

Annual Report



2015/16





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The Future of Armadale

The City of Armadale Strategic Community Plan 2016 – 2031 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.

The Strategic Community Plan will help guide the City’s future directions as it seeks to meet the needs of the current and future population. The plan identifies shared community objectives and priorities, taking into account current and expected changes in community demographics, social issues and local, national and global influences. These values reflect what is important to the City’s residents as they live, work and play in our vibrant and diverse region.

Community Vision

By 2031 Armadale will be:

A liveable city that is responsive to community values, appreciative of our natural environment, and provides a choice of lifestyle and work.

Our Values

Honesty

We are honest, consistent, open and transparent in our dealings with our stakeholders and are committed to building mutual trust and respect.

Accountability

We set high performance expectations and hold ourselves accountable for the quality of our work and the results we achieve as individuals, as team members and as an organisation.

Respect

We are sincere, fair and forthright, treating others with dignity and respecting their individual differences, feelings and contributions.

Professionalism

We show pride, enthusiasm and dedication in everything that we do. We are committed to delivering high quality service and advice.

The City of Armadale is an area of outstanding natural beauty, offering enviable residential lifestyles. The City Centre is conveniently located at Perth’s major south-east gateway crossroads of Albany and South Western Highways, and Armadale Road. Perth’s rail network links Armadale to the Perth CBD about 28 kilometres away.

Armadale, as a Strategic Metropolitan Regional Centre, has been identified as an area of significant growth and infrastructure investment. The population forecast for mid 2016 is 87,437 and is forecast to grow to 144,827 by 2036.

The availability of undeveloped land, west of the City, has driven the creation of new housing subdivisions that are proving highly attractive to young families, and will ultimately house almost half the City’s population.

Council Statistics 2015/16

Distance from Perth (km)	28
Area (sq km)	560.4
Length of Sealed Roads (km)	736
Length of Unsealed Roads (km)	5.87
Estimated Population	87,437
Number of Electors	49,055
Number of Dwellings	32,008
Total Rates Levied	\$56, 656,745
Total Revenue	\$104,062,000
Number of Employees	360
Areas of Parks and Reserves (hectares)	1862
Libraries	3
Primary Schools	23
Secondary Schools	9
Localities and suburbs	19





Mayor's Foreword

As we end 2015/16 the City of Armadale is home to a diverse community of almost 90,000 people. The Council is highly aware of its responsibility to maintain and improve the City's assets for the ongoing enjoyment of our residents both now and into the future. The following pages outline the work carried out during the financial year. We also report on other achievements, activities undertaken and services provided to our community.

Our first commitment is again to oversee the completion and provision of services to the 4500 new residents making their home within our City each year. New suburbs come at a price and the City is focussed on catering for its growing community and the increasing demands for quality services and great open space. Over the last financial year, some significant projects commenced construction, one being the Harrisdale Pavilion and Playing Fields (\$7.4 million) which will provide three playing fields. This project will provide much needed infrastructure for the fast growing communities in our western suburbs.

We also completed works on the new Kelmscott Library. The \$900,000 purpose-designed facility's location at Stargate Shopping Centre is in keeping with the City's preference to co-locate libraries with other facilities and services, and preferably in, or next to, shopping centres.

Our largest expenditure was the \$15.6 million program of capital expenditure works on the renewal and maintenance of our assets and infrastructure. Our focus on renewing infrastructure and maintaining your community assets ensures that we do not bequeath a crippling legacy of maintenance failure on future generations of residents. The City's assets are constantly monitored and upgraded over time. In 2015/16 we created, renewed and upgraded: roads, drainage and pathways at a cost of \$10 million; parks and reserves at \$1.9 million and community buildings at \$3.7 million.

With such rapid growth taking place in the district your City is working very hard to deliver the best outcomes to residents, and is proud to have been acknowledged for our efforts across a number of areas.

Orchard House, built by the City to house government services for the district won the National Growth Areas Alliance (NGAA) Congress Award in the category of 'Infrastructure which has proven to be a catalyst for economic development, jobs or community connection'.

Armadale also received recognition for its commitment to enhancing community programs with its Youth Intervention Partnership Program which was a finalist in the 2016 Community Services Awards, recognising innovative organisations in WA's community services sector.

Excellence in creating environments to protect and support the health of children saw the City win three awards and a commendation at the Public Health Advocacy Institute of Western Australia (PHAIWA) Children's Environment and Health Local Government Report Card Awards. The City topped the State awards, winning the award for Best in WA, Metropolitan Winner for 2015.

The City also won the Aboriginal Child Health Award for the Drug Aware Ignite Basketball Intervention Program, the Promoting Healthy Behaviour Award for the City's Healthy Menu Options Program and a commendation for the Healthy and Safe Food and Smoke Free Environments Category.

Finally, the City's #TheDale social media campaign won the Public Relations Institute of Australia (PRIA) WA Award for Excellence, and was Highly Commended at the National PRIA Awards for its role in highlighting the positive side of living in Armadale.

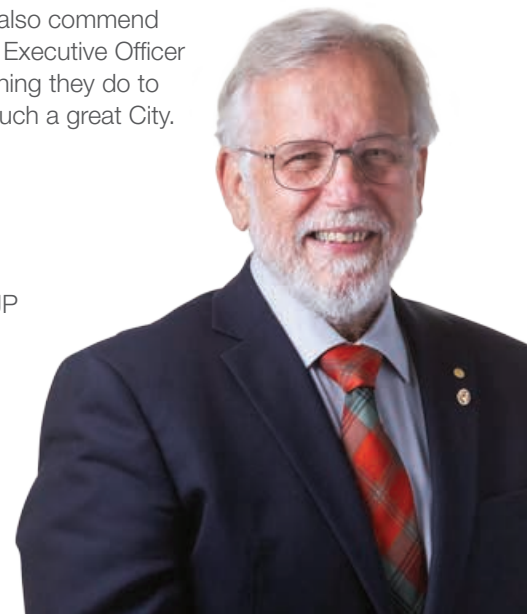
Forrestdale Business Park (FBP) continues to expand with industrial properties being snapped up as the City continues to establish itself as the business heart of the southeast corridor. Approximately 25% of land is currently either under planning or building activation, with a total of over \$300 million in private development investment attracted to date. FBP is already acting as a catalyst to attract a diverse range of other national and international businesses to the area.

Your City is ever aware of its fiscal responsibility in this shifting economic climate, and combined with continued growth in Armadale it makes this a busy but exciting time to both live in, and serve, this community.

I would like to commend the Councillors of the City of Armadale for their strong, stable and supportive leadership of the City, an enduring feature of your Council.

On behalf of Council I also commend the efforts of the Chief Executive Officer and City staff in everything they do to help make Armadale such a great City.

Henry Zelones OAM, JP
Mayor





CEO's Report

Throughout the 2015/16 financial year the City continued to deliver projects, programs, facilities and services to meet the needs of our fast growing community in the most fiscally responsible and progressive manner.

The City welcomed two new Councillors in October, Michelle Silver (Lake Ward) and Laurence Sargeson (Palomino Ward) were elected for four year terms, expiring in October 2019. The City acknowledged the dedicated service of retiring Councillors Melissa Northcott and Jeff Munn; particularly noting Cr Munn's more than 30 years unstinting service to the community.

In December, former Armadale Mayor and Councillor Roger Stubbs AM was recognised for his two decades of service and leadership of the Armadale community and named as Honorary Freeman of the Municipality. The rarely-bestowed Honorary Freeman title is the City's highest civic honour and was presented to Mr Stubbs with much respect and gratitude.

We have also celebrated and recognised outstanding individuals and groups in our community through the Premier's Australia Day Active Citizenship Awards, Armadale Young Writers Awards and the Minnowarra and Outside the Frame Art Awards to name a few. The City is committed to celebrating local people and telling the positive stories of Armadale, as requested by the community in the Growing Armadale consultation held in late 2015.

The consultation asked more than 3000 people, from a wide cross section of our community, about their views and aspirations for the region. The information received was used to inform the City's long term strategic planning.

On the political front, along with our neighbours at the City of Cockburn, your Council advocated strongly for Federal funding support during both the Canning Federal by-election, and in the new seat of Burt for the July 2016 Federal election. The outcome was the allocation of \$145 million to the widening of Armadale Road between Anstey Road and Tapper Road, and a Federal commitment of \$10 million towards the forthcoming redevelopment of the Armadale Aquatic Centre. These are major contributions to the quality of life in our district, which would not otherwise have been forthcoming, and justify the City's strong advocacy on your behalf.

In managing the extensive growth of the City your Council has been working to ensure a cohesive and inclusive sense of community is built between existing and incoming residents. To this end the City delivers a range of successful community and cultural events. These have the additional value of bringing visitors to the City, along with their tourism dollars to spend in local businesses. This year the events included the popular Australia Day celebrations with fireworks display, the Perth Kilt Run and Highland Gathering, Movies in the Park, and Hawkers and Twilight Markets.

This year two new Festivals were launched to showcase Armadale as the place to be during spring. The Armadale Arts Festival and Spring into Armadale boasted extensive programs and were well received.

It becomes increasingly difficult to ensure we hand on an equal or better quality of life to future generations of our district. Some feel that modern communities don't respect or hold a sense of place, but that is certainly not the message the City received from the Growing Armadale survey. Residents value their idyllic foothills lifestyle and we work extremely hard to maintain, and build on, that sense of community pride.

As we contend with a changing landscape characterised by budgetary challenges for families, businesses and government, it is more important than ever that we apply prudent financial management in all decision making.

Prudent for tomorrow does not always mean popular today so the Council is to be congratulated on its commitment to make the hard decisions with an eye to the future. My thanks to the Council and all City staff and volunteers for their efforts in guaranteeing that the City of Armadale remains a preferred address for current and future residents of greater metropolitan Perth.

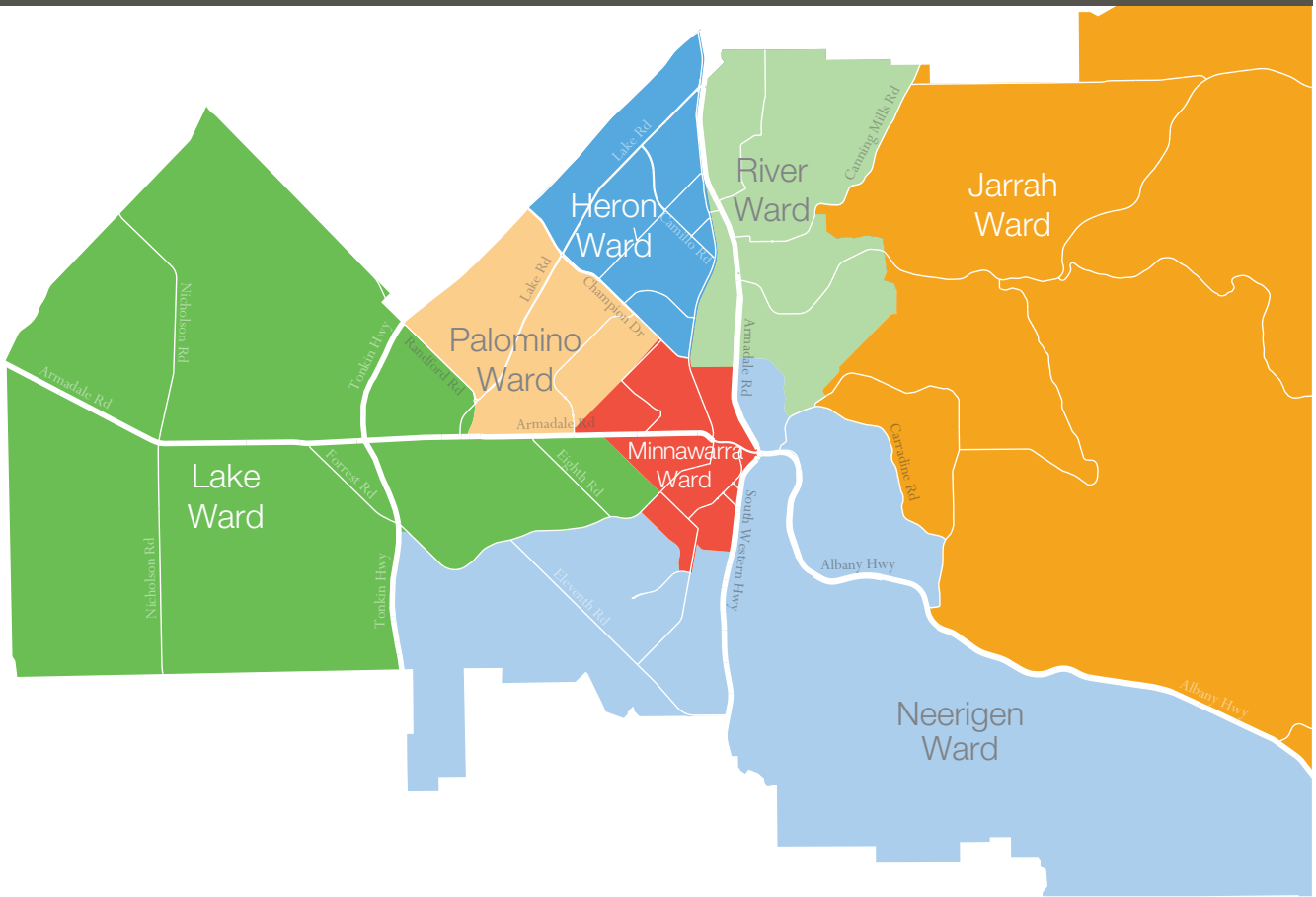
RS Tame
Chief Executive Officer





Your Council

The City of Armadale is divided into the seven wards of Heron, Jarrah, Lake, Minnowarra, Neerigen, Palomino and River (see map below).



Two councillors are elected to represent each of these wards for a period of four years. Armadale City Council is made up of 14 Councillors, including the Mayor.

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

- Managing 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 Donna Shaw



Cr Jim Stewart

Jarrah Ward

Cr Caroline Wielinga



Cr Grant Nixon

Lake Ward

Cr Carole Frost



Cr Michelle Silver

Minnawarra Ward

Cr Matt Norman



Cr Kerry Busby

Neerigen Ward

Cr Guenter Best



Cr Mark Geary

Palomino Ward

Cr Colin Campbell JP



Cr Laurence Sargeson

River Ward

Deputy Mayor
Cr Ruth Butterfield



Mayor
Cr Henry Zelones OAM JP



Council and Corporate 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 area of operation.

City Strategy Committee

Considers matters relating to corporate operations and the Chief Executive's Office, reviews the City's strategic and financial position and matters that cross the boundaries of other committees.

Community Services Committee

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

Development Services Committee

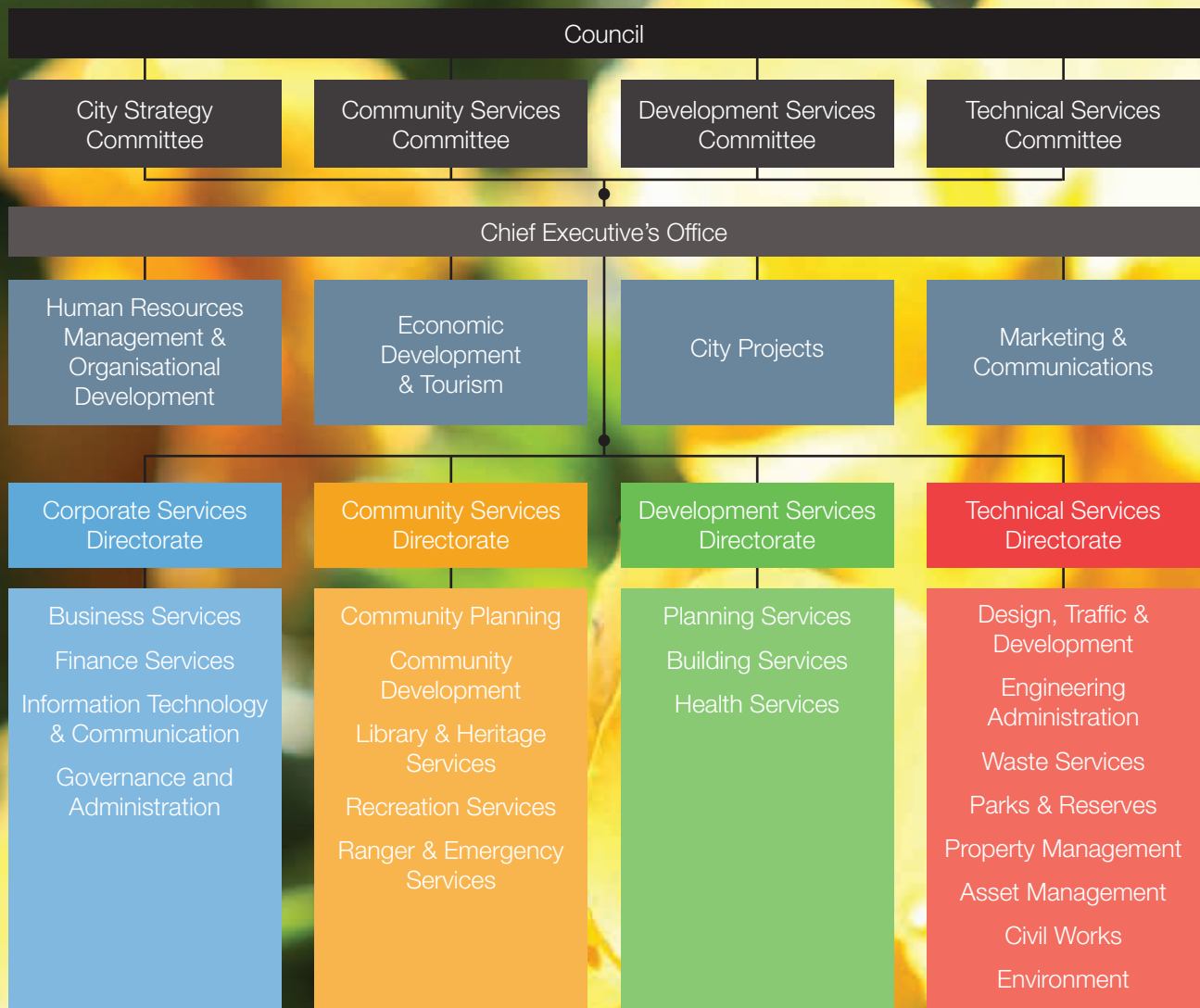
Considers development proposals, subdivisions, land use matters, building applications, building safety, health services, food handling and disease control.

Technical Services Committee

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



Organisational Structure



City of Armadale Key Staff

				
Chief Executive Officer	Executive Director Corporate Services	Executive Director Community Services	Executive Director Development Services	Executive Director Technical Services
Ray Tame	Tony Maxwell	Yvonne Loveland	Paul Sanders	Kevin Ketterer



ADMINISTRATION CENTRE



CEO's Office



Human Resources

Industrial Relations

One of the key achievements for 2015/16 was the negotiation of the 2016 Enterprise Agreement. This will cover employment conditions for all City staff for the next three years.

Recruitment and Retention

The City recruited more than 70 personnel to fill either newly created positions, or vacancies created through retirements, resignations and seasonal movement. The City continued to offer local students the opportunity to gain work place experience to enhance their skills and career opportunities.

Training and Development

The City recognises the importance of staff training and development, with core training courses offered to staff to update or enhance their skills. These courses include Microsoft Office Suite, Customer Service, Letter and Report Writing to Occupational Safety and Health and Disability Awareness training.

Occupational Safety and Health

The City has continued to implement new safety initiatives in accordance with its Occupational Safety and Health Management Plan.

Workforce Plan

As per the Workforce Plan 2014 - 2015, detailed assessment was undertaken of the resource and staff levels required to maintain existing service levels, and to deliver the new outcomes and strategies identified within the Strategic Community Plan. This resulted in the approval of an additional 20 Full Time Employees (FTE) for 2015/16.



Economic Development

The City continued with the implementation of the key actions from the Economic Development Strategy 2013 - 2017.

Distribution of the City's Business Investment Prospectus was focussed at 600 business leaders and CEOs from key, targeted industry sectors including land developers, food distributors, architects, construction companies, business bankers and interior designers.

Over 2000 new ABNs were registered in the City during 2015/16, with each one receiving correspondence from the City providing key contact information and details of assistance for setting up a new business in the area, including training and workshop information.

Activation of Forrestdale Business Park remained a high priority resulting in 31 development applications approved during 2015/16, worth a total investment value of around \$34 million.

The Business Enterprise Program continued for its second year, again providing targeted workshops for small businesses in the Armadale region. Over 120 participants took advantage of eight training sessions covering a range of topics.

Following the completion of the Short Stay Accommodation feasibility study the City is now liaising with key government departments and private industry operators to activate potential development opportunities in Armadale.

City staff continued to work with NBN Co to facilitate the build and rollout of the NBN in our region, with the build phase from the Armadale Fibre Service Module commencing in early 2016.

Tourism and Visitor Centre

The Tourism and Visitor Services Department was moved under the responsibility of the City's Economic Development unit in December 2015, highlighting Tourism as a key economic driver for our region.

The main focus this year was the City's Tourism Destination Strategy, which has resulted in 22% growth in intrastate visitation and 17% increase in industry membership to the Armadale Visitor Centre.

Strengthening the City's online tourism presence and delivery of effective digital messaging was a key factor in attracting an estimated tourism spend of \$1.12 million (in 2015/16) into the Armadale region, an increase of 25% from the previous financial year.

