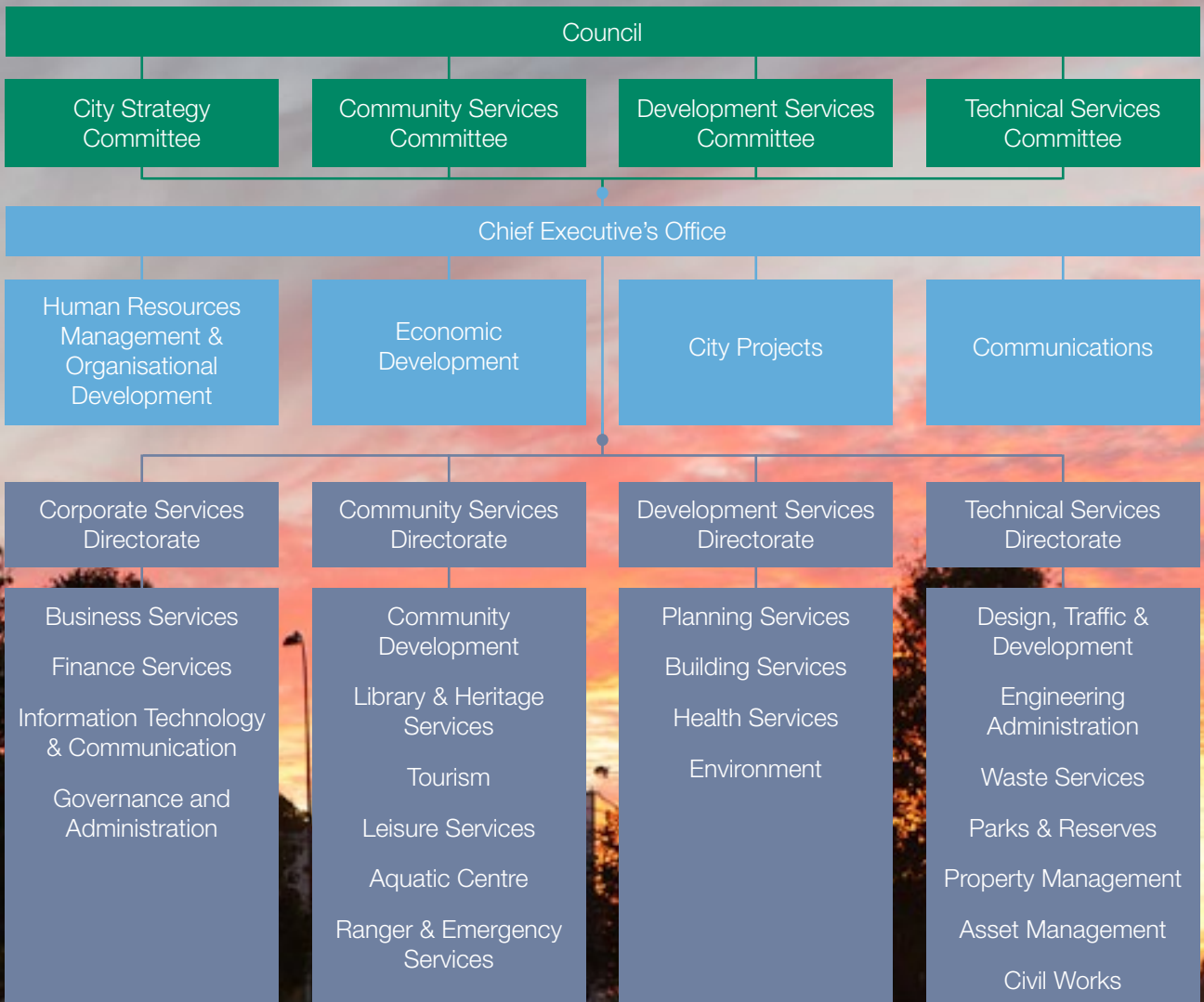
Development Services Committee

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

Technical Services Committee

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.

Organisational Structure



City of Armadale Key Staff







CEO's Office

Recruitment and Retention

Recruitment has continued to be a key focus for Human Resources. Issues impacting on the level of recruitment include continued growth, additional services, retirements, resignations and the seasonal operations of some facilities.

Training and Development

Training and development was a major activity for 2012 - 2013. With the appointment of the Organisational Development Officer, a more holistic approach was taken with staff training. Each work area was tasked with creating a training matrix. This identified statutory training and required courses for each area. Officers were then assessed against these matrixes to prepare development plans.

Workforce Plan

The introduction of the Integrated Planning Framework required the development of a Workforce Plan, which expands on the City's Staff Establishment Report. This considered various aspects of the current organisation and what the staffing requirements will be into the future. This Plan replaces the annual Staff Establishment Report.

Economic Development Strategy 2013 - 2017

Following the appointment of an Economic Development Manager in July 2012, the City engaged SGS Economics and Planning Pty Ltd to develop the City of Armadale Economic Development Strategy 2013 - 2017.

Developed in-line with the City's Integrated Planning Framework and Strategic Community Plan, the Economic Development Strategy was endorsed by Council in May 2013. Containing 34 individual action items across six key outcome areas, the strategy provides a guiding framework for Economic Development in the City for the next five years.

Economic Development activities

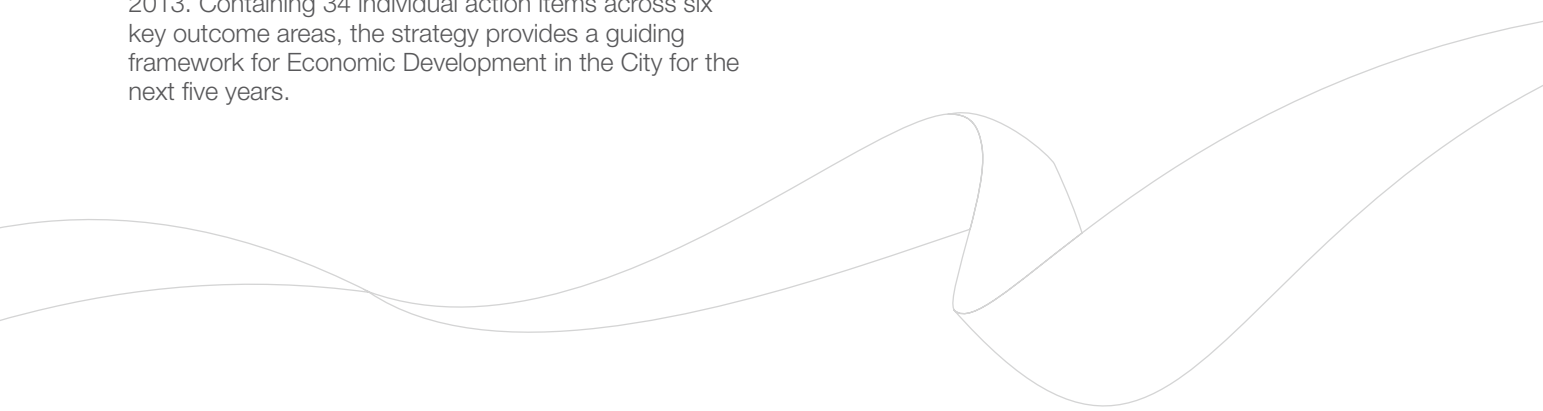
Other major activities during 2012 - 2013 included engaging with various industry sectors of the City's business community, pursuing the advancement of signature developments within Forrestdale Business Park, provision of training seminars for small businesses in Armadale (through the Small Business Centre South East Metropolitan), and the development and promotion of key economic data / indicators and business opportunities within the City.

Media

The intense development phase the City of Armadale has been experiencing for the last decade is slowly translating to the wider WA community, and therefore media interest. The organisation has a good reputation and continues to seek opportunities for positive state media coverage of City achievements, issues, programs and services.

Communications and Marketing Strategy

The Communications and Marketing Strategy is being reviewed by consultants to provide an objective analysis and new ideas. This will be completed in the next financial year.





Corporate Services

Corporate Asset Management System

Specialist asset management software (Assetic) was acquired to facilitate a more structured, controlled and effective future approach to asset management and service delivery. The software will provide a central register for all of the City's assets, enabling more informed decision making and forward financial planning. The software will also fulfil the requirement for the City's financial reports to future report assets at their fair value in accordance with the Australian Accounting Standard. The recording of all assets in this new software is a staged three year project, with all assets to be recorded by 30 June 2015.

Windows 7 and Office 2010

Business productivity suite enhancements were finalised including the upgrade of MS Office applications suite to version 2010. The City's public access PCs (located throughout the City's libraries) were also upgraded to allow access for the public to improved application software for personal use. Further upgrades of the City's desktop fleet from Windows XP to Windows 7 were undertaken with the remaining units to be upgraded over the next 12 months.

Customer Service

The Customer Service team received 25,048 in-person customer enquiries at the City's main administration centre in 2012 - 2013.

For the same period over 13,340 customer requests were logged with 2254 captured by the Customer Service team, 4265 by Waste Services and 6657 by Ranger Services.

Back Scanning Project

Year four of an eight year back scanning project was successful with over 41,000 files scanned which represents over 55% of all records identified converted into an electronic form. Areas completed include personnel and workers compensation files, Armadale Redevelopment Authority files, subdivision, scheme amendment, Town Planning Scheme files and Council Minute and Agenda books.

Online payment options

The City's website online payment facility, which previously only catered for payment of council rates, was extended to include general debtor invoices and infringements. There is now a new facility called AusPost App enabling payment by scanning the rate notice with an iPhone, iPad or similar device. These new options provide greater convenience at a lesser cost than other payment options and operational efficiency for the City.



Community Services

Development

Following the completion of the Active Sporting Reserves and Community Hubs Study, Master Planning for Cross Park and Springdale Park has been completed. The study identified 12 community and sporting hubs throughout the City, and Master Planning for Rushton Park, John Dunn Reserve and Alfred and William Skeet Reserves is nearing completion.

Children and Families

The City of Armadale and the Department of Education have developed a training package on the importance of the Australian Early Development Index (AEDI) to be offered to all Child Care Centres within the City of Armadale in 2013.

The Stargate Drama Program which aims to build confidence, promote team work, encourage creativity and develop skills to deal with bullying had 40 children from 'high needs' schools participate.

Seniors

Positive Ageing Sessions are held on a regular basis at various community locations to provide information about a range of topics. The Seniors Week Festival was again a success and celebrates the older person and their contribution to the community. The Positive Ageing Expo was the main event of the Seniors Week Festival and is the result of a partnership between the City and local organisations. The primary purpose of the Expo is to provide information about services to older people. Evaluations conducted indicate that older people value the Expo as being an accessible and convenient event to obtain information and resources.

Indigenous Support

The Federal Government funded Indigenous Parenting Service has supported Aboriginal and Torres Strait Islander families through culturally appropriate activities and programs for parents and children.

The Champion Centre has developed partnerships with the Department of Indigenous Affairs, Outcare, Save the Children and Coolabaroo to improve access to individual and family support services. Key achievements include community events to mark the National Aboriginal and Islanders Day Observance Committee (NAIDOC) day of celebration, National Aboriginal and Islanders Children's Day (NAICD), Indigenous Literacy Day, and Families Week.

Youth Engagement

The Youth Activity Area (YAA) was launched in February 2012 and a range of programs operated at the space including Freestyle on Fridays and Skateboarding Australia's Hub program.

The Ramped Summer School holiday program included hip hop dance classes, BMX, skate and scooter competitions and youth event planning workshops.

The YAA Fest Event Mentoring Project took place in February 2013 at the YAA. The 6112 Youth Crew, a core group of 12 young people, were involved in planning the event including selecting entertainment, designing promotional material, and setting up and packing down the event.

Together with Armadale Youth Resources and Drug ARM WA, the City hosted a National Youth Week Celebration event which featured a skate, BMX and scooter competition at the YAA, and market stalls, hip hop dance workshops and local bands in Memorial Park.

The Armadale Youth Network was launched in May 2013 and is open to all agencies who are working with young people in the City of Armadale. It aims to share ideas, knowledge and support on upcoming programs and services through partnerships and discuss key issues which impact the Armadale community.



Ignite Basketball

Ignite Basketball is a free, Armadale based, intervention program for young people engaged, or at risk of engaging, in anti-social and criminal behaviour. Ignite operated every Saturday at times and in areas of high youth crime, for 40 weeks. Ignite offered the opportunity for young men and women to access a safe environment, keep regularly active, develop leadership skills, gain formal qualifications and work with positive role models. The program employed a strong case management approach which engaged with participants outside the program and supported them with issues.

Eat, Act, Live

Eat, Act, Live is a program funded by the Federal Government's Healthy Communities Initiative which comprises a series of free physical activity and nutrition programs, operating throughout the Cities of Armadale and Gosnells, with the purpose of reducing chronic disease within the community. Over 450 people have participated in the program. Many participants have increased their interest and knowledge in the health and nutrition field, with some continuing on to enrol into tertiary education courses.

Volunteer Referral Service

Armadale Volunteer Service has experienced an increase of up to 50% in volunteering enquiries in 2012 - 2013. The service facilitated regular Volunteer Management Network meetings, provided training for Volunteer Managers and Step into Volunteering sessions for potential volunteers. Key celebratory events included National Volunteer Week in May and Thank a Volunteer Day in November.

Club Development

This year Club Development has successfully worked with clubs to develop business plans, provide support towards grant applications and assist with conflict management. The introduction of pre-season information

sessions has provide a better understanding for annual season management for sport clubs.

The appointment of two football clubs at Piara Waters (North) Community and Sporting Pavilion was completed. The City is now working with the clubs to improve good governance and operational procedures prior to the commencement of the winter season.

Armadale Arena

The Arena continues to attract venue hirers, with nine additional regular hirers commencing during the year and the number of regular major facility hire events are also increasing. There was 60% increase in usage of the Arena indoor courts, and new cardio gym equipment was delivered in November 2012.

Armadale Aquatic Centre

Armadale Aquatic Centre had 146,483 attendees during 2012 - 2013. School group attendances increased significantly by 8205 and swim school attendances increased by 142 during the year.

Outdoor Recreation Programs

The City of Armadale partnered with HBF to deliver 32 fitness sessions in Minnowarra Park. An average of 38 participants attended each class with Armadale achieving the highest suburban attendances.