In 2015 the City adopted the first of a series of Spring into Armadale marketing campaigns intended to establish Armadale as a spring time tourism destination through campaign driven marketing activities.

Marketing and Communications

Media

The City cultivates positive relationships with local and state media outlets to maintain the City's reputation as an open and accountable public enterprise. The City is also dedicated to marketing the region and contributing to the community's sense of pride and wellbeing.

During the year the City distributed media releases to local, state and national media including newspapers, online publications and radio and television stations. The organisation also responded to media enquiries from local and national news outlets, providing timely responses to topical issues.

Communications

The City provides quality information updates to the City's stakeholders, through a variety of mediums from print to digital publications including newsletters, eNewsletters, Facebook, Twitter, newspaper advertising and editorial, as well as other forms of advertising.

The *City Views* is a quarterly newsletter featuring updates on the City's projects, programs and events and is distributed by post to over 31,000 letterboxes throughout the City. The eight page newsletter strengthens our engagement with residents by informing and raising awareness on matters of interest across a range of services and programs that the City delivers. Surveys have shown that 77% of City residents have seen the *City Views* publication.

This financial year re-introduced a full page monthly advertorial in a local newspaper. Named *City News* the page is used to deliver timely and relevant information and keeps residents abreast of projects, activities and services. The same content is then distributed in the City eNews email newsletter each month. The combination of the newspaper publication and email newsletter allows us to reach a wide cross section of our community.

Every year the City produces hundreds of publications, prepared in-line with the City's Guide to Written Style and Corporate Style Guide. The publications range from flyers for library events and posters for children's and seniors events to the Annual Report, Corporate Business Plan, Strategic Community Plan, Your Rates at Work brochure, Firebreak Notice and Bushfire Information booklet.



Marketing

Throughout the year feature segments for televisions WA Weekender were coordinated, promoting the relaxed hills lifestyle enjoyed by residents recommending the district as a great day trip destination for wider Perth residents.

In the latter part of 2015 and again in the 2016 Federal election campaign the City conducted its *Community Connect South* campaign in cooperation with the City of Cockburn. The campaign engaged City residents and demonstrated to political parties how important funding for widening Armadale Road, and building a new freeway overpass at North Lake Road to connect with the Kwinana Freeway and Cockburn, was to the future liveability of the two Cities. The campaign was highly successful with \$145 million in funding commitments secured for the project and Stage 1 road works now being planned.

In early 2016 the City also conducted the *Growing Armadale* campaign which was the largest community consultation ever undertaken by the City. This involved consultation with more than 3000 Armadale residents who voiced their opinions on the region's future. Residents in all suburbs spoke of the positive level of community spirit and were proud to live in Armadale, parks and natural spaces were highly valued and also expressed a need for improved services and facilities for young people and an all year round swimming pool.



Social and Digital Media

The City continues to grow its social media presence. It is now recognised as an important communication tool for the City's residents and visitors. The City's Facebook page now has over 5,000 highly engaged followers and the figure continues to grow daily. The page encourages our residents to interact with the City and keeps them informed about events and important information in a timely and friendly manner.

In August 2015 the City launched the second instalment of the *#TheDale* social media campaign, which encouraged residents to explore their City and share the locations they love to visit through photos. This second iteration used photos taken by well-known Perth photographer Jarrad Seng, whose photos were beautiful, inspiring and encouraged people to see Armadale through fresh eyes. Jarrad's involvement ensured plenty of media coverage and community interest, which meant the campaign was again highly successful and well received by the community.

#TheDale received a WA Public Relations Institute of Australia Award for Excellence for its first instalment highlighting the great impact of this initiative.

The City's website and Facebook page provide important information resources for the community, helping them to connect and interact with the City and continuing to attract an increasing number of visitors each year. The City also keeps the community up to date via Twitter where issues including road closures, media releases, prescribed burns or City events can be communicated quickly.

The City's website continues to be one of the most important information resources for our community. A group of Web Champions from every area of the City's operations are coordinated to update website content regularly, through the content management system. The City's website received over 162,000 visitors during the financial year, who made nearly 327,000 total visits during that time, which demonstrates how valuable the website is to our stakeholders as a source of information. The website is under continuous improvement with business units and the web development team regularly investigating and developing new functionality and content for the site.

The City is focussed on being up to date with digital trends and maximising value by exploring new developments in digital marketing and communication. This year external search engine optimisation specialists were engaged to develop content for the *Visit Armadale* website to improve the search rankings of the page and its content. This increases the number of potential visitors able to find the City when searching for tourism destinations and works to achieve the overall goal of improving perceptions of the City of Armadale.



Corporate Services

Governance and Administration

Customer Service

A full range of services is provided by the City's Customer Services at the Administration Centre. The front counter staff can assist with enquiries relating to planning and building applications, rates and rubbish collection, as well as animal registrations, parking infringements and general advice on community programs and events.

The City received over 27,000 in-person customer enquiries and nearly 63,000 incoming telephone calls across the City's Administration Centre and Orchard House in 2015/16.

For the same period over 15,500 customer requests were logged with nearly 2,600 captured by Customer Services.

Corporate Services Induction

Customer Services in conjunction with Record Services, Governance and Administration and Information Communication and Technology (ICT) continued the administration of in-house staff information sessions.

Forty five new employees attended the induction session which promote the corporate standards in relation to the City's Customer Service Charter, customer feedback protocols, corporate telephone standards, procurement practices, record keeping and ICT Protocols.

Back Scanning Project

The City completed the sixth year of an eight year back scanning and digitalisation project, converting 6,060 hard copy property files from 1991 to 2007 to an electronic format.

The migration of digitised legacy records into the City's electronic management system continued with 3,000 property files, 680 building applications, 400 personnel files and 120 engineering plans now available within the electronic record management system.

Gift and Travel Contribution Online Disclosure System

Recent legislative changes in the *Local Government Act, 1995* for disclosing and reporting gifts and contributions to travel prompted a review of the City's existing systems and practices. The review resulted in the acquisition of a new online disclosure system called Attain to streamline current paper based disclosure processes. This system will enable Councillors and officers to securely lodge statutory disclosures from within a simple easy to use online graphical interface.

Council Elections

The City held postal elections on 17 October 2015. Two new Councillors and five returning Councillors were elected for a four year term and made their declaration of office at the Special Meeting of Council held Monday 19 October 2015. The Mayor and Deputy Mayor positions were also elected at this meeting for a two year term.

In-House Print Production

The City continues to produce, print and finish in-house a large quantity of publications to a standard equivalent to that which can be produced externally, with significant cost savings.

The number of documents produced through the main digital press in 2015/16 has increased by approximately 7.5% from 2014/15.

Finance Services

Smarter Way to Pay

Every year more and more rate payers take advantage of the City's *A Smarter Way to Pay* direct debit payment system, reducing the stress of lump sum rates payments by breaking rates down into smaller weekly, fortnightly or monthly direct debits over a 12 month period from April to March.

The payment plan was introduced in 2003 to ease the burden of lump sum payments on residents. The City of Armadale has successfully developed the largest and most tailored program of all local governments.

A Smarter Way to Pay enables rate payers to synchronize their payments to suit their income cycle, and alleviates the worry of missing a due date. There are no fees or charges associated with this payment plan if residents sign up for a minimum period of two years.

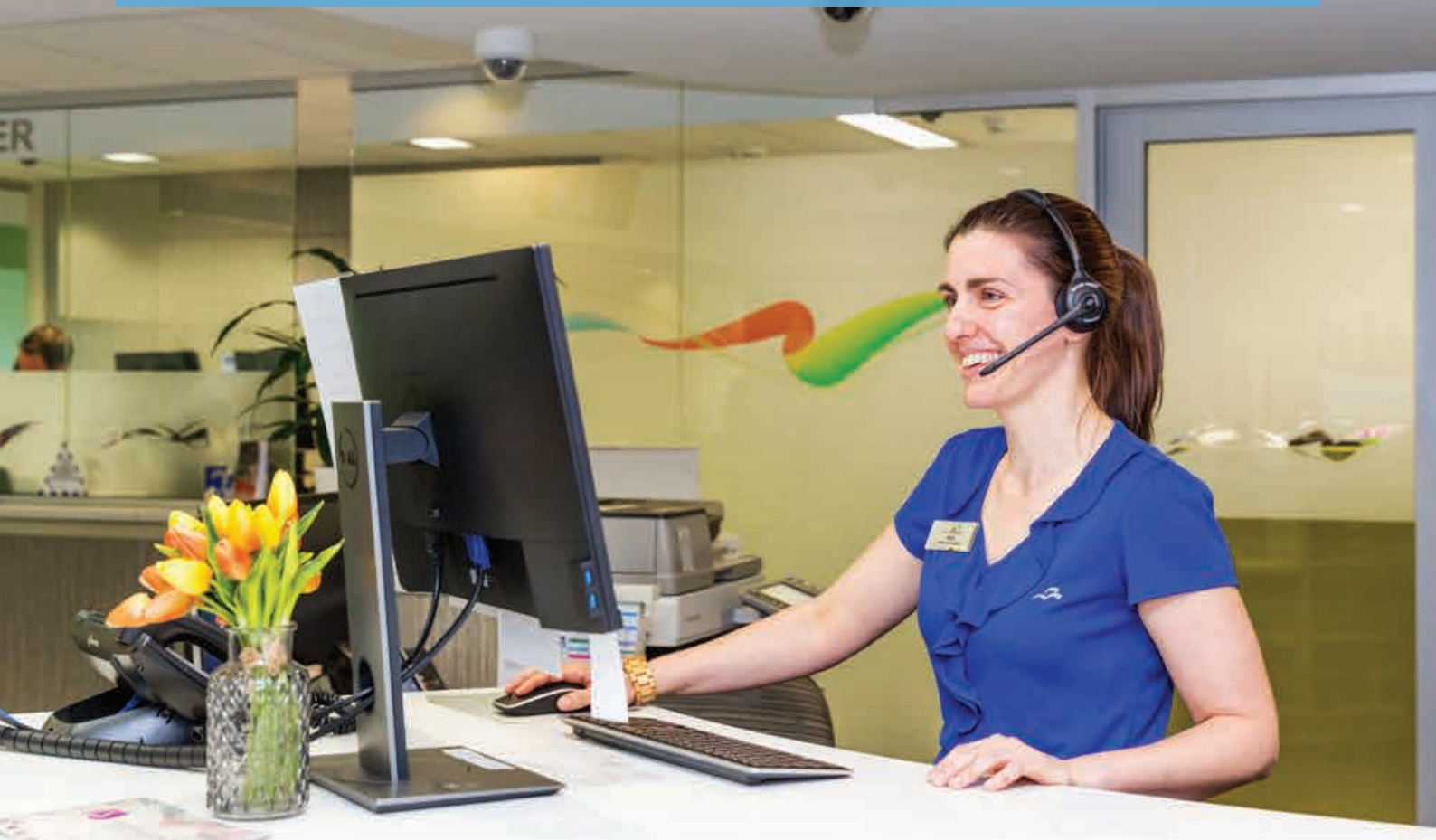
Green Investment Policy

In November 2015, Council as a further demonstration of its commitment to leadership within the community and local government sector in reducing greenhouse emissions modified its Investment Policy. The Policy now gives preference to *green investments* i.e. financial institutions that respect the environment by not investing in fossil fuel industries.

Information and Communication Technology

During 2015/16 core business systems were kept secure, operational and responsive with a number of projects and improvements including:

- The implementation of new Library Software – Spydus
- Further web development, including facilitation of the *Community Connect South Campaign* and the *Visit Armadale* website
- Significant asset replacement/renewal across the City's desktop fleet of 400
- Upgrade of the City's Mobile Device Management platform, server and backup technology
- System upgrades for: TRIM (Records Management), InfoCouncil (Council agendas and minutes) and the Geographical Information System (GIS) Intramaps.







Community Services

Community Planning

The City evaluates what community facilities will be required to meet the needs of the rapidly expanding growth areas as well as determining how facilities in more established areas should be maintained and developed into the future.

The initial planning of the upgrade of the Armadale Golf Course commenced in 2013. The upgrade commenced in 2015/16 with the course due to reopen to the public in March 2017. Funded by the City of Armadale, the new course operator Golf Oracle, and a \$315,000 grant from Department of Sport and Recreation, the upgrades include remodelling of fairways, a new bore and irrigation system, upgrading tees and greens and improvements to club facilities.

The preferred design for the restoration and enhancement of the City's iconic Armadale District Hall has been finalised. The project will see additional community spaces and upgraded amenities complement a sensitive restoration of the original fabric of the Hall. Construction is expected to commence in 2017 and take approximately 12 months to complete.

Through a strong partnership with the Department of Education, the City has planned for nine shared education/ community sites to be constructed in the newer suburbs of Piara Waters, Harrisdale, Haynes and Hilbert. The first of these was opened in January 2016 in conjunction with the opening of the Harrisdale Primary School.

Community Development

Community Engagement

The Community Safety program focused on key issues identified by WA Police. The Gone in Less Than 60 Seconds (GILT 60s) campaign focused on minimising theft from motor vehicles, in partnership with six other local governments and WA Police.

Work with Neighbourhood Watch continued with Street Meet and Greet events hosted around the City to encourage residents to get to know their neighbours and receive essential community safety information. The suburbs of Harrisdale and Piara Waters hosted the majority event, attracting between 50 -100 residents.

The City in partnership with Challenger TAFE, developed a youth leadership course aimed at reducing offending among young people, with over 60 people successfully completing the course.

Volunteer Development Service

Armadale Volunteer Services (AVS) continued to encourage and assist community members to engage in volunteering and support community groups with volunteer management.

This year, AVS received over 600 enquiries from potential volunteers that resulted in almost 580 referrals. The service also conducted seven Step into Volunteering sessions for potential volunteers, with over 150 people attending.

AVS also continued its partnership with the City of Gosnells to deliver training to volunteer managers in the south east corridor. Five sessions were delivered to 80 community groups with over 100 people attending.



Children and Families

The City continued its focus on protective behaviours to keep children safe from sexual/physical/emotional abuse and bullying. A program using dance and music is used to encourage children to speak up for themselves, or others. The end of program performance served as a way to raise awareness within the school community.

The City continued its focus on the Australian Early Development Census (AEDC) collecting data in relation to children's health and development in their first year of full-time school. The data will be used to support communities, improving outcomes for children and families.

Information collected will strengthen the development of local strategies and initiatives that address identified gaps. Over the past two years, the City has delivered AEDC information sessions to 19 of 22 local child care centres to demonstrate how the data can be used to inform early years programming and improve outcomes for children.

The City celebrated Children's Week in October 2015 with a Teddy Bears Picnic and recognised families' week in May 2016 by hosting a Protective Education community workshop.

Positive Ageing, Access and Inclusion

The City commenced a review of its Disability Access and Inclusion Plan 2011 – 2016 consulting with organisations, Councillors, and the community.

The City was successful in attracting \$50,000 in external grants towards accessible play areas in Memorial and Lions Park.

Positive Ageing sessions and Technology Buddy sessions continue to encourage seniors to learn new information and be involved in their community.

The 2015 Seniors Festival was well received delivering a month of various activities for all interests in November.

Cultural Development

The City facilitated a number of successful community art projects throughout the year to develop local arts and culture, encourage greater community inclusion, creative engagement and build a stronger community spirit.

Significant initiatives included the Armadale Hills Open Studio Arts Trail; an anthology of local stories and poems with the Armadale Writer's Group; classical music concerts partnering with the Perth Symphony Orchestra; the local Classic Sounds Orchestra Armadale District Hall concerts; the Happy Gathering Festival Club performance initiative; the Music in the Mall lunch time concert program in Jull Street Mall.

Youth Engagement

The City continued to coordinate a range of activities and events to engage with youth, many activities were guided by young people's input and suggestions and were delivered in close collaboration with schools and partner organisations.

The Urban Arts Project saw 15 budding young artists join the Armadale Paint Jam, transforming the Animal Management Facility, and the toilet block and water tank at Karragullen Oval with urban art murals.

The City launched a pilot program aimed to develop and empower young local women aged 13 to 15 by improving their self-esteem and connection with the community. The *Perfect Imperfections* program offered a range of workshops and activities, with fantastic outcomes for the participants involved such as increased confidence and self-esteem.

The City continued to provide youth engagement services at Memorial Park and Cross Park Skate Park, providing outreach and support for young people.

National Youth Week was celebrated in April with a fun filled event in Jull Street Mall. The City also provided safe and fun youth activities such as a youth music event, free Skate, Scooter and BMX workshops at both Armadale Youth Activity Area and Roleystone Cross Park, and *Youth Boost* during the October School Holidays encouraging young people to stay healthy and active and promoting positive mental wellbeing.



Drug Aware Ignite Basketball

The City's multi award winning Drug Aware Ignite Basketball program continued to grow, with close to 800 young people registered and an average of 50 youth attending each week. The program provides a safe place for young people on a Saturday night, and uses the opportunity to provide education on cultural history and practices, rail safety, science and robotics, drugs and alcohol, sex education, career building and nutrition.

The program is based on achieving long term outcomes. Natural leaders among the young people have been identified and transitioned from participants to formal members of staff. This has resulted in nearly 60 young people being qualified with accredited coaching or refereeing awards, over 30 volunteering opportunities and 10 young people transitioning to formal employment through the City. These individuals have become peer mentors and provide coaching, youth work and role modelling to young people in the program that need it the most. The program has also provided young people with opportunities with external partners including scholarships into prestigious schools, leadership development opportunities aboard the Leeuwin Tall Ship, career pathway sessions, referrals and assistance into TAFE courses, further education and training, work experience and involvement in youth committees.

Events

The City delivered 46 community events, attracting approximately 45,000 residents and visitors to the City of Armadale for community celebrations. Each event contributed to connecting the local community, nurturing community groups and building community pride.

The Australia Day celebrations included the addition of Backyard Cricket run by the Western Australian Cricket Association, a Water Fun Zone in Memorial Park and renowned band *The Bad Loves* performing live at the event for their only Western Australian show.

The Highland Gathering and Perth Kilt Run held in Minnowarra Park, attracted thousands of visitors from all over Perth, to celebrate all things Scottish and take part in the kilted fun run.

Events such as the Hawkers Markets in Memorial Park, the Twilight Markets in Jull Street Mall, and Music in the Mall, encouraged families to visit the City Centre.

The Minnowarra Arts Festival proved popular again, with the inaugural Armadale Arts Festival a huge success offering 30 events over 17 days to showcase local talent and key attractions to the area.





Recreation Services

Club Development

The City continued a targeted approach to engage, assist and support clubs. This year a Clubs Workshop, delivered to neighbouring local governments, State Sporting Associations (SSA) and the Department of Sport and Recreation (DSR), featured presentations on Grants and Sponsorship Writing and Child Protection. The initiative was a successful partnership approach that was positively received by over 50 attendees and has been noted as one of the best *Safe Clubs 4 Kids* presentations in WA.

Aquatic Centre

The Armadale Aquatic Centre had over 150,000 visitors, consistent with the previous season.

The City entered into a new partnership with Perth Integrated Health Triathlon Club who now deliver all swim coaching services at the centre.

Vacswim and in-term swimming numbers were at capacity for the season, with participation numbers increasing from the previous year. The City of Armadale swimming lesson program enrolments continue to increase.

Arena

Following renovations to the centre in October 2015 which included the roof being replaced and maintenance work on the courts, the Arena welcomed new and returning members, hirers and centre users. By January 2016 the centre reached its pre-renovation attendance numbers with nearly 47,000 visitors for the year.

The 12-Week Body Transformation was a huge success with the mid-year program being sold out. Casual court hire was one of the high interest uses with almost a 50% increase on previous years.

Community Facilities

The City provides over 50 community facilities and reserves for hire. As our population grows an increase in one-off event bookings is evident, particularly cultural gatherings, which the City continues to encourage.



Library and Heritage Services

Libraries

Ongoing usage of the City's libraries remains high. People are using the libraries for diverse reasons, from borrowing books and other items, using the public access computers, or attending the many workshops and events offered by the library service.

Creating community space and enhancing literacy (traditional and digital) remains the key offering of the library service. The Armadale Library is one of the most heavily used libraries in WA and with over 238,000 visits a year, is the busiest branch library in the Perth metropolitan area.

The successful Better Beginnings program that promotes early literacy was enhanced with the launch of the *Sing with Me* program.

The Armadale Young Writers Award remains a popular annual competition for budding authors.

A joint event with WritingWA's *A glass of wine and a good book* program was a successful inclusion in the City's Spring into Armadale program in 2015 with high profile author Liz Byrski attracting a large crowd.

The Technology Buddies intergenerational program remains extremely popular, with growing interest from seniors in the community.

A new library management system was installed and went live in February 2016. The software offers enhanced promotional opportunities and an increased opportunity for analysis of library usage patterns.

The major library event of the year was the official opening of the relocated Kelmscott Library on 4 January, 2016. Public acceptance of the bright and welcoming library, designed on the 'discovery layout' principle has been extremely positive, evident by the increased usage of the library and feedback received.

Birtwistle Local Studies Library

The collection at the Local Studies Library was enhanced with a professional researcher providing a comprehensive history on a number of local schools that no longer exist. Some major donations also added significantly to the Library's collection.