The City, in conjunction with Satterley and Landcorp, held outdoor fitness sessions in Harrisdale and Champion Lakes attracting 160 participants. The Spring Bushwalks was again a popular program, with the night walks at Settlers' Common booking out and 121 participants attending through the series.



Ignite Basketball

Community Facilities

The opening of Baker's House in March 2013 generated significant interest in the facility's usage and a high level of interest and bookings for weekend functions and events.

Major events sponsorship

The City sponsored the inaugural City of Armadale Grand Fondo Cycling Tour, City of Armadale Duathlon and Triathlon, State Open Swimming Championships and the State Rowing Championships.

The City of Armadale Grand Fondo Cycling Tour attracted 300 cyclists and 2000 visitors. Record attendances were also noted for the City of Armadale Duathlon and Triathlon held at Champion Lakes as part of the highly regarded Telstra Triathlon Series. Major event sponsorship is proving to be an excellent opportunity to promote the City to the high number of visitors attending these events.

Libraries

The Library Strategic and Development Plan was finalised and will provide a roadmap for the City's existing and future libraries. Library users have enthusiastically welcomed the introduction of e-books with over 400 titles being borrowed each month from the state wide collection. There have been significant increases in the number of people using the public computer and Wi-Fi services. Growth in community engagement and digital literacy programs continued through the year. The number of children being reached by the Better Beginnings and Rhyme Time programs has increased significantly. Positive results for cognitive and language skills in the Australian Early Development Index have been attributed to the success of this outreach.

Heritage

Picture Armadale was launched and over 1700 historic photographs are now available online. This has been warmly received in the community and its success has resulted in many new photographs being donated to the collection. An increasing number of oral histories are being recorded and transcribed, preserving a record of the district's history.

History House Museum received State Government funding to engage a musician in residence to work with the museum's music collection and the community. A grant from Community Arts Network Western Australia (CANWA) enabled Telling Tales - Stories in Clay, a program bringing socially isolated people with disabilities together with a ceramic artist and a storyteller. An additional two booklets were added to the series of booklets that look at the history of the City of Armadale, the first was *The Minnowarra Historic Precinct: A Quick History* and *Early churches of the City of Armadale*. The museum's education program continues to grow with over 850 students participating. The museum's seniors program, which involves organising speakers for seniors groups saw over 230 seniors participate. Over 131 children and parents participated in the museum's holiday program and History House and the Bert Tyler Vintage Machinery Museum received over 3300 general visitors through the year.

Animal Control

Preparations for the phased implementation of the Cat Act 2011 were initiated and the inclusion of photos of impounded dogs on the City's website has generated awareness and public interest. The popular Dogs Day Out was held in October 2012 at Rushton Park and attracted 250 dogs and their owners.



Minnawarra Art Awards

Fire Prevention

A National Disaster Relief Grant enabled the City to purchase two variable message boards which were used to promote community preparedness for emergencies and recruitment for emergency volunteers.

Tourism Development

A Tourism Development Advisory Group has been formed and is meeting quarterly and an extensive marketing plan, including international, national and local regions, has been developed and continues to be implemented as part of the Tourism Destinalional Marketing Strategy.

Ongoing implementation of the Tourism Destinalional Marketing Strategy has resulted in increased visits to the City by international visitors. The resultant economic benefits have seen visits to major iconic destinations such as Araluen Botanic Park increase by 8%, and local accommodation operators averaging 85% occupancy levels for the majority of the financial year.

The Visitor Centre received a bronze medal at the 2012 Perth Airport Western Australian Tourism Awards in the category of Visitor Information and Services, and won the bid to host the 2013 Visitor Centre Association of WA State Conference and GWN7 Top Tourism Awards.

The Visitor Centre now hosts Ticketmaster in addition to Ticketek and both are proving very popular with the local community.

Law and Safety

Regular parking safety audits were conducted around schools throughout the City. This included traffic safety patrols to ensure a safer environment for children and to decrease traffic congestions during peak drop off and pick up times. Ranger Services continue to respond to community reports of off-road vehicles being driven or used, and conduct patrols in these areas.

Major Arts and Events

The Minnowarra Art Awards continues to receive great participation from local, regional and state-wide artists. A Corporate Viewing Night was added to this year's event which encouraged the engagement of the business community, resulting in greater sales of works and raising the profile of the Awards.

Carols by Candlelight moved to Memorial Park and showcased over 1500 LED candles, the Armadale City Concert Band, a visual light show and utilised the trees to provide a backdrop to the stage.

Concerts in the Park and Movies in the Park at Rushton Park featured in our summer seasonal events, whilst the Highland Gathering drew over 18,000 people to experience Scottish culture, and Australia Day was celebrated by over 45,000 people.

Access and Inclusion

The Disability Advisory Team (DAT) meets on a bi-monthly basis to discuss issues which affect the quality of life of people with a disability, who live or work in the City of Armadale.

Members of the DAT include a City of Armadale Councillor, community members with a disability or who have an interest in supporting people with disability, carers, people from professional organisations and City staff. Working groups were formed to progress strategies from the Disability Access and Inclusion Plan 2011 - 2016. These projects include Accessible Businesses, Promotion of the DAT, Accessible Pathways and Disability Awareness Week.



Development Services

Revised Local Planning Strategy

The five-yearly regulatory review of the Local Planning Strategy (LPS) was submitted to the West Australian Planning Commission (WAPC) for endorsement and advertising. Preliminary feedback has been obtained on required changes. Local Planning Policies were also reviewed and updated.

Kelmscott urbanisation - Canning River precinct

A Metropolitan Region Scheme Urban zoning was finalised and gazetted, and the City prepared and advertised an amendment to include the area within its Town Planning Scheme No.4 (TPS) as an Urban Development zone to give landowners opportunities to progress Structure Plans. Liaison with consultants commissioned by landowners was also undertaken to progress the initial Structure Plan for the northern section, between Brookside Avenue and the Special Residential Area fronting Gilwell Avenue in Kelmscott. The eastern Canning River shore will provide opportunities for the development of an extensive foreshore parkland and up to 150 new dwellings and 400 new residents will be of major benefit to the viability of the Kelmscott District Town Centre.

Planning Compliance

The Planning Compliance staff dealt with 319 compliance matters this year. Compliance officers have successfully implemented effective processes to achieve compliance with the City's TPS No.4 in a timely manner. Compliance has also dealt with a number of major offences resulting in the instigation of legal action and subsequent successful prosecutions in the Magistrate's Court.

Statutory Planning

Development approvals being issued by the City have been steady in 2012 - 2013 with the majority of applications being determined within statutory timeframes. There has been an increase in Structure Planning and Detailed Area Plan proposals.

This is reflective of the continued expansion of the City's urban growth areas and developers trending towards smaller lot products to suit current market conditions, diversify housing products and creating 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 1400 new lots in 2012 - 2013. The City also experienced a significant increase in the number of development referrals from the Metropolitan Redevelopment Authority (MRA), primarily as a result of increased commercial activity within the Forrestdale Business Park (East). Stage 2 of the comprehensive review of the City's existing Planning Policies was also completed.

Supporting MRA planning operations

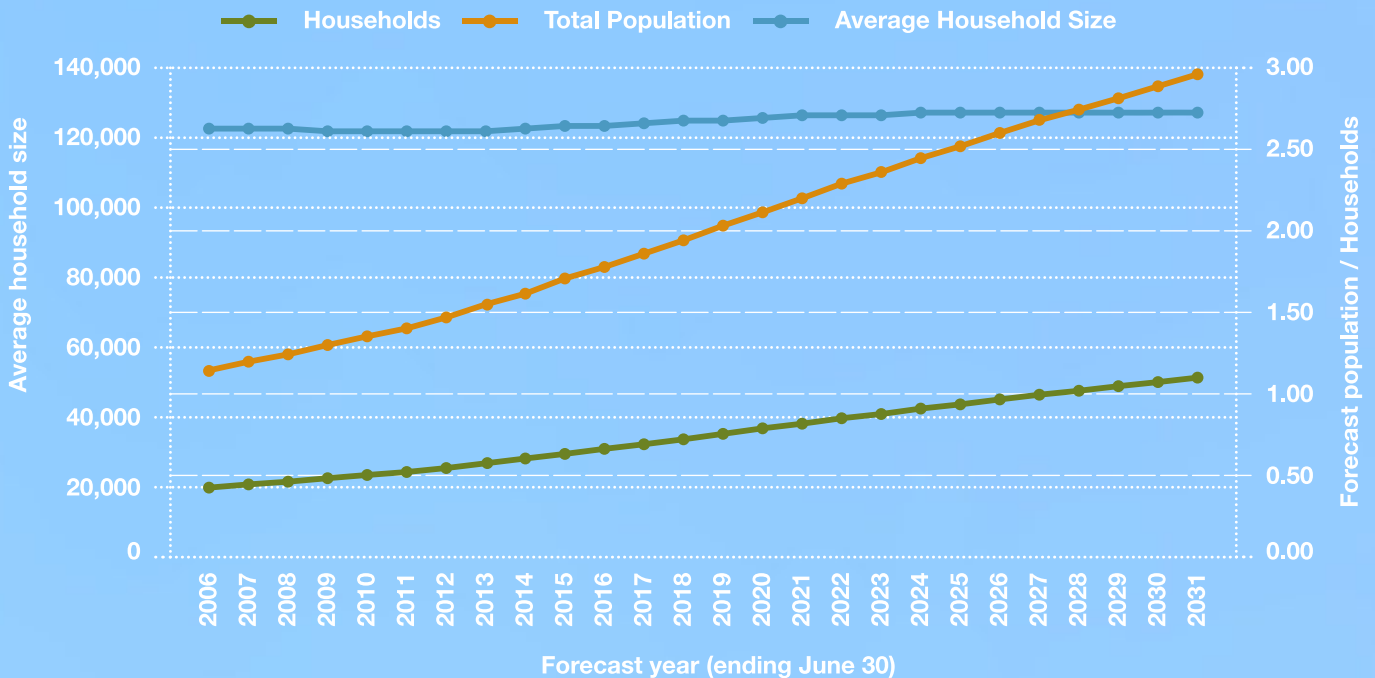
The City provided formal and informal comments on amendments, plans and developments in redevelopment areas and worked closely with the Armadale Redevelopment Authority (ARA)/MRA. The City provided ongoing assistance to the MRA to prepare Structure Plans and progress subdivision and development of a number of former ARA project areas including Wungong, Forrestdale Business Park and Champion Lakes.

Public Open Space (POS) Strategy

Implementing the recommendations of the POS Strategy included prioritising land sales within the first five stages of the Strategy and development of expenditure proposals once land sales have been finalised in each precinct. The percentage of land sales over the last financial year has increased 17%.

Expenditure proposals for Precinct's B and O were adopted and the City's POS Working Group initiated draft proposals for Precinct A. The finalisation of expenditure proposals for Precinct I, which involves allocation of remaining funds, was deferred pending the City preparing a draft Toilet Strategy. The City continues to implement previously approved works in Precinct's D, G, C, I and O of the POS Strategy.

Forecast population, households and average household size, City of Armadale



North Forrestdale, Harrisdale and Piara Waters

The City's Development Contribution Plan (DCP) 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. The Infrastructure Cost Schedule associated to DCP No.3 includes over \$89 million of Common Infrastructure Works such as arterial drainage, acquisition of rehabilitated conservation category wetlands, road upgrades, implementation of a comprehensive dual use path network and funding towards the provision of community and sporting facilities.

Over 4500 development cost contributions have now been received with a further 3500 expected within the current non-subdivided balance of Development Contribution Area No.3.

Works are continuing on the Newhaven, CY O'Connor, Riva, Aspiri, Piara Central and Heron Park Phase 2 Estates, with developed rates continuing to be higher than expected. The staged approach to development in North Forrestdale may see additional

areas and new common infrastructure works items being included within the current framework through amendments to the TPS No.4.

The dual carriageway upgrade of Nicholson Road has continued with a majority of the work being focused around the future district commercial centre between Wright Road and Exchange Avenue. Major intersections with Nicholson Road are now complete at Wright Road and Exchange Avenue, with designs now approved by Main Roads WA for the future signalised intersection at Yellowwood Avenue. The City is currently undertaking the extension of Reilly Road to Balannup Road, which will see another important strategic link connect Harrisdale and Piara Waters to Ranford Road and through to Southern River Road. Significant progress has been made this financial year with progressing the City's agreement with the Department of Education (DoE) for the shared use sites in Harrisdale and Piara Waters.



Planning study - Lot 33, Connell Avenue (formerly Pries Park)

The Active Sporting Needs and Feasibility study determined this land was no longer required for recreation purposes and should be disposed of. The City lodged amendments with the WA Planning Commission (WAPC) to change the current Rural Metropolitan Region Scheme (MRS) zone to the Urban MRS zone and TPS No.4 to Urban Development zone as a northward expansion of the Clifton Hills locality.

Rezoning to facilitate future subdivision and development of the landholding is aimed at securing an appropriate return to the City on its land investment. Proceeds from the ultimate disposal of the land will assist long term funding of priority upgrades to the City's viable recreational facilities.

Environmental Assessment - Keane Road construction

The comprehensive Commonwealth and State Government environmental agency's environmental impact assessment for the unsealed section of Keane Road between Skeet Road and Anstey Road, Forrestdale were progressed by provision of information and following the government instructions. The Commonwealth's assessment of Controlled Action - Preliminary Documentation, whereby construction works are proposed to be managed to minimise potential for impacts on species and communities protected under the EPBC Act, was advertised for public comments. A hydrology study was undertaken to answer queries raised by the State Department of Parks and Wildlife and meetings were held with officers of the EPA to finalise the management measures proposed to prevent impacts on species and communities protected by the State EP Act.

Fronting the north side of Keane Road at Skeet Road, Heron Park Phase 2, which includes the Primary and Harrisdale High School sites and the major recreation facility, underwent further subdivision and housing construction and this section of Keane Road was constructed. The City liaised and provided technical assistance to the Water Corporation on the main trunk sewer connection needed. The City is seeking environmental approval for the road construction.

Strategic rezoning of South Forrestdale industrial/employment area

Land on the northwest corner of Rowley Road and Tonkin Highway was identified by the WAPC's Economic and Employment Lands Strategy for the Perth Metropolitan and Peel Regions to provide economic development and employment opportunities for the Southeast Corridor. Consultants commissioned by landowners prepared studies and an MRS amendment, to rezone a first stage of this new strategic economic and employment area.

Building Approvals

Building approvals issued by the City continued at a high level, totalling 2862 issued approvals. Since 2011 - 2012 the value of work approved to a record \$459 million. The substantial growth in single dwelling applications and the more than doubling of commercial and industrial applications was notable.

Building Compliance

The compliance branch has been involved with 560 unauthorised building actions, an increase from 414 in the previous year.

It is anticipated that with the growth of the City's population, increasing housing density, large volume of approvals and changing legislative requirements, the importance of the role of both Building and Health Compliance Officers will be significantly increased over time. A number of successful prosecutions occurred during the year.

Unauthorised building works

Legislative changes to the Local Government (Miscellaneous Provisions) Act during 2008 allowed owners to make submissions to the Building Department to certify unauthorised structures. This has resulted in the doubling of applications this financial year. Additional changes created by the Building Act 2011 will maintain the requirement of formalising approvals of unauthorised structures.

Safe food and water

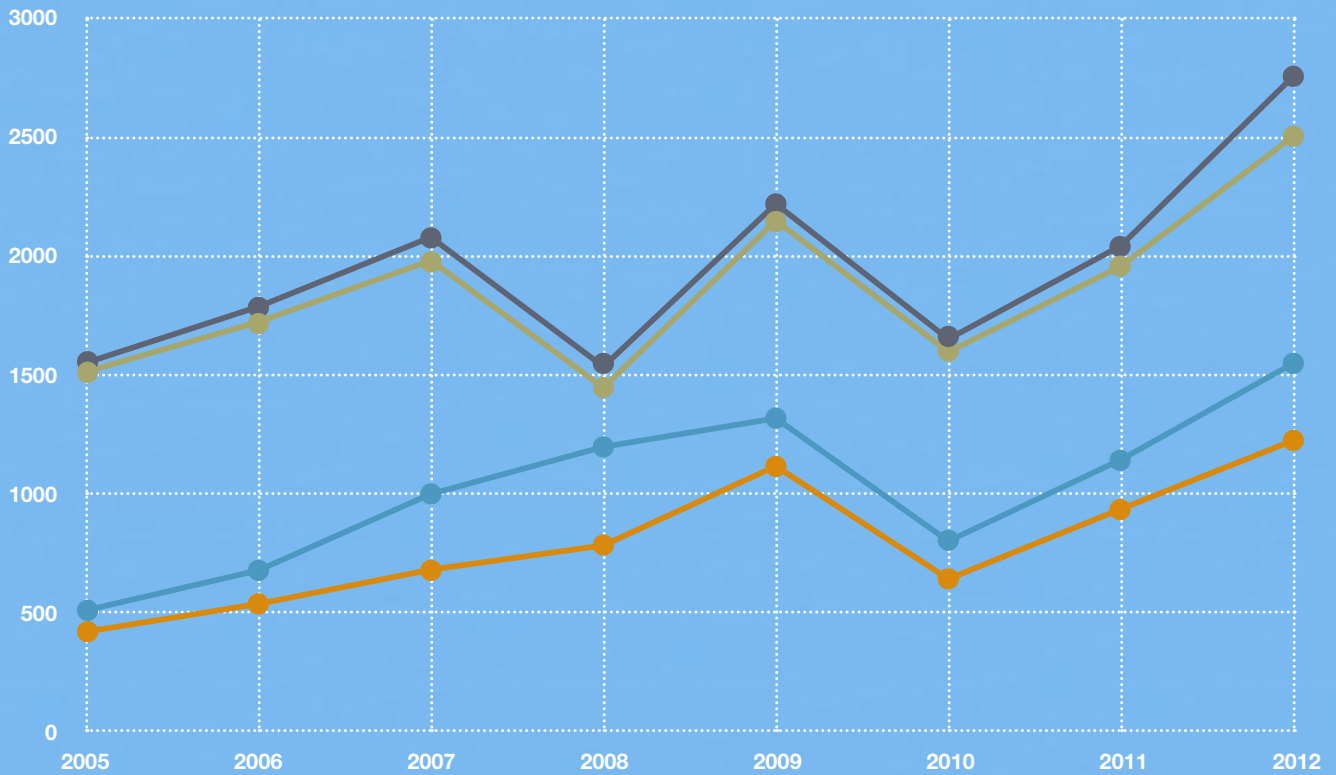
There has been a substantial increase in food businesses over the past two years by 9.2%, which is a good indicator of economic growth. This has in turn resulted in increased activity by Health Services to oversee the design and construction of food businesses and once operational, to ensure any food safety risks are minimised. There have been 374 risk assessment inspections in the financial year. Health Services also participated in the metropolitan Local Health Authorities Analytical Scheme.

Health Services continued to monitor water quality at 11 public aquatic facilities (swimming pools, spas, water slides etc.) and 17 public facilities (including schools, food businesses etc.), which are not connected to scheme water.

Requests for intervention

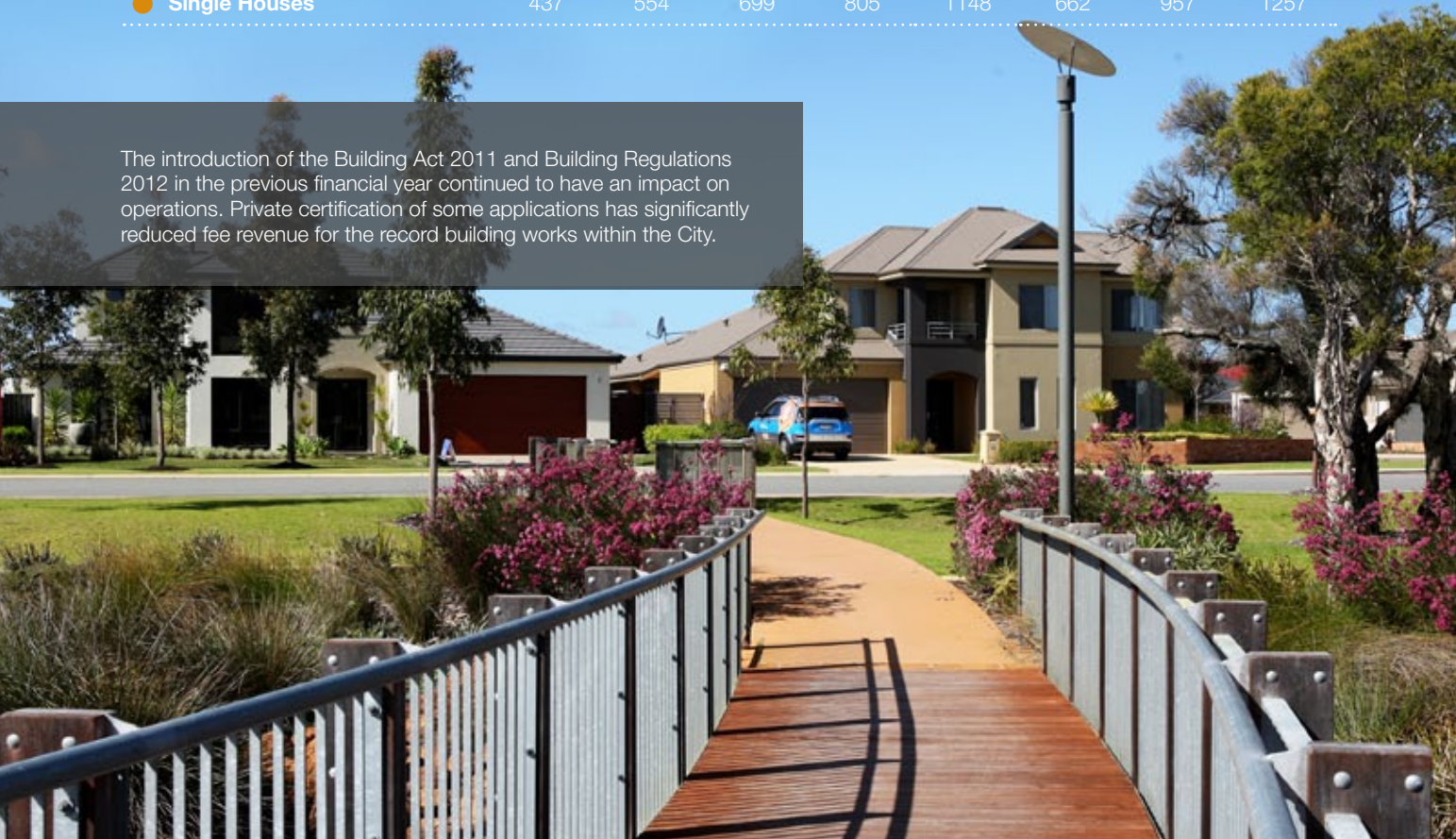
There have been 426 service requests from residents to resolve neighbourhood health compliance issues. This represents an increase of 8%. Neighbourhood noise was the source of most complaints, primarily as a result of loud radios, stereos, domestic birds and construction noise.

Building approvals issued 2012 - 2013



	2005	2006	2007	2008	2009	2010	2011	2012
● Commercial/Industrial	33	64	91	76	64	60	93	244
● Minor Structures	1013	1061	1000	259	843	800	822	974
● Grouped Dwellings	96	146	326	424	200	166	210	332
● Single Houses	437	554	699	805	1148	662	957	1257

The introduction of the Building Act 2011 and Building Regulations 2012 in the previous financial year continued to have an impact on operations. Private certification of some applications has significantly reduced fee revenue for the record building works within the City.



Technical Services

City of Armadale Administration building

The City of Armadale has experienced rapid growth over recent years and to enable the accommodation of additional staff to service the growing community the Administration building has undergone many changes.

Significant changes have been made to the building's services and operations including compliance with new accessibility codes, maintenance programs and upgrades of the facility, both externally and internally.

External upgrade - A total fascia replacement was necessary and was achieved by using coloured aluminium panels to replace the old fascia. This, together with new eaves linings and new coloured masonry façade panels, has resulted in a modern looking building, comparable with most Council buildings in the state.

Internal Upgrade - Significant upgrades have been made to the Council Chambers and facilities including:

- Completion of the new audio and visual systems within the Council Chambers to assist with the Councillor meetings using state-of-the-art technology, enabling Councillors, and the public, to participate at meetings.
- Upgrade of furniture and fixtures in the Councillor's Lounge.
- The toilet facilities have been refurbished on both floors to cope with increased staff numbers, increasing administrative and public meetings and to meet compliance with new Building Codes for accessibility. A new public toilet accessed in the main foyer was also built for visitors to the building.

Standby Generator - For many years the operations both within the Administration building and outlying services have been disrupted due to power outages within the district. A new state-of-the-art standby electrical generator has been installed to provide electrical capacity during possible power outages, allowing the City's operations to continue without disruption.



Aquatic Centre

The foyer and entrance to the complex has been upgraded with new lighting, floor and ceiling treatments, together with new access doors to control entry/exit to the facility. The entry provides a modern welcome statement and affords staff easier control of activities, especially during peak periods of the summer season.

Nicholson Road duplication

– Stages 2 and 3

The 1.7 kilometre section of Nicholson Road, between Wright Road and just north of Piara Drive, is nearing completion. This upgrade of the road to a four lane dual carriageway with a solid median, is funded via the City's Developer Contribution Scheme and is an integral component of the North Forrestdale precinct, which will allow for the safe and continuous flow of increasing residential and commercial traffic. The cost of these works thus far is approximately \$8 million.

Ranford Road duplication and extension

– Stages 1 and 2

In 2012 – 2013 the extension of Ranford Road, between Lake Road and Armadale Road was completed. This extension, through what was previously private land, has been funded by the City and provides an important link to Armadale Road. The drainage outlet constructed as part of the works is significant and will ensure that the adjacent Wungong River is not compromised environmentally. Construction of Stage 2, between Alex Wood Drive and Lake Road, was also commenced in 2012 - 2013.

Abbey Road/Armadale Road / Railway Avenue intersection upgrade

Costing \$2.6 million, and listed as a Strategic Project on the City's Long Term Financial and Capital Plans, works on the Abbey Road/Armadale Road/Railway Avenue realignment and signals were completed. The works were partially funded by Municipal Roads and Federal Blackspot Funding and has resulted in a significant reduction in traffic congestion and accidents. Adjacent vacant parcels of land created by these works will now be developed to generate revenue for the City.

Seville Drive/Armadale Road intersection upgrade

Upgrade works and the installation of traffic control signals at the Seville Drive/Armadale Road intersection was completed in 2012 - 2013. Statistics demonstrated that this

intersection previously recorded one of the highest incident levels. Upgrade works aimed to reduce accidents and traffic congestion at this location. Works were completed utilising Federal Blackspot Funding.

Bicycle paths

With funding from the City and the State Government, a red asphalt bicycle path was constructed along Armadale Road, between Abbey Road and Gribble Avenue. Additional works of this nature will be undertaken in 2013 - 2014 which will result in a bicycle path extending along the entire southern side of Armadale Road, between the Armadale City Centre and Tonkin Highway.

Upgrade of Rowley Road

The upgrade of the three kilometre length of Rowley Road, between Wolfe Street and Nicholson Road was completed. Located at the interface between the City of Armadale and Serpentine Jarrahdale Shire, Rowley Road carries high traffic volumes, a large proportion of which are heavy vehicles. The works were funded by the City and the State Government, and amounted to just over \$1 million.

Balannup Drain

Works were completed on Stage 1 of the relocation of the Balannup Drain to an adjacent drain reserve, with the old drain location becoming a road reserve for the Reilly Road extension. This initial stage relocated the drain between the Reilly Road cul-de-sac and Balannup Road. The existing steep 'U' open drain shape was reconstructed to a new gradual slope, better able to contain future possible extreme storm events. Significant landscaping works will be implemented with Stage 2, from Balannup Road to Skeet Road, Harrisdale.