The timeline on the City's website was reviewed and updated with the addition of photographs from the Picture Armadale collection.

The inaugural *Focus 2016* photography competition required amateur photographers to submit images that best illustrated the changing face of Armadale, with the entries added to the Library's contemporary photographic collection.

Publications included the *Heritage Tree Walk* booklet revision and *A Guest of the Kaiser*, a novel based on the journals of local World War One serviceman Claude Marsh. Research and writing for this project was completed by Linton Reynolds and the journals are part of the Local Studies Library collection.

The first three in a new series of plaques recognising historic sites were installed at Migrant Camp No. 2 in Kelmscott, Bedforddale School and Churchman Brook Estate. The community is invited to nominate sites for historic plaques. The history of the site and any documents or photographs provided with the nomination will form part of the Local Studies Library's collection.

Heritage trail bus trip *Up Hill and Down Dale*, took place during the National Heritage Festival. This was a pilot for ongoing historical bus tours of the district and will be offered during future heritage events. A successful bid to host the Royal West Australian Historical Society Conference in 2016/17 is one such event.

Close to 3000 volunteer hours supported operations of the Local Studies Library including interviewing and transcribing for the invaluable Oral History program.



History House Museum

The City's History House Museum celebrated 40 years since opening its doors in April 1976. Many of the original Museum Management Committee members and volunteers joined in the celebration and shared memories and information on the Museum's development and history.

The innovative *Comedian in Residence* program, funded by the Department for Culture and the Arts Connected Community Funding Program, was a resounding success. High profile Australian actor and comedian, Peter Rowsthorn, conducted four tours of the museum and a Public Performance Workshop. Mixing comedy with a well-known celebrity introduced a new audience to the Museum, its collection and the district's history.

Two temporary exhibitions and associated workshops increased visitation numbers to the Museum.

The *Made in Armadale* exhibition provided an opportunity to showcase local talent, past and present, with some of the present exhibitors being internationally renowned. The exhibition resulted in some generous donations to the Museum collection which will grow the under-represented contemporary collection.

The Education Officer developed new lesson plans and further developed the *Museum in a Box* program. School visits and school incursions continue to be popular, ensuring that the younger generation learns and appreciates the district's history and the role it played in the City of Armadale's development.

The Museum volunteers contributed an invaluable 1,700 hours during the period.

City of Armadale Library Statistics



52,583
Computer
Sessions

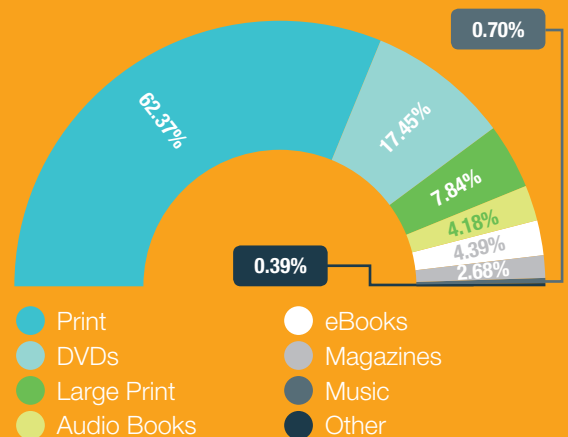


25,113
Wifi
Sessions



354,136
Items
Borrowed

WHAT PEOPLE BORROWED



375,030
Library visits



8,382
Program
participants



4,291
New members



32,921
Questions
answered





Ranger and Emergency Services

Animal Management

The City's Rangers prepared public information displays at community events and are proactively involved in the management of urban animal issues.

The annual *Dogs Day Out* held in October attracted about 500 dogs and their owners, with entertainment and activities for the whole family. The Rangers attended to answer questions and assist with information on dog ownership and registration.

Emergency Management

In order to strengthen the City's fire management system through both data collation and on-the-ground assessments of reserves, the City has developed a process for Bushfire Risk Management.

Prevention activities were completed on all land vested in, and under the care and control of, the City. The process involved conducting fuel loadings, risk assessments and identifying and prioritising treatment options to tackle the risks within a specified timeframe.

Information contained in the Fire Mitigation and Intra Mapping Data System (FireMAID) has been compiled over a number of years and stored in various locations throughout the City's database. Compressed into a single operational system, this information now delivers a holistic approach to Bushfire Risk Management on all land owned by and vested in the City.

The City's Local Emergency Management Arrangements (LEMA) was reviewed and up-dated as per the requirements of the State Emergency Management Committee. These arrangements give incident management agencies support information at a local level.

A community bushfire forum was conducted in Roleystone prior to the 2015/16 bushfire season. The local Bushfire Ready Action Group and Roleystone Family Centre coordinated the forum with representatives from the City of Armadale Emergency Services, Department of Fire and Emergency Services, WA Police, Neighbourhood Watch, and the Roleystone Volunteer Fire Brigade. Each agency addressed the forum and responded to questions from over 100 attendees.

Community Safety

Community safety remains an area of importance and concern with many residents and business owners and this is reflected in a variety of initiatives aimed to ensure the City is a safe place to live, work and recreate.

The City constantly reviews its local laws, policies and internal procedures to ensure they are relevant. As a result, the City amended the following Local Laws during 2015:

- Bushfire Control Amendment Local Law 2015
- Environment, Animals and Nuisance Amendment Local Law 2015
- Parking and Parking Facilities Amendment Local Law 2015
- Dogs Amendment Local Law 2015
- Livestock in Public Places and Wandering at Large Local Law.

Ranger Services continue to conduct regular parking and safety audits at local schools to ensure a safe environment for children and decrease traffic congestion during peak drop off and pick up times.



Development Services

Achievements

The Development Services Directorate continued to respond to pressures from the City's rapid growth and changing market conditions in the 2015/16 financial year, with the creation of 1732 lots and the issue of building permits for 1416 dwellings.

Planning Services

Revised Local Planning Strategy

The revised Local Planning Strategy (LPS) sets out the strategic plan and priorities for the City. The Western Australian Planning Commission (WAPC) endorsed the LPS, revoking the superseded 2005 LPS document.

An Audit Report Review on the operation of Town Planning Scheme No.4 (TPS No.4) was also adopted by Council.

The WAPC endorsed the review in accordance with the Planning Development (Local Planning Schemes) Regulations (2015).

The newly adopted LPS and Scheme Review Report process means that TPS No.4 will remain a highly effective scheme, capable of facilitating the future development in the City over the next decade.

Armadale Strategic Regional Centre

One of the City's highest priorities in the adopted LPS is the continued growth and development of the Armadale Strategic Regional Centre, which will be guided by a new Strategic Metropolitan Activity Centre Structure Plan. The City in conjunction with specialist consultancies will commence preparation of the Structure Plan in the 2016/17 financial year. It will also include the preparation of Centre Design Guidelines and a City Centre Car Parking Strategy.

The planning framework aims to reinvigorate the Armadale Strategic Regional Centre by facilitating continued growth and improvements to land use, built form and the public realm, and through economic development. Preparation of the framework will include broad stakeholder and public consultation.

State Government Planning Reforms

The City provided substantial input to developing several State Government Planning Reform proposals including: the Perth and Peel Sub-Regional Planning Frameworks; Strategic Environmental Assessment of the Swan Coastal Plain; the WAPC's new Bushfire Protection Risk Policy, mapping and provisions for planning and building application assessments; Liveable Neighbourhoods Policy; R-Codes; multiple dwellings and the new Planning and Development Regulations applying to Scheme Amendments and Structure Plans.

Kelmscott Urbanisation - Canning River Precinct

Following the finalisation of the Metropolitan Region Scheme Urban zone and TPS No.4 Urban Development zone, the City worked with a group of landowners to prepare a Structure Plan and supporting studies for the southern precinct of the Urban Development zone. The Structure Plans for the Canning River Precincts will provide opportunities for the development of extensive foreshore parkland and residential developments which will benefit the viability of the Kelmscott District Town Centre and provide more diverse housing choices for Kelmscott residents. The Structure Plan has been advertised for public comment.

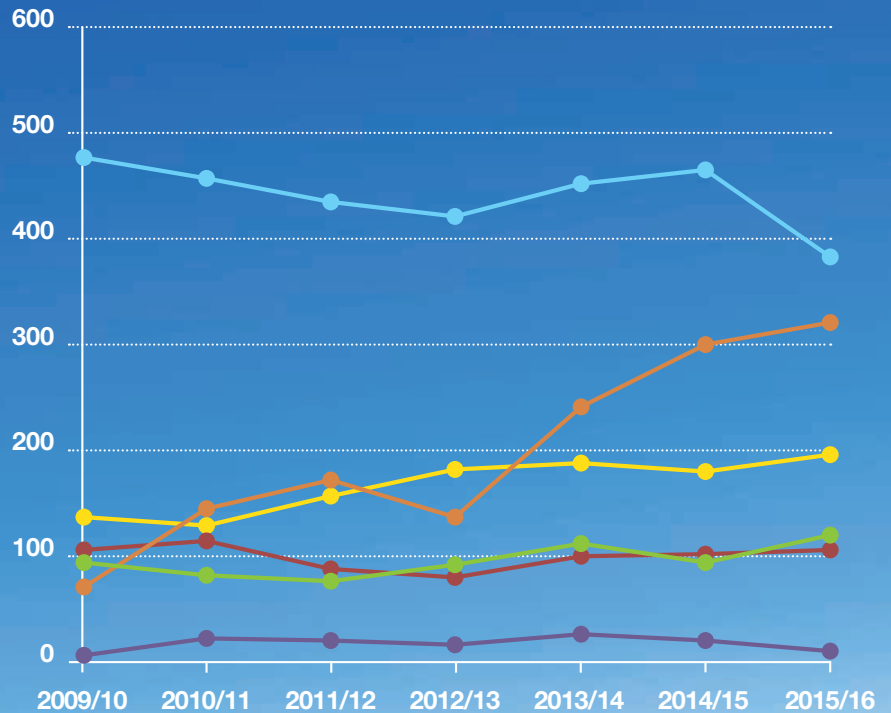
Planning Compliance

The City dealt with an increased number of compliance matters during 2015/16. A number of major offences which involved the instigation of legal action led to successful prosecutions in the Magistrate's Court.

A substantial number of successful resolutions were also achieved through mediation without the need for prosecutions.

Planning Applications Processed 2009–2016

- Development Applications Determined
- Subdivision Applications
- Subdivision Clearances
- Scheme Scheme Amendments
- Minor Applications
- Metropolitan Redevelopment Authority Applications



Statutory Planning

Development approvals issued remained steady in 2015/16, equating to an estimated development investment of approximately \$200 million.

The City's urban growth areas continue to expand, with developers trending towards smaller lot sizes to suit current market conditions, diverse housing sizes and creating more affordable housing options.

There has been a 9% increase in the number of development referrals from the Metropolitan Redevelopment Authority (MRA) – up from 301 to 329.

This was mainly due to the sustained growth in commercial activity in the Forrestdale Business Park (East) and subdivisions in Forrestdale Business Park (West) and the Wungong urban area.

The distribution of the statutory applications dealt with by the Planning Department in recent years is illustrated in the graph above.



Supporting MRA Planning Operations for the MRA Precincts

The City provided formal and informal comments on amendments, plans and developments in redevelopment areas and worked closely with the Metropolitan Redevelopment Authority (MRA). The City assisted the MRA to prepare structure plans and progress subdivision and development of MRA project areas including Wungong, Forrestdale Business Park and Kelmscott.

In Forrestdale Business Park (West), stage one of the Crossroads estate subdivision was completed and a significant number of the lots are either under construction or have completed commercial premises. The developer is in the process of constructing subsequent stages.

Public Open Space (POS) Strategy

The City's POS Strategy aims to dispose of surplus public open space areas to enable upgrades to parks and reserves within the precinct. The POS Strategy commenced with the prioritisation of land sales in certain precincts and the development of expenditure proposals for those precincts once land sales are completed.

The approved works within Precincts B (Seville Grove, Armadale), C (Armadale), D (Armadale), G (Armadale, Kelmscott) and I (Roleystone) were completed.

Works within Precinct A (Camillo, Kelmscott) are ongoing and the City continued to progress acquisitions, subdivision applications and other land administration processes to enable the sale and subsequent development of expenditure proposals for Precincts E (Mount Richon), F (Kelmscott), H (Mount Nasura), N (Forrestdale).

Planning Study - Lot 33 Connell Avenue (formerly Pries Park)

The City's land use change and proposed disposal of a vacant unused land asset on the corner of Pries Park Road/Connell Avenue aimed to provide a northward expansion of the Clifton Hills residential locality and to fund priority upgrades of recreational facilities.

In the City's submission on the Perth and Peel Sub-Regional Planning Frameworks, the City requested the Pries Park Road/Connell Avenue Precinct be identified for future urban development in the final South Metropolitan Peel Sub-Regional Structure Plan. The City recently presented a deputation to the WAPC to support its submission.

North Forrestdale Urban Development and Structure Planning for Harrisdale and Piara Waters

The City's Development Contribution Plan (DCP) No.3 provides a centrally coordinated approach for developer contributions towards common infrastructure works required to facilitate the urban development of the Harrisdale and Piara Waters community.

The Infrastructure Cost Schedule for DCP No.3 includes over \$90 million in contributions towards arterial drainage, acquisition of rehabilitated conservation category wetlands, road upgrades, implementation of a dual use path network and funding towards community and sporting facilities.

Works continued on estates within the DCP No.3 area. Developer Mirvac acquired close to 30ha of land at the corner of Armadale Road and Nicholson Road that it plans to start developing in 2017, indicating that the area continues to remain desirable for developers.

The staged approach to development of the area saw the region between Reilly Road and Ranford Road added to the DCP No.3 area. As part of this expansion, new infrastructure items have also been added, including the upgrade of Skeet Road from Reilly Road to Ranford Road to service the growing population.

The need for further adjustments to DCP No.3 are being actively considered in order to reinforce the statutory framework that assist the City to effectively deliver DCP projects in ways that are well-timed, transparent and appropriate to the needs of the growing community. Particular consideration is given to opportunities existing within a maturing implementation environment.

The Harrisdale Shopping Centre opened in June 2016 providing more than 10,000 square metres of retail floor space for the area. Both Woolworths and Aldi supermarkets anchor the centre, with a number of complementary businesses also commencing operation within the Centre.

The dual carriageway upgrade of Nicholson Road continued and finalisation of the project remains a high priority. Traffic signals were installed at the intersection of Nicholson Road and Yellowwood Avenue.

Works began on Stage 2 of the Harrisdale Pavilion and Playing Fields and planning and design of the Piara Water (South) Sporting and Community complex commenced.



South Forrestdale Industrial/Employment Area Strategy

The City promoted a new industrial park on the corner of Rowley Road and Tonkin Highway through WAPC's Perth Metropolitan and Peel Region Economic and Employment Lands and Directions 2031 and Beyond strategies.

This will create local employment and business growth opportunities to support the City's population growth and developing local economy.

The landowner's application to rezone the land to Industrial Development was approved by the WA Minister for Planning subject to modifications. The City is now waiting for gazettal of the scheme amendment. The next stage in the planning process for this new industrial estate is structure planning and the preparation of developer contribution arrangements. Landowners of other lots within the future industrial area have now lodged an application for an MRS amendment for Stage 2.

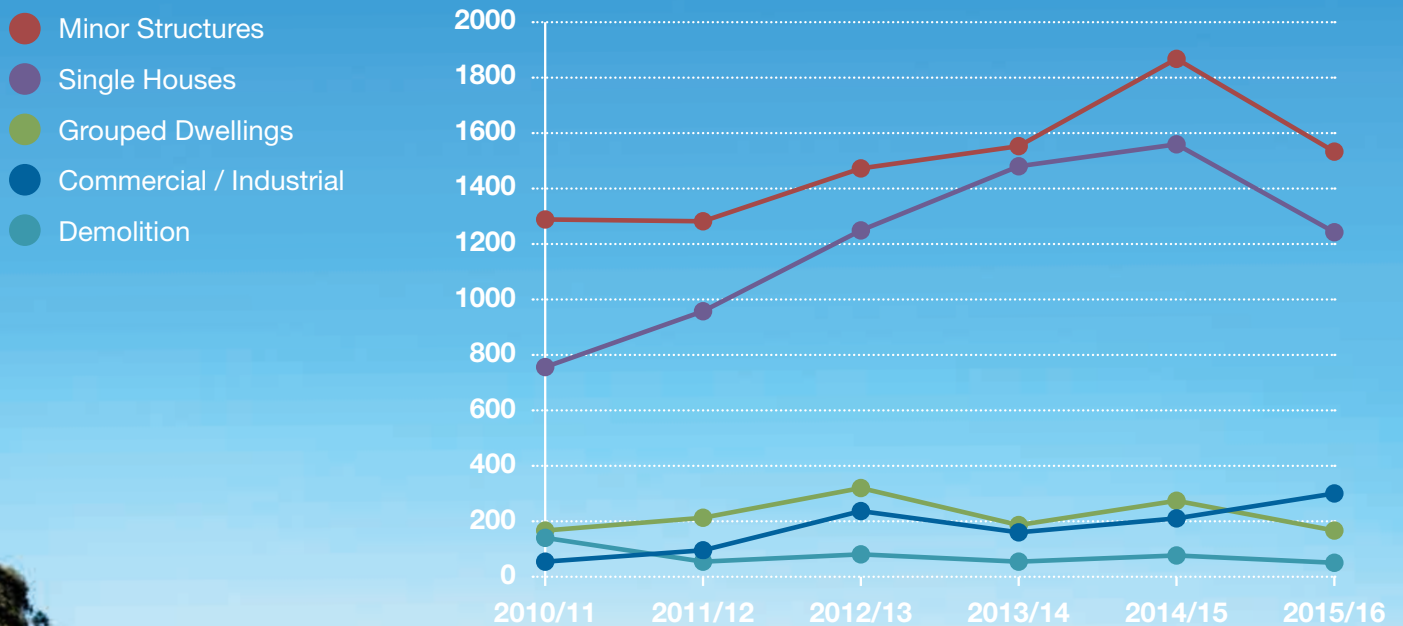
City Population Growth

The City of Armadale is experiencing sustained rapid growth. The population as at June 2016 was 87,437 and is forecast to grow to 144,827 by 2036. The information below shows the growth in our suburbs from 2011 to 2016. The most significant areas of population growth continue to be growing suburbs of Harrisdale, Piara Waters, Seville Grove, Haynes and Hilbert.



Suburb	Population (2016 estimates from 2011 census data)	Percentage Change (from 2011)	Number Change (from 2011)	Fastest Growing Age Group	Dwellings	Percentage Change (from 2011)
Seville Grove	11,022	↑ 14.3%	1,378	5-11	3,687	↑ 11.6%
Roleystone/Karragullen	7,388	↑ 2.7%	191	70-84	2,734	↑ 4.3%
Piara Waters	9,440	↑ 250.5%	6,747	25-34	3,156	↑ 187.4%
Mt Nasura/Mt Richon	5,439	↑ 4.0%	210	60-69	2,138	↑ 4.0%
Kelmscott	11,679	↑ 8.9%	959	25-34	4,693	↑ 7.5%
Harrisdale	9,122	↑ 131.2%	5,176	25-34	2,975	↑ 111.0%
Forrestdale	1,138	↑ 2.5%	28	50-59	446	↑ 2.3%
Haynes	1,102	↑ 552.1%	933	35-49	286	↑ 450.0%
Hilbert	2,799	↑ 412.6%	2,253	25-34	924	↑ 446.7%
Camillo/Champion Lakes	6,120	↑ 13.0%	706	25-34	2,302	↑ 10.7%
Bedforddale	2,875	↑ 21.8%	515	35-49	966	↑ 22.0%
Brookdale/ Wungong	3,892	↑ 32.8%	961	25-34	1,250	↑ 25.3%
Armadale	15,421	↑ 14.8%	1,985	25-34	6,451	↑ 9.0%
City of Armadale	87,437 ERP 2016	↑ 33.7%	22,042	25-34	32,008	↑ 26.5%

Building Approvals Issued 2015/16



Building Services

Building Approvals Issued 2015/16

Building approvals issued by the City continued at a high level, totaling 2775 issued approvals. The value of work approved in 2015/16 was \$403 million. The number of single dwelling and minor structure applications has declined from the previous year high and the number of commercial applications was high due to the opening of Harrisdale Shopping Centre and Forrestdale Business Park. The high level of approved applications is illustrated in the graph above.

Building Compliance

The City has been involved with 657 unauthorised building actions. The majority of successful resolutions were achieved through mediation without the need for prosecutions.

Unauthorised Building Works

The *Building Act 2011* allows owners to make submissions to the Building Department for formal retrospective approval of unauthorised structures. The City actively investigates unauthorised structures and liaises with owners to maintain the requirement of formalising approval. This has resulted in the submission of 46 applications.



Health Services

Safe Food and Water

As at 30 June 2016, there were 394 registered food businesses in the City of Armadale. The number of new registered food businesses grew by approximately 35% in the last five years. The number of Temporary Food Stall applications also increased significantly from 121 in 2011/12 to 530 in 2015/16, an increase of over 300%, mainly attributed to the continued growth and development in the City.

In general there have been significant improvements in food hygiene across all categories of food premises. The City has continued to focus on assisting local businesses and food handlers to improve their standards and maintain a healthy environment, conducting 449 risk assessment inspections in 2015/16.