Reilly Road extension

Works to extend Reilly Road and connect it with Balannup Road, allowing access to Ranford Road began. The works involve significant importation of material to raise the road pavement to be in line with local developments. The works will be funded by the City's Developer Contribution Scheme and will involve installation of street lighting in due course. Stormwater will be run into bio-filtration swales prior to draining into the adjacent Balannup Drain.



Jull Street and Orchard Avenue roundabout and traffic treatments

These works were undertaken to address safety concerns in and around the Armadale City Centre, improve safe pedestrian and vehicle access and reduce speeds. The works involved the separation of traffic using median islands and the installation of a mini-roundabout to reduce traffic conflicts. As part of these works, additional trees were installed along the Orchard Avenue centre median.

Brooks Road and Caprea Boulevard roundabout

Works were undertaken to improve the extreme traffic flows during school drop off and pickup times around the Roleystone Community College. The works were also linked with the installation of a special school crossing to improve the safety of students.

Fletcher Park Equestrian Facility

The City initiated a project in 2012 to explore the possibility of relocating the equestrian cross country course within Fletcher Park. The rationale for the initiative was to eliminate the existing tracks which wind through a conservation category wetland and threatened ecological community. Consequently, the relocation has environmental benefits. A specialist consultant concluded that the project is feasible and the City is pressing ahead with detailed design. This will then be costed and presented to Council for approval in 2013 - 2014.

Local Law for the control of Cotton Bush

A Local Law is currently under development in relation to the control of Narrow Leaf Cotton Bush, a pervasive weed that has proliferated in the hills of Armadale. This is a proactive approach from the City to control further environmental degradation. Other land care initiatives have included the City increasing the annual contribution to the Armadale Gosnells Landcare Group, in conjunction with the City of Gosnells.

Switch Your Thinking!

The Switch Your Thinking! program has been successful in securing grants totalling \$934,000 to fund community events, recycling machines, composting workshops, LED lighting and solar hot water. This will be achieved through real time energy monitoring and an alert system for each household. The funds will be allocated across three local government areas including Armadale.

Parks maintenance

A total of \$5.9 million was spent on maintaining the City's Parks and Reserves in 2012 – 2013. This included \$1.2 million on active sporting reserves, \$763,000 on irrigated passive reserves and \$940,000 on street trees.

Bushfire hazard mitigation

A bushfire hazard mitigation works program was implemented to better manage excessive fuel loads on roadside verges and reserves to complement existing practices. A total of 198 road verge inspections were undertaken and necessary maintenance works undertaken.



Turf renovations

A turf renovation program for the City's active reserves (sports fields) was included within the 2012 - 2013 Works Program to ensure the turf surfaces at each facility were maintained at a high standard and reflected the level of use at each location.

Parks capital/renewal

A total of \$1.5 million was spent on capital works across the City's parklands. Significant projects included public open space upgrades at Bronzewing Reserve, Chiltern Estate, Don Simmons Reserve, Horrie Hill Reserve, Reg Williams Reserve and Rotary Park.

Works ranged from new play equipment, lighting, pathways, barbecues, goal posts, park seating and other general park improvements.

Fletcher Park and Palomino Park upgrades

The City's two equestrian facilities located at Fletcher Park and Palomino Reserve have been significantly upgraded to meet the needs of the equestrian community. Works included the construction of new sand dressage arenas, construction of a new two hectare grass equestrian arena, construction of warm-up arena, new equestrian and rural fencing, recommissioned and new bores, and renewed driveways and clubhouse pergola areas.

Armadale Gateway

Major landscaping was undertaken within the City's Gateway, located at the intersection of Albany Highway and Southwest Highway Armadale. Works involved landscaping upgrades within the northeast and southeast intersection quadrants including extensive earthworks and planting, installation of paved walkways, retaining walls and seating areas and the installation of an irrigation system.

Cross Park irrigation renewal project

Parks undertook the staged replacement of the existing, poorly performing, irrigation system at Cross Park, including the provision of a new lateral system, 90,000 litre water storage tank, irrigation pump and control system, all aimed at improving water use efficiency and turf quality.

Parks Facilities Strategy

The City of Armadale Parks Facilities Strategy 2013 has been prepared to facilitate the development of sustainable communities through quality planning, design and construction of parks infrastructure. This will assist with the upgrade and redevelopment of the City's Public Open Space.



Plan for the future of the district

Over the last 12 months the City has prepared and adopted the Strategic Community Plan 2013 – 2028 and the Corporate Business Plan.

The Strategic Community Plan 2013 – 2028 has been prepared through consultation with the local community, setting the vision, aspirations and objectives of the community in the district.

The Corporate Business Plan will complement the Strategic Community Plan by governing internal business planning by setting priorities and allocating resources to

the district's identified objectives and aspirations. The Corporate Business Plan will also incorporate matters relating to resources including asset management, workforce planning and long-term financial planning.

Both documents are available on the City's website or at the Administration building.

Projects continuing in 2012 - 2013

Baker's House refurbishment

Refurbishment works on the 500m² Baker's House granite homestead was completed in December 2012. The \$1.1 million project involved substantial structural changes to the roof and verandas as well as the construction of a new toilet block, inclusive of a fully accessible toilet, shower and change area. The main focus of the refurbishment project was to transform the previously domestic residence into a public building with full accessibility throughout, as well as providing a facility suitable for numerous community uses. The Baker's House project was funded through a combination of Developer Contributions and LotteryWest funding.

Piara Waters (North) Community and Sporting Facility

The first stage of the long awaited playing field and community sporting facility in Harrisdale is nearing completion. A number of delays due to wet weather and drainage concerns have meant that the completion of the playing surface has been delayed. With a revised completion of the playing field scheduled for September 2013, the next stage of the works – a 750m² sports and community pavilion is scheduled to start immediately following the completion of Stage 1. Stage 1 works also included landscaping around the playing field, drainage and irrigation, sports lighting and power supply.





Projects commencing in 2012 - 2013

Landmark City building

The City began planning for the landmark City building in June 2012. The four-storey, 5500m² complex will provide accommodation for government organisations and some City of Armadale staff. This building will bring a State Government department to Jull Street, further activating the business area and providing an income for the City through a lease agreement. The building is anticipated to cost up to \$20 million, with completion expected by late 2014.

Armadale Golf Course redevelopment

The City of Armadale Golf Course is a 9-hole, sand-greens course located in an environmentally sensitive region near Forrestdale Lake. The City has undertaken Needs and Feasibility studies and master planning for the design of the facility, through an allocation of nearly \$1 million. The City has successfully received State Government funding which will include upgrades to the reticulation system, greens and tees to provide a quality course for the community.

Jull Street Mall revitalisation project

The City has moved forward with planning for the activation of Jull Street Mall. Various workshops and community and business surveys have identified a range of initiatives which will aim to make the area a vital and attractive urban space. Initiatives being considered include lighting upgrades, installation of free Wi-Fi, street furniture, public art, landscaping and an events program.

Harrisdale shared-use sites

Planning is underway in partnership with the Department of Education for shared school/community use of several sites in growth areas of Piara Waters, Harrisdale, Hilbert and Haynes. Construction and service agreements are being progressed with the Department of Education to achieve high quality open space and facilities for both school and community use.







Statutory Reports

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

Record keeping

The City continued efforts towards best practice in the area of electronic record keeping with 51,677 incoming records registered, this represents a 9% increase over the previous year.

A comprehensive electronic record management training program was developed and 18 training sessions were held with 87 staff attending.

This year was also the third of an eight year back scanning and digitalisation project with emphasis given to the conversion to electronic format of hardcopy personnel files (420), Council agenda and minute books (250), scheme amendment files (311), aperture cards (4003) and building applications (6346).

The closure of the Armadale Redevelopment Authority (ARA) in 2011 - 2012 also resulted in the final 134 hardcopy files scanned and captured within the corporate record keeping system.

Freedom of Information

In accordance with the Freedom of Information Act 1992 a total of eight (8) Freedom of Information applications were processed during the year.

The City's Information Statement was also reviewed in October 2012. 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;
- The types of documents that are usually held by the City; and
- The arrangements for giving residents access to documents including details of library facilities.

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



Disability Access and Inclusion Plan

The City of Armadale's Disability Access and Inclusion Plan 2011 – 2016 (DAIP) seeks to improve access and inclusion for people with disability to facilities, services and community life. Local Governments are required to have a DAIP by the Disability Services Act (1993) and to be 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 the key disability advocates and in line with requirements of the Disability Services Commission of WA. Following a public comment period, the City's revised DAIP was endorsed by Council and by the Disability Services Commission. Major achievements include:

- Major upgrades to the Baker's House community facility which now provides an accessible toilet with hoist and adult change table.
- Disability Awareness Training has been incorporated as part of the City's Corporate Training.
- The City of Armadale's Tourism website now has Text to Speech capacity, adjustable text size, keyboard accessible menus and content and contrasting style sheets.
- Development of an accessible events' checklist.
- Production of a Guide to Written Style including information on written styles and alternative formats.
- Reviewed leases to City buildings to comply with access codes.
- Cities Parks Facilities Strategy 2013 includes access and inclusion objectives.
- Developed traffic control measures at Abbey Road/ Railway Parade and Armadale Road intersection.

Public Disclosures

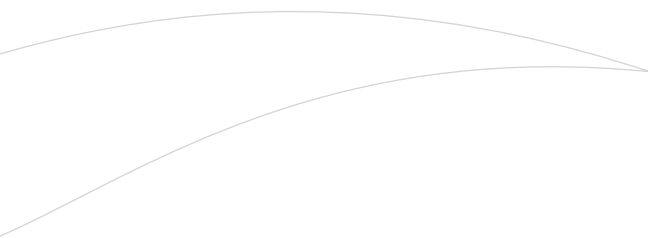
The Public Interest Disclosure Act aims to ensure openness and accountability in government. Disclosures are treated in confidence and persons making a disclosure are protected from detrimental action.

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

During the 2012 – 2013 financial year the City did not receive any disclosures. Further details about public interest disclosures are available from the City's Administration building 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 2012 – 2013 financial year there were no entries made in the Register of Complaints.





Auditor's 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 2013 and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and 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 information and the Statement by Chief Executive Officer.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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 Council'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 Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 accounting bodies.





INDEPENDENT AUDITOR'S REPORT (Cont'd)

Auditor's Opinion

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

- (a) gives a true and fair view of the financial position of the City of Armadale as at 30 June 2013 and of its financial performance for the year ended on that date; and
- (b) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards.

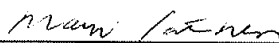
Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- (a) There are no matters that in our opinion indicate significant adverse trends in the financial position or financial management practices of the Council.
- (b) There are no matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- (c) The asset consumption ratio and the asset renewal funding ratio included in the annual financial report (Note 20 of the annual financial report) are supported by verifiable information and reasonable assumptions.
- (d) All necessary information and explanations were obtained by us.
- (e) All audit procedures were satisfactorily completed in conducting our audit.

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 2013 included on the City of Armadale's website. Management 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 6th DAY OF NOVEMBER 2013.





Financial Report

**City of Armadale
Financial Report
For the year ended 30 June 2013**

**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 2013 are, in my opinion, properly drawn up to present fairly the financial position of the City of Armadale at 30 June 2013 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 as authorisation of issue
on the 29 th day of October 2013

A handwritten signature in blue ink, appearing to be 'R S Tame', with a horizontal line extending to the right.

R S Tame
Chief Executive Officer



City of Armadale
Statement of Comprehensive Income - By Nature or Type
For the year ended 30 June 2013

	Note	2013 Actual \$	2013 Budget \$	2012 Actual \$
Revenues from Ordinary Activities				
Rates	22	42,874,578	41,815,200	41,068,857
Operating Grants, Subsidies and Contributions	28	17,916,808	8,369,800	13,284,067
Fees and Charges	27	14,324,856	13,956,700	13,296,977
Interest Earnings	2	4,321,308	3,104,300	4,692,471
Other Revenue		705,451	2,264,700	166,375
		80,143,001	69,510,700	72,508,747
Expenses from Ordinary Activities				
Employee Costs		(28,007,119)	(34,458,400)	(24,808,220)
Materials and Contracts		(26,867,631)	(19,567,900)	(24,514,977)
Utilities		(2,657,428)	(1,329,600)	(2,851,847)
Depreciation	2	(10,760,520)	(11,285,800)	(10,450,273)
Interest Expenses	2	(1,116,948)	(1,122,600)	(1,154,760)
Insurance		(1,053,408)	(1,102,900)	(897,365)
Other Expense		(1,886,699)	(5,823,600)	(1,200,002)
		(72,349,753)	(74,690,800)	(65,877,444)
		7,793,248	(5,180,100)	6,631,303
Grants / Contributions for Asset Development				
Grants and Subsidies - Non-Operating	28	12,555,746	16,868,500	10,464,540
		12,555,746	16,868,500	10,464,540
Profit / (Loss) / Adjustments of Assets				
Profit on Asset Disposal		1,088,883	252,000	648,985
Loss on Asset Disposal		(27,500)	(16,500)	(73,414)
		1,061,383	235,500	575,571
Net Result				
		21,410,377	11,923,900	17,671,415
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	1,570,176	0	0
		1,570,176	0	0
Total Comprehensive Income				
		22,980,553	11,923,900	17,671,415

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



City of Armadale
Statement of Comprehensive Income - By Program
For the year ended 30 June 2013

	Note	2013 Actual \$	2013 Budget \$	2012 Actual \$
Revenues from Ordinary Activities				
General Purpose Funding		50,075,253	47,857,200	49,880,866
Governance		820,838	2,676,780	686,741
Law, Order and Public Safety		806,925	749,700	617,248
Health		143,752	147,800	127,960
Education and Welfare		530,071	526,400	579,827
Community Amenities		25,650,329	12,311,300	16,009,346
Recreation and Culture		4,058,263	2,866,800	3,899,403
Transport		10,379,732	17,674,620	10,396,390
Economic Services		1,080,666	1,457,800	1,130,389
Other Property and Services		241,800	362,800	294,104
		93,787,629	86,631,200	83,622,272
Expenses excluding Finance Costs				
General Purpose Funding		(926,595)	(424,500)	(848,801)
Governance		(3,111,797)	(4,363,300)	(3,197,760)
Law, Order and Public Safety		(2,154,600)	(2,039,000)	(1,890,543)
Health		(1,210,529)	(462,700)	(1,164,870)
Education and Welfare		(3,051,967)	(3,514,300)	(2,736,831)
Community Amenities		(19,711,823)	(23,341,200)	(17,563,919)
Recreation and Culture		(21,645,779)	(19,802,000)	(19,372,202)
Transport		(16,909,062)	(16,469,400)	(14,944,626)
Economic Services		(2,444,829)	(2,324,900)	(2,335,690)
Other Property and Services		(93,324)	(843,400)	(740,855)
		(71,260,305)	(73,584,700)	(64,796,097)
Finance Costs				
Governance		(165,325)	(398,000)	(215,927)
Community Amenities		(278,476)	(88,700)	(280,013)
Recreation and Culture		(464,216)	(467,200)	(421,752)
Transport		(208,930)	(168,700)	(237,068)
		(1,116,947)	(1,122,600)	(1,154,760)
Net Result				
		21,410,377	11,923,900	17,671,415
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	1,570,176	0	0
		1,570,176	0	0
Total Comprehensive Income				
		22,980,553	11,923,900	17,671,415

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



**City of Armadale
Statement of Financial Position
As at 30 June 2013**

	Note	2013 Actual \$	2012 Actual \$
Current Assets			
Cash and Cash Equivalents	3	67,552,355	61,301,633
Trade and Other Receivables	4	5,420,861	4,272,015
Inventories	5	127,026	131,758
Total Current Assets		73,100,242	65,705,406
Non-Current Assets			
Other Receivables	4	744,491	725,425
Property, Plant and Equipment	6	51,256,698	46,939,215
Infrastructure	7	216,871,246	204,525,377
Total Non-Current Assets		268,872,435	252,190,017
Total Assets		341,972,676	317,895,423
Current Liabilities			
Trade and Other Payables	8	5,620,769	4,211,955
Current Portion of Long Term Borrowings	9	4,497,440	800,668
Provisions	10	5,685,617	5,211,066
Total Current Liabilities		15,803,826	10,223,689
Non-Current Liabilities			
Trade and Other Payables	8	216,989	216,989
Long Term Borrowings	9	14,464,550	18,961,990
Provisions	10	404,432	390,427
Total Non-Current Liabilities		15,085,971	19,569,406
Total Liabilities		30,889,797	29,793,095
Net Assets		311,082,880	288,102,328
Equity			
Retained Surplus		247,582,225	237,795,326
Reserves - Cash / Investment Backed	11	53,478,731	41,855,254
Reserves - Asset Revaluation	12	10,021,923	8,451,748
Total Equity		311,082,880	288,102,328

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 2013**

	Note	2013 Actual \$	2012 Actual \$
Retained Surplus			
Balance as at 1 July		237,795,326	222,572,525
Total Comprehensive Income		21,410,377	17,671,415
Transfer from / (to) Reserves		<u>(11,623,477)</u>	<u>(2,448,604)</u>
Balance as at 30 June		<u>247,582,226</u>	<u>237,795,338</u>
Reserves - Cash / Investment Backed			
Balance as at 1 July		41,855,254	39,406,650
Transfer (to) / from Retained Surplus		<u>11,623,477</u>	<u>2,448,604</u>
Balance as at 30 June	11	<u>53,478,731</u>	<u>41,855,254</u>
Reserves - Asset Revaluation			
Balance as at 1 July		8,451,748	8,451,748
Total Comprehensive Income		<u>1,570,176</u>	<u>0</u>
Balance as at 30 June	12	<u>10,021,923</u>	<u>8,451,748</u>
Total Equity		<u>311,082,880</u>	<u>288,102,339</u>

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 2013**

	Note	2013 Actual \$	2013 Budget \$	2012 Actual \$
Cash Flows from Operating Activities				
Receipts				
Rates		40,017,780	41,815,200	41,068,857
Operating Grants, Subsidies and Contributions		17,916,808	8,369,800	13,284,067
Fees and Charges		13,176,010	13,956,700	14,806,774
Interest Earnings		4,321,308	3,104,300	4,692,471
Goods and Services Tax		4,021,959	4,000,000	3,997,373
Other		686,385	2,264,700	223,051
Total Receipts		80,140,250	73,510,700	78,072,593
Payments				
Employee Costs		(27,518,563)	(34,158,400)	(24,629,791)
Materials and Contracts		(25,454,086)	(18,067,900)	(27,310,146)
Utilities		(2,657,428)	(1,329,600)	(2,851,847)
Insurance		(1,053,408)	(1,122,600)	(897,365)
Interest		(1,116,948)	(1,102,900)	(1,154,760)
Goods and Services Tax		(4,658,112)	(4,000,000)	0
Other		1,606,253	(5,823,600)	(5,187,701)
Total Payments		(60,852,293)	(65,605,000)	(62,031,610)
Net Cash Provided by Operating Activities	13	19,287,957	7,905,700	16,040,983
Cash Flows from Investing Activities				
Payments for Property, Plant and Equipment		(6,265,384)	(15,118,850)	(8,239,876)
Payments for Infrastructure		(20,229,584)	(23,397,751)	(15,411,033)
Grants and Subsidies - Non-Operating		12,555,746	16,868,500	10,464,540
Proceeds from Sale of Assets		1,702,655	3,399,000	1,777,845
Net Cash Provided by Investing Activities		(12,236,567)	(18,249,101)	(11,408,524)
Cash Flows from Financing Activities				
Repayment of Debentures		(800,668)	(1,091,000)	(650,605)
Proceeds from New Debentures		0	6,263,000	1,960,000
Net Cash Provided by Financing Activities		(800,668)	5,172,000	1,309,395
Net Increase / (Decrease) in Cash Held		6,250,723	(5,171,401)	5,941,855
Cash at Beginning of Year		61,301,632	61,301,632	55,359,777
Cash and Cash Equivalents at End of Year	13	67,552,355	56,130,231	61,301,632

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



**City of Armadale
Rate Setting Statement
For the year ended 30 June 2013**

	Note	2013 Actual \$	2013 Budget \$	2012 Actual \$
Revenues				
General Purpose Funding		7,200,675	4,641,700	11,208,006
Governance		820,838	2,285,900	686,741
Law, Order and Public Safety		806,925	770,000	617,248
Health		143,752	147,800	127,960
Education and Welfare		530,071	498,700	579,827
Community Amenities		25,650,329	16,639,000	16,009,346
Recreation and Culture		4,058,263	6,539,300	3,899,403
Transport		10,379,732	11,755,500	10,396,390
Economic Services		1,080,666	1,280,300	1,130,389
Other Property and Services		241,800	257,800	294,104
Total Revenues		50,913,051	44,816,000	44,949,414
Expenses				
General Purpose Funding		(921,534)	(872,300)	(848,801)
Governance		(3,277,122)	(5,342,820)	(3,413,688)
Law, Order and Public Safety		(2,154,600)	(2,038,280)	(1,890,543)
Health		(1,210,529)	(1,308,400)	(1,164,870)
Education and Welfare		(3,051,967)	(3,469,800)	(2,736,831)
Community Amenities		(19,990,299)	(21,826,900)	(17,843,932)
Recreation and Culture		(22,109,996)	(20,056,000)	(19,793,955)
Transport		(17,117,992)	(17,174,000)	(15,181,693)
Economic Services		(2,444,829)	(2,480,900)	(2,335,690)
Other Property and Services		(84,637)	(137,900)	(740,855)
Total Expenses		(72,363,504)	(74,707,300)	(65,950,858)
Adjustments for Cash Budget Requirements				
Non-Cash Items				
(Profit) / Loss on Asset Disposals	19	(1,061,383)	(235,500)	(575,571)
Depreciation on Assets	2	10,760,520	11,285,800	10,450,273
Movements in Deferred Pensioner Rates (Non-current)		(19,066)	0	0
Movements in Employee Benefit Provision (Non-current)		14,005	0	0
Adjustment for Movements in Non-Current Items		0	0	244,780
Total Non-Cash Items		9,694,076	11,050,300	10,119,482
Capital Expense and Revenue				
Purchase Land	6	0	(6,711,900)	0
Purchase Buildings	6	(3,804,355)	(4,157,800)	(5,834,487)
Purchase Furniture and Equipment	6	(34,413)	(3,171,600)	(107,697)
Purchase Plant and Machinery	6	(2,426,616)	(545,000)	(2,297,692)
Purchase Infrastructure - Roads	7	(14,996,352)	(22,628,200)	(11,165,990)
Purchase Infrastructure - Drainage	7	(762,739)	(3,146,600)	(654,734)
Purchase Infrastructure - Pathways	7	(730,618)	(1,460,900)	(527,989)
Purchase Infrastructure - Parks / Reserves	7	(3,739,875)	(8,162,100)	(3,062,319)
Proceeds from Disposal of Assets	19	1,702,655	3,399,000	1,777,845
Repayment of Debentures	21	(800,668)	(1,091,000)	(650,605)
Proceeds from New Debentures	21	0	6,263,000	1,960,000
Transfer to Reserves	11	(14,032,877)	(8,209,600)	(9,295,556)
Transfer from Reserves	11	2,409,400	9,406,300	6,846,952
Total Capital Expense and Revenue		(37,216,458)	(40,216,400)	(23,012,272)
Add Estimated Surplus / (Deficit) July 1 B/Fwd		19,638,197	17,242,200	14,859,573
Less Estimated Surplus / (Deficit) June 30 C/Fwd		(14,000,740)	0	19,638,197
Add Prepaid Rates collected to 30 June 2013		460,801	0	2,395,997
Total Rates	22	(42,874,578)	(41,815,200)	(41,068,857)
Less Specified Area Rates		641,248	627,900	625,726
Less Rate Equivalent Payments & Adjustments		21,362	0	20,344
Less Prepaid Rates		460,801	0	2,395,997
Amount Required to be Raised from General Rates	22	(41,751,167)	(41,187,300)	(38,026,790)

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

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 17 to these financial statements.

c Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

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.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

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.

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government –

(i) that are plant and equipment; and

(ii) that are –

(I) land and buildings; or

(II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

1 Significant Accounting Policies (continued)

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost and over the transition phase, will be revalued along with other items of Land and Buildings at 30 June 2014.

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

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 inputs in the fair value hierarchy).

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) 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 (Level 3 inputs in the fair value hierarchy).

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 recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

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.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

1 Significant Accounting Policies (continued)

g Property, Plant and Equipment and Infrastructure assets (continued)

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes. Those assets carried at cost will be carried in accordance with the policy detailed in the **Initial Recognition** section as detailed above. Those assets carried at fair value will be carried in accordance with the Revaluation Methodology section as detailed above.

Early Adoption of AASB 13 – Fair Value Measurement

Whilst the new accounting standard in relation to Fair Value, AASB 13 – Fair Value Measurement does not become applicable until the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard). As a consequence, the principles embodied in AASB 13 – Fair Value Measurement have been applied to this reporting period (year ended 30 June 2013).

Due to the nature and timing of the adoption (driven by legislation) the adoption of this standard has had no effect on previous reporting periods.

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

1 Significant Accounting Policies (continued)

Depreciation of Non-Current Assets (continued)

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 surplus.

Capitalisation Threshold

Expenditure on items of equipment under \$2,000 is not capitalised. Management considers each purchase on its merits and may record the equipment on an asset inventory listing, where applicable.

h Intangible Assets

Easements

The City has determined that under *AASB 138 Intangible Assets*, easements are valued on an historical cost basis, because it is unlikely that an active market in easements exists to allow for fair value measurement. In our assessment it is unlikely the fair value of an easement will be material to warrant inclusion in the financial report.

i Financial Instruments

Initial Recognition and Measurement

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.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

1 Significant Accounting Policies (continued)

i Financial Instruments (continued)

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).

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.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

1 Significant Accounting Policies (continued)

j 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.

k Trade and Other Payables

Trade payable and other payables represent liabilities for good 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 good 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.

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.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

1 Significant Accounting Policies (continued)

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. Lease 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 Investments in Associates

Associates are entities in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate entity. In addition, the Council's share of the profit or loss of the associate entity is included in the Council's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

q Joint Venture

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

r Rates, Grants, Donations and Other Contributions

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

s Superannuation

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

1 Significant Accounting Policies (continued)

t Current and Non-Current Classification

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

u Rounding Off Figures

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

v Comparative Figures

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

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.

w Budget Comparative Figures

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

x Impact of Environmental Regulations

In order to reduce carbon emissions and minimise the City's liability under the Clean Energy Act, in 2013/14 the City will invest approximately \$400,000 in infrastructure to flare methane emissions at the Waste Facility. It is hoped that this infrastructure will bring the City below payment trigger thresholds. This will result in a complete elimination of any liability in relation to carbon. However, if the thresholds are still exceeded, flaring will still result in a reduction in the City's carbon footprint. For every tonne of carbon abated, there will be a saving to the City in 2014/15 of \$25.40 per tonne. Thereafter, the saving is subject to uncertainty. From 1st July 2015, the price of carbon will be determined by market forces as part of an Emissions Trading Scheme.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

1 Significant Accounting Policies (continued)

y 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	Dec 2009	Jan 2013	Nil - The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the City, it is not anticipated the standard will have any material affect.
AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	Sep 2012	Jan 2015	
(ii) 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.
(iii) 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.
(iv) 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]	Aug 2011	Jan 2013	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.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

1 Significant Accounting Policies (continued)

Title and Topic	Issued	Applicable	Impact
(v) 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]	Sep 2011	Jul 2013	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.
(vi) 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]	Sep 2011	Jan 2013	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.
(vii) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	Jun 2012	Jan 13	Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This Standard is not expected to significantly impact on the Council's financial statements.
(viii) AASB 2012-3 : Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	Jun 2013	Jan 2013	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.
(ix) AASB 2012-5 : Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle. [AASB1,101,116,132,134 and Interpretation 2]	Jun 2012	Jan 2013	Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council's financial statements.
(x) AASB 2012-10 : Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	Dec 2012	Jan 2013	Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

z 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 2010 – 8
AASB 2011 - 3
AASB 2011 - 13

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either not applicable, 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.