The City also participated in the Metropolitan Local Health Authorities Analytical Scheme, and Health Services continued to monitor water quality at 11 public aquatic facilities (swimming pools, spas, water slides) and 17 public facilities (including schools and food businesses) which are not connected to scheme water.

Requests for Intervention

The City continues to assist residents and builders to understand Noise Regulations and improve their operations. There was a slight decrease in the number of service requests received in 2015/16.

Neighbourhood noise was the source of most complaints (197), primarily from loud radios, stereos, domestic birds and construction noise.

Other complaints included issues relating to pest control, refuse, food, and accommodation.

The City's Public Health and Wellbeing Plan 2014 – 2017

Key preventive health outcomes delivered in the financial year include:

- Partnership with health promotion bodies/campaigns to deliver initiatives that raise community awareness of health risks and opportunities to adopt healthy lifestyles through a range of community events and activities.
- Smoke free banners used to promote City events as smoke free zones.
- Physical activity initiatives such as U-Fit (Park Edition), Blender Bike, Get Active Outdoors brochures, Laughter yoga, Bike week, Movies by Bike, walk and ride to school day and Healthy around the House.

Prior to participating in the Healthy around the House Program, 100% of participants did not reach the recommended activity levels comprising of 150 minutes or more of moderate exercise each week (Australian Physical Activity Guidelines). At the completion of the program, 40% of participants were reaching the recommended activity levels.

- Food security initiatives aimed at improving food security, food and nutrition knowledge and improved access to healthy food options in the City. This included the Healthy Menu Options program, Fun Food Program, Healthy around the House, and Emergency food relief at the Champion Centre.
- A partnership with the South Metropolitan Population Health Unit, who will now supervise a university nutrition student to continue delivery of the Fun Food Program into local primary schools in the City.
- The City's Health and Wellbeing Officer has been invited to sit on WALGA's Public Health Advisory Group. The group will support WALGA in its advocacy activities in the public health portfolios (including environmental health, health promotion, physical activity and preventative health), through identifying public health issues that impact on the local government sector.
- Six active transport initiatives targeting primary school aged children and their families. These included walk/ride to school days, free bike servicing at City events, Movies by Bikes, cycling information, Bike Dr and skills at the Community Safety Expo and 'come and try' events.

The City received two awards for projects focused on promoting Health and Wellbeing of the community. They were:

- Public Health Advocacy Institute WA (PHAIWA) Children's Environment and Health Report Card – Metro winner.

The aim of the project is to promote programs, initiatives and policies that improve the health and wellbeing of our younger West Australians, through the evaluation of strategies that relate to children's environment and health.

This year the City received Certificates of Commendation within the categories of Healthy and Safe Food and Smoke Free Environments. The City won the categories for Aboriginal Child Health and Promoting Healthy Behaviours and based on the overall application received the Award for Best in the State (Metropolitan).

- The Sport and Recreation Industry Awards for Innovation for the City's U-Fit Park Edition, a do it yourself fitness program.



Technical Services

Parks and Reserves

The City manages over 795 reserves and parcels of land combining active and passive reserves, natural areas, community facilities, street gardens, public access ways and new estates Public Open Space (POS), covering an area of approximately 1862 hectares.

Maintenance Operations

A total of \$8.42 million was allocated for the maintenance of the City's parks and reserves during the financial year. This included \$1.89 million for active sporting reserves, \$1.56 million for irrigated passive reserves and \$1.24 million for street tree maintenance.

The City continues to undergo significant growth and will continue to do so in the coming years. As a result, the City has accepted handover from developers for a number of significant areas of new POS over recent years as follows.

2011/12	24ha
2012/13	11ha
2013/14	21ha
2015/16	15.5ha

Parks Capital Renewal

A total of \$7 million was allocated for asset renewal works across the City's parks, bushland reserves, streetscapes and community facilities. Major works included:

- Sports ground lighting upgrades at Alfred Skeet Oval (\$170,000) and preliminary design and specification at William Skeet Oval, Gwynne Park Main Oval and John Dunn Main Oval sites.
- Irrigation infrastructure upgrades to Creyk Park (\$110,000), Churchman Brook Park irrigation renewal, groundwater exploration utilising Electro Resistivity Tomography, new groundwater bores, electrical cabinets, water storage tanks, pumps and meters and bore meter data loggers.
- Half-court basketball courts at Northerly Park and Burtonia Park (\$70,000).
- Replacement of aging park furniture and other infrastructure beyond asset life expectancy.
- Extensive programmed tree planting as part of the City's Urban Forest Strategy on residential and non-residential verges. Year 1 commenced in 2015 with 1000 additional urban infill street trees planted. Over the next 10 years, the City will invest significant resources in the implementation of this strategy.
- Playground and shade sail improvements at Borrello Park \$25,000, Memorial Park Accessibility Project (\$45,000) and Memorial Park shade sail extension (\$25,000).
- Streetscape renewal at Armadale Road and various roundabout flora upgrades throughout Armadale and Harrisdale.
- Blackburne Reserve Upgrade (\$150,000) consisting of redevelopment of old gravel car park to include new transitioning pathways, landscaping, passive lighting and meeting areas with seating and nature play playground elements.
- Cross Park multi court upgrade (\$116,000) complete demolition and reconstruction of the old tennis court including new fencing, acrylic surfacing, line marking for tennis and reduced size netball training and new removable goal system. Funding contributions by Roleystone Netball Club, Department of Sport and Recreation and City of Armadale.
- On behalf of the Metropolitan Redevelopment Authority the City was appointed as the superintendent for the Ranford Road (Forrestdale Business Park East) landscape project. The \$800,000 project includes landscaping of median islands, key intersections, road verges and the Forrestdale Business Park Entry Statements.

POS Strategy Upgrades - Precinct A

The City has undertaken general upgrades as part of the POS (Public Open Space) Strategy concentrating effort in Precinct A. The more significant projects include upgrades at Westfield Heron Reserve (\$65,000) and works commenced at Kuhl Park (\$315,000).



Groundwater Investigations – Ongoing

Groundwater is an important resource for the irrigation of the City's active sporting fields. In recent years the existing bores have continued to suffer due to the drying climate, making it more difficult to secure adequate supplies to keep the areas in optimum conditions particularly in areas around the base of the Darling Scarp. In order to target the most likely geographical formations that may yield groundwater for production bore exploration, the City used geophysical survey techniques to map the underground geology at Cross Park, Springdale Park, Karragullen Oval and Gwynne Park.



Engineering Design

The City performed the majority of design work in-house, for both maintenance and construction works. This process included investigation and analysis for black spot upgrades as well as for major works such as the duplication of Nicholson Rd in Piara Waters.

Asset Management

The City continued to capture and maintain asset data for new infrastructure gifted through subdivisions and the capital works program. Road and footpath asset performance for safety and defects are monitored on a cyclical basis. Regular condition audits are being performed for all asset classes to ensure service levels are maintained at acceptable and affordable levels. Asset Management Plans for all asset classes were reviewed and updated to inform the City's Long Term Financial Plan. Asset Valuations for all major asset classes are being performed on a three year cyclical basis to comply with AASB113 – Fair Value Measurement. The total value of assets as at 30 June 2016 was \$ 1,350 billion.

Subdivisions

The City provided engineering assessment and supervision of subdivision and development submissions to ensure compliance with conditions of planning approval and specifications. The City continued to actively engage with property developers and their consultants on water sensitive urban design and high quality sustainable infrastructure including roads, footpaths, cycle-ways, multiple use corridors and public open spaces.

Property Services

Facility Management - Capital Works Program

Approximately \$2 million was allocated to capital works projects for many of the community facilities owned and maintained by the City.

Significant renewal projects were completed including the construction of a new toilet facility at Lions Park, upgrades to the external façade and internal areas at Bob Blackburn Pavilion and an external façade upgrade to Gwynne Park Pavilion. Security related projects were undertaken at many facilities including Seville Grove Library and the Harold King Centre with provision of fencing and security screens. Minor building works projects were carried out in numerous community facilities, such as ceilings and kitchen replacements having been identified in the renewal works program.

Service upgrades included lighting and electrical upgrades, the more significant being the upgrade across the Cross Park site in Roleystone and installation of a larger water tank at Karragullen Hall.

Maintenance Program

Facilities maintenance ensures that a high level of service is provided to the City's facilities. A key requirement is the provision of compliance maintenance for which an annual program is in place. A program of painting works was added to the Capital Works program.



Civil Works

Nicholson Road Upgrade

The upgrade of Nicholson Road Stages 3 and 4 continued with bulk earthworks to allow for installation of various service relocations. The upgrade of the road pavement into dual lanes commenced, along with the installation of a storm water drainage system. Works cost \$5.5 million and continued into the 2016/17 financial year.

Denny Avenue and Streich Avenue

The City completed the upgrade of the intersection of Denny Avenue and Streich Avenue with the installation of traffic signals. The project was funded through Blackspot grants of over \$900,000.

River Road – Kelmscott

The upgrade of River Road from Church Avenue to Rundle Street was completed and included road widening to allow for additional parking bays, installation of central traffic islands, new pedestrian crossings, new footpath paving, upgraded storm water drainage in some areas and resurfacing.

Cycle Paths and Footpaths

The City attracted grant funding to construct and extend red asphalt cycle paths along strategic routes on major arterial roads and adjacent to railway lines. A shared path was constructed along Railway Avenue from Denny Avenue to Westfield Road. This shared path was funded with a contribution from State Government grants.

Approximately \$1 million was spent to extend the footpath and bicycle path network in accordance with the City's planned future programs. In addition to the above red asphalt path, other extensive works were carried out on Brookton Highway, Urch Road and Garland Road with a total of approximately 20 paths being built.

New Drainage Works

The City carried out works in Forrestdale Business Park East to improve the roadside open drainage system. The upgrade of the storm water drainage system on Banyard Avenue, Kelmscott was completed. The realignment of Balannup Drain from Balannup Road to Skeet Road commenced, and a new compensation basin was completed at Riverside Drive Reserve.

Maintenance Program

Approximately \$4.3 million was spent on the maintenance of the City's roads, drainage and pathways networks. This consisted of works on road surfaces and verges, streetlights and street signage, foot and bike paths, car parks, drainage pipes and pits, bridges and culverts and bus shelters.



Environmental Management

Switch Your Thinking!

The *Switch Your Thinking!* program, an initiative to reduce corporate and community greenhouse gas emissions, is overseen by the South East Regional Energy Group. The City is one of three local governments to form part of the group. The program, through a range of initiatives, assists community members, schools and local businesses to take action to reduce their environmental footprint. During 2015/16, the Switched on Homes project completed the delivery phase, which tested different approaches to help 240 household participants control and reduce their electricity bills. The project received \$880,000 funding from the Australian Government and over \$226,000 from other investment.

Carbon Abatement Project

The City's carbon abatement project operating at the Armadale Landfill and Recycling Facility involves a flare burning off methane, a very destructive greenhouse gas. Under the Federal Government Emissions Reduction Fund, the City submitted a bid for registration under the first auction. The City was the only local government to be successful in that round and has contracted to sell 68,000 tonnes of carbon to the Federal Government over a seven year period. With the first two years of the project now completed, this has reduced the City's carbon footprint by well over 50%.

Habitat Enhancement Project

The City was successful in receiving a State Natural Resource Management (NRM) Grant for \$32,500 for a habitat enhancement and feral animal control project in Bungendore Park, Armadale Settlers Common, Lloyd Hughes Reserve and Fletcher Park.

The project also involved controlling dieback, weeds and feral animals in targeted areas, in order to reduce threats and impacts on native fauna.

Over 60 artificial habitat boxes (nest boxes) for native animals were installed as a part of the project, some of which were constructed by Armadale Primary School students. Boxes provide habitats for Forest Black Cockatoos, Brushtail Possums, Quendas, bats, and Phascogales.

Monitoring of native mammals commenced with the installation of fauna cameras in some reserves. A number of native species have been visually identified as frequent users of the areas, including Brush Tailed Possums, Kangaroos, Boobook Owls, Blue Tongue Lizards and Quenda.



Waste Services

The City continued to provide an array of waste services including household waste and recycling collection, verge junk and green waste collection and a wide range of recycling opportunities at the City's Landfill and Recycling Facility in Hopkinson Road.

As a result of the constant increase in new households Waste Services increased the City's waste collection capability, with the procurement of an additional waste collection vehicle.

An operational change was made at the drop-off area at the Landfill and Recycling Facility to separate working heavy plant machinery from the public and staff, resulting in a positive influence on the Occupational Health and Safety at the site. A new entrance to the landfill and recycling facility will be located at a new roundabout on Hopkinson Road. This will reduce and potentially eliminate the number of vehicles queuing on Hopkinson Road to enter the landfill site.

City of Armadale Waste Statistics



Household waste weekly service to 31,000 households

\$2,332,600

25,633 tonnes per year
(average of 85kg per household per annum)



Household recycling fortnightly service to 31,000 households

\$900,000

6,837 tonnes per year



Junk collection

\$750,000

(one per year)
3,041 tonnes per year



Greenwaste collection

\$640,000

(twice per year)
3,493 tonnes per year



Tip passes issued

\$850,000

(four per household)
8,665 tonnes per year

ILLEGAL DUMPING:



Disposal

\$380,000



Collection

\$160,000



1,500

tonnes per year

Plan for the Future of the District

During 2015/16 the City prepared and adopted the Strategic Community Plan 2016 – 2031 and the Corporate Business Plan 2016 - 2021.

The Strategic Community Plan was prepared through consultation with the local community and sets out the vision, aspirations and objectives of the community for their in the district.

The Corporate Business Plan complements the Strategic Community Plan by governing internal business planning, setting priorities and allocating resources to the district's identified objectives and aspirations. The Corporate Business Plan also incorporates 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 Centre.







Projects continuing in 2016/17

Harrisdale (East) Playing Field and Pavilion

The Harrisdale (East) Pavilion and Playing Field project commenced in 2014/15 and is due for completion in December 2016. Stage 1 of the project, an active reserve and car park was completed at the end on 2015, and is already in use as a passive reserve. Construction of the \$3 million pavilion is well underway. The facility includes a spectacular entry, opening into a 200 square metre main function room and kitchen, a club room and kitchen, large alfresco area as well as four change facilities.

Armadale Golf Course Redevelopment

A major \$1 million upgrade of the Armadale Golf Course will commence in the 2016/17 financial year.

Funded by the City of Armadale and the new course operator Golf Oracle and a \$315,000 grant from the Department of Sport and Recreation, the upgrades will include remodelling of fairways, a new irrigation system, upgrading tees and greens and improvements to facilities.

The course will close for approximately nine months from July 2016 to enable the upgrades to be carried out simultaneously, and is due to reopen in March 2017.

Piara Waters (South) Community and Sports Facility

The design phase of this \$6 million project is well underway, with construction expected to commence in 2017. The facility is the second of nine shared-use facilities between the City of Armadale and the Department of Education and Training. The pavilion and community facility will include a main hall and kitchen, multi-purpose room, club room and kitchen, a meeting room and four change rooms, playing field and car park.



Projects commencing in 2016/17

Armadale Aquatic Centre Redevelopment

With the success of a \$10 million grant through the Department of Infrastructure and Regional Development's Community Development Grants Program, the much anticipated redevelopment of the Armadale Aquatic Centre has been brought forward from an anticipated start in 2019/20 to 2016/17. The design brief has been prepared for tender, and it is anticipated that design will commence in October 2016. The \$26 million redevelopment will include a new, indoor 25 metre, eight lane pool and a leisure pool, new buildings including change facilities, kiosk, entry and administration, child minding, gymnasium and training rooms.

Additional emphasis will be placed on an environmentally sustainable design and heating options. It is anticipated that the new Armadale Aquatic Centre will be ready to open during the 2018/19 summer season.

Armadale District Hall

Following considerable consultation, a final design for the upgrade of the Armadale District Hall is imminent. As the most significant Heritage building in the City, it is important that the design for the redevelopment of the District Hall reflects the strong history of the area as well as serving the needs of the community well in to the future. Following the design process, building works are anticipated to commence in 2017.



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 226,449 corporate records registered. This represents a 34.8 per cent increase from the previous year.

A comprehensive electronic records management training program was also delivered throughout the organisation with 187 staff attending. This training comprised 76 one-on-one sessions, 22 group sessions and nine corporate induction sessions for 45 new staff. The training included an outline of employees' roles and responsibilities to ensure compliance with the City's record keeping obligations.

Record Keeping Plan Review

The State Records Act 2000 requires local governments to review their Record Keeping Plan (RKP) every five years. During April 2016, the City's review commenced and was completed in September 2016. The RKP comprises six principles and one standard outlining the City's processes and practices in relation to the capture, preservation, storage, security and management of the City's corporate memory. The document also includes future planned technologies and process improvements whilst identifying compliance issues with committed resolutions.

Freedom of Information

In accordance with the Freedom of Information Act 1992, 12 Freedom of Information applications were processed during the year. The City also commenced internal FOI Awareness Training in December 2015 with six sessions held and 66 staff attending.

Legislation Review

The City continued to review all of its local laws and in 2015/16 the following were amended:

- Bushfire Control Local Law
- Dogs Local Law
- Environment, Animals and Nuisance Local Law
- Extractive Industries Local Law
- Health Local Law
- Local Government Property Local Law
- Parking and Parking Facilities Local Law
- Removal of Refuse, Rubbish and Disused Materials Amendment Local Law 2015

A new local law was also adopted - Livestock in Public Places and Wandering at Large Local Law.

A review of the following local laws commenced and is expected to be completed in 2016/17.

- Standing Orders Local Law
- Fencing Local Law
- Activities and Trading in Thoroughfares and Public Places Local Law



Public Disclosures

The Public Interest Disclosure Act 2013 (Cwlth) aims to ensure openness and accountability in local 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 two Public Disclosure Officers and published procedures to assist persons to make a disclosure.

During the 2015/16 financial year the City did not receive any disclosures. Further details about public interest disclosures are available from the City's website and Administration Building.

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 2015/16 financial year there were no entries made in the Register of Complaints.

Employee Salaries

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

Salary Band

From \$	To \$	Number of employees
\$100,000	\$109,999	13
\$110,000	\$119,999	9
\$120,000	\$129,999	17
\$130,000	\$139,999	0
\$140,000	\$149,999	0
\$150,000	\$159,999	4
\$160,000	\$169,999	1
\$170,000	\$179,999	0
\$180,000	\$189,999	0
\$190,000	\$199,999	3
\$200,000	\$210,000	1
\$240,000	\$249,999	1

Disability and Inclusion Plan 2011-2016

A review of the City of Armadale's Disability Access and Inclusion Plan 2011 – 2016 (DAIP) commenced during 2016. The 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) which was amended in 2004. It is a requirement that DAIPs are reviewed every five years and a progress report lodged with Disability Services Commission annually.

Major achievements include:

- Promoting the economic benefits of businesses being inclusive and accessible at monthly Business Armadale meetings.
- Council facilities, parks and buildings continue to be audited on a regular basis.
- Accessible toilet upgrades to Champion Centre and Lions Park, improved access doors to Armadale Library, inclusive playground upgrades through infrastructure grants to upgrade accessible features at Memorial Park, Lions Park and Burtonia Park and improved *Greenways* path networks access to new subdivisions/estates.
- A new eNewsletter publication which can be read using screen readers making it accessible to vision impaired people; completion of a dedicated accessible Customer Service web page; an increased number of information brochures made available in alternate forms.
- Continual development of inclusive and accessible activities at the Armadale Arena, including Seniors That Actively Retire (STAR), promotion of Personal Training to all and U-FIT Park Edition.



Auditor's Report



Certified Practising Accountants

PARTNERS

Anthony Macri FCPA
Domenic Macri CPA
Connie De Felice CA

INDEPENDENT AUDITOR'S REPORT

TO: THE RATEPAYERS OF CITY OF ARMADALE

Report on the Financial Report

We have audited the financial report of the City of Armadale, which comprises the Statement of Financial Position as at 30 June 2016 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 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 management'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 have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.





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 2016 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 (including Australian Accounting Interpretations).

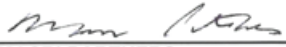
Report on Other Legal and Regulatory Requirements

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 other 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 noted during the course of our audit.
- (c) In relation to the asset consumption ratio and asset renewal funding ratio (presented at Note 22 of the annual financial report) we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
 - (i) reasonably calculated; and
 - (ii) based on verifiable information.
- (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 the City of Armadale for the year ended 30 June 2016 included on the City's website. Management is responsible for the integrity of the City'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 3rd DAY OF NOVEMBER 2016.





Financial Report

**City of Armadale
Financial Report
For the year ended 30 June 2016**

**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 other information for the financial year ended 30 June 2016 are in my opinion properly drawn up to present fairly the financial position of the City as at 30th June 2016 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 the regulations under that Act.