2 Revenues and Expenses	Note	2013 Actual \$	2013 Budget \$	2012 Actual \$
a Result from Ordinary Activities				
The result from ordinary activities includes -				
i Charging as an Expense				
Auditor's Remuneration				
- Annual Financial Statements		24,209		
- Financial Review		8,000		
- Acquittals		4,900		
Total Audit Remuneration		37,109	30,500	21,831
Bad and Doubtful Debts				
Write Off - Rates		76,423	74,000	80,238
Write Off - General		0	5,000	7,042
Write Off - Infringements		57,106	12,700	54,771
		133,529	91,700	142,050
Depreciation				
Land and Buildings		1,204,707	825,400	996,890
Furniture and Equipment		86,372	40,000	74,481
Plant and Machinery		1,585,726	1,654,300	1,573,620
Roads		2,877,300	3,524,600	2,896,755
Drainage		722,719	724,100	692,431
Pathways		455,282	455,000	427,887
Reserves		3,828,414	4,062,100	3,788,208
		10,760,520	11,285,800	10,450,273
Interest Expense				
Debentures	21	1,116,948	1,122,600	1,154,760
		1,116,948	1,122,600	1,154,760
ii Charging as a Revenue				
Interest Earnings				
Investments - Reserve Funds		1,971,869	1,255,300	1,759,229
Investments - Municipal Fund		1,995,461	1,500,000	2,575,899
Other Interest Revenue	26	353,979	349,000	357,343
		4,321,308	3,104,300	4,692,471



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

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.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	2013 Actual \$	2012 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		
Preservation Grant	18,600	0
Libraries - Connected Seniors	0	5,000
Youth	0	25,000
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
Add: 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)		
Governance		
Financial Assistance Grants in advance	1,757,117	0
Education and Welfare		
Kidsport	172,769	0
Youth	49,962	0
Preservation Grant	0	18,600
Indigenous	85,229	0
Recreation & Culture		
Healthy Communities	146,017	0
Transport		
Federal Black Spot	40,000	281,300
Local Government Road Funding	0	62,100
State Black Spot	39,900	393,200
Transport Network	0	540,000
Roads To Recovery	0	413,830
Roadwise	15,500	0
	2,306,494	1,709,030
Less: 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)		
Governance		
Financial Assistance Grants in advance	1,757,117	0
Education and Welfare		
Libraries - Connected Seniors	0	5,000
Youth	0	25,000
Transport		
Local Government Road Funding	0	535,505
	1,757,117	565,505
Closing Balance of Unspent Grants	2,258,407	1,709,030



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	Note	2013 Actual \$	2012 Actual \$
3 Cash and Cash Equivalents			
Unrestricted		11,815,217	17,737,349
Restricted		55,737,138	43,564,284
		67,552,355	61,301,633
The following restrictions have been imposed by regulations or other externally imposed requirements -			
Reserves			
Asset Renewal - Buildings		315,576	209,376
Asset Renewal - Parks		315,576	209,376
Building Plant and Equipment		137,432	133,432
Champion Lakes SAR Asset Renewal		56,200	28,400
Civic Precinct		920,600	1,111,800
Computer Systems Technologies		326,332	384,832
Crossover Contributions		53,000	51,500
Emergency Waste		196,332	190,632
Employee Provisions		6,089,708	5,456,108
Freehold Sales Capital Works		129,436	125,736
Future Community Facilities		687,800	667,800
Future Project Funding		10,049,063	7,174,063
Future Recreation Facilities		192,800	187,200
History of the District		30,550	26,850
Land Acquisition		407,936	396,136
Mobile Bin Program		1,735,508	1,685,008
North Forrestdale DCP 3		19,824,242	13,260,865
North Forrestdale SAR Asset Renewal		1,513,520	1,016,120
Plant and Machinery		1,997,988	2,094,388
Portable Long Service Leave		221,992	215,592
Revolving Energy		87,572	85,072
Strategic Asset Investments		1,524,944	1,480,544
Waste Management		5,644,112	4,673,512
Workers Compensation		459,148	445,848
Works Contributions		561,364	545,064
		53,478,731	41,855,254
Restricted Funds			
Unspent Grants	2	2,258,407	1,709,030
		2,258,407	1,709,030
Total Reserves and Restricted Cash and Cash Equivalents		55,737,138	43,564,284



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

4 Trade and Other Receivables	2013 Actual \$	2012 Actual \$
Current		
Accrued Revenue and Prepayments	1,150,632	1,348,873
Rates Debtors	1,314,014	1,273,396
ESL Debtors	65,862	57,768
Sundry Debtors	3,012,731	1,714,357
Provision for Doubtful Debts	(122,378)	(122,378)
	<u>5,420,861</u>	<u>4,272,015</u>
Non-Current		
Rates Debtors	573,323	556,943
ESL Debtors	38,018	35,332
Sundry Debtors	133,151	133,151
	<u>744,491</u>	<u>725,425</u>
5 Inventories		
Current		
Fuel and Materials	127,026	131,758
	<u>127,026</u>	<u>131,758</u>
6 Property, Plant and Equipment	2013 Actual \$	2012 Actual \$
Land - Cost	7,380,278	6,804,510
Buildings - Valuation	40,600,456	37,429,370
Less Accumulated Depreciation	(5,659,063)	(4,454,356)
	<u>42,321,671</u>	<u>39,779,523</u>
Furniture and Equipment - Independent Valuation	401,465	3,336,980
Less Accumulated Depreciation	0	(2,282,536)
	<u>401,465</u>	<u>1,054,444</u>
Plant and Machinery - Independent Valuation	8,533,562	13,605,294
Less Accumulated Depreciation	0	(7,500,046)
	<u>8,533,562</u>	<u>6,105,248</u>
Total Property, Plant and Equipment	<u>51,256,698</u>	<u>46,939,215</u>

Movements in Carrying Amounts

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

Particulars	Land \$	Buildings \$	Furniture and Equipment \$	Plant and Machinery \$	Total \$
Beginning Balance	6,804,510	32,975,014	1,054,444	6,105,248	46,939,215
Additions	633,269	3,171,087	34,413	2,426,616	6,265,384
Disposals	(57,500)	0	(5,078)	(578,694)	(641,272)
Depreciation Expense	0	(1,204,707)	(86,372)	(1,585,726)	(2,876,805)
Impairment Adjustments	0	0	0	0	0
Revaluation Movements - Fair Value	0	0	(595,941)	2,166,117	1,570,176
Carrying Amount	<u>7,380,278</u>	<u>34,941,393</u>	<u>401,466</u>	<u>8,533,561</u>	<u>51,256,698</u>



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	2013 Actual \$	2012 Actual \$
7 Infrastructure		
Roads - Cost	194,110,808	179,114,456
Less Accumulated Depreciation	<u>(38,126,749)</u>	<u>(35,249,449)</u>
	155,984,059	143,865,007
Drainage - Cost	35,345,945	34,583,206
Less Accumulated Depreciation	<u>(8,888,887)</u>	<u>(8,166,168)</u>
	26,457,058	26,417,038
Pathways - Cost	10,206,267	9,475,649
Less Accumulated Depreciation	<u>(4,645,932)</u>	<u>(4,190,650)</u>
	5,560,335	5,284,999
Parks and Reserves - Cost	82,931,239	79,191,364
Less Accumulated Depreciation	<u>(54,061,445)</u>	<u>(50,233,031)</u>
	28,869,794	28,958,333
Total Infrastructure	<u>216,871,246</u>	<u>204,525,377</u>

Movements in Carrying Amounts

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

	Roads	Drainage	Pathways	Parks and Reserves	Total
Particulars	\$	\$	\$	\$	\$
Beginning Balance	143,865,007	26,417,038	5,284,999	28,958,333	204,525,377
Additions	14,996,352	762,739	730,618	3,739,875	20,229,584
Disposals	0	0	0	0	0
Depreciation Expense	(2,877,300)	(722,719)	(455,282)	(3,828,414)	(7,883,715)
Carrying Amount	<u>155,984,059</u>	<u>26,457,058</u>	<u>5,560,335</u>	<u>28,869,794</u>	<u>216,871,246</u>



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	2013 Actual \$	2012 Actual \$
8 Trade and Other Payables		
Current		
Sundry Creditors	4,725,891	3,481,410
Accrued Expenses	568,736	477,241
Revenue Liability	190,930	168,614
ESL Liability	59,154	27,759
Payroll Entitlements	76,058	56,931
	<u>5,620,769</u>	<u>4,211,955</u>
Non-Current		
Sundry Creditors	216,989	216,989
	<u>216,989</u>	<u>216,989</u>
9 Borrowings		
Current		
Secured by Floating Charge Debentures	4,497,440	800,668
	<u>4,497,440</u>	<u>800,668</u>
Non-Current		
Secured by Floating Charge Debentures	14,464,550	18,961,990
	<u>14,464,550</u>	<u>18,961,990</u>
Additional details on Borrowings are provided in Note 21.		
10 Provisions		
Current		
Provision for Annual Leave	3,289,939	3,006,035
Provision for Long Service Leave	2,395,678	2,205,031
	<u>5,685,617</u>	<u>5,211,066</u>
Non-Current		
Provision for Long Service Leave	404,432	390,427
	<u>404,432</u>	<u>390,427</u>



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	2013 Actual \$	2013 Budget \$	2012 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>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	209,376	209,376	61,900
Transfer to Reserve - Municipal Funds	100,000	100,000	145,000
Transfer to Reserve - Interest Earnings	6,200	6,200	2,476
Transfer from Reserve	0	0	0
	315,576	315,576	209,376
<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	209,376	209,376	61,900
Transfer to Reserve - Municipal Funds	100,000	100,000	145,000
Transfer to Reserve - Interest Earnings	6,200	6,200	2,476
Transfer from Reserve	0	0	0
	315,576	315,576	209,376
<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	133,432	133,432	128,300
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	4,000	4,000	5,132
Transfer from Reserve	0	0	0
	137,432	137,432	133,432
<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	28,400	28,400	0
Transfer to Reserve - Municipal Funds	27,000	27,000	28,400
Transfer to Reserve - Interest Earnings	800	800	0
Transfer from Reserve	0	0	0
	56,200	56,200	28,400



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	2013 Actual \$	2013 Budget \$	2012 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	1,111,800	1,111,800	370,000
Transfer to Reserve - Municipal Funds	0	0	727,000
Transfer to Reserve - Interest Earnings	33,300	33,300	14,800
Transfer from Reserve	(224,500)	0	0
	920,600	1,145,100	1,111,800
<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	384,832	384,832	225,800
Transfer to Reserve - Municipal Funds	100,000	100,000	150,000
Transfer to Reserve - Interest Earnings	11,500	11,500	9,032
Transfer from Reserve	(170,000)	(170,000)	0
	326,332	326,332	384,832
<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	51,500	51,500	55,000
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	1,500	1,500	2,200
Transfer from Reserve	0	0	(5,700)
	53,000	53,000	51,500
<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	190,632	190,632	183,300
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	5,700	5,700	7,332
Transfer from Reserve	0	0	0
	196,332	196,332	190,632
<u>Employee Provisions</u>			
<i>To be used to cash-back the employees' sick, annual and long-service leave entitlements liability.</i>			
Opening Balance	5,456,108	5,456,108	5,053,950
Transfer to Reserve - Municipal Funds	470,000	250,000	200,000
Transfer to Reserve - Interest Earnings	163,600	163,600	202,158
Transfer from Reserve	0	0	0
	6,089,708	5,869,708	5,456,108



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	2013 Actual \$	2013 Budget \$	2012 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	125,736	125,736	120,900
Transfer to Reserve - Municipal Funds	0	406,500	0
Transfer to Reserve - Interest Earnings	3,700	3,700	4,836
Transfer from Reserve	0	0	0
	129,436	535,936	125,736
<u>Future Community Facilities</u>			
<i>To be used to assist in the research, planning and construction of future Community Facilities.</i>			
Opening Balance	667,800	667,960	661,500
Transfer to Reserve - Municipal Funds	0	0	(160)
Transfer to Reserve - Interest Earnings	20,000	20,000	26,460
Transfer from Reserve	0	0	(20,000)
	687,800	687,960	667,800
<u>Future Project Funding</u>			
<i>To be used to fund future capital works projects considered in excess of the City's normal funding capacity.</i>			
Opening Balance	7,174,063	7,173,903	6,073,583
Transfer to Reserve - Municipal Funds	2,929,000	1,898,500	3,407,037
Transfer to Reserve - Interest Earnings	216,000	216,000	242,943
Transfer from Reserve	(270,000)	0	(2,549,500)
	10,049,063	9,288,403	7,174,063
<u>Future Recreation Facilities</u>			
<i>To be used to assist in the research, planning and construction of future recreation facilities.</i>			
Opening Balance	187,200	187,200	180,000
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	5,600	5,600	7,200
Transfer from Reserve	0	0	0
	192,800	192,800	187,200
<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	26,850	26,850	0
Transfer to Reserve - Municipal Funds	2,900	0	26,850
Transfer to Reserve - Interest Earnings	800	800	0
Transfer from Reserve	0	0	0
	30,550	27,650	26,850
<u>Land Acquisition</u>			
<i>To be used to assist in future acquisitions of land for investment or works requirement.</i>			
Opening Balance	396,136	396,136	380,900
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	11,800	11,800	15,236
Transfer from Reserve	0	0	0
	407,936	407,936	396,136



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	2013 Actual \$	2013 Budget \$	2012 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	1,685,008	1,685,008	1,620,200
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	50,500	50,500	64,808
Transfer from Reserve	0	0	0
	1,735,508	1,735,508	1,685,008
<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	13,260,865	13,260,865	12,765,800
Transfer to Reserve - Municipal Funds	6,165,577	561,800	0
Transfer to Reserve - Interest Earnings	397,800	397,800	800,200
Transfer from Reserve	0	(6,001,800)	(305,135)
	19,824,242	8,218,665	13,260,865
<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	1,016,120	1,016,120	643,000
Transfer to Reserve - Municipal Funds	467,000	502,000	347,400
Transfer to Reserve - Interest Earnings	30,400	30,400	25,720
Transfer from Reserve	0	0	0
	1,513,520	1,548,520	1,016,120
<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	2,094,388	2,094,388	1,752,200
Transfer to Reserve - Municipal Funds	1,585,700	1,654,500	1,573,600
Transfer to Reserve - Interest Earnings	62,800	62,800	70,088
Transfer from Reserve	(1,744,900)	(1,967,600)	(1,301,500)
	1,997,988	1,844,088	2,094,388
<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	215,592	215,592	207,300
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	6,400	6,400	8,292
Transfer from Reserve	0	0	0
	221,992	221,992	215,592



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	2013 Actual \$	2013 Budget \$	2012 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	85,072	85,072	81,800
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	2,500	2,500	3,272
Transfer from Reserve	0	0	0
	87,572	87,572	85,072
<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	1,480,544	1,480,544	1,423,600
Transfer to Reserve - Municipal Funds	0	948,500	0
Transfer to Reserve - Interest Earnings	44,400	44,400	56,944
Transfer from Reserve	0	0	0
	1,524,944	2,473,444	1,480,544
<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	4,673,512	4,673,512	3,737,800
Transfer to Reserve - Municipal Funds	830,400	405,500	786,200
Transfer to Reserve - Interest Earnings	140,200	140,200	149,512
Transfer from Reserve	0	(1,266,900)	0
	5,644,112	3,952,312	4,673,512
<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	445,848	445,848	428,700
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	13,300	13,300	17,148
Transfer from Reserve	0	0	0
	459,148	459,148	445,848
<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	545,064	545,064	524,100
Transfer to Reserve - Municipal Funds	0	0	0
Transfer to Reserve - Interest Earnings	16,300	16,300	20,964
Transfer from Reserve	0	0	0
	561,364	561,364	545,064
Total Reserves			
Opening Balance	41,855,254	41,855,254	39,406,650
Transfer to Reserve - Municipal Funds	12,777,577	6,954,300	7,536,327
Transfer to Reserve - Interest Earnings	1,255,300	1,255,300	1,759,229
Transfer from Reserve	(2,409,400)	(9,406,300)	(6,846,952)
	53,478,731	40,658,554	41,855,254



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	2013 Actual \$	2013 Budget \$	2012 Actual \$
12 Reserves - Asset Revaluation			
Land & Buildings			
Opening Balance as at 1 July 2012	8,451,748	8,451,748	8,451,748
Revaluation Increment	0	0	0
	<u>8,451,748</u>	<u>8,451,748</u>	<u>8,451,748</u>
Plant & Equipment			
Opening Balance as at 1 July 2012	0	0	0
Revaluation Increment	1,570,176	0	0
	<u>1,570,176</u>	<u>0</u>	<u>0</u>
Total Asset Revaluation Reserve	<u>10,021,924</u>	<u>8,451,748</u>	<u>8,451,748</u>
13 Notes to the Statement of Cash Flows			
a Reconciliation of Cash			
	2,013 Actual \$	2,012 Actual \$	
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	67,552,355	61,301,633	
b Reconciliation of Net Cash Provided by Operating Activities to Net Result			
Net Result	21,410,377	17,671,415	
Depreciation	10,760,520	10,450,273	
(Profit) / Loss on Sale of Asset	(1,061,383)	(575,571)	
(Increase) / Decrease in Receivables	(1,167,911)	1,566,473	
(Increase) / Decrease in Inventories	4,731	(61,031)	
Increase / (Decrease) in Payables	1,408,813	(2,724,465)	
Increase / (Decrease) in Employee Provisions	488,556	178,427	
Grants and Contributions for Asset Development	(12,555,746)	(10,464,540)	
Net Cash from Operating Activities	<u>19,287,957</u>	<u>16,040,982</u>	
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	<u>106,000</u>	<u>106,000</u>	
Loan Facilities			
Loan Facilities - Current	4,497,440	800,668	
Loan Facilities - Non-Current	14,464,550	18,961,990	
Total Facilities in Use at Balance Date	<u>18,961,990</u>	<u>19,762,658</u>	
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

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.

	Balance 1 July 2012	Account Movement	Balance 30 June 2013
	\$	\$	\$

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 -

Cash in Lieu - POS - A14 Plan	2,196,694	94,202	2,290,896
Cash in Lieu - POS - Agreements	86,548	3,711	90,259
Cash in Lieu - POS - Heron	131,664	5,647	137,311
Cash in Lieu - POS - Jarrah	88,489	3,795	92,284
Cash in Lieu - POS - Lake	841,419	36,080	877,499
Cash in Lieu - POS - Minnawarra	8,334	358	8,692
Cash in Lieu - POS - Neerigen	430,046	18,442	448,488
Cash in Lieu - POS - River	16,764	720	17,484
Cash in Lieu - POS - Strategy North	0	0	0
Cash in Lieu of Footpaths	223,282	30,679	253,961
Cash in Lieu of Parking	175,110	7,509	182,619
Contractors Deposits	5,335,704	854,200	6,189,904
Hall and Key Deposits	74,358	19,130	93,488
Kerb Deposits	1,119,542	216,146	1,335,687
POS - Precinct A - Westfield	792,359	33,977	826,336
POS - Precinct B - Seville Grove	589,961	25,298	615,259
POS - Precinct C - West Armadale	639,529	(639,529)	0
POS - Precinct D - South Armadale	0	0	0
POS - Precinct E - Mount Richon	0	229,765	229,765
POS - Precinct F - Clifton Hills	233,518	96,649	330,167
POS - Precinct G - Creyk	500,774	(7,282)	493,492
POS - Precinct H - Mount Nasura	0	590,464	590,464
POS - Precinct I - Roleystone	536,967	59,200	596,167
POS - Precinct M - Palomino	59,335	2,543	61,878
POS - Regional Recreation Infrastructure	2,155,239	276,388	2,431,627
Rates in Suspense	39,086	34,567	73,653
SEMACC Lease Liability	10,525	0	10,525
Town Planning Bonds	594,988	0	594,988
Environmental Bond - Urban SP South Piara	0	65,564	65,564
DCP #3 Item 11a Keane Road Construction	0	34,853	34,853
	16,880,235	2,093,075	18,973,309

	2013 Actual \$	2012 Actual \$
18 Total Assets Classified by Function and Activity		
General Purpose Funding	26,294,263	28,734,726
Governance	18,851,977	18,661,514
Law, Order and Public Safety	419,582	372,896
Health	6,026	6,176
Education and Welfare	0	0
Community Amenities	28,336,007	21,223,016
Recreation and Culture	67,030,130	64,385,382
Transport	188,750,145	176,305,776
Economic Services	8,096	6,302
Other Property and Services	12,276,450	8,199,635
	341,972,676	317,895,423



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	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	57,500	840,000	1,060,909	840,000	1,003,409	0
Freehold Land Sales	0	1,355,000	0	1,355,000	0	0
Total Land and Buildings	57,500	2,195,000	1,060,909	2,195,000	1,003,409	0
Plant and Machinery						
<u>Governance</u>						
Sedan - 85425	7,857	7,600	11,883	14,000	4,026	6,400
Sedan - 85298	13,881	0	14,035	0	154	0
Sedan - 85252	14,048	13,800	12,338	14,000	(1,710)	200
Sedan - 85254	13,282	13,800	13,020	14,000	(262)	200
Sedan - 85253	24,933	23,300	23,297	24,000	(1,636)	700
Sedan - 85251	26,448	26,200	25,520	28,000	(928)	1,800
Sedan - 85250	32,534	31,100	33,899	30,000	1,365	(1,100)
Sedan - 85415	25,989	24,700	21,399	28,000	(4,590)	3,300
Sedan - 85290	15,739	0	14,091	0	(1,648)	0
<u>Law, Order and Safety</u>						
Sedan - 85257	23,610	23,700	15,909	22,000	(7,701)	(1,700)
Utility - 85416	13,563	21,300	16,611	24,000	3,048	2,700
Utility - 85294	14,241	22,600	16,974	24,000	2,733	1,400
Utility - 85296	11,391	22,600	14,964	24,000	3,573	1,400
<u>Health</u>						
Utility - 85302	9,625	10,300	14,752	17,000	5,127	6,700
<u>Education and Welfare</u>						
Sedan - 85291	15,210	21,000	17,399	24,000	2,189	3,000
Utility - 85412	0	14,800	0	19,000	0	4,200
Sedan - 85255	0	28,200	0	28,000	0	(200)
<u>Community Amenities</u>						
Minor Plant	890		0		(890)	0
Rubbish Truck - 85356					0	0
Sedan - 85429	9,326	8,400	12,399	14,000	3,073	5,600
Sedan - 85262	14,097	20,200	15,520	24,000	1,423	3,800
Sedan - 85261	26,666	26,600	23,701	28,000	(2,965)	1,400
Truck - 85318		62,600		50,000	0	(12,600)
Utility - 85335	5,815	11,000	16,429	17,000	10,614	6,000
Utility - 85298	15,689	15,300	20,974	24,000	5,285	8,700
Utility - 85305	8,616	13,900	15,472	19,000	6,856	5,100



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	Net Book Value		Sale Price		Profit / (Loss)	
	Actual	Budget	Actual	Budget	Actual	Budget
			\$	\$	\$	\$
19 Disposal of Assets (continued)						
<u>Recreation and Culture</u>						
Minor Plant - Aquatic Centre	642	0	0	0	(642)	0
Minor Plant - Halls & Pavilions	315	0	0	0	(315)	0
Minor Plant - Parks	12,019	0	0	0	(12,019)	0
Minor Plant - Property	995	0	0	0	(995)	0
Truck - 85373	0	19,400	0	25,000	0	5,600
Truck - 85374	10,706	10,900	20,968	20,000	10,262	9,100
Truck - 85375	0	15,500	0	25,000	0	9,500
Truck - 85404	0	15,500	0	25,000	0	9,500
Truck - 85403	0	16,900	0	25,000	0	8,100
Rotary Mower - 85348	5,289	4,800	9,000	8,000	3,711	3,200
Rotary Mower - 85350	5,289	4,800	9,000	8,000	3,711	3,200
Outfront Mower - 85316	6,139	5,700	9,000	8,000	2,861	2,300
Outfront Mower - 85317	6,139	5,700	9,000	8,000	2,861	2,300
Sedan - 85268	7,035	11,100	10,156	14,000	3,121	2,900
Sedan - 85258	7,207	11,100	12,111	14,000	4,904	2,900
Utility - 85421	11,453	11,900	15,470	17,000	4,017	5,100
Utility - 85328	13,857	13,700	16,409	19,000	2,552	5,300
Utility - 85428	0	13,400	0	19,000	0	5,600
Utility - 85310	17,089	16,600	21,156	24,000	4,067	7,400
Sedan - 85266	13,324	0	19,936	0	6,612	0
<u>Transport</u>						
Minor Plant - Civil Works - 85995	13,553	0	0	1,000	(13,553)	1,000
Minor Plant - Support Services - 85997	2,456	0	0	0	(2,456)	0
Minor Plant - Transport	2,495	0	0	0	(2,495)	0
Trailer - 85331	406	0	0	0	(406)	0
Trailer - 85327	316	0	0	0	(316)	0
Trailer - 85401	0	100	0	1,000	0	900
Roller - 85313	0	1,400	0	45,000	0	43,600
Sedan - 85284	12,496	12,900	19,278	19,000	6,782	6,100
Sedan - 85270	8,075	11,500	10,717	14,000	2,642	2,500
Sedan - 85307	0	13,100	0	14,000	0	900
Sedan - 85407	0	14,900	0	14,000	0	(900)
Sedan - 85265	29,270	28,000	23,895	28,000	(5,375)	0
Truck - 85323	7,911	11,900	27,139	25,000	19,228	13,100
Truck - 85324	0	50,300	0	75,000	0	24,700
Crane	5,785	0	0	0	(5,785)	0
Utility - 85312	11,436	16,200	15,065	19,000	3,629	2,800
Utility - 85417	14,653	14,900	14,136	19,000	(517)	4,100
Utility - 85287	0	22,700	0	24,000	0	1,300
<u>Economic Services</u>						
Sedan - 85299	8,895	15,600	8,724	22,000	(171)	6,400
Total Plant and Machinery	578,694	853,500	641,746	1,089,000	63,052	235,500



City of Armadale
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19 Disposal of Assets (continued)	Net Book Value		Sale Price		Profit / (Loss)	
	Actual	Budget	Actual \$	Budget \$	Actual \$	Budget \$
Furniture & Equipment						
<u>Education and Welfare</u>						
Furniture & Equipment	1,839	0	0	0	(1,839)	0
<u>Recreation and Culture</u>						
Furniture & Equipment	2,862	0	0	0	(2,862)	0
<u>Transport</u>						
Furniture & equipment	377	0	0	0	(377)	0
Total Furniture and Equipment	5,078	0	0	0	(5,078)	0
Total Disposal of Assets	641,272	3,048,500	1,702,655	3,284,000	1,061,383	235,500



City of Armadale
Notes to, and forming part of, the Financial Report
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20 Financial Ratios	2013	2012	2011
Current Ratio	1.72	4.42	2.80
Asset Sustainability Ratio	1.26	1.81	1.77
Debt Service Cover Ratio	10.81	10.51	7.73
Operating Surplus Ratio	0.14	0.11	0.08
Own Source Revenue Coverage Ratio	0.88	0.91	0.81

The above ratios are calculated as follows -

Current Ratio	=	$\frac{\text{current assets minus restricted current assets}}{\text{current liabilities minus liabilities from restricted assets}}$
Asset Sustainability Ratio	=	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	=	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	=	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	=	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

RATIO INFORMATION

The following information relates to those ratios which only require an attestation they have been checked and supported by verifiable information.

	2013	2012	2011
Asset Consumption	0.83	NA	NA
Asset Renewal Funding	0.90	NA	NA

The above ratios are calculated as follows -

Asset Consumption Ratio	=	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	=	$\frac{\text{npv of planned capital renewals over 10 years}}{\text{npv of required capital expenditure over 10 years}}$

N/A - In keeping with amendments to Local Government (Financial Management) Regulation 50, comparatives for the two preceding years (being 2012 and 2011) have not been reported as financial information is not available.