Signed as authorisation of issue
Signed on the 2nd day of November 2016

A handwritten signature in blue ink, appearing to read '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 2016

	Note	2016 Actual	2016 Budget	2015 Actual (Restated)
		\$	\$	\$
Revenue				
Rates	24	58,617,989	56,469,390	52,567,715
Operating Grants, Subsidies and Contributions	29	4,498,543	11,647,837	6,930,160
Fees and Charges	28	19,323,029	19,143,955	17,802,604
Interest Earnings	2(a)(ii)	3,693,325	3,516,000	3,943,342
Other Revenue	2(a)(iii)	1,099,932	791,900	645,029
		87,232,818	91,569,082	81,888,850
Expenses				
Employee Costs		(36,355,525)	(29,898,923)	(33,185,247)
Materials and Contracts		(27,993,981)	(24,935,267)	(22,408,915)
Utility Charges		(3,475,516)	(3,902,495)	(3,135,038)
Depreciation on Non-Current Assets	2(a)(i)	(17,927,381)	(16,944,200)	(17,446,183)
Amortisation	2(a)(i)	(295,700)	-	-
Interest Expenses	2(a)(i)	(1,358,066)	(1,737,380)	(1,262,445)
Insurance Expenses		(1,180,063)	(1,471,026)	(1,168,742)
Other Expenditure		(1,899,904)	(17,846,750)	(1,890,518)
		(90,486,136)	(96,736,041)	(80,497,088)
		(3,253,318)	(5,166,959)	1,391,761
Non-Operating Grants, Subsidies and Contributions	29	5,693,587	24,467,950	4,949,002
Developer Contribution Plans - Cash	29	11,090,975	-	10,884,311
Developer Contribution Plans - Gifted Assets	7	49,872,349	-	-
Impairment - Assets	6	-	-	(1,016,201)
Profit on Disposal of Assets	21	44,951	-	2,384,567
(Loss) on Disposal of Assets	21	(327,548)	(278,729)	(399,218)
Increase / (Decrease) in Investments	9	-	-	257,208
		63,120,996	19,022,262	18,451,429
Net Result				
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on Revaluation of Non-Current Assets	15	(550,286)	-	594,537,498
Total Other Comprehensive Income		(550,286)	-	594,537,498
Total Comprehensive Income				
		62,570,710	19,022,262	612,988,927

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 2016

	Note	2016 Actual	2016 Budget	2015 Actual (Restated)
		\$	\$	\$
Revenue				
General Purpose Funding		64,068,721	61,481,420	60,329,488
Governance		1,895,001	1,574,900	710,626
Law, Order and Public Safety		1,030,889	677,000	948,481
Health		193,408	136,000	229,627
Education and Welfare		586,473	251,000	379,611
Community Amenities		13,976,805	21,203,636	12,563,387
Recreation and Culture		2,181,383	3,306,605	2,040,536
Transport		1,934,763	1,513,021	2,904,397
Economic Services		1,259,281	1,334,500	1,508,832
Other Property and Services		106,094	91,000	273,864
		87,232,818	91,569,082	81,888,850
Expenses				
General Purpose Funding		(1,340,793)	(885,450)	(1,117,307)
Governance		(2,312,116)	(15,745,277)	(3,162,982)
Law, Order and Public Safety		(2,904,589)	(2,016,508)	(2,654,038)
Health		(1,644,504)	(1,299,382)	(1,559,029)
Education and Welfare		(4,346,934)	(3,728,703)	(3,591,985)
Community Amenities		(19,250,794)	(23,438,946)	(15,907,463)
Recreation and Culture		(23,654,106)	(25,518,772)	(20,783,499)
Transport		(30,833,481)	(20,220,771)	(28,341,834)
Economic Services		(3,048,077)	(2,532,977)	(2,937,411)
Other Property and Services		207,325	388,125	820,906
		(89,128,070)	(94,998,661)	(79,234,642)
Finance Costs				
	2(a)(i)			
Governance		(599,972)	(806,800)	(409,701)
Community Amenities		(12,485)	(216,220)	(267,321)
Recreation and Culture		(598,065)	(647,230)	(575,850)
Transport		(147,544)	(67,130)	(9,574)
		(1,358,066)	(1,737,380)	(1,262,446)
Non Operating Grants, Subsidies and Contributions	29	5,693,587	24,467,950	4,949,002
Developer Contribution Plans - Cash	29	11,090,975	-	10,884,311
Developer Contribution Plans - Gifted Assets	7	49,872,349	-	-
Impairment - Assets	6	-	-	(1,016,201)
Profit on Disposal of Assets	21	44,951	-	2,384,567
(Loss) on Disposal of Assets	21	(327,548)	(278,729)	(399,218)
Increase / (Decrease) in Investments	9	-	-	257,208
		63,120,996	19,022,262	18,451,429
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on Revaluation of Non-Current Assets	15	(550,286)	-	594,537,498
Total Other Comprehensive Income		(550,286)	-	594,537,498
Total Comprehensive Income		62,570,710	19,022,262	612,988,927

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



**City of Armadale
Statement of Financial Position
For the year ended 30 June 2016**

	Note	2016 Actual \$	2015 Actual (Restated) \$
Current Assets			
Cash and Cash Equivalents	3	97,972,464	89,725,812
Trade and Other Receivables	4	7,074,641	3,427,830
Assets Held for Sale		1,572,000	-
Inventories	5	184,251	86,611
Total Current Assets		106,803,356	93,240,253
Non-Current Assets			
Trade and Other Receivables	4	922,401	877,742
Property, Plant and Equipment	6	210,114,414	212,656,195
Infrastructure	7	867,415,552	815,345,954
Landfill Cell	8	5,411,813	5,493,569
Investments	9	257,208	257,208
Rehabilitation Asset	10	2,781,272	3,288,503
Total Non-Current Assets		1,086,902,660	1,037,919,171
Total Assets	20	1,193,706,016	1,131,159,424
Current Liabilities			
Trade and Other Payables	11	8,258,333	5,899,065
Borrowings	12	1,887,962	1,636,495
Provisions	13	7,270,533	6,809,954
Total Current Liabilities		17,416,828	14,345,514
Non-Current Liabilities			
Trade and Other Payables	11	192,403	147,625
Borrowings	12	29,303,345	30,484,307
Provisions	13	3,566,621	3,776,948
Total Non-Current Liabilities		33,062,369	34,408,880
Total Liabilities		50,479,197	48,754,394
Net Assets		1,143,226,819	1,082,405,030
Equity			
Retained Surplus		326,556,249	269,394,403
Reserves - Cash Backed	14	80,858,321	74,072,827
Revaluation Surplus	15	735,812,249	738,937,800
Total Equity		1,143,226,819	1,082,405,030

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 2016**

	Note	Retained Surplus \$	Reserves Cash or Investment Backed \$	Restated Revaluation Surplus \$	Total Equity \$
Balance as at 1 July 2014		263,417,321	61,598,480	144,400,302	469,416,103
Comprehensive Income Net Result		18,451,429	-	-	18,451,429
Changes on Revaluation of Assets	15, 38	-	-	594,537,498	594,537,498
Total Comprehensive Income		18,451,429	-	594,537,498	612,988,927
Transfer from / (to) Reserves	14	(12,474,347)	12,474,347	-	-
Balance as at 30 June 2015 - Restated		269,394,403	74,072,827	738,937,800	1,082,405,030
Comprehensive Income Net Result		63,120,996	-	-	63,120,996
Transfer of Revaluation Surplus on Asset Disposals	15	826,342	-	(826,342)	-
Changes on Revaluation of Assets - Adjustments	15	-	-	(1,748,923)	(1,748,923)
Changes on Revaluation of Assets During the Year	15	-	-	(550,286)	(550,286)
Total Comprehensive Income		63,947,338	-	(3,125,551)	60,821,788
Transfer from / (to) Reserves	14	(6,785,494)	6,785,494	-	-
Balance as at 30 June 2016		326,556,249	80,858,321	735,812,249	1,143,226,819

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 2016**

	Note	2016 Actual \$	2016 Budget \$	2015 Actual \$
Cash Flows from Operating Activities				
Receipts				
Rates		57,396,723	56,469,390	52,396,843
Operating Grants, Subsidies and Contributions		4,498,543	11,647,837	8,120,924
Fees and Charges		19,323,030	19,143,955	22,195,844
Interest Earnings		3,693,325	3,516,000	3,943,342
Goods and Services Tax		4,941,110	5,081,298	4,551,628
Other		(1,260,880)	791,900	645,029
Total Receipts		88,591,851	96,650,380	91,853,610
Payments				
Employee Costs		(36,038,199)	(29,898,923)	(32,947,594)
Materials and Contracts		(25,583,201)	(20,435,267)	(29,245,310)
Utilities		(3,475,516)	(3,902,495)	(3,135,038)
Insurance		(1,358,066)	(1,737,380)	(1,262,445)
Interest		(1,180,063)	(1,471,026)	(1,168,742)
Goods and Services Tax		(4,886,164)	(4,500,000)	-
Other		(1,903,505)	(17,846,750)	(1,890,518)
Total Payments		(74,424,714)	(79,791,841)	(69,649,647)
Net Cash Provided by / (used in) Operating Activities	16(b)	14,167,137	16,858,539	22,203,963
Cash Flows from Investing Activities				
Payments for Property, Plant and Equipment		(5,326,629)	(15,346,600)	(18,503,499)
Payments for Infrastructure		(17,365,416)	(37,220,811)	(16,973,225)
Grants and Subsidies - Non-Operating	29	5,693,587	24,467,950	4,949,001
Developer Contribution Plans - Cash	29	11,090,975	-	10,884,311
Proceeds from Sale of Assets	21	916,493	1,649,500	3,624,363
Net Cash Provided by / (used in) Investing Activities		(4,990,990)	(26,449,961)	(16,019,049)
Cash Flows from Financing Activities				
Repayment of Debentures		(1,636,495)	(1,649,820)	(5,806,548)
Proceeds from New Debentures	23	707,000	5,661,000	16,962,800
Net Cash Provided by / (used in) Financing Activities		(929,495)	4,011,180	11,156,252
Net Increase / (Decrease) in Cash Held		8,246,652	(5,580,243)	17,341,162
Cash and Cash Equivalents at Beginning of Year		89,725,812	88,179,217	72,384,646
Cash and Cash Equivalents at End of Year	16(a)	97,972,464	82,598,974	89,725,812

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



**City of Armadale
Rate Setting Statement
For the year ended 30 June 2016**

	Note	2016 Actual \$	2016 Budget \$	2015 Actual \$
Net Current Assets at Start of Financial Year - Surplus / (Deficit)		12,001,886	10,778,300	11,613,584
Revenue from Operating Activities (excluding Rates)				
General Purpose Funding		7,411,976	5,012,030	9,023,889
Governance		1,895,926	1,574,900	974,213
Law, Order and Public Safety		1,055,925	677,000	948,481
Health		199,003	136,000	229,627
Education and Welfare		591,624	251,000	381,463
Community Amenities		13,976,805	20,940,836	14,923,648
Recreation and Culture		2,181,382	2,869,650	2,053,752
Transport		1,940,350	1,363,344	2,907,713
Economic Services		1,259,281	1,334,500	1,512,735
Other Property and Services		108,751	91,000	273,864
		30,621,023	34,250,260	33,229,385
Expenditure from Operating Activities				
General Purpose Funding		(1,340,793)	(885,450)	(1,112,947)
Governance		(2,932,089)	(15,745,277)	(3,599,369)
Law, Order and Public Safety		(2,904,588)	(2,016,508)	(2,660,514)
Health		(1,644,504)	(1,299,382)	(1,559,029)
Education and Welfare		(4,346,934)	(3,728,703)	(3,593,290)
Community Amenities		(19,340,008)	(23,438,946)	(16,330,900)
Recreation and Culture		(24,392,521)	(25,518,772)	(21,420,155)
Transport		(31,071,465)	(20,220,771)	(29,515,296)
Economic Services		(3,048,104)	(2,532,977)	(2,941,915)
Other Property and Services		207,325	388,200	820,906
		(90,813,681)	(94,998,586)	(81,912,509)
Operating Activities Excluded from Budget				
(Profit) on Disposal of Assets	21	(44,951)	-	(2,384,567)
Loss on Disposal of Assets	21	327,548	278,729	399,218
Impairment of Assets	6	-	-	1,016,201
Depreciation on Assets	2	17,927,381	16,944,200	17,446,183
Amortisation		295,700	-	-
Movement in Deferred Pensioner Rates/ESL (Non-Current)		9,787	-	(7,876)
Movement in Long Service Leave Receivable from Other Councils		(54,446)	-	-
Non-Current Creditors Movement		44,778	-	(21,571)
Movement in Employee Benefit Provisions (Non-Current)		476,147	-	183,420
Movement in Rehabilitation of Landfill Site Provision		67,392	-	-
Movement in Interest in Local Government House Trust		-	-	(135,676)
Movement in Interest in Rivers Regional Council		-	-	(121,532)
Fixed Assets Adjustment		38,898	-	(73,805)
		19,088,234	17,222,929	16,299,996
Amount Attributable to Operating Activities		(29,102,538)	(32,747,097)	(20,769,544)
Investing Activities				
Non-Operating Grants, Subsidies and Contributions	29	5,693,587	24,467,950	4,949,002
Developer Contribution Plans - Cash	29	11,090,975	-	10,884,311
Developer Contribution Plans - Gifted Assets	7	49,872,349	-	-
Proceeds from Disposal of Assets	21	916,493	1,649,499	3,624,364
Purchase of Property, Plant and Equipment		(5,326,629)	(15,346,600)	(18,429,694)
Purchase of Infrastructure		(17,365,416)	(37,220,811)	(16,973,223)
Infrastructure Assets Contributed by Developers (Gifted Assets)		(49,872,349)	-	-
Amount Attributable to Investing Activities		(4,990,990)	(26,449,962)	(15,945,240)
Financing Activities				
Repayment of Debentures	23	(1,636,496)	(1,649,820)	(5,806,547)
Proceeds from New Debentures	23	707,000	5,661,000	16,962,800
Funds to be Set Aside	14	(8,275,490)	(5,413,750)	(16,570,847)
Funds to be Used	14	1,489,995	4,915,339	4,096,500
Amount Attributable to Financing Activities		(7,714,991)	3,512,769	(1,318,094)
Movement in Specified Area Rates / Rates in Advance				
Rate Equivalent Payments & Adjustments	24	25,406	(828,300)	(25,406)
Specified Area Rates	24	710,723	43,200	(710,723)
Rates in Advance	24	(4,148,541)	-	(530,347)
		(3,412,412)	(785,100)	(1,266,476)
Surplus / (Deficiency) before General Rates		(45,220,931)	(56,469,390)	(39,299,354)
Total Amount Raised from General Rates	24	56,656,745	56,469,390	51,301,239
Net Current Assets at 30 June C/Fwd - Surplus / (Deficit)	37	11,435,814	-	12,001,886

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 2016

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 comprises general purpose financial statements which have 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. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has 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 affect the application of policies and reported amounts of assets and liabilities, income and expenses.

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.

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. A separate statement of those monies appears at Note 19 to these financial statements.

(b) 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.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

(d) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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.

(e) 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.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

1 Significant Accounting Policies (continued)

(f) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, 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.

During the year ended 30 June 2013, the City commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the City revalue its asset class in accordance with this mandatory timetable.

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

Land under control

In accordance with Local Government (Financial Management) Regulation 16(a), the City was 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.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, 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 overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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.

Land under roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council 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 local governments 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 governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the City.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

1 Significant Accounting Policies (continued)

(f) Fixed Assets (continued)

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated using a depreciation method which best represents the City's consumption over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Major depreciation periods used for each class of depreciable asset are:

Buildings / Components	15 to 100 years
Furniture and Equipment	5 to 15 years
Plant and Machinery	1 to 30 years
Sealed Roads and Streets	
Formation	Not Depreciated
Pavement	65 to 100 years
Kerb	50 years
Seal	15 to 25 years
Gravel Roads	
Formation	Not Depreciated
Pavement	10 years
Gravel Sheetting	1 to 3 years
Drainage	120 years
Pathways	15 to 75 years
Parks and Reserves	1 to 150 years
Bridges and Boardwalks	20 to 90 years
Waste Infrastructure	35 years
Landfill Cells	15 years

The assets 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 in the period in which they arise.

Capitalisation threshold

Expenditure on items of buildings, furniture and equipment and plant and equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(g) Fair Value of Assets and Liabilities

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

Fair Value is the price that the City would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

1 Significant Accounting Policies (continued)

(g) Fair Value of Assets and Liabilities (continued)

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The City selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the City are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the City gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets be revalued in accordance with the regulatory framework.

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that 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 an income or expense in profit or loss.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

1 Significant Accounting Policies (continued)

(h) Financial Instruments (continued)

Classification and subsequent measurement (continued)

(i) Financial assets at fair value through profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

(ii) 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. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the City has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in non-current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) 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.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

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 City 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.

(i) Impairment of Assets

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 impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

1 Significant Accounting Policies (continued)

(j) Trade and Other Payables

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

(k) Employee Benefits

Short-term employee benefits

Provision is made for the City's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The City's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(l) 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 until such time as the asset is substantially ready for its intended use or sale.

(m) Provisions

Provisions are recognised when the City has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and 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.

(n) Provision for Site Rehabilitation

A provision for the future costs associated with closing and restoring the landfill is recognised as a liability within the financial accounts. The nature of work planned by the City includes cell capping, landfill reconstruction, dismantling of site operating facilities and implementation of a revegetation plan to suit the final land use. The cost is provided at the present value of the expenditure expected to be incurred, using estimated cash flows based on current prices. The unwinding of rehabilitation obligation is included in the Statement of Comprehensive Income. Estimated future rehabilitation costs are reviewed regularly and adjusted as appropriate for new circumstances or change in law or technology. Changes in estimates are capitalised or revised against the relevant asset. Estimates are discounted at a discount rate that reflects current market assessment of time value of money.

During the 2014/15 financial year, the City appointed an independent valuer to conduct an evaluation of potential site rehabilitation costs followed by an initial measurement and recognition of Landfill Cell asset.

The discounted present value of the future capping expenditure is amortised on a straight line basis over the anticipated 15 year life of the current site from 2014/15.

(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 at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. 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.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

1 Significant Accounting Policies (continued)

(p) Investments in Associates

An associate is an entity over which the City has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. 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 City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the City'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 City and the associate are eliminated to the extent of the City's interest in the associate.

When the City's share of losses in an associate equals or exceeds its interest in the associate, the City discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the City will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(q) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(p) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The City's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

(r) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

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(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the City's operations for the current reporting period.

(s) Superannuation

The City contributes to a number of Superannuation Funds on behalf of employees. All funds to which the City contributes are defined contribution plans.

(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 sale where it is held as non-current based on the realised in the next 12 months except for land held for sale 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 annual financial report, other than a rate in the dollar, are rounded to the nearest dollar.

(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 its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

In the process of completing the 2016 Annual Financial Report, it was found in the Statement of Comprehensive Income for the previous financial year, that the City had inadvertently reported the Revenue received from the "North Forrestdale Developer Contributions" under "Operating Grants, Subsidies and Contributions". It should have been reported under the Non-Operating category. The City has reclassified its prior year comparative to correctly reflect the revenue amounts under the subheading "Developer Contributions – Cash", to the value of \$10,884,310.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

1 Significant Accounting Policies (continued)

In addition, there was a change to the accounting treatment in the previous financial year for the expenditure on the "North Forrestdale Developer Contributions" between "Non-Operating Grants, Subsidies and Contributions" and "Material and Contracts", to the value of \$4,201,996.

These presentation errors have now been identified and adjustments have been made to the comparative amounts in the Annual Financial Report for the year ended 30 June 2016. None of these adjustments had an impact on the Net Result and the Financial Position of the City.

(w) Budget Comparative Figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

(x) Land held for sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for sale is classified as current except where it is held as noncurrent based on City's intentions to release for sale.

(y) New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the City.

Management's assessment of the new and amended pronouncements that are relevant to the City, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title	Issued/Compiled	Applicable (1)	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	Dec 2014	1 Jan 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification 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 effect.
(ii) AASB 15 Revenue from Contracts with Customers	Dec 2014	1 Jan 2019	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend upon the nature of future transactions the City has with those third parties it has dealings with. It may or may not be significant.</p>
(iii) AASB 16 Leases	Feb 2016	1 Jan 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the City, the impact is not expected to be significant.</p>



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

1 Significant Accounting Policies (continued)

(y) New Accounting Standards and Interpretations (continued)

Title and Topic	Issued	Applicable (1)	Impact
(iv) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	Aug 2014	1 Jan 2016	<p>This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p> <p>Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the City's financial statements.</p>
(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and [AASB 116 & 138]	Aug 2014	1 Jan 2016	<p>This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.</p> <p>Given the City currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.</p>
(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	Dec 2014	1 Jan 2017	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>
(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	Jan 2015	1 Jul 2015	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation.</p>
(viii) Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	Mar 2015	1 Jul 2016	<p>The objective of this Standard is to extend the scope of AASB 124 Related Party Disclosures to include not-for-profit sector entities.</p> <p>The Standard is expected to have a significant disclosure impact on the financial report of the City as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.</p>

Notes:

(1) Applicable to reporting periods commencing on or after the given date.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

1 Significant Accounting Policies (continued)

(z) Adoption of New and Revised Accounting Standards

During the current year, the City adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These new and revised Standards were:

- (i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality.
- (ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

2 Revenues and Expenses	Note	2016 Actual \$	2016 Budget \$	2015 Actual \$
a) Result from Ordinary Activities				
The result from ordinary activities includes -				
i) Charging as an Expense				
Auditor's Remuneration				
- Annual Financial Statements		28,500	30,000	25,100
- Acquittals & Internal Review		6,315	30,000	3,800
Total Audit Remuneration		<u>34,815</u>	<u>60,000</u>	<u>28,900</u>
Bad and Doubtful Debts				
Write Off - Rates		59,037	75,000	76,347
Write Off - General		144,167	5,000	-
Write Off - Infringements		57,445	86,000	68,279
		<u>260,649</u>	<u>166,000</u>	<u>144,626</u>
Depreciation				
Buildings		1,233,907	1,239,200	1,215,137
Furniture and Equipment		335,630	60,900	128,942
Plant and Machinery		1,387,256	2,483,700	1,902,700
Roads		9,274,278	5,291,700	8,952,912
Drainage		2,951,332	1,087,100	2,938,936
Pathways		1,165,121	683,100	1,162,789
Parks and Reserves		1,579,857	6,098,500	1,144,767
		<u>17,927,381</u>	<u>16,944,200</u>	<u>17,446,183</u>
Amortisation				
Landfill Cell		295,700	-	-
		<u>295,700</u>	<u>-</u>	<u>-</u>
Interest Expense				
Debentures	23	1,358,066	1,737,380	1,262,445
		<u>1,358,066</u>	<u>1,737,380</u>	<u>1,262,445</u>
ii) Charging as a Revenue				
Interest Earnings				
Investments - Reserve Funds		2,051,299	1,872,600	2,215,172
Investments - Municipal Fund		1,240,019	1,308,400	1,346,697
Other Interest Revenue	27	402,008	335,000	381,473
		<u>3,693,325</u>	<u>3,516,000</u>	<u>3,943,342</u>
iii) Other Revenue				
Reimbursements and recoveries		1,099,032	791,900	645,029
		<u>1,099,032</u>	<u>791,900</u>	<u>645,029</u>



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

2 Revenues and Expenses (continued)

b) Statement of Objective

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

Our Mission

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

Our Values

- Honesty - Professionalism - Respect - Accountability

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

Governance

Objective:

To provide a decision making process for the efficient allocation of scarce resources.

Activities:

This program includes the administration and operation of facilities and services to the elected members of City. 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.

General Purpose Funding

Objective:

To collect revenue to allow for the provision of services.

Activities:

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

Law, Order and Public Safety

Objective:

To provide services to help ensure a safer and environmentally conscious community.

Activities:

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

Health

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

Education and Welfare

Objective:

To provide services to disadvantaged persons, the elderly, children and youth.

Activities:

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

Community Amenities

Objective:

To provide services required by the community.

Activities:

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

Objective:

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Activities:

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.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

2 Revenues and Expenses

b) Statement of Objective (continued)

Transport

Objective:

To provide safe, effective and efficient transport services to the community.

Activities:

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

Objective:

To help promote the City and its economic wellbeing.

Activities:

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

Other Property and Services

Objective:

To monitor and control City's overheads operating accounts.

Activities:

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

c) Conditions over Contributions

Grants / Contribution	Function / Activity	Opening Balance ⁽¹⁾ 01/07/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance 30/06/15 \$
Kids Sport	Education and Welfare	45,170	130,500	(175,670)	-
Youth	Education and Welfare	64,582	-	(49,962)	14,620
Indigenous	Education and Welfare	85,229	202,501	(287,730)	-
Federal Black Spot	Transport	40,000	933,883	(973,883)	-
State Black Spot	Transport	39,900	476,934	(516,834)	-
Roadwise	Transport	15,500	1,000	(16,500)	-
Pathways	Transport	-	71,408	(22,008)	49,400
Total		290,381	1,816,226	(2,042,587)	64,020

Grants / Contribution	Function / Activity	Opening Balance ⁽¹⁾ 01/07/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance 30/06/16 \$
Youth	Education and Welfare	14,620	-	(14,620)	-
Seniors/Disabled	Education and Welfare	-	15,000	-	15,000
Safety Projects	Community Amenities	-	73,036	(32,136)	40,900
State NRM	Community Amenities	-	15,000	(950)	14,050
Lions Park	Community Amenities	-	20,000	-	20,000
Pathways	Transport	49,400	-	(49,400)	-
Total		64,020	123,036	(97,106)	89,950

(1) - Grants / contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

	Note	2016 Actual \$	2015 Actual \$
3 Cash and Cash Equivalents			
Unrestricted		17,024,193	15,588,965
Restricted		80,948,271	74,136,847
		97,972,464	89,725,812
The following restrictions have been imposed by regulations or other externally imposed requirements -			
Reserves			
Asset Renewal - Buildings		381,946	353,376
Asset Renewal - Parks		340,046	333,376
Building Plant and Equipment		148,032	145,132
Champion Lakes SAR Asset Renewal		142,450	118,300
Computer Systems Technologies		351,732	344,832
Crossover Contributions		57,120	56,000
Emergency Waste		211,582	207,432
Employee Provisions		8,742,177	8,103,952
Freehold Sales Capital Works		139,466	136,736
Future Community Facilities		741,130	726,600
Future Project Funding		13,003,721	13,253,336
Future Recreation Facilities		273,690	219,300
History of the District		34,720	34,040
Land Acquisition		439,656	431,036
Mobile Bin Program		1,870,278	1,833,608
North Forrestdale DCP 3		39,191,257	34,604,502
North Forrestdale SAR Asset Renewal		3,180,430	2,551,920
Plant and Machinery		2,881,138	2,424,388
Portable Long Service Leave		293,182	249,492
Revolving Energy		58,140	57,000
Strategic Asset Investments		102,964	100,944
Waste Management		7,338,182	6,828,712
Workers Compensation		330,358	365,748
Works Contributions		604,924	593,064
		80,858,321	74,072,827
Restricted Funds			
Unspent Grants	2(c)	89,950	64,020
Unspent Loans	23(c)	-	-
		89,950	64,020
Total Reserves and Restricted Cash and Cash Equivalents			
		80,948,271	74,136,847
4 Trade and Other Receivables			
Current			
Accrued Revenue		2,845,762	484,950
Rates Debtors		1,260,136	1,156,825
ESL Debtors		55,751	51,402
Unclaimed Pensioner Rates Rebate		-	542
Sundry Debtors		3,035,370	1,856,489
Less : Provision for Doubtful Debts		(122,378)	(122,378)
		7,074,641	3,427,830
Non-Current			
Rates Debtors		537,111	548,401
ESL Debtors		41,518	40,015
Long Service Leave Receivable from Other Councils		343,772	289,326
		922,401	877,742
5 Inventories			
Current			
Fuel and Materials		184,251	86,611
		184,251	86,611



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

	2016 Actual \$	(Restated) 2015 Actual \$
6 Property, Plant and Equipment		
Land - Management Valuation 2014	102,364,000	104,166,000
	102,364,000	104,166,000
Buildings - Management Valuation 2014	111,354,493	107,682,544
Less Accumulated Depreciation	(17,084,586)	(15,975,374)
	94,269,907	91,707,170
Furniture and Equipment - Fair Valuation 2016	2,439,594	839,391
Less Accumulated Depreciation	(547,887)	(191,876)
	1,891,707	647,515
Plant and Machinery - Fair Valuation 2016	16,450,657	11,780,355
Less Accumulated Depreciation	(8,909,395)	(3,439,731)
	7,541,262	8,340,624
Work in Progress		
Buildings	1,639,940	5,959,447
Furniture and Equipment	-	-
Plant and Machinery	2,407,598	1,835,439
	4,047,538	7,794,886
Total Property, Plant and Equipment	210,114,414	212,656,195

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 \$	Work in Progress \$	Total \$
Beginning Balance	111,766,000	91,707,170	647,515	8,340,624	7,794,886	220,256,195
Prior year correction	(7,600,000)	-	-	-	-	(7,600,000)
Restated Balance	104,166,000	91,707,170	647,515	8,340,624	7,794,886	212,656,195
Additions	-	975,271	-	2,152,012	2,199,346	5,326,629
Disposals	(230,000)	-	(99,861)	(753,319)	-	(1,083,180)
Adjustments - Transfers between Asset Classes	(1,572,000)	273,081	-	21,088	(152,214)	(1,430,045)
Revaluation Movements - Fair Value	-	-	281,600	(831,887)	(1,748,922)	(2,299,209)
Transfers from WIP	-	2,423,597	1,398,083	-	(4,045,558)	(223,878)
Impairment	-	-	-	-	-	-
Depreciation Expense	-	(1,109,212)	(335,630)	(1,387,256)	-	(2,832,098)
Carrying Amount	102,364,000	94,269,907	1,891,707	7,541,262	4,047,538	210,114,414

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

7 Infrastructure	2016 Actual \$	2015 Actual \$
Roads - Management Valuation 2015	641,933,531	615,191,533
Less Accumulated Depreciation	<u>(177,525,003)</u>	<u>(168,213,422)</u>
	464,408,528	446,978,111
Drainage - Management Valuation 2015	374,774,135	347,100,336
Less Accumulated Depreciation	<u>(74,993,455)</u>	<u>(72,074,431)</u>
	299,780,680	275,025,905
Pathways - Management Valuation 2015	61,234,370	54,130,949
Less Accumulated Depreciation	<u>(14,468,736)</u>	<u>(13,408,808)</u>
	46,765,634	40,722,141
Parks and Reserves - Management Valuation 2015	61,237,142	54,940,021
Less Accumulated Depreciation	<u>(19,120,476)</u>	<u>(17,540,619)</u>
	42,116,665	37,399,402
Waste Infrastructure - Independent Valuation 2015	2,857,919	2,857,919
Less Accumulated Depreciation	<u>(307,514)</u>	<u>(279,080)</u>
	2,550,405	2,578,839
Other Infrastructure - Management Valuation 2015	2,254,180	2,140,697
Less Accumulated Depreciation	<u>(1,228,425)</u>	<u>(1,175,609)</u>
	1,025,755	965,088
Work in Progress		
Roads	4,882,858	5,510,825
Drainage	329,641	1,910,656
Pathways	78,710	596,316
Parks and Reserves	<u>5,476,675</u>	<u>3,658,671</u>
	10,767,885	11,676,468
Total Infrastructure	867,415,552	815,345,954

Movements in Carrying Amounts

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

Particulars	Roads \$	Drainage \$	Pathways \$	Parks and Reserves \$	Waste Infrastructure \$	Other Infrastructure \$	Work in Progress \$	Total \$
Beginning Balance	446,978,111	275,025,905	40,722,141	37,399,402	2,578,839	965,088	11,676,468	815,345,954
Adjustments - Transfers between Asset Classes	(1,167,248)	(41,763)	(167,143)	1,243,759	-	(48,458)	-	(180,853)
Additions	7,206,251	630,411	1,067,779	1,626,842	-	127,706	6,706,427	17,365,416
Disposals	(115,910)	-	-	-	-	-	-	(115,910)
Gifted Assets	17,802,418	25,146,252	5,663,679	1,260,000	-	-	-	49,872,349
Transfers from WIP	2,979,184	1,971,206	644,299	2,166,519	-	77,680	(7,615,010)	223,878
Impairments	-	-	-	-	-	-	-	-
Depreciation Expense	(9,274,278)	(2,951,332)	(1,165,121)	(1,579,857)	(28,434)	(96,261)	-	(15,095,283)
Carrying Amount	464,408,528	299,780,680	46,765,634	42,116,665	2,550,405	1,025,755	10,767,885	867,415,552



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

	2016 Actual \$	2015 Actual \$
8 Landfill Cell		
Non-Current		
Landfill Cell - Management Valuation	8,101,360	8,101,360
LESS : Accumulated Depreciation	<u>(2,689,547)</u>	<u>(2,607,791)</u>
	5,411,813	5,493,569
9 Investments		
Non-Current		
Interest in Local Government House Trust *	135,676	135,676
Interest in Rivers Regional Council **	<u>121,532</u>	<u>121,532</u>
	257,208	257,208
<p>* During the financial year 2014/15 the City took into the accounts the equity investment in the Local Government House Trust arising from contributions towards the cost of purchasing Local Government House. The total contribution by Councils towards the cost of the WALGA building was \$582,000 of which the City of Armadale contributed \$7,510. There are 620 units in the Local Government House Trust, 8 of which are held by the City of Armadale.</p> <p>** During the financial year 2014/15 the City took into the accounts the equity in the Rivers Regional Council. As at 30 June 2014 the City's share of equity based on regional population was 19.87%. At the time of reporting the 2014/15 financial statements of the Rivers Regional Council were not available. The City has elected to account for the stake using the equity method of accounting.</p>		
10 Rehabilitation Asset		
Non-Current		
Landfill Site Rehabilitation	3,288,503	3,288,503
LESS : Revision to Estimates	<u>(293,287)</u>	<u>-</u>
LESS : Amortisation	<u>(213,944)</u>	<u>-</u>
	2,781,272	3,288,503
11 Trade and Other Payables		
Current		
Sundry Creditors	7,230,312	4,778,414
Accrued Expenses	770,558	600,773
Revenue Liability	31,119	228,940
ESL Liability	132,392	92,613
Payroll Entitlements	<u>93,953</u>	<u>198,326</u>
	8,258,333	5,899,065
Non-Current		
Sundry Creditors	<u>192,403</u>	<u>147,625</u>
	192,403	147,625
12 Borrowings		
Current		
Secured by Floating Charge Debentures	<u>1,887,962</u>	<u>1,636,495</u>
	1,887,962	1,636,495
Non-Current		
Secured by Floating Charge Debentures	<u>29,303,345</u>	<u>30,484,307</u>
	29,303,345	30,484,307
Additional details on Borrowings are provided in Note 23.		
13 Provisions		
Current		
Provision for Annual Leave	3,843,710	3,656,302
Provision for Long Service Leave	<u>3,426,823</u>	<u>3,153,652</u>
	7,270,533	6,809,954
Non-Current		
Provision for Long Service Leave	504,013	488,445
Provision for Rehabilitation of Landfill Site	<u>3,062,608</u>	<u>3,288,503</u>
	3,566,621	3,776,948
Total Provisions	10,837,154	10,586,902
Movement in Provision for Rehabilitation of Landfill Site		
Balance at the Beginning of the Year	3,288,503	-
Provision Made During the Year	-	3,288,503
Change in Estimates*	<u>(293,287)</u>	<u>-</u>
Unwinding Discount	<u>67,392</u>	<u>-</u>
Balance at the End of the Year	3,062,608	3,288,503
* The change in estimates is attributable to changes in the inflation and discount rates due to changes in economic conditions.		



City of Armadale
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14 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 City resolutions in relation to each Reserve, the purpose for which the funds are set aside, and their respective balances, are shown below.

	2016 Actual \$	2016 Budget \$	2015 Actual \$
Asset Renewal - Buildings			
<i>To be used to assist in funding capital works on buildings, thereby extending the useful economic life of such assets.</i>			
Opening Balance	353,376	353,376	326,876
Funds to be Set Aside - Municipal Funds	21,500	21,500	20,000
Funds to be Set Aside - Interest Earnings	7,070	6,200	6,500
Funds to be Used	-	-	-
	381,946	381,076	353,376
Asset Renewal - Parks			
<i>To be used to assist in funding capital works on parks, thereby extending the useful economic life of such assets.</i>			
Opening Balance	333,376	333,376	326,876
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	6,670	5,800	6,500
Funds to be Used	-	-	-
	340,046	339,176	333,376
Building Plant and Equipment			
<i>To be used to assist in the maintenance and replacement of Plant and Equipment associated with City's buildings.</i>			
Opening Balance	145,132	145,132	142,332
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	2,900	2,500	2,800
Funds to be Used	-	-	-
	148,032	147,632	145,132
Champion Lakes SAR Asset Renewal			
<i>To be used to assist in the renewal of assets associated with Champion Lakes Estates covered by Specified Area Rating.</i>			
Opening Balance	118,300	118,300	92,200
Funds to be Set Aside - Municipal Funds	21,780	19,600	24,300
Funds to be Set Aside - Interest Earnings	2,370	2,800	1,800
Funds to be Used	-	-	-
	142,450	140,700	118,300
Computer Systems Technologies			
<i>To be used to assist in funding the long-term renewal of City's core computer systems.</i>			
Opening Balance	344,832	344,832	338,032
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	6,900	6,000	6,800
Funds to be Used	-	-	-
	351,732	350,832	344,832
Crossover Contributions			
<i>To be used to assist in funding the construction of Crossovers as a condition of approved building licences.</i>			
Opening Balance	56,000	56,000	54,900
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	1,120	1,000	1,100
Funds to be Used	-	-	-
	57,120	57,000	56,000



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14 Reserves - Cash Backed (continued)	2016 Actual \$	2016 Budget \$	2015 Actual \$
Emergency Waste			
<i>To be used to assist with the costs associated with storm damage clean-up, collections and disposal.</i>			
Opening Balance	207,432	207,432	203,332
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	4,150	3,600	4,100
Funds to be Used	-	-	-
	211,582	211,032	207,432
Employee Provisions			
<i>To be used to cash-back the employees' sick, annual and long-service leave entitlements liability.</i>			
Opening Balance	8,103,952	7,557,308	7,115,008
Funds to be Set Aside - Municipal Funds	476,145	300,000	846,644
Funds to be Set Aside - Interest Earnings	162,080	132,300	142,300
Funds to be Used	-	-	-
	8,742,177	7,989,608	8,103,952
Freehold Sales Capital Works			
<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	136,736	136,736	134,036
Funds to be Set Aside - Municipal Funds	-	211,500	-
Funds to be Set Aside - Interest Earnings	2,730	2,400	2,700
Funds to be Used	-	-	-
	139,466	350,636	136,736
Future Community Facilities			
<i>To be used to assist in the research, planning and construction of future Community Facilities.</i>			
Opening Balance	726,600	726,600	712,400
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	14,530	12,700	14,200
Funds to be Used	-	-	-
	741,130	739,300	726,600
Future Project Funding			
<i>To be used to fund future capital works projects considered in excess of the City's normal funding capacity.</i>			
Opening Balance	13,253,336	8,588,233	8,082,633
Funds to be Set Aside - Municipal Funds	-	-	6,799,403
Funds to be Set Aside - Interest Earnings	265,070	150,300	161,700
Funds to be Used	(514,685)	(480,838)	(1,790,400)
	13,003,721	8,257,695	13,253,336
Future Recreation Facilities			
<i>To be used to assist in the research, planning and construction of future recreation facilities.</i>			
Opening Balance	219,300	219,300	199,700
Funds to be Set Aside - Municipal Funds	50,000	75,000	15,600
Funds to be Set Aside - Interest Earnings	4,390	3,800	4,000
Funds to be Used	-	-	-
	273,690	298,100	219,300
History of the District			
<i>To be used to assist in the research, planning and construction of future recreation facilities.</i>			
Opening Balance	34,040	34,040	33,340
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	680	600	700
Funds to be Used	-	-	-
	34,720	34,640	34,040
Land Acquisition			
<i>To be used to assist in future acquisitions of land for investment or works requirement.</i>			
Opening Balance	431,036	431,036	422,536
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	8,620	7,500	8,500
Funds to be Used	-	-	-
	439,656	438,536	431,036



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14 Reserves - Cash Backed (continued)	2016 Actual \$	2016 Budget \$	2015 Actual \$
Mobile Bin Program			
<i>To be used to assist in the purchase and replacement of the City's Mobile Garbage Bins.</i>			
Opening Balance	1,833,608	1,833,608	1,797,608
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	36,670	32,100	36,000
Funds to be Used	-	-	-
	1,870,278	1,865,708	1,833,608
North Forrestdale DCP 3			
<i>To be used to fund common infrastructure works as identified in the Development Contribution Plan #3.</i>			
Opening Balance	34,604,502	34,613,102	29,278,802
Funds to be Set Aside - Municipal Funds	3,617,855	-	4,593,700
Funds to be Set Aside - Interest Earnings	968,900	692,300	732,000
Funds to be Used	-	-	-
	39,191,257	35,305,402	34,604,502
North Forrestdale SAR Asset Renewal			
<i>To be used to assist in the renewal of assets associated with North Forrestdale Estates covered by Specified Area Rating.</i>			
Opening Balance	2,551,920	2,551,920	2,053,620
Funds to be Set Aside - Municipal Funds	577,470	456,100	457,200
Funds to be Set Aside - Interest Earnings	51,040	61,600	41,100
Funds to be Used	-	-	-
	3,180,430	3,069,620	2,551,920
Plant and Machinery			
<i>To be used to assist in the purchase and replacement of the City's Plant and Machinery requirements.</i>			
Opening Balance	2,424,388	2,258,688	2,751,188
Funds to be Set Aside - Municipal Funds	1,340,870	1,661,100	1,924,300
Funds to be Set Aside - Interest Earnings	48,490	39,500	55,000
Funds to be Used	(932,610)	(2,887,401)	(2,306,100)
	2,881,138	1,071,887	2,424,388
Portable Long Service Leave			
<i>To be used to assist in financing the City's Portable Long Service Leave liability.</i>			
Opening Balance	249,492	249,492	229,892
Funds to be Set Aside - Municipal Funds	38,700	15,000	15,000.00
Funds to be Set Aside - Interest Earnings	4,990	4,400	4,600
Funds to be Used	-	-	-
	293,182	268,892	249,492
Revolving Energy			
<i>To be used to assist in establishing energy efficient management techniques and practices.</i>			
Opening Balance	57,000	54,000	-
Funds to be Set Aside - Municipal Funds	-	-	57,000
Funds to be Set Aside - Interest Earnings	1,140	900	-
Funds to be Used	-	(40,000)	-
	58,140	14,900	57,000
Strategic Asset Investments			
<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	100,944	100,944	98,944
Funds to be Set Aside - Municipal Funds	-	493,500	-
Funds to be Set Aside - Interest Earnings	2,020	1,800	2,000
Funds to be Used	-	-	-
	102,964	596,244	100,944
Waste Management			
<i>To be used to assist in the management and future provisioning of the City's Waste Management Sites.</i>			
Opening Balance	6,828,712	6,944,112	6,264,212
Funds to be Set Aside - Municipal Funds	372,900	852,050	439,200
Funds to be Set Aside - Interest Earnings	136,570	121,500	125,300
Funds to be Used	-	(1,464,400)	-
	7,338,182	6,453,262	6,828,712
Workers Compensation			
<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	365,748	365,748	358,548
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	7,310	6,400	7,200
Funds to be Used	(42,700)	(42,700)	-
	330,358	329,448	365,748