City of Armadale
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21 Information on Borrowings

a Repayment - Debentures (Budget)	Principal 1 July \$	New Loans \$	Principal Repayments \$	Principal 30 June \$	Interest Repayments \$
Particulars					
Governance					
285 Temporary Administration 2005	175,237	0	55,200	120,037	9,300
292 Loan Borrowings 2008	446,450	0	27,700	418,750	32,100
295 Old Library Conversion 2009	589,568	0	59,700	529,868	33,900
296 Loan Borrowings 2009	469,680	0	26,500	443,180	31,400
298 Loan Borrowings 2010	463,232	0	46,900	416,332	26,700
306 Loan Borrowings 2011	622,270	0	54,700	567,570	118,200
Community Amenities					
303 Bakers House Refurbishment 2011	317,588	0	317,500	88	17,700
Recreation and Culture					
284 Rushton Park 2006	151,821	0	34,600	117,221	9,000
286 Kelmscott Library 2005	36,131	0	11,400	24,731	2,000
291 Aquatic Works 2008	447,821	0	15,600	432,221	32,300
294 Armadale Library Relocation 2009	926,464	0	93,700	832,764	53,300
299 Aquatic Centre Upgrade 2010	884,434	0	46,000	838,434	54,100
300 Frye Park Redevelopment 2010	387,430	0	39,200	348,230	22,300
302 Aquatic Cnte Upgrade 2012	1,389,364	0	40,700	1,348,664	83,100
304 Frye Park Redevelopment 2011	1,036,679	0	30,400	1,006,279	62,000
305 Piara Waters (North) 2011	1,108,339	0	52,900	1,055,439	64,600
307 Equestrian Facilities 2012	360,000	0	67,000	293,000	0
308 Armadale Hall Upgrade 2012	0	735,000	0	735,000	0
309 Piara Waters (North) 2012	0	238,000	0	238,000	0
311 Aquatic Centre Upgrade 2012	1,600,000	0	50,900	1,549,100	0
Transport					
290 ARA Projects 2008	147,349	0	20,400	126,949	10,400
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	158,700
310 Abbey Road Project 2012	0	5,290,000	0	5,290,000	0
	19,762,657	6,263,000	1,091,000	24,934,657	1,122,600



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	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	175,237	0	55,140	120,097	9,003
292 Loan Borrowings 2008	446,450	0	27,657	418,792	31,072
295 Old Library Conversion 2009	589,568	0	59,617	529,951	33,755
296 Loan Borrowings 2009	469,680	0	26,435	443,245	30,487
298 Loan Borrowings 2010	463,232	0	46,842	416,390	26,522
306 Loan Borrowings 2011	622,270	0	54,690	567,580	34,486
Community Amenities					
303 Bakers House Refurbishment	317,588	0	27,912	289,676	17,601
Recreation and Culture					
284 Rushton Park 2006	151,821	0	34,542	117,279	8,897
286 Kelmescott Library 2005	36,131	0	11,369	24,762	1,856
291 Aquatic Works 2008	447,821	0	15,541	432,280	31,687
294 Armadale Library Relocation	926,464	0	93,684	832,780	53,043
299 Aquatic Centre Upgrade 2010	884,434	0	45,987	838,447	53,960
300 Frye Park Redevelopment 2010	387,430	0	39,177	348,253	22,182
302 Aquatic Cnte Upgrade 2012	1,389,364	0	40,696	1,348,668	82,963
304 Frye Park Redevelopment 2011	1,036,679	0	30,366	1,006,314	61,903
305 Piara Waters (North) 2011	1,108,339	0	52,826	1,055,513	64,421
307 Equestrian Facilities 2012	360,000	0	66,969	293,031	12,256
311 Aquatic Centre Upgrade 2012	1,600,000	0	50,841	1,549,159	71,048
Transport					
290 ARA Projects 2008	147,349	0	20,375	126,974	9,670
293 Abbey Road Link Project 2008	650,000	0	0	650,000	40,560
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
	19,762,657	0	800,668	18,961,991	1,116,948

d Unspent Debentures

The City had no unspent debentures at 30 June 2013.

e Overdraft Facilities

The City did not utilise an overdraft during the 2012 - 2013 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 2012 and 30 June 2013 was \$nil.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	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	13.825	1,193	26,444,464	3,655,900	0	3,655,900
Gross Rental Value	8.3580	20,989	369,885,120	30,915,000	575,000	31,490,000
Unimproved Value	0.3715	142	193,382,500	718,400	0	718,400
Sub-Total		22,324	589,712,084	35,289,300	575,000	35,864,300
Minimum Rate						
Gross Rental Value - Vacant	919	1,698	7,862,644	1,560,460	0	1,560,460
Gross Rental Value	819	4,075	40,255,097	3,744,925	0	3,744,900
Unimproved Value	1,103	16	3,573,425	17,640	0	17,640
Sub-Total		5,789	51,691,166	5,323,025	0	5,323,000
Total		28,113	641,403,250	40,612,325	575,000	41,187,300
Rate Equivalent Payments and Adjustments						0
Specified Area Rates						627,900
Total						41,815,200
b Rating Information (Actual)						
Rate Type						
General Rate						
Gross Rental Value - Vac	13.825	1,222	26,144,224	3,614,441		3,614,441
Gross Rental Value - Imp	8.3580	21,169	372,675,348	31,148,215	1,046,313	32,194,528
Unimproved Value	0.3715	142	193,382,500	718,416		718,416
Sub-Total		22,533	592,202,072	35,481,072	1,046,313	36,527,385
Minimum Rate						
Gross Rental Value - Vac	919	1,603	7,416,237	1,473,157		1,473,157
Gross Rental Value - Imp	819	4,062	40,176,007	3,732,978		3,732,978
Unimproved Value	1,103	16	3,573,425	17,648		17,648
Sub-Total		5,681	51,165,669	5,223,783	0	5,223,783
Total		28,214	643,367,741	40,704,855	1,046,313	41,751,168
Rate Equivalent Payments and Adjustments						21,361
Specified Area Rates						641,248
Subtotal Rates Required to be raised from rates						41,751,168
Rates in advance						460,801
Total						42,874,578



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	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	0.388	90	27,601,663	107,100	0	107,100
B - Kelmscott CBD	1.026	94	6,959,118	71,400	0	71,400
C - Kelmscott Industry	0.189	333	9,435,195	17,800	0	17,800
D - S A'dale Industry	0.443	129	4,607,957	20,400	0	20,400
E - Shopping Precincts	0.817	6	2,485,740	20,300	0	20,300
F - North Forrestdale	0.926	2,306	40,852,494	378,100	0	378,100
G - Champion Lakes	0.793	131	1,612,131	12,800	0	12,800
Total		3,089	93,554,298	627,900	0	627,900
b Specified Area Rates (Actual)						
Rate Type						
Specified Area Rate - GRV						
A - Armadale CBD	0.388	90	27,601,663	107,095	0	107,095
B - Kelmscott CBD	1.026	94	6,959,118	71,401	(634)	70,766
C - Kelmscott Industry	0.189	333	9,357,682	17,686	0	17,686
D - S A'dale Industry	0.443	130	4,619,403	20,464	737	21,201
E - Shopping Precincts	0.817	6	2,485,740	20,309	0	20,309
F - North Forrestdale	0.926	2,315	41,309,318	382,523	6,643	389,166
G - Champion Lakes	0.793	134	1,720,611	13,644	1,381	15,025
Total		3,102	94,053,535	633,122	8,127	641,248

In the 2012 - 2013 financial year, the City imposed 7 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 seven (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.

Two of the seven (Areas F-G) is for the increased maintenance and enhancement of the public open space (POS) and streetscapes of selected new estates in the North Forrestdale and Champion Lakes area of the City over and above other areas of the City.

24 Service Charges

No service charges were imposed for the 2012 - 2013 financial year. As such, no transfer to, or from, Reserve Accounts has occurred.



City of Armadale
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For the year ended 30 June 2013

25 Discounts, Incentives, Concessions and Write-Offs

Discounts

No discounts were offered in the 2012 - 2013 financial year.

Incentives

Four rate payment incentives were offered in the 2012 - 2013 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 2012 - 2013 financial year.

Write-Offs

The following write-offs were made during the 2012 - 2013 financial year -

Rates	76,423
General	0
Infringements	<u>57,106</u>
	<u>133,529</u>

26 Interest Charges and Instalments

Particulars	Interest Rate %	Admin Charge \$	Actual Revenue \$	Budgeted Revenue \$
Interest on late paid rates	11	-	180,693	155,000
Interest on instalment plans	5.5	-	160,759	185,000
Interest on Emergency Services Levy (ESL)	11	-	12,527	9,000
Charges on instalment plans (per payment)	-	7.00	142,065	141,000
Charges on special arrangements	-	44.00	<u>2,178</u>	<u>9,400</u>
			<u>498,222</u>	<u>499,400</u>

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	2013	2012
	Actual	Actual
	\$	\$
27 Fees and Charges		
General Purpose Funding	475,840	457,664
Governance	7,979	4,903
Law, Order and Public Safety	506,811	449,149
Health	136,865	126,395
Education and Welfare	5,788	5,682
Community Amenities	9,887,177	8,777,769
Recreation and Culture	1,233,467	1,140,052
Transport	771,965	943,229
Economic Services	1,057,164	1,098,029
Other Property and Services	241,800	294,104
	14,324,856	13,296,977
28 Grant, Subsidies and Contributions Revenue		
By Nature or Type		
Operating Grants, Subsidies and Contributions	17,916,808	13,284,067
Non-Operating Grants, Subsidies and Contributions	12,555,746	10,464,540
	30,472,553	23,748,607
By Program		
General Purpose Funding	2,399,677	3,657,874
Governance	110,791	511,260
Law, Order and Public Safety	294,334	152,713
Health	1,760	1,565
Education and Welfare	522,094	561,761
Community Amenities	14,732,494	6,823,435
Recreation and Culture	2,789,503	2,581,998
Transport	9,598,400	9,435,754
Economic Services	23,501	22,248
Other Property and Services	0	0
	30,472,553	23,748,607
29 Employee Numbers		
Number of Full-Time Equivalent Employees at Balance Date	311.9	292.9



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	2013 Actual \$	2013 Budget \$	2012 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	29,540	29,500	28,420
Travelling Allowance	9,229	11,500	10,733
Communication Reimbursement	12,451	14,700	13,499
Child Minding Reimbursement	4,855	3,500	4,140
Information Technology Allowance	14,000	14,000	14,000
Vehicle Operation - Mayor	11,101	7,800	11,969
	261,175	261,000	262,761

31 Major Land Transactions

No major land transactions occurred during the 2012 -2013 Financial year. However the City has embarked on a Landmark City Building development - budgeted to commence in the financial year 2013-2014

- Budgeted Revenue - Transfer from Reserve Accounts - \$6,500,000
- Budgeted Expenditure - Capital Expense - Building works stage 1 - \$6,500,000



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

	2013 Actual \$	2013 Budget \$	2012 Actual \$
b) Current Year Transactions			
Opening	0	2,553,966	0
<u>Non-Operating Revenue</u>			
New Debentures	0	5,290,000	0
From Reserve	0	0	2,665,117
<u>Operating Expense</u>			
Interest Expenses	(460,200)	(460,200)	(460,135)
<u>Capital Expense</u>			
Land & Development Costs	0	(7,383,831)	0
Roadworks	0	0	(982,813)
<u>Non-Operating Expense</u>			
To Reserve	0	0	0
	<u>(460,200)</u>	<u>(2,554,031)</u>	<u>1,222,169</u>

The above capital expense has been included in land acquisitions (Note 6 - Annual Budget) with the remaining funds included in the 2012-2013 Annual Budget for the remaining land purchases.

	To 2013 \$	2015 \$	2016 \$	2017 \$	2018 \$
c) Expected Cash Flows					
Opening	0	2,553,966	0	0	0
<u>Non-Operating Revenue</u>	8,202,800				
New Debentures	0	5,290,000	5,290,000	0	0
Disposal of Assets	0	0	6,897,500	9,242,100	6,897,500
From Reserve	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	<u>2,553,966</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,079,772</u>

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



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2013

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	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	67,552,355	61,301,633	67,552,355	61,301,633
Receivables	6,165,352	4,997,441	6,165,352	4,997,441
	73,717,707	66,299,074	73,717,707	66,299,074
Financial Liabilities				
Payables	5,837,758	4,428,944	5,837,758	4,428,944
Borrowings	18,961,990	19,762,658	14,059,159	13,978,278
	24,799,748	24,191,603	19,896,917	18,407,222

Fair value is determined as follows -

- a. Cash and cash equivalents, receivables, payables - estimated to the carrying value, which approximates net market value
- b. 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 4.63% (2011 / 2012 - 5.85%).

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 2013	30 June 2012
	\$	\$
Impact of a 1% movement in interest rates on Cash and Investments		
Equity	675,524	613,016
Income statement	675,524	613,016



City of Armadale
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For the year ended 30 June 2013

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 2013	30 June 2012
	\$	\$
Value of Rates and Annual Charges		
Current	1,379,877	1,331,164
Overdue - Older than 12 months	700,349	592,275
	2,080,225	1,923,439
Percentage of Rates and Annual Charges		
Current	66%	69%
Overdue - Older than 12 months	34%	31%
Value of Other Receivables		
Current	4,163,363	2,940,852
Overdue - Older than 30 days	38,018	133,151
	4,201,381	3,074,002
Percentage of Other Receivables		
Current	99%	96%
Overdue - Older than 30 days	1%	4%



City of Armadale
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c Payables and borrowings

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

	Due Within 1 Year \$	Due Between 1 and 5 Years \$	Due After 5 Years \$	Total Contractual Cash Flows \$	Carrying Values \$
2,013					
Payables	5,837,758	0	0	5,837,758	5,837,758
Borrowings	1,923,235	11,917,813	7,571,646	21,412,694	18,961,990
	7,760,993	11,917,813	7,571,646	27,250,452	24,799,748
2,012					
Payables	4,428,944	0	0	4,428,944	4,428,944
Borrowings	1,720,840	12,258,188	8,222,350	22,201,378	19,762,658
	6,149,784	12,258,188	8,222,350	26,630,322	24,191,603

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 2013					
Borrowings					
Fixed Rate					
Debentures	5.67	1,497,439	11,916,539	5,548,000	18,961,979
Year ended 30 June 2012					
Borrowings					
Fixed Rate					
Debentures	5.89	650,595	11,858,019	5,944,639	18,453,253



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