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14 Reserves - Cash Backed (continued)	2016 Actual \$	2016 Budget \$	2015 Actual \$
Works Contributions			
<i>To be used to fund works utilising contributions received from developers, generally pursuant to conditions of development approval.</i>			
Opening Balance	593,064	593,064	581,464
Funds to be Set Aside - Municipal Funds	-	-	-
Funds to be Set Aside - Interest Earnings	11,860	10,400	11,600
Funds to be Used	-	-	-
	604,924	603,464	593,064
Total Reserves			
Opening Balance	74,072,827	68,816,379	61,598,480
Funds to be Set Aside - Municipal Funds	6,517,220	4,105,350	15,192,347
Funds to be Set Aside - Interest Earnings	1,758,270	1,308,400	1,378,500
Funds to be Used	(1,489,996)	(4,915,339)	(4,096,500)
	80,858,321	69,314,790	74,072,827
15 Revaluation Surplus		2016 Actual \$	2015 Actual \$ Restated
Land			
Opening Balance as at 1 July 2015		97,065,721	97,065,721
Revaluation Increment / (Decrement)		-	7,600,000
Transfer of Revaluation on Asset Disposals		(214,322)	-
Closing Balance		96,851,399	104,665,721
Prior Year Correction		-	(7,600,000)
Restated Closing Balance		96,851,399	97,065,721
Buildings			
Opening Balance as at 1 July 2015		47,181,215	45,731,715
Revaluation Increment / (Decrement)		(1,628,056)	1,449,500
		45,553,159	47,181,215
Furniture and Equipment			
Opening Balance as at 1 July 2015		-	-
Revaluation Increment / (Decrement)		281,600	-
		281,600	-
Plant and Machinery			
Opening Balance as at 1 July 2015		1,602,866	1,602,866
Revaluation Increment / (Decrement)		(1,564,773)	-
		38,093	1,602,866
Roads			
Opening Balance as at 1 July 2015		290,266,960	-
Revaluation Increment / (Decrement)		-	290,266,960
		290,266,960	290,266,960
Drainage			
Opening Balance as at 1 July 2015		251,572,914	-
Revaluation Increment / (Decrement)		-	251,572,914
		251,572,914	251,572,914
Pathways			
Opening Balance as at 1 July 2015		34,438,292	-
Revaluation Increment / (Decrement)		-	34,438,292
		34,438,292	34,438,292
Parks and Gardens			
Opening Balance as at 1 July 2015		7,772,333	-
Revaluation Increment / (Decrement)		-	7,772,333
		7,772,333	7,772,333
Waste Infrastructure			
Opening Balance as at 1 July 2015		2,578,842	-
Revaluation Increment / (Decrement)		-	2,578,842
		2,578,842	2,578,842
Landfill Cell			
Opening Balance as at 1 July 2015		5,493,569	-
Revaluation Increment / (Decrement)		-	5,493,569
		5,493,569	5,493,569
Other Infrastructure			
Opening Balance as at 1 July 2015		965,088	-
Revaluation Increment / (Decrement)		-	965,088
		965,088	965,088
SUMMARY OF REVALUATION SURPLUS:			
Opening Balance as at 1 July 2015 - Restated		738,937,800	144,400,302
Transfer of Revaluation Surplus on Asset Disposals		(1,040,664)	-
Changes on Revaluation of Asset Adjustments		(1,534,601)	594,537,498
Changes on Revaluation of Assets During the Year		(550,286)	-
Total Revaluation Surplus		735,812,249	738,937,800



City of Armadale
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16 Notes to the Statement of Cash Flows	2016 Actual \$	2015 Actual \$
a) Reconciliation of Cash		
For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and Cash Equivalents	97,972,464	89,725,812
b) Reconciliation of Net Cash Provided by Operating Activities to Net Result		
Net Result	63,120,996	18,451,429
Depreciation	17,927,381	17,446,183
Amortisation	295,700	-
Developer Contribution Plans - Gifted Assets	(49,872,349)	-
(Profit) / Loss on Sale of Asset	282,597	(1,985,349)
Impairment of Building Asset	-	1,016,201
(Increase) / Decrease in Investments	-	(257,208)
(Increase) / Decrease in Receivables	(3,691,470)	4,345,307
(Increase) / Decrease in Inventories	(97,640)	34,144
Increase / (Decrease) in Payables	2,510,336	(1,196,851)
Increase / (Decrease) in Provisions	476,147	183,420
Grants and Contributions for Asset Development	(5,693,587)	(4,949,002)
Developer Contribution Plans - Cash	(11,090,975)	(10,884,311)
Net Cash from Operating Activities	14,167,137	22,203,963
c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank Overdraft Limit	100,000	100,000
Credit Card Limit	16,000	6,000
Total Amount of Credit Unused	116,000	106,000
Loan Facilities		
Loan Facilities - Current	1,887,962	1,636,495
Loan Facilities - Non-Current	29,303,345	30,484,307
Total Facilities in Use at Balance Date	31,191,307	32,120,802
Unused Loan Facilities at Balance Date	-	-
17 Contingent Liabilities		
The City had no contingent liabilities for the year ended 30 June 2016.		
18 Capital and Leasing Commitments		
(a) Operating Lease Commitments	2016 Actual \$	2015 Actual \$
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	830,694	733,814
- later than one year but not later than five years	1,058,621	1,780,433
- later than five years	113,401	222,284
	2,002,716	2,736,531
(b) Capital Expenditure Commitments	2016 Actual \$	2015 Actual \$
Contracted for:		
- capital expenditure projects	6,631,399	2,472,933
- plant and machinery purchases	616,766	188,972
	7,248,165	2,661,905
Payable:		
- not later than one year	7,248,165	2,661,905
The capital expenditure projects outstanding at the end of the current reporting period is represented by the following expenditure groups:		
Group	2016 Actual \$	2015 Actual \$
Drainage	84,370	97,298
Land / Buildings	84,123	345,174
Parks	3,782,198	786,953
Pathways	154,201	89,576
Plant / Machinery	616,766	188,972
Roads	2,273,694	1,153,932
Other Infrastructure	252,813	-
	7,248,165	2,661,905



City of Armadale
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19 Trust Funds	Balance 1 July 2015 \$	Amounts Received \$	Amounts Paid \$	Balance 30 June 2016 \$
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	2,650,123	43,978	-	2,694,101
Cash in Lieu - POS - Agreements	95,838	423	(70,299)	25,962
Cash in Lieu - POS - Heron	145,800	2,419	-	148,219
Cash in Lieu - POS - Jarrah	165,680	1,070	(101,200)	65,550
Cash in Lieu - POS - Lake	695,599	263,360	(295,048)	663,911
Cash in Lieu - POS - Minnowarra	9,228	153	-	9,381
Cash in Lieu - POS - Neerigen	345,354	149,685	(1,975)	493,064
Cash in Lieu - POS - River	18,566	308	-	18,874
Cash in Lieu of Footpaths	346,094	57,142	(4,168)	399,068
Cash in Lieu of Parking	201,339	3,341	-	204,680
Contractors Deposits	6,912,863	3,591,313	(3,442,320)	7,061,856
Hall and Key Deposits	124,716	299,853	(334,417)	90,152
Sixty Reserve Agreement	72,881	1,208	-	74,089
Cash in Lieu - POS - Flematti Res 49251	231,448	3,841	-	235,289
Kerb Deposits	1,667,891	184,400	(165,080)	1,687,211
POS - Precinct A - Westfield	337,364	5,597	-	342,961
POS - Precinct B - Seville Grove	34,146	567	-	34,713
POS - Precinct C - West Armadale	209,816	3,482	-	213,298
POS - Precinct E - Mount Richon	243,968	4,049	-	248,017
POS - Precinct F - Clifton Hills	713,245	158,623	(191,817)	680,051
POS - Precinct G - Creyk	472,086	7,834	-	479,920
POS - Precinct H - Mount Nasura	626,965	10,404	-	637,369
POS - Precinct O - Palomino	65,704	1,091	-	66,795
POS - Regional Recreation Infrastructure	3,086,151	243,973	-	3,330,124
Rates in Suspense	51,506	2,084	(1,860)	51,730
SEMACC Lease Liability	10,525	-	-	10,525
Town Planning Bonds	594,988	-	-	594,988
Environmental Bond Urban SP South-Piara	229,991	48,359	-	278,350
DCP No3 Item 11A Keane Road Construction	34,853	-	-	34,853
	20,394,728	5,088,557	(4,608,184)	20,875,101

20 Total Assets Classified by Function and Activity	2016 Actual \$	2015 Actual \$
General Purpose Funding	101,695,722	91,564,777
Governance	88,759,413	97,444,669
Law, Order and Public Safety	482,534	530,642
Health	90,502	3,135
Community Amenities	63,403,577	778,952
Recreation and Culture	48,489,057	150,040,125
Transport	793,479,470	790,789,198
Economic Services	1,463,835	7,926
Other Property and Services	95,841,906	-
	1,193,706,016	1,131,159,424



City of Armadale
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	Net Book Value		Sale Price		Profit / (Loss)	
	Actual	Budget	Actual \$	Budget \$	Actual \$	Budget \$
21 Disposal of Assets						
Land and Buildings						
Governance (POS Land Sales)	230,000	705,000	210,000	705,000	(20,000)	-
Total Land and Buildings	230,000	705,000	210,000	705,000	(20,000)	-
Furniture and Equipment						
Recreation and Culture	99,861	-	-	-	(99,861)	-
Total Furniture and Equipment	99,861	-	-	-	(99,861)	-
Plant and Machinery						
Governance	33,310	75,210	34,235	62,821	925	(12,389)
Law Order and Public Safety	85,629	51,917	110,665	33,411	25,036	(18,506)
Health	29,060	25,120	34,655	17,706	5,595	(7,414)
Education and Welfare	26,949	42,150	32,100	33,269	5,151	(8,881)
Community Amenities	282,093	427,582	205,365	254,486	(76,728)	(173,096)
Recreation and Culture	129,333	210,670	114,311	159,258	(15,022)	(51,412)
Transport	141,946	379,850	147,533	375,484	5,587	(4,366)
Economic Services	10,783	10,730	10,756	8,065	(27)	(2,665)
Other Property and Services	14,216	-	16,873	-	2,657	-
Total Plant and Machinery	753,319	1,223,229	706,493	944,500	(46,826)	(278,729)
Infrastructure Assets						
Recreation and Culture	25,467	-	-	-	(25,467)	-
Transport	90,443	-	-	-	(90,443)	-
Total Infrastructure Assets	115,910	-	-	-	(115,910)	-
Total Disposal of Assets	1,199,090	1,928,229	916,493	1,649,500	(282,597)	(278,729)
					Profit on Asset Disposals	44,951
					Loss on Asset Disposals	(327,548)
						(282,597)
						(278,729)

22 Financial Ratios	2016	2015	2014
Current Ratio	2.55	2.54	1.43
Asset Sustainability Ratio	0.78	0.82	1.04
Debt Service Cover Ratio*	5.36	3.16	2.15
Operating Surplus Ratio*	-0.04	0.05	-0.01
Own Source Revenue Coverage Ratio	0.91	0.96	0.95

*These ratios have been adjusted in the previous financial years to take into account revised accounting treatments adopted in 2016 for Developer Contributions.

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.

	2016	2015	2014
Asset Consumption	0.75	0.76	0.70
Asset Renewal Funding**	1.39	1.33	0.95

** 2015 ratio has been restated based on corrected plans.
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	=	$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$



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23 Information on Borrowings

a) Repayment - Debentures (actual)	Loan Type	Principal 1 July 2015	New Loans	Principal Repayments Actual	Principal 30 June 2016 Actual	Interest Repayments Actual
Particulars		\$	\$	\$	\$	\$
Governance						
292 Loan Borrowings 2008	Debenture	357,166	-	34,285	322,881	25,416
295 Old Library Conversion 2009	Debenture	399,813	-	70,958	328,854	22,394
296 Loan Borrowings 2009	Debenture	384,790	-	32,279	352,511	25,507
298 Loan Borrowings 2010	Debenture	314,139	-	55,753	258,386	17,595
306 Loan Borrowings 2011	Debenture	448,567	-	64,697	383,870	24,462
316 Orchard House 2014	Debenture	3,392,316	-	112,893	3,279,423	160,657
318 Orchard House 2015	Debenture	10,700,000	-	247,922	10,452,078	376,633
Recreation and Culture						
284 Rushton Park 2006	Debenture	41,510	-	41,510	-	1,925
291 Aquatic Works 2008	Debenture	397,666	-	19,249	378,417	28,524
294 Armadale Library Relocation 2009	Debenture	628,278	-	111,506	516,771	35,190
299 Aquatic Centre Upgrade 2010	Debenture	737,620	-	55,215	682,405	44,715
300 Frye Park Redevelopment 2010	Debenture	262,735	-	46,630	216,105	14,716
302 Aquatic Cnte Upgrade 2012	Debenture	1,259,663	-	48,622	1,211,041	75,023
304 Frye Park Redevelopment 2011	Debenture	939,902	-	36,279	903,623	55,979
305 Piara Waters (North) 2011	Debenture	940,200	-	62,876	877,324	54,354
307 Equestrian Facilities 2012	Debenture	151,726	-	74,514	77,213	4,704
311 Aquatic Centre Upgrade 2012	Debenture	1,440,464	-	58,068	1,382,395	63,811
314 Oval Lighting Renewal	Debenture	900,000	-	76,717	823,283	30,527
322 Kelmscott Library Stage 1	Debenture	-	707,000	-	707,000	468
Transport						
290 ARA Projects 2008	Debenture	81,568	-	25,265	56,303	5,497
303 Civil Works	Debenture	228,935	-	33,019	195,916	12,485
317 Abbey Road Project 2014	Debenture	2,750,944	-	259,193	2,491,751	107,964
320 Abbey Road Project Refinance 2015	Debenture	4,552,800	-	-	4,552,800	142,047
321 Armadale Arena Roofing 2015	Debenture	810,000	-	69,045	740,955	27,474
		32,120,803	707,000	1,636,494	31,191,307	1,358,066

**All Loans are with the Western Australian Treasury Corporation

b) Repayment - Debentures (budget)	Loan Type	Principal 1 July 2015	New Loans	Principal Repayments Budget	Principal 30 June 2016 Budget	Interest Repayments Budget
Particulars		\$	\$	\$	\$	\$
Governance						
292 Loan Borrowings 2008	Debenture	357,166	-	34,300	322,866	28,380
295 Old Library Conversion 2009	Debenture	399,813	-	71,000	328,813	27,700
296 Loan Borrowings 2009	Debenture	384,790	-	32,300	352,490	28,370
298 Loan Borrowings 2010	Debenture	314,139	-	55,800	258,339	21,770
306 Loan Borrowings 2011	Debenture	448,567	-	64,700	383,867	29,490
316 Orchard House 2014	Debenture	3,392,316	-	112,890	3,279,426	174,190
318 Orchard House 2015	Debenture	10,700,000	-	278,160	10,421,840	532,660
Recreation and Culture						
284 Rushton Park 2006	Debenture	41,510	-	41,510	-	4,590
291 Aquatic Works 2008	Debenture	397,666	-	19,200	378,466	30,640
294 Armadale Library Relocation 2009	Debenture	628,278	-	111,500	516,778	43,540
299 Aquatic Centre Upgrade 2010	Debenture	737,620	-	55,200	682,420	48,830
300 Frye Park Redevelopment 2010	Debenture	262,735	-	46,600	216,135	15,100
302 Aquatic Cnte Upgrade 2012	Debenture	1,259,663	-	48,600	1,211,063	80,720
304 Frye Park Redevelopment 2011	Debenture	939,902	-	36,300	903,602	60,220
305 Piara Waters (North) 2011	Debenture	940,199	-	62,900	877,299	60,210
307 Equestrian Facilities 2012	Debenture	151,726	-	77,200	74,526	6,850
308 Armadale Hall Upgrade	Debenture	-	712,000	-	712,000	-
311 Aquatic Centre Upgrade 2012	Debenture	1,440,463	-	60,700	1,379,763	67,280
312 Harrisdale (East) Playing Fields	Debenture	-	500,000	-	500,000	-
322 Kelmscott Library Stage 1	Debenture	-	745,000	-	745,000	-
314 Oval Lighting Renewal	Debenture	900,000	-	76,700	823,300	31,100
315 Armadale Golf Course	Debenture	-	544,000	-	544,000	-
313 Greendale Centre	Debenture	-	500,000	-	500,000	-
323 Armadale District Hall Upgrade	Debenture	-	2,660,000	-	2,660,000	-
Transport						
290 ARA Projects 2008	Debenture	81,567	-	25,300	56,267	7,430
303 Civil Works	Debenture	228,935	-	33,000	195,935	14,990
317 Abbey Road Project 2014	Debenture	2,750,944	-	249,060	2,501,884	138,430
320 Abbey Road Project Refinance 2015	Debenture	4,552,800	-	-	4,552,800	225,190
321 Armadale Arena Roofing 2015	Debenture	810,000	-	56,900.00	753,100	59,700
		32,120,802	5,661,000	1,649,820	36,131,980	1,737,380



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23 Information on Borrowings (continued)

c) New Debentures - 2015/16

Particulars

	Amount Borrowed Actual	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate	Amount Used Actual	Balance Unspent
	\$			\$	%	\$	\$
322 Kelmscott Library Stage 1	707,000	Debenture	10	468	2.69%	707,000	-
	707,000			468		707,000	-

	Amount Borrowed Budget	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate	Amount Used Actual	Balance Unspent
	\$			\$	%	\$	\$
308 Armadale Hall Upgrade	712,000	Debenture	10	-		712,000	-
312 Harrisdale (East) Playing Fields	500,000	Debenture	5	-		500,000	-
322 Kelmscott Library Stage 1	745,000	Debenture	10	-		745,000	-
315 Armadale Golf Course	544,000	Debenture	10	-		544,000	-
313 Greendale Centre	500,000	Debenture	5	-		500,000	-
323 Armadale District Hall Upgrade	2,660,000	Debenture	10	-		2,660,000	-
	5,661,000			-		5,661,000	-

** All new loans are planned or have been taken out with the Western Australian Treasury Corporation

23 Information on Borrowings (continued)

d) Unspent Debentures

The City had no unspent debentures at 30 June 2016.

e) Overdraft Facilities

The City did not utilise an overdraft during the 2015/16 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 2015 and 30 June 2016 was nil.



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24 Rating Information

a) Rating Information (Budget)	Rate in \$	Property Numbers #	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$
Rate Type						
Gross Rental Value Lands						
Group 1 - Vacant	15.700	952	21,361,791	3,353,801	-	3,353,801
Group 2 - Residential Improved	8.0240	23,743	451,667,207	36,241,777	-	36,241,777
Group 3 - Business Improved	8.7480	639	79,116,516	6,921,113	-	6,921,113
Unimproved Value Lands	0.4150	131	211,177,000	876,385	-	876,385
Sub-Total		25,465	763,322,514	47,393,076	-	47,393,076
Minimum Payments						
Gross Rental Value Lands						
Group 1 - Vacant	1,084	2,236	11,658,419	2,423,824	957,200	3,381,024
Group 2 - Residential Improved	1,084	4,076	49,932,972	4,418,384	-	4,418,384
Group 3 - Business Improved	1,262	365	3,916,404	460,630	-	460,630
Unimproved Value Lands	1,299	24	4,571,421	31,176	-	31,176
Sub-Total		6,701	70,079,216	7,334,014	957,200.00	8,291,214
General Rates Raised		32,166	833,401,730	54,727,090	957,200	55,684,290
Rate Equivalent Payments and Adjustments						(43,200)
Specified Area Rates						828,300
Total						56,469,390
b) Rating Information (Actual)						
Rate Type						
Gross Rental Value Lands						
Group 1 - Vacant	15.700	953	21,025,980	3,301,079	(548,957)	2,752,122
Group 2 - Residential Improved	8.0240	24,115	460,729,570	36,968,935	1,540,371	38,509,306
Group 3 - Business Improved	8.7480	820	78,237,971	6,810,998	303,298	7,114,296
Unimproved Value Lands	0.0042	132	218,027,000	904,812	333,524	1,238,336
Sub-Total		26,020	778,020,521	47,985,824	1,628,236	49,614,060
Minimum Payments						
Gross Rental Value Lands						
Group 1 - Vacant	1,084	1,957	10,143,630	2,121,388	-	2,121,388
Group 2 - Residential Improved	1,084	4,063	49,680,208	4,404,292	-	4,404,292
Group 3 - Business Improved	1,262	351	3,844,315	442,962	-	442,962
Unimproved Value Lands	1,299	57	9,608,421	74,043	-	74,043
Sub-Total		6,428	73,276,574	7,042,685	-	7,042,685
General Rates Raised		32,448	851,297,095	55,028,509	1,628,236	56,656,745
Rate Equivalent Payments and Adjustments						26,726
Specified Area Rates						854,521
Rates In Advance						1,079,997
Total						58,617,989



City of Armadale
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24 Rating Information (continued)	Rate in \$	Property Numbers #	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$
a) Specified Area Rates (Budget)						
Rate Type						
Specified Area Rate - GRV						
A - Armadale CBD	0.380	91	30,487,673	115,800	-	115,800
B - Kelmscott CBD	0.954	90	8,092,116	77,200	-	77,200
C - Kelmscott Industry	0.175	338	11,030,043	19,300	-	19,300
D - South Armadale Industry	0.369	130	5,987,109	22,100	-	22,100
E - Shopping Precincts	0.729	6	3,002,911	21,900	-	21,900
F - North Forrestdale	0.706	3,583	77,866,556	550,100	-	550,100
G - Champion Lakes	0.599	266	3,655,485	21,900	-	21,900
Total		4,504	140,121,893	828,300	-	828,300
b) Specified Area Rates (Actual)						
Rate Type						
Specified Area Rate - GRV						
A - Armadale CBD	0.380	91	30,474,073	115,800	(246)	115,554
B - Kelmscott CBD	0.954	90	8,092,116	77,200	4,692	81,892
C - Kelmscott Industry	0.175	336	11,008,030	19,300	(107)	19,193
D - South Armadale Industry	0.369	130	5,987,109	22,100	(8)	22,092
E - Shopping Precincts	0.729	7	3,002,911	21,900	(9)	21,891
F - North Forrestdale	0.706	3,562	78,453,788	553,900	13,332	567,232
G - Champion Lakes	0.599	271	4,012,605	24,000	2,667	26,667
Total		4,487	141,030,632	834,200	20,321	854,521

In the 2015 - 2016 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.

25 Service Charges

No service charges were imposed for the 2015 - 2016 financial year. As such, no transfer to, or from, Reserve Accounts has occurred.

26 Discounts, Incentives, Concessions and Write-Offs

Discounts

No discounts were offered in the 2015 - 2016 financial year.

Incentives

Four rate payment incentives were offered in the 2015 - 2016 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, City'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

During the 2015/16 year the City of Armadale issued rates concessions to 192 rate payers. The total of rates concessions applied was \$33,531.

Write-Offs

The following write-offs were made during the 2015 - 2016 financial year -

	\$
Rates	59,037
General	144,167
Infringements	57,445
	<u>260,649</u>



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27 Interest Charges and Instalments

Particulars	Interest Rate %	Admin Charge \$	Actual Revenue \$	Budgeted Revenue \$
Interest on late paid rates	11	-	166,800	165,000
Interest on instalment plans	5.5	-	223,109	161,000
Interest on Emergency Services Levy (ESL)	11	-	12,099	9,000
Charges on instalment plans (per payment)	-	8.00	193,672	142,500
Charges on special arrangements	-	48.00	6,254	4,000
			601,934	481,500

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.

28 Fees and Charges

	2016 Actual \$	2015 Actual \$
General Purpose Funding	465,184	522,801
Governance	847,254	13,250
Law, Order and Public Safety	650,184	683,377
Health	192,238	229,592
Education and Welfare	109,865	5,927
Community Amenities	13,369,722	12,258,758
Recreation and Culture	1,574,545	1,495,809
Transport	795,785	846,680
Economic Services	1,225,949	1,472,546
Other Property and Services	92,301	273,864
	19,323,029	17,802,604

29 Grant, Subsidies and Contributions Revenue

By Nature or Type

Operating Grants, Subsidies and Contributions	4,498,543	6,930,160
Non-Operating Grants, Subsidies and Contributions	5,693,587	4,949,002
Developer Contribution Plans - Cash	11,090,975	10,884,311
	21,283,106	22,763,472

By Program

General Purpose Funding	1,292,223	3,289,470
Governance	10,089	54,146
Law, Order and Public Safety	368,707	344,546
Health	1,170	35
Education and Welfare	473,089	373,684
Community Amenities	7,559,093	7,540,205
Recreation and Culture	4,187,132	2,960,689
Transport	7,341,821	8,164,410
Economic Services	33,332	36,285
	21,283,106	22,763,472

30 Events after the Reporting Period

There have been no significant events of a material nature to report since the end of the financial year.

31 Employee Numbers

	2016	2015
Number of Full-Time Equivalent Employees at Balance Date	358	345



City of Armadale
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32 Councillors' Fees and Allowances

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

	2016 Actual \$	2016 Budget \$	2015 Actual \$
Members Allowance	448,050	401,700	448,050
Mayoral Allowance	87,550	133,900	87,550
Deputy Mayoral Allowance	21,888	21,888	21,890
Travelling Allowance	7,072	10,500	10,618
Communication Reimbursement	11,532	15,876	12,324
Child Minding Reimbursement	-	5,000	-
Information Technology Allowance	49,000	49,000	49,000
Vehicle Operation - Mayor	8,186	12,000	14,991
	633,278	649,864	644,423

33 Major Land Transactions

No major land transactions occurred during the 2015/16 Financial Year.

34 Major Trading

No major trading undertakings occurred during the 2015/16 Financial Year.

35 Fair Value Measurement

The City measures the following assets at fair value on a recurring basis after initial recognition:

- Land
- Buildings
- Plant and Machinery
- Furniture and Fittings
- Roads
- Drainage
- Pathways
- Parks and Reserves
- Waste Infrastructure
- Landfill Cell

The following table provides the fair value of the City's assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

Recurring Fair Value Measurements

	Note	30-Jun-16			Total
		Level 1	Level 2	Level 3	
Non-Financial Assets					
Land	6	-	102,364,000	-	102,364,000
Buildings	6	-	-	94,269,906	94,269,906
Furniture and Fittings	6	-	-	1,974,873	1,974,873
Plant & Machinery	6	-	-	7,541,262	7,541,262
Roads	7	-	-	446,606,111	446,606,111
Drainage	7	-	-	274,634,428	274,634,428
Pathways	7	-	-	41,101,955	41,101,955
Parks and Reserves	7	-	-	40,856,665	40,856,665
Waste Infrastructure	7	-	-	2,550,405	2,550,405
Other Infrastructure	7	-	-	1,025,755	1,025,755
Landfill Cell	8	-	-	5,411,813	5,411,813
Total non-financial assets recognised at fair value on a recurring basis		-	102,364,000	915,973,173	1,018,337,177

	Note	30-Jun-15			Total
		Level 1	Level 2	Level 3	
Non-Financial Assets					
Land	6	-	104,166,000	-	104,166,000
Buildings	6	-	-	91,707,170	91,707,170
Furniture and Fittings	6	-	-	647,515	647,515
Plant & Machinery	6	-	-	8,340,624	8,340,624
Roads	7	-	-	446,978,111	446,978,111
Drainage	7	-	-	275,025,905	275,025,905
Pathways	7	-	-	40,722,141	40,722,141
Parks and Reserves	7	-	-	37,399,402	37,399,402
Waste Infrastructure	7	-	-	2,578,839	2,578,839
Other Infrastructure		-	-	965,088	965,088
Landfill Cell	8	-	-	5,493,569	5,493,569
Total non-financial assets recognised at fair value on a recurring basis		-	104,166,000	909,858,364	1,014,024,368



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35 Fair Value Measurement (continued)

(a) Transfers Policy

The policy of the City is to recognise transfers into and transfer out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between Level 1 and Level 2 for recurring fair value measurements during the year. There were also no transfers in and out of Level 3 measurements.

(b) Highest and Best Use

There were no assets valued where it was assumed that the highest and best use was other than their current use.

(c) Valuation techniques and Inputs used to derive fair values

The following table summarises valuation inputs and techniques used to determine the Fair value for each asset class.

Non-Financial Assets					
Asset	Level of Valuation Input	Fair Value at 30 June 2016	Valuation Technique(s)	Inputs Used	
Land	2	102,364,000	Market approach	Price per square metre	
Buildings	3	94,269,906	Cost Approach	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.	
Furniture and Fittings	3	1,974,873	Cost and Market approach	Make, size, year of manufacture and condition, physical location, difficulty of removal, adaptability or specialisation, marketability, physical condition, overall appearance and total psychological appeal.	
Plant and Machinery	3	7,541,262	Cost and Market approach	Make, size, year of manufacture and condition, Residual value on typical operating condition.	
Roads	3	446,606,111	Cost Approach	Seal	Price per square metre. No residual value. Useful life. Fair value based on combination of age and condition.
				Sub-Grade / Pavement	Price per square metre. No residual value. Useful life. Fair value based on age.
				Kerbing	Price per metre. No residual value, Useful life. Fair Value based on age.
Drainage	3	274,634,428	Cost Approach	Price per metre / unit . No residual value. Useful life. Fair Value based on age.	
Pathways	3	41,101,955	Cost Approach	Price per square metre. No residual value. Useful life. Fair Value based on age.	
Parks and Reserves	3	40,856,665	Cost Approach	Price per metre, square metre, unit. No residual value. Fair Value based on a combination of condition and age. Calculations based on age, useful life and remaining useful life.	
Waste Infrastructure	3	2,550,405	Cost Approach	Price per metre, square metre, unit. No residual value. Fair Value based on a combination of condition and age. Calculations based on age, useful life and remaining useful life.	
Other Infrastructure	3	1,025,755	Cost Approach	Price per metre, square metre, unit. No residual value. Fair Value based on a combination of condition and age. Calculations based on age, useful life and remaining useful life.	
Landfill Cell	3	5,411,813	Cost Approach	Price per hectare.	
TOTAL		1,018,337,177			



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35 Fair Value Measurement (continued)

Recurring fair value measurements

Land

Where there is directly comparable market evidence, Level 2 valuation inputs were used to value land held in freehold title (investment and non-investment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Level 2 valuation inputs were used to value land held in freehold title (investment and noninvestment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Buildings

Level 3 valuation inputs

Specialised buildings were valued using the cost approach using professionally qualified registered valuers. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs

Plant, Equipment, Furniture and Fittings

These classes of assets were revalued during the year as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A and in accordance with the mandatory asset measurement framework detailed at Note 1(c). Valuation was conducted by management and these asset classes will be revalued again in 2019.

Most plant and equipment assets are generally valued using the cost approach using depreciated replacement cost and relevant industry market price reference guides, and have been classified as being valued at Level 3 of the fair value hierarchy. The most significant inputs into this valuation approach are the make, size, year of manufacture and condition.

Roads

All roads, kerbs and car park valuations were performed by an external Professional Civil Engineer with the Assistance of the Cities Senior Asset Engineer (Qualified Civil Engineer). Level 3 valuation inputs were used to value the road surface, sub surface, pavement and kerbing. A cost approach were used which were based on actual construction unit rates currently utilised by the City Operations Team. Unit rates are based on price per square metre. Unit rates are inclusive of material, labour, machinery, traffic management and supervision cost.

Drainage

Drainage valuations were performed by an external Professional Civil Engineer (Australian Infrastructure Management) with the Assistance of the Cities Senior Asset Engineer (Qualified Civil Engineer). Level 3 valuation inputs were used to value the pits, pipes and open drains. A cost approach were followed which were based on Industry Standard rates as prescribed by the Rawlinsons Construction Handbook. Unit rates are based on either price per linear metre or per component.

Pathways

Pathway valuations were performed by an external Professional Civil Engineer (Australian Infrastructure Management) with the Assistance of the Cities Senior Asset Engineer (Qualified Civil Engineer). Level 3 valuation inputs were used to value paths. A cost approach were followed which were based on actual construction unit rates currently utilised by the Cities Operations Team. Unit rates are based on price per square metre. Unit rates are inclusive of material, labour, machinery, traffic management and supervision cost.

Parks and Reserves

Parks valuations were performed by an external Professional Civil Engineer (Australian Infrastructure Management). Level 3 valuation inputs were used to value parks. A cost approach were followed which were based on Industry Standard rates as prescribed by the Rawlinsons Construction Handbook as well as actual cost. Unit rates are based on either price per linear metre, square metre or component.

Waste Infrastructure

Waste infrastructure valuations were performed by an independent valuer (APV Valuers and Asset Management). Level 3 valuation inputs were used. The valuer determined an asset consumption rating scale for each asset type based on the inter-relationship between the asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value, useful life and pattern of consumption of the future economic benefit.

Landfill Cell

The Landfill Cell comprises both the cells and capping and is classified as a land improvement which is recorded separate to the land. The underlying land is valued independently of the land improvements. The valuation has been determined using the cost approach. This included disaggregating the overall land improvements into a range of different components based on each component providing a different purpose and as a result exhibiting a different useful life. Day to day operating costs (such as minor maintenance and monitoring) has been excluded from the valuation. To provide consistency, any associated day to day revenues have also been excluded from the valuation.

Observable inputs to the valuation included the dimensions and design of the asset, the average unit rate for similar construction based on recent projects undertaken by the entity and the amount of remaining life of the site. This has been based on council's statutory requirement to continue monitoring the site post complete consumption of the landfill. All calculations assume a zero residual value and a constant pattern of consumption. The approach applied for each component was;

- Cost to prepare site - based on current costs and depreciate to nil over remaining life of site. These costs were negligible and therefore have not been included as a separate component.
- Cost to prepare each cell - based on current cost and depreciated to nil as cell is filled.

Where the council has an obligation for future rehabilitation or remediation such costs estimates are discounted to current costs, reported as a liability and also recognised as part of the value of the landfill.



City of Armadale
Notes to, and forming part of, the Financial Report
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35 Fair Value Measurement (continued)

(d) Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

Description	Note	Fair Value Hierarchy	Valuation Technique(s)	Inputs Used
Liabilities				
Borrowings	23	2	income approach using discounted cash	Current treasury borrowing rates for similar instruments

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements.

36 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	
	2016	2015	2016	2015
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	97,972,464	89,725,812	97,972,464	89,725,812
Receivables	7,997,043	4,305,572	7,997,043	4,305,572
	105,969,507	94,031,384	105,969,507	94,031,384
Financial Liabilities				
Payables	8,450,736	6,046,690	8,450,736	6,046,690
Borrowings	31,191,307	32,120,803	20,582,592	20,077,803
	39,642,043	38,167,492	29,033,329	26,124,493

Fair value is determined as follows;

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

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

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

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

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns. The City's weighted average interest rate on cash and cash deposits was 2.84% (2014/15 - 3.43%).

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 2016	30 June 2015
	\$	\$
Impact of a 1% movement in interest rates on Cash and Investments		
Equity	979,725	897,258
Income statement	979,725	897,258

b. Receivables

The City's major receivables comprise rates and annual charges and user receivables 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.



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

36 Financial Risk Management (continued)

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

	30 June 2016 \$	30 June 2015 \$
Value of Rates and Annual Charges		
Current	1,315,887	1,208,227
Overdue - Older than 12 months	578,629	588,416
	<u>1,894,517</u>	<u>1,796,643</u>
Percentage of Rates and Annual Charges		
Current	69%	67%
Overdue - Older than 12 months	31%	33%
Value of Other Receivables		
Current	5,758,754	2,219,603
Overdue - Older than 30 days	393,486	330,484
	<u>6,152,240</u>	<u>2,550,087</u>
Percentage of Other Receivables		
Current	94%	87%
Overdue - Older than 30 days	6%	13%
	<u>100%</u>	<u>100%</u>

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 \$
2016					
Payables	8,258,333	192,403	-	8,450,736	8,450,736
Borrowings	3,445,021	18,204,723	19,107,479	40,757,222	31,191,307
	<u>11,703,354</u>	<u>18,397,125</u>	<u>19,107,479</u>	<u>49,207,958</u>	<u>39,642,043</u>
2015					
Payables	5,899,065	147,625	-	6,046,690	6,046,690
Borrowings	3,363,914	17,799,190	18,783,052	39,946,156	32,120,803
	<u>9,262,979</u>	<u>17,946,815</u>	<u>18,783,052</u>	<u>45,992,846</u>	<u>38,167,493</u>

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 2016					
Borrowings					
Fixed Rate					
Debentures	4.22	3,445,021	18,204,723	19,107,479	40,757,222
Year ended 30 June 2015					
Borrowings					
Fixed Rate					
Debentures	4.25	3,363,914	17,799,190	18,783,052	39,946,156



City of Armadale
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37 Information on Surplus / (Deficit) Brought Forward

	2016 (30 June 2016 Carried Forward) \$	2016 (1 July 2016 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
Surplus/(Deficit)	11,435,814	12,001,886	12,001,886
Comprises:			
Cash - Unrestricted	17,024,193	15,588,966	15,588,966
Cash Restricted	80,948,271	74,136,846	74,136,846
Receivables and Accruals	7,074,641	3,427,830	3,427,830
Land Held for Resale	1,572,000	-	-
Inventories	184,251	86,611	86,611
	106,803,356	93,240,253	93,240,253
Creditors & Accruals	(8,258,333)	(5,899,065)	(5,899,065)
Interest Bearing Liabilities	(1,887,962)	(1,636,495)	(1,636,495)
Provisions	(7,270,533)	(6,809,954)	(6,809,954)
	(17,416,828)	(14,345,514)	(14,345,514)
Net Current Position (prior to adjustments)	89,386,528	78,894,739	78,894,739
Less:			
Reserves	(80,858,321)	(74,072,826)	(74,072,826)
Restricted Grants (that will not be used in the next year)	-	-	-
Restricted - Rate Equivalent Payments and Adjustments	-	(25,406)	(25,406)
Restricted - Specified Area Rates (to carry forward)	-	(710,723)	(710,723)
Restricted - Rates In Advance	(4,678,888)	(530,347)	(530,347)
Land Held for Resale	(1,572,000)	-	-
Unspent Loans	-	-	-
Self Supporting Loans	-	-	-
Add:			
Current Borrowings	1,887,962	1,636,495	1,636,495
Employee Provisions Reserve Cash Backed	7,270,533	6,809,954	6,809,954
	11,435,814	12,001,886	12,001,886



City of Armadale
Notes to, and forming part of, the Financial Report
For the year ended 30 June 2016

38 Prior Year Correction

Nature of Correction

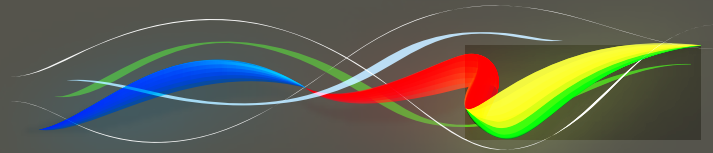
During the reporting period, it was found that the City has inadvertently doubled up on a land valuation during the tip site valuation in the 2015 financial year, to the value of \$7.6m. This parcel of land was originally brought in at fair value in the 2014 financial year when the City's land and buildings were valued and again in 2015 financial year when the landfill infrastructure valuation was done.

The error has now been identified and the following adjustments have been made to the comparative amounts in the 30 June 2016 Financial Report:

	Previously Reported Balance as at 30-Jun-15 \$	Correction \$	Restated Balance as at 30-Jun-15 \$
Statement of Comprehensive Income - By Nature or Type and Program			
Changes on revaluation of non-current assets	602,137,497	(7,600,000)	594,537,497
Total Comprehensive Income	602,137,497	(7,600,000)	594,537,497
Statement of Financial Position			
Property, Plant and Equipment	220,256,195	(7,600,000)	212,656,195
Total Non-Current Assets	1,045,519,171	(7,600,000)	1,037,919,171
Total Assets	1,138,759,424	(7,600,000)	1,131,159,424
Net Assets	1,090,005,030	(7,600,000)	1,082,405,030
Revaluation Surplus	746,537,800	(7,600,000)	738,937,800
Total Equity	1,090,005,030	(7,600,000)	1,082,405,030
Statement of Changes in Equity			
Changes on Revaluation of Assets	602,137,496	(7,600,000)	594,537,496
Revaluation Surplus	746,537,800	(7,600,000)	738,937,800
Total Equity	1,090,005,031	(7,600,000)	1,082,405,031
Notes to, and forming part of, the Financial Report			
Note 6 - Property, Plant and Equipment			
Land - Management Valuation	111,766,000	(7,600,000)	104,166,000
Total Property, Plant and Equipment	220,256,194	(7,600,000)	212,656,194
Movement in Carrying Amounts			
Closing Amount	111,766,000	(7,600,000)	104,166,000
Note 15 - Revaluation Surplus			
Land			
Revaluation Increment/(Decrement)	7,600,000	(7,600,000)	-
Closing Balance	104,665,722	(7,600,000)	97,065,722
Summary of Revaluation Surplus			
Revaluation Increment/(Decrement)	602,137,497	(7,600,000)	594,537,497
Total Revaluation Surplus	746,537,800	(7,600,000)	738,937,800
Note 20 - Total Assets Classified by Function and Activity			
Transport	798,389,198	(7,600,000)	790,789,198
Total	1,138,759,424	(7,600,000)	1,131,159,424
Note 35 - Fair Value Measurement			
Land - Level 2	111,766,000	(7,600,000)	104,166,000



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